



**COMCEC**

# **REPORT THIRTY FOURTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC**



**Ankara, 9-10 May 2018  
COMCEC Coordination Office**

**OIC/COMCEC-FC/34-18/REP**

# **COMCEC**

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

## **REPORT**

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**COMCEC Coordination Office  
Ankara, May 2018**

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# **R E P O R T**

**THIRTY FOURTH MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE  
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE  
ORGANIZATION OF THE ISLAMIC COOPERATION**

**(Ankara, 9-10 May 2018)**

Original: English

**REPORT**  
**THIRTY FOURTH MEETING OF THE**  
**FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE**  
**FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE**  
**ORGANIZATION OF ISLAMIC COOPERATION**  
**(Ankara, 9-10 May 2018)**

1. The Thirty Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) was held on 9-10 May 2018 in Ankara, the Republic of Turkey.

2. The 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- State of Qatar                | : | (Vice Chairman, Representing the Arab Region),  |
| 5- Malaysia                      | : | (Vice Chairman, Representing the Asian Region), |
| 6- Islamic Republic of Pakistan: | : | (Rapporteur),                                   |
| 7- State of Kuwait               | : | (Member of the Previous Bureau),                |
| 8- Republic of Indonesia         | : | (Member of the Previous Bureau).                |

3. In addition, Representatives of the OIC General Secretariat, COMCEC Coordination Office, Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC), Islamic Center for the Development of Trade (ICDT), Islamic Development Bank (IDB), International Islamic Trade Finance Corporation (ITFC), Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), Islamic Chamber of Commerce, Industry and Agriculture (ICCIA), the Standards and Metrology Institute of Islamic Countries (SMIIC) and Organization of Shipowners Association of the OIC (OISA) attended the Meeting.

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

### **Agenda Item 1: Opening Session**

4. Following the recitation from the Holy Qur'an, H.E. Yusuf COŞKUN, Deputy Minister of Development of the Republic of Turkey, inaugurated the Meeting.

5. H.E. Recep Tayyip ERDOĞAN, President of the Republic of Turkey and Chairman of the COMCEC, sent a message to the Meeting. His message was read out by H.E. Ambassador Sadık ARSLAN, Chief Foreign Policy Advisor to the President. In his message, H.E. Recep Tayyip ERDOĞAN underlined that the Islamic world is going through a hard period and witnessing a number of developments that will shape the future of the member countries. H.E. President further expressed that, as the Muslims, we need to stand together and support our brothers and sisters facing tragically destructive conflicts and even genocide.

6. President ERDOĞAN touched upon the major developments during Turkey's Chairmanship of the OIC. The President expressed that by motivating the potential of the OIC, we have deployed a series of measures in effort to rightfully champion the causes of the Muslim brothers and sisters in the international arena. H.E. President emphasized that we did not remain silent to the genocide and torture that the Rohingya Muslims were exposed to, and we made a great effort to end this persecution by taking initiatives both in other countries and international organizations. In addition, with the support of other countries, we have made the whole world stand corrected regarding the issues connected to Jerusalem and utter no historical falsehood.

7. President ERDOĞAN also drew the attention of the Committee to the need of structural and fundamental steps that can help bring out the commercial potential of Islamic countries. The President mentioned that TPS-OIC is of particular importance and for the implementation of the TPS-OIC. He invited the member states that have not yet completed ratification processes of the TPS-OIC agreements to complete the ratification processes, and those that have ratified the agreements to update the concession lists.

8. H.E. Recep Tayyip ERDOĞAN also underlined that long-term steps should be taken to strengthen our economic infrastructure by paying more attention to technology and especially value-added production.

9. In this respect, the President ERDOĞAN touched upon the need of transforming the Member States' industries and economies for the production



of high value-added industrial products and to strengthen them with new programs in high-tech fields, such as energy, renewable energy, computer and software, telecommunication and medical devices.

10. In his message, H.E. Recep Tayyip ERDOĞAN also emphasized the importance of trade facilitation and reduction of customs procedures, as well as the harmonization of different implementations. In this respect, H.E. ERDOĞAN expressed his appreciation for designation of the theme of the Exchange of Views Session of the next COMCEC Session as “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States.”

11. President ERDOĞAN lastly touched upon the importance of the instruments of the COMCEC Strategy, namely the Working Group Meetings and Project Funding Mechanism, which are useful tools in approximating policies among and enhancing human capital and institutional capacity in the member states.

12. President ERDOĞAN concluded his message by wishing success to the participants of the 34<sup>th</sup> Follow-up Committee Meeting of the COMCEC.

*(A copy of the text of the Message of H.E. President Recep Tayyip ERDOĞAN is attached as Annex II.)*

13. Following the message of H.E. Recep Tayyip ERDOĞAN, H.E. Yusuf COŞKUN, the Deputy Minister of Development of the Republic of Turkey, addressed the meeting.

14. H.E. COŞKUN stated that the need for coordinated economic and commercial action and joint responsibility are greater than ever. The political developments in the OIC geography significantly affect the sustainability of the economies and development endeavours across the OIC. Within this framework, H.E. COŞKUN emphasized that it is necessary to realize the new intra-OIC goals and COMCEC resolutions, including reaching 25 per cent intra OIC trade by 2025, and realize policy coordination and approximation in development endeavours.

15. On the other hand, H.E. COŞKUN stated that import and export performance of the OIC is far from the desired levels. The total OIC trade fell by 25 per cent from 4.0 trillion USD in 2012 to 3.0 trillion USD in 2016. The OIC Member States have registered their trade deficits in 2015 for the first time

after years of consecutive trade surpluses. H.E. COŞKUN underlined that this decrease should be considered as a critical indicator of alarming situations for the Member States.

16. H.E. COŞKUN highlighted that according to the WTO and IMF forecasts, the global economic growth will strengthen slightly to 3.1 per cent in 2018 and 3.9 per cent in 2019. Considering the negative growth in previous years, especially in the beginning of the 2010s, this delicate recovery is promising. In this regard, the Member States should show a greater presence in the world market with the products of international repute rather than raw materials. H.E. COŞKUN emphasized on the critical importance of knowledge/information economy in terms of changing production patterns in the world.

17. H.E. COŞKUN stressed that trade facilitation has a significant impact on trade volumes by reducing the burden of inefficient procedures, increasing transparency, improving the climate for investment and looking into ways of implementing technological solutions. In this respect, the Member States should upgrade their soft infrastructure including border and customs efficiency and smooth transnational corridors. He expressed that designation of “Facilitating Trade: Custom Risk Management in the OIC Member Countries” as the theme of the Exchange of Views Session of the 34<sup>th</sup> COMCEC Ministerial Meeting is highly pertinent.

18. H.E. COŞKUN highlighted the organization of Working Group Meetings and implementation of projects within the framework of COMCEC Strategy. He emphasized the importance of these Meetings for providing Member States new opportunities for cooperation especially in terms of sharing and drawing lessons from each others’ experiences and good practices. He also appreciated the successful implementation of 46 projects by the Member States and the OIC institutions since 2013. He added that 19 more projects are being implemented with more than 36 beneficiary Member States in 2018.

19. H.E. COŞKUN concluded his remarks by wishing that the deliberations held during the 34<sup>th</sup> Meeting of the Follow-up Committee of the COMCEC contribute to peace, prosperity and welfare of the Islamic Ummah.

*(The text of the Statement of H.E. Yusuf COŞKUN is attached as Annex III.)*

20. The message of H.E. Dr. Yousef AL-OTHAIMEEN the Secretary General of the OIC, was read out by Mr. Jakhongir KHASANOV from the Economic Affairs Department of the OIC General Secretariat. In his message, H.E. AL-OTHAIMEEN expressed his deepest appreciation to H.E. Recep Tayyip

ERDOĞAN and the Republic of Turkey for their consistent support for the OIC in general and for the activities of the COMCEC in particular.

21. H.E. AL-OTHAIMEEN, highlighted the various economic resolutions, which have been adopted by the 45<sup>th</sup> Session of CFM held in Dhaka, the People's Republic of Bangladesh on 5-6 May 2018, including, among others, the outcomes of two OIC sectoral ministerial conferences namely, the 10<sup>th</sup> Islamic Conference of Tourism Ministers (ICTM), and the 4<sup>th</sup> Islamic Conference of Labour Ministers (ICLM). He also emphasized the importance of other sectoral ministerial meetings in the areas of transportation, agriculture, rural development and food security, implementing the agreed goals of the OIC in these sectors for the next decade. Furthermore, he commended the COMCEC for the diligent implementation of its various projects under its Project Cycle Management and Working Group mechanisms.

*(A copy of the text of the message of H.E. Dr. Yousef A. AL-OTHAIMEEN is attached as Annex IV.)*

22. The Meeting was addressed by the Head of Delegation of the State of Kuwait, Mr. Nabil S. AL-ABDUL JALIL, Assistant Undersecretary for Economic Affairs at the Ministry of Finance. He expressed his thanks and appreciation to the President of the Republic of Turkey for his enlightening message to the Meeting. He also thanked the Government of the Republic of Turkey for its generous hospitality and excellent arrangements made for the Meeting. He also commended the COMCEC Coordination Office for the endeavours for enhancing economic and commercial cooperation especially through the COMCEC Working Groups and Project Funding Mechanism.

### **Sideline Event**

23. The 32<sup>nd</sup> Meeting of the Sessional Committee was held on 8 May 2018.

*(Report of the 32<sup>nd</sup> Meeting of the Sessional Committee is attached as Annex V.)*

### **Working Sessions**

24. The working sessions of the Meeting were chaired by H.E. Ambassador Salih Mutlu ŞEN, Permanent Representative of the Republic of Turkey to the OIC.

25. The agenda of the Meeting was adopted by the Committee.

*(A copy of the Agenda is attached as Annex VI.)*

## **Agenda Item 2: The COMCEC Strategy and its Implementation**

26. The Committee **welcomed** the Report on the Implementation of the COMCEC Strategy submitted by the COMCEC Coordination Office highlighting the progress achieved in the implementation of the Strategy, and **commended** the Member States and OIC Institutions for their valuable contributions to the implementation of the COMCEC Strategy. The Committee also **requested** the Member States and OIC Institutions to continue lending their full support to the implementation of the Strategy.

27. The Committee **welcomed** the successful convening of the COMCEC Working Groups in the cooperation areas in accordance with the relevant resolutions of the 33<sup>rd</sup> Session of the COMCEC and **also welcomed** the research studies conducted by the COMCEC Coordination Office specifically for enriching the discussions in each COMCEC Working Group Meeting.

28. The Committee **commended** the efforts of the Working Groups towards approximating policies among the Member States in their fields of competence and **welcomed** the policy recommendations made by the Working Groups in their meetings held in February-April 2018.

29. **Commending** the efforts of the Member Countries and OIC Institutions towards the realization of COMCEC Ministerial policy recommendations, the Committee **invited** all the Member Countries to exert efforts, to the extent possible, to implement the policy recommendations and **urged** relevant OIC Institutions to support the Member States in this regard.

30. The Committee **invited** the Member Countries to utilize the COMCEC Project Funding to implement the policy recommendations developed in the COMCEC Working Groups and adopted by the COMCEC Ministerial Sessions.

31. The Committee **underlined** the importance of the COMCEC Project Funding for enhancing solidarity and multilateral cooperation among Member Countries as well as increasing institutional and human capacities in these countries.

32. The Committee **welcomed** the finalization of the thirteen projects funded under the COMCEC Project Funding in 2017 and **also welcomed** the launching of nineteen new projects to be implemented in 2018.

33. The Committee **called up on** the COMCEC National Focal Points and working group focal points to work more closely with the COMCEC Coordination Office for effective coordination and communication.

34. The Committee **invited** the Member Countries to ensure the participation of the COMCEC National Focal Points and COMCEC Working Group Focal Points, to the COMCEC Follow-up Committee Meetings and the COMCEC Sessions.

35. The Committee **encouraged** the Member States, which have registered to the COMCEC Working Groups to actively participate in the upcoming Meetings of the relevant Working Groups and benefit from the COMCEC Project Funding for realizing their cooperation projects.

36. **Noting with appreciation** that the number of Member Countries having registered to at least one working group has reached 50, the Committee **requested** the Member States, which have not done so, to register to the COMCEC Working Groups and actively participate in the upcoming Meetings of the Working Groups.

37. The Committee **welcomed** that the COMCEC Coordination Office will organize the Sixth Annual Meeting of the COMCEC Working Group Focal Points on 3-5 July, 2018 in Ankara, Turkey and **called upon** the Working Group focal points and national focal points to actively participate in the meeting.

38. The Committee **called upon** the Member States concerned to respond to the “Evaluation Forms” circulated each year by the COMCEC Coordination Office with a view to following up the implementation of the Policy Recommendations of the COMCEC Working Groups.

39. The Committee **also called upon** the Working Group Focal Points to be actively involved in knowledge production efforts of the COMCEC through, among others, assisting in collection and verification of country specific data and providing feedbacks to research studies.

40. The Committee **expressed** its appreciation to the COMCEC Coordination Office, SESRIC, ICDT, IDB Group, ICCIA, and SMIIC for their efforts towards the implementation of the COMCEC Strategy.

### **Agenda Item 3: Implementation of the OIC-2025: Programme of Action (TYPOA)**

41. The Committee **took note of** the report presented by the OIC General Secretariat on the implementation of the economic and commercial component of the OIC-2025: Programme of Action.

42. **Recalling** the relevant resolutions of the 32<sup>nd</sup> and 33<sup>rd</sup> Sessions of the COMCEC, the Committee **underlined** the importance of the active follow up of the economic and commercial section of the OIC 2025: Programme of Action by the COMCEC and **requested** the OIC General Secretariat to regularly submit comprehensive progress reports on the implementation of the Programme to the COMCEC Sessions and to the Follow-up Meetings.

43. The Committee **called upon** the OIC General Secretariat to invite the relevant OIC Institutions and Organs, including the COMCEC Coordination Office to the Annual Coordination Meetings of the OIC Institutions for ensuring the effective coordination and synergy in the economic activities to be undertaken under the OIC-2025: Programme of Action.

44. Recalling the relevant resolutions of the COMCEC Sessions, the Committee **requested** the Member States, who have not done so yet, to sign and ratify the agreements in the economic domain for furthering economic and commercial cooperation among the OIC Member States.

#### **Agenda Item 4: Expansion of Intra-OIC Trade**

45. **Taking note with appreciation of** the convening of the 11<sup>th</sup> Meeting of the COMCEC Trade Working Group on 7-8 March 2018 in Ankara with the theme of “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States”, the Committee **welcomed** its policy recommendations which will be submitted to the 34<sup>th</sup> COMCEC Session, under the following six headings:

- Simplifying trade procedures and documentation,
- Legal and regulatory framework,
- Physical infrastructure and modernization,
- Harmonization and alignment of standards and conformity,
- Adopting measures to facilitate transit trade,
- Regional/international cooperation.

*(The policy recommendations of the Meeting are integrated to the Policy Recommendations Document prepared specifically for the Exchange of Views Session of the 34<sup>th</sup> COMCEC Ministerial Session which is attached as Annex VII.)*

46. The Committee **called upon** the Member States, which have registered to the COMCEC Trade Working Group to actively participate in its 12<sup>th</sup> Meeting

to be organized on November 1<sup>st</sup>, 2018 with the theme of “Improving Authorized Economic Operators Programs in the OIC Member States”. The Committee also **called upon** the Member States, which have not done so yet, to register to the COMCEC Trade Working Group.

47. The Committee also **welcomed** the activities organized by the COMCEC Coordination Office, SESRIC, ICDT, IDB Group (ITFC), ICCIA, and SMIIC in the area of trade aligned with the COMCEC Strategy since the 33<sup>rd</sup> Session of the COMCEC.

48. The Committee **commended** the efforts of Suriname and ICDT for the successful implementation of the following projects in 2017 under the fourth project call within the framework of the COMCEC Project Funding:

- The Project titled “Strengthening SME Support Services in Suriname and Guyana to Enhance Participation in Global Value Chains” implemented by Suriname in partnership with Guyana and Turkey,
- The Project titled “Facilitating Trade: Identifying NTBs among the OIC Member States” implemented by ICDT in partnership with Kingdom of Morocco, Senegal and Arab Republic of Egypt.

49. The Committee **also commended** the efforts of Morocco, Nigeria, Sudan and SMIIC for the following projects to be implemented in 2018 under the fifth project call within the framework of the COMCEC Project Funding:

- The Project titled “The Feasibility Study on the Interoperability of Selected Single Window Systems in the OIC Region” to be implemented by Morocco in partnership with Cameroon and Tunisia,
- The Project titled “Boosting Intra-OIC Trade Through Improvement of Trade Facilitation Measures in the OIC Region” to be implemented by Nigeria in partnership with Morocco and Indonesia,
- The Project titled “Strengthening Institutional Capacity for Single Window Systems in the OIC Member States” to be implemented by Sudan in partnership with four other Member Countries,
- The Project titled “Harmonization of National Halal Standards with the OIC/SMIIC Halal Standards” to be implemented by SMIIC in partnership with 20 Member Countries.

50. The Committee **requested** the Member States concerned to actively participate in the activities to be organized by the COMCEC Coordination Office, SESRIC, ICDT, IDB Group (ITFC), ICCIA, and SMIIC in the field of trade and **called upon** these institutions to send invitations to the Member

States sufficiently in advance of their meetings so as to ensure their participation.

51. **Recalling** that the theme of the Exchange of Views Session of the 34<sup>th</sup> COMCEC Ministerial Session has been determined as “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States” by the 33<sup>rd</sup> Session of the COMCEC, the Committee **invited** the Ministers of the Member Countries in charge of trade facilitation/customs affairs to participate in the 34<sup>th</sup> COMCEC Ministerial Session along with the Ministers in charge of Trade and Customs Affairs.

*i) TPS-OIC*

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

53. The Committee **commended** the growing interest of the Republic of Indonesia to TPS-OIC as one of the biggest economies in the OIC Region.

54. The Committee **welcomed** the submission of updated concession lists to the TNC Secretariat by Turkey, Malaysia, Bangladesh, Pakistan, Jordan, Islamic Republic of Iran and Morocco and **invited** the other participating Member Countries to convey their updated concession lists at their earliest convenience to the TNC Secretariat with a view to operationalize the TPS-OIC.

55. The Committee **requested** the participating Member States, who have not done so yet, to notify the TNC Secretariat of their relevant internal measures to be undertaken for implementation of the TPS-OIC Rules of Origin at their earliest convenience.

56. The Committee **requested** the ICDT, COMCEC Coordination Office, and other relevant OIC Institutions to continue organizing awareness raising and capacity building activities with regard to TPS-OIC.

*ii) Islamic Trade Fairs*

57. The Committee **expressed** its thanks and appreciation to the following Member States for hosting Islamic Trade Fairs and Exhibitions in cooperation with ICDT:



- The Republic of Turkey for hosting and ICDT and SMIIC for organizing the “5<sup>th</sup> OIC Halal Expo” in Istanbul on 23 – 25 November 2017,
- The State of Kuwait for hosting and ICDT for organizing the “Exceptional Edition of the Trade Fair of the OIC Member States” in Kuwait-City, on 6- 10 February 2018,
- The Kingdom of Saudi Arabia for hosting and ICDT for organizing the “2<sup>nd</sup> Edition of the Exhibition of Furniture and Interior Design of the OIC Member States” on 13-16 March 2018 and the “11<sup>th</sup> Exhibition of Agribusiness Industries of the OIC Member States” on 20-23 March 2018 in Jeddah,
- The Kingdom of Morocco for hosting and ICDT for organizing the “4<sup>th</sup> Higher Education Services among the OIC Member States” in Casablanca on 26-29 April 2018.

58. The Committee **welcomed** the offer of the following Member States to host Islamic Trade Fairs and Exhibitions in cooperation with ICDT in 2018 and 2019 and **requested** the Member States to encourage active participation of their private sectors and relevant institutions in these events:

- The Republic of Cote d’Ivoire to host the “4<sup>th</sup> OIC Health Expo” in Abidjan in 2018 and “the Forum and Expo on Social and Solidarity Economy” in collaboration with IDB Group in Abidjan from 28<sup>th</sup> September to 7<sup>th</sup> October 2018,
- The Republic of Turkey to host the “6<sup>th</sup> OIC Halal Expo” in Istanbul on 29 November to 2<sup>nd</sup> December 2018 in coordination with SMIIC,
- The Republic of Iraq to host the “16<sup>th</sup> OIC Trade Fair” in Baghdad on 7-13 April 2019,
- The Islamic Republic of Iran to host the “3<sup>rd</sup> Tourism Fair of the OIC Member States” in Tehran in 2019,
- The State of Kuwait to host the “Construction and Decoration Fair for the OIC Member States” and “Exceptional Edition of the Tourism and Handicraft Fair for the OIC Member States.”

59. The Committee **reiterated** its request to the Member States to encourage their private sector to actively participate in the Islamic Trade Fairs.

60. The Committee also **reiterated** its request to ICDT to continue holding sector specific fairs in cooperation with the Member States and submit regular progress reports on the fairs to the COMCEC Sessions.

*iii) WTO Related Technical Assistance*

61. The Committee **called on** IDB and ICDT to continue providing technical assistance to the Member States on WTO-related issues and to enhance their efforts in sensitizing the Member States to the impact of WTO trade negotiations on their economies and **requested** IDB and ICDT to continue to synergize and coordinate their efforts to strengthen the human and institutional capacities of the OIC Member States, so as to facilitate their full integration into the multilateral trading system on an equitable and fair basis.

62. The Committee **called upon** the WTO members of the OIC to assist non-WTO Members of the OIC in their accession process to WTO.

63. Recalling the relevant resolution of the 33<sup>rd</sup> COMCEC Session, the Committee **noted the efforts made by** ICDT and IDB Group in preparation of the working paper about practical options to enhance coordination of the OIC Ministers of Trade vis-à-vis recent developments in the negotiations at the WTO and formulation of positions on priority issues for OIC countries in the current Doha Development Round as well as on new issues currently being proposed in the WTO and **requested** them to complete their study and submit the said paper to the 34<sup>th</sup> COMCEC Session.

64. The Committee **welcomed** the offer of the Kingdom of Morocco to host and ICDT, IDB to organize the Workshop on Post-WTO Eleventh Ministerial Conference (MC11) for the African OIC Member States in Casablanca in July 2018 and the offer of the State of United Arab Emirates to host and the ICDT and IDB to organize the same Workshop for Arab Countries in Dubai in September 2018 and **invited** all the interested Member States to actively participate in these events.

65. The Committee **welcomed** the offer of the Islamic Republic of Pakistan to share its WTO-related experiences with the non-WTO Members of the OIC through training programmes in collaboration with the relevant OIC Institutions to facilitate their accession process.

*iv) Trade Financing Activities*

66. Taking note with appreciation of the 10<sup>th</sup> Year Anniversary of the ITFC, the Committee **appreciated** trade finance, trade promotion and development activities of the IDB Group (ITFC and ICIEC) as well as the mobilization of funds from the international market and development partners for funding the

trade and insurance operations in the Member States, contributing towards the achievement of intra-OIC trade target of 25 percent.

67. The Committee **took note with appreciation** that ITFC's cumulative approvals and disbursement in trade financing reached US\$40.2 billion and US\$31 billion respectively, and its total approvals and disbursement in 2017 reached US\$4.9 billion and US\$3.4 billion respectively.

68. The Committee **commended** the efforts of ITFC in financing SMEs and Least Developed Member Countries and **took note** of its efforts to diversify its portfolio and extend more financing for agriculture sector that has direct and prominent impact on improving productivity, job creation, increasing export revenues and alleviating poverty.

69. The Committee **called upon** the Member States to complete their membership requirements for the institutions of the IDB Group (ITFC and ICIEC) so that the IDB Group implements its mandate successfully.

70. The Committee **took note of** the trade promotion and capacity development initiatives being implemented by ITFC under its various flagship programs including Aid for Trade Initiative for Arab States (AFTIAS), Special Programme for Central Asia (SPCA), Arab Africa Trade Bridge Program (AATB), Trade Development Fund, Trade Knowledge Program, West Africa SMEs Program and Trade Development Forum to raise awareness of the private sectors on the activities of the ITFC.

71. The Committee **took note** of the efforts of the ITFC in implementing integrated Trade Programmes for commodity development through blending its trade finance facilities with its trade related technical assistance interventions and **requested** ITFC to develop similar programs for other strategic commodities.

72. The Committee **took note of** ITFC's efforts for the diversification of Islamic Financial Instruments, supporting training programs on Islamic finance and promoting Islamic Finance solutions at international fora.

73. The Committee **took note** of the ITFC's high level Capacity Building Program provided to CIS countries and Afghanistan on Market Intelligence, as part of its trade related Technical Assistance Programs provided to MCs and calls upon the OIC Institutions to join and support these efforts.

74. The Committee **took note** of the efforts of the ICIEC as the only multilateral export credit and investment insurance Corporation in the world that provides Shariah-Compliant insurance and reinsurance solutions.

75. The Committee **took note with appreciation** that aggregate business insurance provided by the ICIEC amounted to US\$29 billion over the last 5 years and the Corporation had facilitated US\$ 11.27 billion in trade transactions and foreign direct investments during 2017.

76. The Committee **took note** of the Interim Report prepared by ICIEC on “Business Intelligence Center”, **requested** the Member Countries to provide their feedbacks on the document by July 30<sup>th</sup>, 2018 and **also requested** the ICIEC to improve the document with the said observations and submit it to the 34<sup>th</sup> COMCEC Session.

77. **Taking note** of the requests of the Member Countries for developing the capacities of SMEs in the Member Countries, the Committee **noted** that the facilities of the relevant OIC Institutions including the COMCEC Project Funding, IDB’s Reverse Linkage Programme and SESRIC’s capacity building programmes etc. can be utilized for the development of SMEs in the Member Countries.

*v) Trade Related Activities of SMIIC*

78. The Committee **welcomed** the activities of Standards and Metrology Institute for Islamic Countries (SMIIC) in the area of standardization, metrology and accreditation and their impact on trade facilitation and capacity building.

79. The Committee **invited** the Member States to become a member of SMIIC and actively participate in its technical committees (TCs), Metrology and Accreditation Councils.

80. The Committee **welcomed** the Republic of Cote d’Ivoire and the State of Qatar as the new members of the SMIIC, which has increased the number of SMIIC Member States to 35 along with 3 Observers and **invited** the concerned Member States to become a member of SMIIC and actively participate in its technical committees (TCs), Metrology and Accreditation Councils.

81. The Committee **welcomed** the increasing visibility of the SMIIC and **expressed its appreciation** to the SMIIC for organizing capacity building activities in its field of competence.

82. The Committee **invited** the Member Countries to adopt and use the OIC/SMIIC Standards as their national standards in order to aid the harmonization of standards and eliminate the technical barriers to trade among the Member Countries and **called upon** the relevant Member Countries, which use OIC/SMIIC Standards, to officially adopt the standards according to SMIIC adoption guidelines.

83. The Committee **expressed its appreciation** to the Republic of Turkey for hosting and SMIIC and ICDT for supporting the organization of the World Halal Summit (WHS) in Istanbul on 23-25 November 2017 and **called upon** the Member Countries to participate in “Istanbul 2018 World Halal Summit” to be held on 29 November - 2 December 2018 under the auspices of the Presidency of the Republic of Turkey.

84. The Committee **noted with satisfaction** of the organization of the 1<sup>st</sup> Meeting of the Management of SMIIC Accreditation Council (AC) held on 26-27 February 2018 and 5<sup>th</sup> SMIIC Metrology Council (MC) Meeting held on 19-20 April 2018 in Istanbul, Turkey.

#### **Agenda Item 5: Enhancing the Role of Private Sector in Economic Cooperation**

85. The Committee **took note of** the efforts of the ICCIA in organizing Forums, Training Program, B2B Meetings, Seminars and Workshops in order to galvanize the role of the Private Sector to expand their network and increase their trading and investment opportunities.

86. The Committee **took note** of the following activities to be organized by the ICCIA and **called upon** the private sector of the Member States to actively participate in the following activities:

- The 17<sup>th</sup> Private Sector Meeting for the OIC Member States/ Trade Exchange Forum to be held in 2018,
- The 10<sup>th</sup> Businesswomen Forum in Islamic Countries to be held in Sudan / Egypt in 2018,

- A Specialized Workshop/Training Program to be held in 2018 on;
  - a. Promotion of Cottage Industries through SMEs,
  - b. Scaling-up existing Enterprises through Skill Development and
  - c. Exploring destinations for Health Tourism
- Workshop on Promoting Green Growth and Technology in Food-Water and Energy Nexus for OIC Countries – Challenges and Opportunities to be held in the first half of 2019,
- Chambers of Commerce Forum to be held in 2018.

87. The Committee **took note** of the organization of Training Program on “Technology Entrepreneurship Advocacy and Management of Business Incubation&Technology Parks” on 23-25 April 2018, in Istanbul, Republic of Turkey.

88. The Committee **took note** of the progress made by the ICCIA and the Union of Chambers and Commodity Exchanges of Turkey (TOBB), Konya Chamber of Commerce and Konya Commodity Exchange to introduce the best practices adopted by Konya for the exchange of commodities in Sudan and to the other interested member countries.

89. Recalling the relevant resolution of the 33<sup>rd</sup> COMCEC Session and the 45<sup>th</sup> Meeting of the Council of Foreign Ministers, the Committee **welcomed** the organization of the First Task Force Meeting on setting-up of the OIC Arbitration Center in Istanbul affiliated to ICCIA, by TOBB and ICCIA on 13<sup>th</sup> April 2018 and **requested** the ICCIA and TOBB to jointly invite Chambers of Commerce of the Member Countries to the 2<sup>nd</sup> Task Force Meeting, which will be held in the first week of July 2018, to discuss and finalize the establishment documents of the said OIC Arbitration Center and submit a report on this issue to the 3<sup>4th</sup> COMCEC Session.

#### **Agenda Item 6: Improving Transport and Communications**

90. **Taking note with appreciation** of the convening of the 11<sup>th</sup> Meeting of the Transport and Communications Working Group held on March 15<sup>th</sup>, 2018 in Ankara, Turkey with the theme of “Governance of Transport Corridors in OIC Member States: Challenges, Cases and Policy Lessons”, the Committee **welcomed** its following policy recommendations:

- Developing/Improving an enabling legal, institutional and regulatory framework for ensuring effective coordination and cooperation among the relevant countries and for achieving reform-demanding objectives,

- Establishing a dedicated corridor secretariat/coordination unit for facilitating corridor governance through ensuring permanent communication and coordination among the relevant countries,
- Promoting the development of transport corridor governance in a holistic way, combining hard measures such as infrastructure and soft measures such as political support, stakeholder consultation and capacity building,
- Seeking support of the related international organizations in carrying forward corridor governance, especially in the initial phase of corridor development.

*(The Policy recommendations document, including their rationale, is attached as Annex VIII.)*

91. The Committee **called upon** the Member States, which have registered to the COMCEC Transport and Communications Working Group to actively participate in the 12<sup>th</sup> Meeting of the COMCEC Transport and Communications Working Group to be held on October 11<sup>th</sup>, 2018 in Ankara with the theme of “The Planning of National Transport Infrastructure in the OIC Member Countries”. The Committee also **called upon** the Member States, who have not done so yet, to register to the COMCEC Transport and Communications Working Group.

92. The Committee **commended** the efforts of Cote d’Ivoire in partnership with Burkina Faso and Mali for the successful implementation of the project titled “Improving the Capacity on Road Safety in Cote d’Ivoire, Burkina Faso and Mali” in 2017 under the fourth project call within the framework of the COMCEC Project Funding.

93. The Committee **also commended** the efforts of the Gambia, Iran, Jordan and Nigeria for the following projects to be implemented in 2018 under the fifth project call within the framework of the COMCEC Project Funding:

- The Project titled “Analysis of the Road Database Management Systems in the Selected OIC Countries” to be implemented by the Gambia in partnership with Senegal, Nigeria and Turkey,
- The Project titled “Feasibility Study of Iran- Caucasus Transport Corridor” to be implemented by Iran in partnership with Azerbaijan and Turkey,
- The Project titled “Feasibility Study for Reconstructing the Old Ottoman Hejaz Railway Line” to be implemented by Jordan in partnership with Iraq and Turkey,

- The Project titled “Promoting the Use of Broadband in Research and Education among the OIC Member States” to be implemented by Nigeria in partnership with Malaysia, Turkey and the Gambia.

94. The Committee **highlighted** that the Member States should continue to share their respective experiences, including, where possible, relevant data, with regard to connectivity projects as well as transport and economic corridors, through inter alia relevant COMCEC Working Group Meetings, seminars, workshops and a possible web-based platform in the future.

95. The Committee **took note** of the efforts of the OIC General Secretariat to sensitize the concerned OIC Member States to the need to include the respective national segments along the OIC Dakar-Port Sudan Railway corridor in their national development plans, **requested** the Member states concerned to submit their well-designed feasibility studies to the IDB Group and other international development banks for securing adequate technical support and financing for this project and **also requested** the General Secretariat to regularly inform the concerned Member Countries about the progress in the realization of the project.

#### **Agenda Item 7: Developing Sustainable and Competitive Tourism Sector**

96. **Taking note with appreciation** of the convening of the 11<sup>th</sup> Meeting of the Tourism Working Group on February 15<sup>th</sup>, 2018 in Ankara with the theme of “Destination Development and Institutionalization Strategies in the OIC Member Countries”, the Committee **welcomed** its following policy recommendations:

- Encouraging the establishment of/Strengthening local and regional public-private Destination Management Organizations (DMOs) with the assignment of responsibilities related to destination planning, development, marketing and management,
- Planning supply and demand as well as identifying and monitoring KPIs for ensuring sustainable tourism development at the destination,
- Encouraging self-funding of DMOs and improving efficiency as well as transparency in utilization and management of resources,
- Promoting destinations through forming OIC country alliances and the alliances with external stakeholders.

*(The Policy recommendations document, including their rationale, is attached as Annex IX.)*



97. The Committee **called upon** the Member States, which have registered to the COMCEC Tourism Working Group to actively participate in the 12<sup>th</sup> Meeting of the Tourism Working Group to be held on September 13<sup>th</sup>, 2018 in Ankara with the theme of “Destination Marketing Strategies in the OIC Member Countries”. The Committee also **called upon** the Member States, which have not done so yet, to register to the COMCEC Tourism Working Group.

98. The Committee **took note** of the report of the 6<sup>th</sup> Meeting of the OIC/COMCEC Private Sector Tourism Forum held on March 8<sup>th</sup>, 2018 in İstanbul, Turkey with the theme of “Cultural Heritage as a Tool for Sustainable Tourism in the OIC Member Countries.”

99. The Committee **commended** the efforts of Mozambique, Sudan, Gambia and SESRIC for the successful implementation of the following projects in 2017 under the fourth project call within the framework of the COMCEC Project Funding:

- The Project titled “Enhancing Capacity of Muslim Friendly Tourism Workforce” implemented by Mozambique in partnership with Mali and Senegal,
- The Project titled “Enhancing The Capacity of Craft Producers and Customers in the OIC Member Countries” implemented by Sudan in partnership with Chad and Djibouti,
- The Project titled “Developing a Training and Certification Program for the Muslim Travel, Tourism and Hospitality Industry” implemented by Gambia in partnership with Nigeria and Senegal,
- The Project titled “Training Program on the Development and Promotion of Muslim Friendly Tourism in the OIC Member Countries” implemented by SESRIC in partnership with 18 Member Countries.

100. The Committee **also commended** the efforts of Burkina Faso, Iran, Mali, Mozambique and SESRIC for the following projects to be implemented in 2018 under the fifth project call within the framework of the COMCEC Project Funding:

- The Project titled “Strengthening the Resilience of Tourism Sector Against Crises through Communication” to be implemented by Burkina Faso in partnership with Niger and Côte d'Ivoire,
- The Project titled “Inclusion of Local Communities in Sustainable Muslim Friendly Tourism Parks in Selected OIC Member Countries” to

be implemented by Iran in partnership with Turkey and Kyrgyz Republic,

- The Project titled “Training on Crisis Communication in Tourism for Selected OIC Member Countries” to be implemented by Mali in partnership with four other Member Countries,
- The Project titled “Community-Based Tourism through the Promotion of Heritage Sites for Poverty Alleviation” to be implemented by Mozambique in partnership with four other Member Countries,
- The Project titled “Improving Islamic Tourism Ecosystem in OIC Member Countries: Destination and Industry Development” to be implemented by SESRIC in partnership with 13 Member Countries.

101. The Committee **welcomed** the holding of the 10<sup>th</sup> Session of the Islamic Conference of Tourism Ministers (ICTM) on 5-7 February 2018 in Dhaka/Bangladesh and **commended** the selection of Dhaka/Bangladesh and Gabala/Azerbaijan as the OIC Cities of Tourism, for 2019 and 2020, respectively.

102. The Committee **highlighted** that the tourism cooperation among the Member Countries can be further enhanced by having sub-regional single destination promotion activities within the three OIC sub-groupings.

103. The Committee **invited** the Member Countries to encourage their relevant institutions, tourism companies and tour operators etc. to further their efforts through, among others, organizing promotion campaigns and additional tours to Quds al-Sharif for supporting Palestinian residents of Al-Quds and to demonstrate solidarity with them.

#### **Agenda Item 8: Increasing Productivity of Agriculture Sector and Sustaining Food Security**

104. **Taking note with appreciation** of the convening of the 11<sup>th</sup> Meeting of the Agriculture Working Group on February 22<sup>nd</sup>, 2018 in Ankara with the theme of “Improving Agricultural Market Performance: Developing Agricultural Market Information Systems”, the Committee **welcomed** its following policy recommendations;

- Designing Market Information Systems (MIS) through assessing and reviewing targeted stakeholders with a sustained budget support and an effective monitoring and evaluation framework,

- Building sufficient capacity for stock monitoring, trend analysis and forecasting as well as other relevant subjects beyond providing price information for a better functioning MIS,
- Linking MIS to other market-supporting institutions and/or other risk-management tools to increase the mutual benefits,
- Forming the necessary mechanisms/platforms for an improved coordination among the key stakeholders and ensuring the effective review of the quality of information provided.

*(The Policy recommendations document, including their rationale, is attached as Annex X.)*

105. The Committee **called upon** the Member States which have registered to the COMCEC Agriculture Working Group to actively participate in the 12<sup>th</sup> Meeting of the COMCEC Agriculture Working Group to be held on September 20<sup>th</sup>, 2018 with the theme of “Analysis of Agri-food Trade Structures to Promote Agri-food Trade Networks among the OIC Member Countries.” The Committee also **called upon** the Member States, who have not done so yet, to register to the COMCEC Agriculture Working Group.

106. The Committee **commended** the efforts of the Gambia and Indonesia for the successful implementation of the following projects in 2017 under the fourth project call within the framework of the COMCEC Project Funding:

- The Project titled “Reduction of Post-Harvest losses in Cereals for Improve Rural Livelihood” implemented by Gambia in partnership with Indonesia and Nigeria,
- The Project titled “Improving Income of Small and Medium Scale Farmers in the OIC Member States Through Reducing Losses of Livestock Production” implemented by Indonesia in partnership with Brunei Darussalam, Arab Republic of Egypt, Malaysia and Sudan.

107. The Committee **also commended** the efforts of Indonesia and Turkey for the following projects to be implemented in 2018 under the fifth project call within the framework of the COMCEC Project Funding:

- The Project titled “Developing Agricultural Market Information System for Horticulture Farmers” to be implemented by Indonesia in partnership with six other Member Countries,
- The Project titled “Improving Agricultural Irrigation Extension Services” to be implemented by Turkey in partnership with Algeria, Morocco and Tunisia.

108. The Committee **welcomed** the offer of the Republic of Turkey to host the Eighth OIC Ministerial Conference on Food Security and Agricultural Development in the last quarter of 2019 in İstanbul and **called upon** the Member Countries and the relevant OIC Organs and Institutions including the COMCEC Secretariat to actively participate in this important event.

### **Agenda Item 9: Alleviating Poverty**

109. **Taking note with appreciation of** the convening of the 11<sup>th</sup> Meeting of the Poverty Alleviation Working Group held on April 5<sup>th</sup>, 2018 with the theme of “Quality of Education in the OIC Member Countries”, the Committee **welcomed** its following policy recommendations:

- Increasing both the quantity and quality of teachers, particularly who teach in schools serving the disadvantaged and the poor through improving wage rates, pedagogical interventions, performance incentives, training and curricula reforms,
- Increasing teaching and learning effectiveness through adoption and widespread use of Information and Communication Technology (ICT) based new models,
- Promoting better early-childhood learning opportunities through accessible and affordable pre-primary schooling,
- Ensuring progressive universalism for closing the rich-poor gap in learning outcomes,
- Enhancing and reinforcing accountability through parental engagement and involving parents in the monitoring of their children’s education and intensifying the parent-teacher interaction to improve education delivery.

*(The Policy recommendations document, including their rationale, is attached as Annex XI.)*

110. The Committee **called upon** the Member States, which have registered to the COMCEC Poverty Alleviation Working Group, to actively participate in the 12<sup>th</sup> Meeting of the Poverty Alleviation Working Group to be held on October 4<sup>th</sup>, 2018 with the theme of “Skills Development in the OIC Member Countries: Vocational Education”. The Committee also **called upon** the Member States, who have not done so yet, to register to the COMCEC Poverty Alleviation Working Group.

111. The Committee **commended** the efforts of Albania, the Gambia, Indonesia and Suriname for the successful implementation of the following projects in 2017 under the fourth project call within the framework of the COMCEC Project Funding:

- The Project titled “Creation of a Road Map for an Integrated Social Service for Housing” implemented by Albania in partnership with Turkey and Azerbaijan,
- The Project titled “Training on Entrepreneurship and Management of Small Business for Women in the Gambia, Senegal and Sierra Leone” implemented by the Gambia in partnership with Sierra Leone and Senegal,
- The Project titled “Strengthening Community-Based Sustainable Livelihood for Activating Poor by Opening Marketing Channel through E-Commerce” implemented by Indonesia in partnership with Turkey and Malaysia,
- The Project titled “Professionalization of Childcare in Selected OIC Countries” implemented by Suriname in partnership with Nigeria and Guyana.

112. The Committee **also commended** the efforts of the Gambia and Indonesia for the following projects to be implemented in 2018 under the fifth project call within the framework of the COMCEC Project Funding:

- The Project titled “Training on Entrepreneurship for Teachers in the Selected OIC Countries” to be implemented by the Gambia in partnership with Malaysia and Morocco,
- The Project titled “Improving the Single Window Service System for Social Protection and Poverty Reduction in the OIC Countries” to be implemented by Indonesia in partnership with four other Member Countries.

*i) Islamic Solidarity Fund for Development (ISFD) and Special Program for the Development of Africa (SPDA)*

113. The Committee **reiterated its request** to the Member Countries which have pledged to the ISFD to fulfill their commitments and those who have not yet pledged to the ISFD to do so in order to enable the Fund to undertake more development projects in the member countries. The Committee **also requested** the Member Countries to consider making additional commitments as appropriate on a voluntary basis.

114. Recalling the relevant resolution of the 33<sup>rd</sup> COMCEC Session on the observations of the Member Countries for improving the performance of the Fund in serving the purpose of poverty alleviation through, among others, augmenting the project base and outreach of the Fund by focusing on greater number of projects, especially grant based small/medium sized projects, the

Committee **requested** the ISFD to take these observations into consideration during planning its future programmes and activities.

115. Taking note of the reports of the IDB on ISFD and SPDA, the Committee **requested** the IDB to prepare evaluation reports on ISFD and SPDA providing details about the implementation status of the projects under these programmes, including the targets, partners, beneficiaries, outcomes etc. and submit them to the relevant OIC fora including forthcoming meetings of the COMCEC.

116. The Committee **requested** the ISFD to increase its efforts for resource mobilization and advocacy from different resources including non-governmental resources and the private sector in the Member States.

117. The Committee **welcomed** the efforts of the Islamic Development Bank (IDB) for mobilization of resources from different financing institutions for more effective implementation of the ISFD and SPDA.

118. **Recalling** the relevant resolutions of the 32<sup>nd</sup> and 33<sup>rd</sup> Sessions of the COMCEC, the Committee **reiterated its request** to the IDB to finalize the allocation of the funding to the SESRIC's capacity building project for the successful finalization of the OIC Cotton Programme.

*ii) OIC-VET Program*

119. The Committee **appreciated** the continuous efforts of SESRIC towards initiating and implementing various capacity building programmes and training courses in different fields and areas of interest to the Member States with a view to enhancing the capacities and quality of human resources in these countries and **called upon** SESRIC to mobilize more financial resources towards the programme.

120. The Committee **called upon** the Member States to participate in and support the various capacity building programmes of SESRIC under the OIC-VET Programme.

121. The Committee **requested** the SESRIC to conduct more training programmes focusing on entrepreneurship including women entrepreneurship within the framework of the OIC-VET.

*iii) Implementation of the SDGs*

122. **Recalling** the relevant resolution of the 33<sup>rd</sup> Session of the COMCEC, the Committee **requested** the COMCEC Coordination Office to continue compiling the relevant OIC Institutions' activities, which are conducted towards the implementation of the SDGs and submit the list to the annual COMCEC Sessions.

123. The Committee **took note of** the results of the “Tendency Survey on SDG Priorities of OIC Member Countries” conducted by SESRIC for identifying the priority SDG areas for the Member Countries, **invited** the Member Countries, that have not done so yet, to complete the survey; **requested** SESRIC to submit an updated report on the results of the survey to the 34<sup>th</sup> Session of the COMCEC; and **further requested** the OIC institutions to plan and conduct activities based on the priority SDGs as indicated in the aforementioned Report.

**Agenda Item 10: Deepening Financial Cooperation**

124. **Taking note with appreciation of** the convening of the 10<sup>th</sup> Meeting of the COMCEC Financial Cooperation Working Group held on March 29<sup>th</sup>, 2018 in Ankara with the theme of “Role of Sukuk in Islamic Capital Markets”, the Committee **welcomed** its following policy recommendations;

- Developing an Enabling Legal and Regulatory Framework for Islamic Capital Markets and Promoting Solid Collaboration among the Key Market Stakeholders to improve the ecosystem for Sukuk issuance,
- Improving Market Infrastructure and, where needed, the Existing Tax Framework for Enhancing Sukuk Issuance,
- Developing a Sustainable Liquidity Base to Support Demand for Shariah-Compliant Assets, and Facilitating Diversification of Market Players on the Demand Side of the Sukuk Market,
- Promoting a Sustainable Supply of Sukuk Issuance from the Private Sector in order to Foster Diversification of Industry Participants on the Supply Side and Expand the Benchmark Yield Curve,
- Developing a Seamless Shariah Governance Process for Facilitating Faster Turnaround Time for Sukuk Issuance, Improving Clarity of Sukuk Structures, Promoting Product Innovation, Building Market Confidence and Increasing Market Awareness among the Industry Practitioners.

*(The Policy recommendations document, including their rationale, is attached as Annex XII.)*

125. The Committee **called upon** the Member States, which have registered to the COMCEC Financial Cooperation Working Group, to actively participate in its 11<sup>th</sup> Meeting to be held on October 25<sup>th</sup>, 2018 in Ankara with the theme of “Islamic Fund Management”. The Committee also **called upon** the Member States, which have not done so yet, to register to the COMCEC Financial Cooperation Working Group.

126. The Committee **commended** the efforts of Nigeria and Turkey for the following projects to be implemented in 2018 under the fifth project call within the framework of the COMCEC Project Funding:

- The Project titled “Training and Guidelines on Sukuk Issuance” to be implemented by Nigeria in partnership with Malaysia and Mozambique,
- The Project titled “Improving Financial Consumer Protection in the OIC Countries” to be implemented by Turkey in partnership with 18 other Member Countries.

***i) OIC Member States’ Stock Exchanges Forum***

127. The Committee **welcomed** the efforts carried out by the OIC Member States’ Stock Exchange Forum and its Task Forces and **invited** the Member States to actively participate in the activities organized under this Forum.

128. The Committee **welcomed** the offer of the Borsa Istanbul as the Secretariat of the OIC Stock Exchanges Forum, to host the 12<sup>th</sup> Meeting of the Forum in 2018 in İstanbul and **requested** all the Member States to actively participate in this Event.

129. The Committee **requested** the Borsa Istanbul as the Secretariat of the OIC Stock Exchanges Forum in cooperation with IDB to continue to work towards the promotion of the S&P OIC/COMCEC Shariah 50 Index and its potential sub-indices and to develop effective products and services based on the Index.

130. The Committee **requested** the Member States to actively support the Forum’s Task Force on Indices including the promotion of the S&P OIC/COMCEC Shariah 50 Index and its potential sub-indices through publishing the Index on the official websites of their Stock Exchanges.



131. **Taking note** of the briefing by Secretariat of the OIC Stock Exchanges Forum on the efforts, including utilizing the newly developed trading and storage infrastructure of Borsa İstanbul, towards establishing a highly adaptable web-based gold trading and clearing platform with the ultimate aim of a gold exchange among the volunteering Member Countries, the Committee **requested** the Forum's Secretariat to finalize the necessary technical work and report the progress to the 34<sup>th</sup> COMCEC Session.

132. The Committee **invited** the interested member states to actively support Forum's Task Force on Precious Metals to finalize necessary works through accelerating the process of integration of exchanges and harmonization of regulatory frameworks.

*ii) Cooperation among Capital Markets' Regulatory Bodies*

133. The Committee **welcomed** the efforts carried out by the Task Forces of COMCEC Capital Market Regulators Forum namely Capacity Building, Market Development and Financial Literacy and **called upon** the Member States to support the efforts of the Forum through participating in its meetings, contributing to the accomplishment of the mandates of the Task Forces.

134. The Committee **also welcomed** the offer of the Capital Markets Board (CMR) of the Republic of Turkey, as the Forum Secretariat, to host the 7<sup>th</sup> Meeting of the COMCEC CMR Forum in 2018 in İstanbul and **requested** all the Member States to actively participate in this Meeting.

135. Recalling the relevant resolution of the 33<sup>rd</sup> Session of the COMCEC, the Committee **took note of** the briefing by the Secretariat of the COMCEC Capital Market Regulators Forum on the establishment of the COMCEC Real Estate electronic platform/COMCEC Real Estate Exchange among the interested OIC Member States and **requested** the Forum/the Forum's Secretariat to finalize necessary legal, administrative and technological preparations for the establishment of the COMCEC Real Estate exchange/electronic platform before the 34<sup>th</sup> Session of the COMCEC.

136. Recalling the relevant resolution of the 33<sup>rd</sup> COMCEC Session, the Committee **called upon** the interested Member States to actively participate in the establishment of the COMCEC Real Estate electronic platform/COMCEC Real Estate Exchange and invited them to identify their authorized bodies as well as notify them to the Forum's Secretariat by July 2<sup>nd</sup>, 2018.

*iii) Cooperation among the Central Banks and Monetary Authorities*

137. The Committee **welcomed** the offer of the Central Bank of the Republic of Turkey, to host the 16<sup>th</sup> Meeting of the Central Banks and Monetary Authorities of the OIC Member States on 23-25 September 2018 in Antalya and **requested** all the Member States to actively participate in this event.

138. The Committee **commended** the training and capacity building programs organized by the SESRIC among the Central Banks and Monetary Authorities of the Member States in different aspects of cooperation and **requested** the SESRIC to continue organizing such activities for the relevant institutions of the Member States.

**Agenda Item 11: Preparations for the Exchange of Views on “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States”**

139. The Committee **encouraged** the Member States to prepare their country reports on the mentioned theme and convey them electronically to the CCO by October 15<sup>th</sup>, 2018 at the latest.

*i) Possible Themes for the Exchange of Views Session of the 35<sup>th</sup> COMCEC Session*

140. The Committee **took note** of the following possible themes of the Ministerial Exchange of Views Session of the 35<sup>th</sup> Session of the COMCEC:

- Theme 1: Facilitating Trade: Public Availability of Customs Information in Islamic Countries
- Theme 2: Improving Takaful Sector in Islamic Countries
- Theme 3: Promoting Sustainable Food Systems in Islamic Countries
- Theme 4: Multi-Destination Tourism Corridors in Islamic Countries
- Theme 5: Improving Health Services for Poverty Alleviation in Islamic Countries
- Theme 6: Improving the Implementation of PPPs in Transport Infrastructure in Islamic Countries

141. The Committee **requested** the COMCEC Coordination Office to circulate a questionnaire among the Member States to explore their views on the above-mentioned themes and report the outcomes to the 34<sup>th</sup> Session of the COMCEC.

**Agenda Item 12: Draft Agenda of the 34<sup>th</sup> Session of the COMCEC  
(İstanbul, 26-29 November 2018)**

142. The Committee **prepared** and **decided** to submit the Draft Agenda to the 34<sup>th</sup> Session of the COMCEC.

*(A copy of the Draft Agenda of the 34<sup>th</sup> Session of the COMCEC is attached as Annex XIII.)*

**Agenda Item 13: Any Other Business**

143. The Committee **took note** of the announcement of the Indonesian delegation that the Indonesia Development Forum 2018 will be held in Jakarta on 10-11 July 2018 and **called upon** the Member Countries and the OIC Institutions to actively participate in the Forum.

144. The Committee also **took note** of the announcement of the Malaysian delegation on the 14<sup>th</sup> World Islamic Economic Forum (WIEF) to be held in Kazakhstan on July 4<sup>th</sup>, 2018 and **called upon** the Member Countries and OIC Institutions to actively participate in the Forum.

**Closing Session**

145. At its Closing Session chaired by H.E. Ambassador Salih Mutlu ŞEN, Permanent Representative of the Republic of Turkey to the OIC, the Committee adopted its Report together with its Annexes.

146. On behalf of all delegations, Head of Delegation of Malaysia, Ms. Bahria Mohd TAMIL, Senior Director at the Ministry of International Trade and Industry expressed her congratulations to the Republic of Turkey and the COMCEC Coordination Office for the warm hospitality extended to the Follow-up Committee Members and excellent arrangements.

147. Mr. Jakhongir KHASANOV, from Economic Affairs Department of the OIC General Secretariat, made his closing remarks. In his statement, Mr. KHASANOV expressed his special thanks and appreciations to the Republic of Turkey for the warm hospitality extended to the participants. He also expressed his sincere appreciations to all Heads of Delegations and other participants at this meeting for their contributions. He also thanked the COMCEC Coordination Office for the tireless efforts exerted for the success of the Meeting. Furthermore, he highlighted the importance of the implementation of

the vision documents particularly OIC-2025: Programme of Action and COMCEC Strategy.

148. In his closing statement, H.E. Salih Mutlu ŞEN, after thanking all the delegations for their contributions during the Meeting, emphasized that the Member Countries need to exert more efforts to implement the policy recommendations developed in the COMCEC Working Groups and adopted by the COMCEC Ministerial Sessions. In this respect, H.E. ŞEN underlined that the COMCEC Project Funding Mechanism provides the Member Countries a practical tool to conduct joint projects and improve institutional and human capacity in a spirit of solidarity and cooperation in the Member Countries.

149. H.E. ŞEN touched upon the importance and relevance of the “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States” as the theme of the Exchange of Views Session of the 34<sup>th</sup> Session of the COMCEC.

150. H.E. ŞEN reminded that the 6<sup>th</sup> Annual Meeting of the Focal Points of the COMCEC will be held on 3-5 July 2018 in Ankara. He mentioned that the Focal Point Meetings provide a great opportunity for the focal points to discuss ongoing efforts under the COMCEC.

151. H.E. ŞEN concluded his statement by expressing his thanks to the members of the Follow-Up Committee, the OIC General Secretariat, Rapporteur, representatives of the OIC Institutions, the COMCEC Coordination Office, interpreters, translators and other staff taking part in organization of the Meeting for their efforts which helped rendering the meeting a success.

*(A copy of the text of the Closing Statement by H.E. Salih Mutlu ŞEN is attached as Annex XIV.)*

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# **A N N E X E S**

# **ANNEX**

## **I**

Original: English

**LIST OF PARTICIPANTS  
OF THE THIRTY FOURTH MEETING  
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC**

**(Ankara, 9-10 May 2018)**

**A. MEMBER COUNTRIES OF THE OIC**

**REPUBLIC OF INDONESIA**

- Mr. FLORENTINUS KRISTIARTONO  
Deputy Director, Ministry of National Development Planning/National Development Planning Agency (BAPPENAS)
- Mr. ARIANTO C. HARTONO  
First Planner Staff, Ministry of National Development Planning/National Development Planning Agency (BAPPENAS)

**THE STATE OF KUWAIT**

- Mr. NABIL S. AL ABDUL JALIL  
Assistant Undersecretary for Economic Affairs, Ministry of Finance
- Mr. SAAD AL RASHIDI  
Head of OIC Affairs Division, Ministry of Finance
- Mr. ABDULKAREEM AL MUJEEM  
First Secretary, Ministry of Foreign Affairs

**MALAYSIA**

- Ms. BAHRIA MOHD TAMIL  
Senior Director, Ministry of International Trade and Industry
- Mr. IDZHAM ABDUL HAMID  
Director, Malaysia External Trade Development Corporation (MATRADE)

**ISLAMIC REPUBLIC OF PAKISTAN**

- Ms. AISHA HUMERA MARIANI  
Joint Secretary, Ministry of Commerce and Textile
- Ms. HINA GUL  
Deputy Secretary, Ministry of Commerce
- Mr. UMER SIDDIQUE  
First Secretary, Embassy of Pakistan in Ankara

**THE STATE OF PALESTINE**

- Mr. RAFAT OMAR RAYYAN  
Director International Organizations, Ministry of National Economy
- Mr. AZMÎ ABU GAHAZALEH  
Counsellor, Embassy of Palestine in Ankara

**STATE OF QATAR**

- Mr. HASAN ABDULLA AL MOHANADI  
Consultant, Ministry of Commerce and Economy
- Mr. RASHID MOHAMED AL BARAIDI  
Expert, Ministry of Commerce and Economy

**KINGDOM OF SAUDI ARABIA**

- Mr. AMR ALAMRI  
Economic Specialist, Ministry of Commerce and Investment
- Mr. FAWAZ SAAD ALGHAMDI  
Commercial Attache, Ministry of Commerce and Investment

**REPUBLIC OF TURKEY**

- H.E. YUSUF COŞKUN  
Deputy Minister, Ministry of Development
- H.E. Amb. SALİH MUTLU ŞEN  
Ambassador, OIC Permanent Representative, Ministry of Foreign Affairs
- Mr. SADIK ARSLAN  
Consultant, Presidency of the Republic of Turkey
- Ms. AYŞEGÜL ÇERÇİ  
Manager, Development Bank of Turkey
- Mr. TOLGA BERMEK  
Deputy Director General, Ministry of Foreign Affairs
- Mr. AYHAN TURNA  
Head of Department, Ministry of Customs and Trade
- Mr. İLHAMİ AKTÜRK  
Head of Department, TSE
- Mr. MUSTAFA BAYBURTLU  
Head of Department, the Union of Chambers and Commodity Exchanges of Turkey
- Ms. AYŞE ÇELİKTEN  
Head of Department, Minister of Family and Social Policy
- Mr. SERKAN ÖZDEMİR  
Senior Expert, Development Bank of Turkey
- Ms. MERAL YILDIZ  
Senior Expert, Development Bank of Turkey
- Mr. BORA BÜYÜKKALKAN  
Expert, Ministry of Customs and Trade
- Mr. EDA AKÇA  
Expert/Specialist, Development Bank of Turkey
- Mr. VEYSEL ERGENÇ  
Expert, Undersecretary of Treasury
- Ms. AYŞEGÜL DEMİR  
Expert, Ministry of Economy



- Ms. İMREN OKBİLEK  
EU Expert, Ministry of Customs and Trade
- Ms. ZEYNEP SAATÇIOĞLU  
EU Expert, Ministry of Customs and Trade
- Mr. ÖZGÜ EVİRGİN  
Expert Central Bank of the Republic of Turkey
- Mr. YASİN EKMEN  
Consultant /Legal Advisor, the Union of Chambers and Commodity Exchanges of Turkey
- Mr. ŞEHLA ALİ HASAN  
Assistant Expert, the Union of Chambers and Commodity Exchanges of Turkey
- Ms. ELİF BÜŞRA CEYLAN  
Assistant Expert, EXIM BANK
- İBRAHİM KÜÇÜKİKİZ  
Assistant Expert, Central Bank of the Republic of Turkey
- Ms. GAMZE KASMAN  
Assistant Expert, Undersecretariat of Treasury
- Ms. YASEMİN ÇELİK  
Interpretation, Ministry of Culture and Tourism
- Ms. ÜLKÜ DÖNMEZ

**B. THE OIC GENERAL SECRETARIAT**

**THE OIC GENERAL SECRETARIAT**

- Mr. JAKHONGIR KHASANOV  
Professional Officer, Economic Affairs Department

**C. THE OIC SUBSIDIARY ORGANS**

**ISLAMIC CENTER FOR DEVELOPMENT OF TRADE (ICDT)**

- Dr. MOKHTAR WARIDA  
Assistant Director General

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

- H.E. Amb. MUSA KULAKLIKAYA  
Director General
- Mr. NABIL M. DABOUR  
Assistant Director General
- Mr. KENAN BAĞCI  
Director of Economic and Social Research Department
- Mr. MEHMET FATİH SERENLİ  
Director of Training and Technical Cooperation Department

- Ms. NENDEN OCTAVARULIA SHANTY  
Researcher
- Ms. ZEHRA ZÜMRÜT SELÇUK  
Director of Economic and Social Research Department
- Dr. ERHAN TÜRBEDAR  
Researcher
- Mr. ATILLA KARAMAN  
Researcher
- Mr. ONUR ÇAĞLAR  
Technical Cooperation Specialist

**D. SPECIALIZED ORGANS OF THE OIC**

**ISLAMIC DEVELOPMENT BANK (IDB) GROUP**

- Dr. NAEL AL-HAJAJ  
Senior Expert
- Mr. YOSEPH ATAA ALSAWADY  
Market Integration Specialist
- Mr. NAZAR ELTAHIR  
Market Integration Specialist
- Mr. HARUN CELİK  
Senior Manager, ITFC
- Mr. DJAMEL GHRIB  
Senior Technical Assistant to the CEO, ICIEC

**E. AFFILIATED ORGANS OF THE OIC**

**ISLAMIC CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE (ICCIA)**

- Ms. ATTIYA NAWAZISH ALI  
Assistant Secretary General

**ORGANIZATION OF THE ISLAMIC SHIPOWNERS ASSOCIATION (OISA)**

- Mr. MOHAMMAD ZAFAR BHATTI  
Director Finance

**STANDARDS AND METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES (SMIIC)**

- Mr. İHSAN ÖVÜT  
Secretary General
- Ms. EMEL GÖNÇ  
Executive Assistant

## **F. INVITED INSTITUTIONS**

### **SECRETARIAT OF OIC MEMBER STATES' STOCK EXCHANGES FORUM**

- Mr. MAHMUT VARLI  
Assistant Specialist
- Mr. HAKAN AYTEKİN  
Manager

### **SECRETARIAT OF COMCEC CAPITAL MARKETS' REGULATORS FORUM**

- Ms. SEÇİL SAYIN KUTLUCA  
Senior Legal Expert, Capital Markets Board of Turkey

### **SECRETARIAT OF OIC / COMCEC SECTOR PRIVATE TOURISM FORUM**

- Mr. MUSTAFA ÖZSOY  
Expert, Ministry of Culture and Tourism

## **G. COMCEC COORDINATION OFFICE**

- Mr. MEHMET METİN EKER  
Director General, Head of COMCEC Coordination Office
- Mr. SELÇUK KOÇ  
Head of Department
- Mr. BURAK KARAGÖL  
Head of Department
- Mr. MEHMET ASLAN  
Head of Department
- Mr. FATİH ÜNLÜ  
Senior Expert
- Mr. GÖKTEN DAMAR  
Expert
- Mr. DENİZ GÖLE  
Expert
- Mr. MEHMET TARAKÇIOĞLU  
Expert
- Mr. CAFER BİÇER  
Expert
- Mr. MEHMET YAŞAR ŞAF  
Expert
- Ms. VİLDAN BARAN  
Expert
- Ms. AYLİN ŞENOL GÜN  
Expert
- Ms. AYTEN KAÇAR  
Expert

- Mr. ALİ ORUÇ  
Expert
- Mr. MEHMET AKİF ALANBAY  
Expert
- Mr. MUSTAFA ADİL SAYAR  
Expert
- Mr. NİHAT AKBALIK  
Expert
- Mr. OKAN POLAT  
Expert
- Mr. HASAN YENİGÜL  
Expert
- Mr. C. CANER UYANIK  
Expert
- Mr. FATİH ARSLAN  
Expert

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# **ANNEX**

## **II**

Original: Turkish

**MESSAGE OF H.E. RECEP TAYYİP ERDOĞAN,  
THE PRESIDENT OF THE REPUBLIC OF TURKEY  
AND THE CHAIRMAN OF THE COMCEC  
THIRTY FOURTH MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE COMCEC  
(Ankara, 9 May 2018)**

Honourable Chair,

Distinguished Members of the Follow-up Committee of the COMCEC,

Esteemed Guests,

I would like to warmly and wholeheartedly welcome you all.

ESSELAMU ALEYKUM, RAHMETULLAHI, BEREKATUH.

I would like to welcome you all distinguished friends who are attending this event from different parts of the Muslim geography.

I wish the 34<sup>th</sup> Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organisation of Islamic Cooperation (COMCEC) to pave the way to blessings both for the Muslims and the world.

Distinguished Guests,

The Islamic world has witnessed many vital developments in recent years.

From Afghanistan to Libya, from Yemen to Syria, from Myanmar to Somalia, many Muslim brothers and sisters are facing dire challenges.

As in the case of the Rohingya Muslims, millions of brothers and sisters are exposed to ethnic cleansing and atrocities to be registered with shame in the history of humanity.

Vis-à-vis such developments, as the Muslim countries, the most important duty falling on our shoulders is to reinforce our fraternity and to act together in unity and solidarity.

Turkey has been hosting more than 4 million Syrian refugees acting in solidarity with the victims of oppression including the Palestinians and Syrians, ascribing critical importance to the protection of the rights and rule of law in Jerusalem vis-a-vis continuous attacks and trying to do its best in all these matters.

Since the very first moment of Turkey's Current Chairmanship of the Organization of Islamic Cooperation (OIC), we have put forward a crystal clear attitude in all the significant matters related to the Islamic world.

By mobilizing the potential of the OIC, we have deployed a series of measures in effort to rightfully champion the causes of the Muslim brothers and sisters in the international arena.

We did not remain silent while the Rohingya Muslims were facing genocidal atrocities but took initiatives in the relevant countries and international organisations involved in this crisis to put a definitive end to this particular persecution.

Additionally, East Jerusalem was declared as the capital of the State of Palestine at the Extraordinary Islamic Summit convened with the agenda of Jerusalem on 13 December 2017 in Istanbul,

With the support of the countries with prudence common sense, we have ensured that the whole world said big "NO" to a historical mistake related to Jerusalem at the Urgent and Special Session of the General Assembly of the United Nations of 21 December.

Once again, I would like to extend our heartfelt gratitude to all brothers and sisters, especially the heads of the Member States for their support and assistance during this particular period.

Esteemed Delegates,

The Muslim world must mobilise its potential in trade and economy.

At this juncture, we ascribe special importance to the full-fledged operationalisation of the preferential trade system known as TPS-OIC (Trade Preferential System among the Member States of the OIC).

I would like to invite the Member States that have not yet finalised their ratification processes for the implementation of the TPS-OIC to complete them and those that have ratified to submit their concession lists.

Furthermore, we must simplify the customs procedures to facilitate trade and harmonize different practices among our customs agencies.

While we embark on this endeavor, we also need to improve and optimize risk management practices in our customs.

In this context, I deem the theme for the this year's COMCEC's Exchange of Views Session "Facilitation of Trade: Improvement of Current Customs Risk Management" quite pertinent and meaningful.

Furthermore, we need to make long-term steps that will strengthen our economic infrastructures from now on.

We also need to ascribe more importance to technology especially value-addition.

We should take necessary steps for manufacturing of value-added products in high technology fields such as energy, renewable energy, ICT, education, telecommunication, health, pharmaceuticals, and medical equipments.

A good, quality education system embracing the future, is the key to economic development, welfare and peace.

Another issue that I deem important is that our economic gains should be used efficiently in our own region on priority basis.

The more the Muslim countries invest in each other and strengthen their trade, the stronger our economies and cooperation will be.

We should make good use of investment and trade opportunities in our geography and see each other as strategic partners in the economy domain as well.

At the Working Group Meetings held within the scope of the COMCEC Strategy, the experts of the Member States discuss the common problems that they face and develop policy recommendations that contribute to the solution of these problems.

The implementation of of the policy recommendations through the COMCEC Project Financing will serve to the approximation of policies in various sectors among our countries.



Last but not least, I believe that various initiatives under the COMCEC such as the Gold Stock Exchange, the Real Estate Stock Exchange and the Arbitration Centre will significantly contribute to our cooperation opportunities.

I firmly believe that the necessary steps for the realization of these initiatives will soon be taken without any delay.

With these thoughts in mind, I wish successful and fruitful deliberations for the 34th Meeting of the Follow-up Committee of the COMCEC.

I entrust all of you to Allah, the Allmighty.

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# **ANNEX**

## **III**

Original: English

**OPENING STATEMENT BY H.E. YUSUF COŞKUN,  
DEPUTY MINISTER OF DEVELOPMENT  
OF THE REPUBLIC OF TURKEY  
THIRTY FOURTH MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE COMCEC  
(Ankara, 9 May 2018)**

As-Selamu Alaikum,  
Esteemed Members of the Follow-up Committee,  
Distinguished Guests,  
Ladies and Gentlemen,

I would like to express my sincere pleasure for being with you once again, on the occasion of the 34<sup>th</sup> Follow-up Committee Meeting of the COMCEC and welcome you all to Ankara. The Follow-up Committee always fulfills an important task in terms of reviewing and monitoring the implementation of the programs and projects on the agenda of the COMCEC, overcoming challenges regarding the implementation of the COMCEC resolutions, preparing the agenda of the COMCEC and formulating important recommendations in our cooperation areas. I wish you all a fruitful meeting in advance in your crucial deliberations.

Esteemed Participants,

We pass through a difficult time in the history where the need for coordinated economic and commercial action and joint responsibility are greater than ever. The political developments in the OIC geography significantly affect the sustainability of our economies and our development endeavors. Perhaps our most urgent task today is to realize higher economic and commercial cooperation and collaboration among ourselves in order to stand stronger against the damaging economic and political developments in the world as well as in the OIC geography.

In this respect, we have to realize the new intra-OIC goals and COMCEC resolutions including reaching 25 percent intra OIC trade by 2025 and realize policy coordination and approximation in our development endeavors. With sincere efforts, I am confident that we can reach and even go beyond our targets.

Distinguished Delegates,

At present, our import and export performance are far from the desired levels. The total OIC exports have shown a downward trend in recent years. In 2012, the total OIC exports was around 2.2 trillion US Dollars, however, this amount has sharply decreased to 1.4 trillion US Dollars in 2016. On the other hand, the total OIC imports in 2012 amounted to 1.8 trillion US Dollars; this figure has also decreased slightly to 1.6 trillion US Dollars in 2016. Thus, the total OIC trade fell by 25 per cent from 4.0 trillion US Dollars in 2012 to 3.0 trillion US Dollars in 2016. As OIC family, we have also registered trade deficit for the first time after years of consecutive trade surpluses.

These figures basically indicate that our share in global trade has shown a serious decline recently. Several factors accounted for this decline. The weak world demand and especially fall in oil prices, appreciation of US dollar, and political developments in the OIC Region are the basic factors for this decline. This decrease should be considered as an important alarming case point for us and it definitely reminds us the necessity for economic reforms and diversification for our economies.

Dear Colleagues,

According to the WTO and IMF forecasts, the global economic growth will strengthen slightly to 3.1 percent for 2018 and 3.9 percent for 2019.<sup>1</sup> In this respect, average annual global output growth through 2021 will be about 3.0 percent. Considering the negative growth in previous years especially in the beginning of the 2010's, this delicate recovery is promising. However, it is expected that this encouraging recovery will be underpinned by stronger growth in a limited number of developed and emerging markets. As the Islamic countries, for brighter futures, we should show greater presence in world markets with our products of international repute rather than our raw materials.

Today, technological developments are constantly changing production patterns in the world. Especially with the concept of knowledge/information economy, the existing production processes have transformed through intelligent systems. Nowadays we discuss the issues such as artificial intelligence, automation and industry 4.0 more than ever. Therefore, in such a

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<sup>1</sup> IMF, World Economic Outlook Update, January 2018 and WTO, Trade Statistics and Outlook Press Release/793

world, we should not miss the opportunity to catch this transformation and we should build higher value-added industrial structures by transforming our existing infrastructure and our society.

Distinguished Delegates,

Trade facilitation has a significant impact on trade volumes by reducing the burden of inefficient procedures, increasing transparency, improving the climate for investment and looking into ways of implementing technological solutions. In this respect, we should simplify and harmonize our custom procedures for saving the costs, time and energy of our traders for increasing their competitiveness.

On the other hand, the quality of transport infrastructure is important factor for saving the costs, time and energy. Indeed, well-developed and functioning infrastructure not only reduces the distance but also integrates markets and links them at very low costs. Nonetheless, developing transnational corridor requires shared efforts by the all related stakeholder including the enroute countries. In order to have a greater say in the global trade, we should exert utmost efforts to revive the important trade routes in our geography including new Silk Road, One Belt, One Road Initiative and Dakar-Port Sudan Railway by completing missing links or enhancing the governance in the passage points.

I sincerely believe that the Declaration of our Ministers adopted by 33<sup>rd</sup> COMCEC Session under the chairmanship of The President of Republic of Turkey, H.E. Recep Tayyip ERDOĞAN on “Improving Transnational Transport Corridors among OIC Member Countries” will enlighten our way towards infusing efficiency to our transport sector and transport corridors.

Distinguished Guests,

We should also upgrade our soft infrastructure including border and custom efficiency and smooth transnational corridors. Custom procedures and passages should also be facilitated while we are building transport corridors. Considering the importance of this issue, we have devoted the exchange of views session of the 34<sup>th</sup> COMCEC Session to the theme of “Facilitating Trade: Custom Risk Management in the OIC Member Countries”. Sharing our experiences and helping other brotherly member countries in this crucial issue would certainly deepen our cooperation efforts and strengthen the governance of our customs institutions and well-functioning transport corridors.

Distinguished Participants,

Efforts under the COMCEC Strategy provide us new opportunities for cooperation especially for sharing experiences and drawing lessons from others' experiences and good practices. Within the implementation of the COMCEC Strategy, working groups have successfully concluded 11 rounds of meetings in 6 cooperation areas since 2013 and deliberated on important issues and themes in each cooperation area. I believe that the policy recommendations of these meetings will provide the basis for concrete policy actions in our member countries.

Concerning the COMCEC Project Funding Mechanism, 46 projects have been successfully implemented by the Member countries and OIC Institutions so far. For this year, 19 projects are being implemented with 36 beneficiary member countries. I would like to highlight that efficiency of the COMCEC programs and projects and the success of our initiatives for economic and commercial cooperation depend on your sustained efforts and contributions. Seizing the opportunity, I would like to invite all member countries to benefit more from these mechanisms of COMCEC, Working Groups and Project Funding Mechanism.

Dear Friends,

Operationalization of the cornerstone project of the COMCEC, Trade Preferential System among the OIC Member States (TPS-OIC) is crucial for not only enhancing trade among the OIC countries but also for providing cargo to well-functioning transport corridors in the OIC Region. We have already reached the required number of member countries for the System by the end of 2014. However, the concession lists have not been updated by all participating countries yet. Also, we have a good number of 17 member countries which have ratified all TPS-OIC Agreements but have not submitted their concession lists yet. Seizing this opportunity, I would like to call upon the remaining countries to accelerate submission of their updated concession lists. I would also invite all concerned member countries to complete the ratification process of the TPS-OIC Agreements to render the System operational at the earliest.

I need to express with regret that we have been too late to put into effect our single multilateral preferential system. We have to speed up the process, moreover we have to think new mechanisms and ways for enhancing our trade. We must be aware of the opportunities we are missing.

Dear Colleagues,

Another important factor that can contribute to trade and cooperation is to establish efficient arbitration mechanisms through which the companies can solve their possible disputes. In this respect, we have taken an important resolution at the previous COMCEC Session and we are working towards that direction. Meanwhile, we have also been working on establishing web-based gold trading and clearing platform and real estate electronic platform as significant sub-items of our financial cooperation. As all of these mechanisms can contribute significantly to our cooperation efforts, we need to expedite the process for their establishment.

Dear Colleagues,

Cooperation, collaboration and efficient follow-up are essential for overcoming the problems and setbacks we continuously face as Islamic Countries. As I conclude my remarks, I sincerely wish you all the success in your endeavors during the 34<sup>th</sup> Meeting of the Follow-up Committee. Thank you very much.

*Esselamu Alaikum wa Rahmetullahi wa Barakatuhu.*

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# **ANNEX**

## **IV**



Original: English

**MESSAGE OF H.E. DR. YOUSEF A. AL-OTHAIMEEN,  
SECRETARY GENERAL OF THE ORGANIZATION  
OF THE ISLAMIC COOPERATION (OIC)  
THIRTY FOURTH MEETING OF THE FOLLOW-UP  
COMMITTEE OF THE COMCEC  
(Ankara, 9 May 2018)**

Your Excellency, Lütü Elvan, Minister of Development of Turkey  
Your Excellencies, Ministers and Heads of Delegation  
Honourable Delegates  
Distinguished Ladies and Gentlemen

*Assalamu Aleykum wa-Rahmatullahi wa-Barakatihu.*

It is, for me, a great honour and privilege to address the 34<sup>th</sup> Follow-up Committee Meeting of the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC). Allow me to, first and foremost, express my deepest appreciation to His Excellency President Recep Tayyip Erdogan, the Government and the friendly people of Republic of Turkey for their consistent support for the OIC in general and for the activities of COMCEC in particular.

This Follow-Up Committee meeting is taking place just after the 45<sup>th</sup> Council of Foreign Ministers (CFM), held in Dhaka, Bangladesh, on 5-6 May 2018. The various economic resolutions have been adopted by the said CFM, including, among others, organization a number of consultative meetings on the six priority areas of OIC Infrastructure Development and Regional Integration Policy (OIC-IDRIP); creation the appropriate standards for the development of expanded Islamic tourist activity among the member states; harmonization the application of Non-Tariff Measures (NTMs) in order to have the same understanding of the scope of these NTMs. I hope that the decisions of this Follow-up meeting will also contribute to the timely implementation of the 45<sup>th</sup> CFM resolutions.

Similarly, two OIC sectoral ministerial conferences, namely 10<sup>th</sup> Islamic Conference of Tourism Ministers (ICTM), and 4<sup>th</sup> Islamic Conference of Labour Ministers (ICLM) were recently held in Dhaka, Bangladesh on 5-7 February 2018 and in Jeddah, Saudi Arabia, on 21-22 February 2018

respectively. The adoption of the Strategic Roadmap for the Development of Islamic Tourism and the Study on Muslim Friendly Tourism Branding in the Global Market by the 10th ICTM will give an additional impetus for further development of intra-OIC tourism. I am glad to inform that the intra-OIC tourism development has recorded a noticeable increase in the number of international arrivals from 60.9 million to 67.7 million in recent years.

In addition, the three important OIC legal frameworks on Mutual Recognition of Skills, Bilateral Agreement on Exchange of Skilled Labour, and OIC Labour Market Strategy were adopted by the said ICLM Session. These legal frameworks have the potentials of raising the level of our joint action in the relevant critical sectors of employment generation, welfare of workers, youth and women employment, well functioning of skill systems and social protection, among others.

Furthermore, the other sectoral ministerial meetings, which have sought to pull resources and actions among OIC member states in the relevant fields of socio-economic endeavours have continued to review modalities for implementing the agreed goals of the OIC for the next decade. On their part, OIC institutions have spared no efforts in implementing the various resolutions adopted by COMCEC, while participation actively in COMCEC ministerial and follow-up committee sessions.

In this regard, the scheduled convening of the OIC Ministerial Conference on Transport in Khartoum, Sudan during the second half of 2018 is aimed at addressing the logistical challenges to intra-OIC trade. This is more so considering the fact that the improvement of intra-OIC transport connectivity is among the major priorities of the OIC economic cooperation agenda and our Member States engaged in the implementation of a number of transport projects in the various sub-regions.

Similarly, the convening of the Eighth OIC Ministerial Conference on Food Security and Agriculture Development, in Turkey in 2018, is also aimed at elaborating an OIC Programme of Action for Development of Strategic Agricultural Commodities, which will outline the main objectives and focus areas of intra-OIC-cooperation. Fortunately, IDB has during its last 43<sup>rd</sup> Annual Meeting, held in Tunis, Republic of Tunisia, on 2-5 April 2018, unveiled a flagship programme on a value-chain development in the rice sub-sector in 10 OIC countries.

In addition, the consolidation of the structures of Islamic Organization for Food Security (IOFS) has reached an advanced stage, in view of the finalization of the required numbers of the ratifications. In this regard, it is gladdening to note that the IOFS Statute has entered into force on 19 February 2018. The General Secretariat is coordinating with the Government of Kazakhstan, host country of IOFS, to host the 2<sup>nd</sup> Board and General Assembly meetings, on the sidelines of the imminent inauguration ceremony of IOFS Secretariat.

In the area of trade, I am pleased to report that intra-OIC trade accounted for about 20% of the total trade of OIC member states, and 32 OIC member states have now attained the target of 20% intra-OIC trade, while efforts are being directed on those countries with low intra-OIC trade penetration through fostering intra-OIC public and private investment and industrial capacity-building. In this regard, our trade financing and export credit approvals have so far recorded an amount of US\$11.8 billion in 2017. At this juncture I wish to commend COMCEC for the diligent implementation of its various action plans under its Project Cycle Management (PCM) and Working Group mechanisms, particularly on trade-related issues.

Mr. Chairman,  
Distinguished Delegates,

Before concluding, I wish to reiterate my fervent desire to consolidate on the gains and achievements already realized in the above-mentioned areas through closer cooperation and coordination with the Follow-Up Committee of COMCEC. This is as we seek to ensure the vigorous and timely implementation of the decisions and resolutions of COMCEC.

I thank you for kind your kind attention and I wish you all a successful deliberation at this meeting.

*Wassalamu Alaykum wa-Rahmatullahi wa-Barakatihu.*

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# **ANNEX**

## **V**

Original: English

**REPORT OF THE 32<sup>nd</sup> MEETING OF  
THE SESSIONAL COMMITTEE  
(Ankara, 8 May 2018)**

1. The 32<sup>nd</sup> Meeting of the Sessional Committee of the COMCEC was held on May 8<sup>th</sup>, 2018 in İstanbul, on the sidelines of the 34<sup>th</sup> Meeting of Follow-up Committee of the COMCEC.

2. The Meeting was chaired by Mr. Mehmet Metin EKER, Director General of the COMCEC Coordination Office. In addition to the OIC General Secretariat and 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) Group
- International Islamic Trade Finance Corporation (ITFC)-IDB Group
- The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)- IDB Group
- Islamic Chamber of Commerce, Industry and Agriculture (ICCIA)
- Organization of Shipowners Association of the OIC (OISA)
- Standards and Metrology Institute of Islamic Countries (SMIIC)

3. The Meeting agreed on the following agenda items for discussion:

- Implementation of the COMCEC Strategy: Contributions of the OIC Institutions to the COMCEC Strategy
  - The List of Activities of the OIC Institutions Aligned with the COMCEC Strategy and COMCEC Ministerial Policy Recommendations
  - Utilizing COMCEC Project Funding for the implementation of COMCEC Ministerial Policy Recommendations
- Possible Contributions of the OIC Institutions to the Implementation of the SDGs in OIC Member States
- Implementation of the Economic Cooperation Section of the OIC-2025 Programme of Action
- The Proposal on the “Business Intelligence Center”

- Trade Related Statistics
- Any Other Business

### **Implementation of the COMCEC Strategy: Contributions of the OIC Institutions to the COMCEC Strategy**

4. Emphasizing the significance of the contributions of the OIC Institutions to the realization of the COMCEC Strategy and the COMCEC Ministerial Policy Recommendations, the Committee reviewed the completed and planned activities for the relevant OIC Institutions, aligned with the COMCEC Strategy for the period December 2017-November 2018 based on the cooperation areas, namely trade, transport and communications, tourism, agriculture, poverty alleviation and financial cooperation.

*(The list of activities organized and to be organized by the OIC Institutions aligned with the COMCEC Strategy between December 2017 and November 2018 is attached as Annex 1.)*

5. The Committee was informed by the CCO that out of 180 activities of the OIC Institutions implemented/to be implemented in the reviewed period, 42.2 percent of the activities are in trade area followed by poverty alleviation (33.3%) and financial cooperation (7.2%) respectively. The Committee was also informed that with respect to types of the activities, the activities concentrated on trainings and technical assistance programs (22.8%), various programmes and projects (21.7%) and expert and working group meetings (17.8%) between December 2017 and November 2018.

6. The Committee underscored that the OIC Institutions shall give due regard to the Ministerial Policy Recommendations in planning their future cooperation activities and programs. Moreover, the Committee requested the OIC Institutions to indicate specifically the relevance between the activities and the policy recommendations in their lists of activities with a view to better reflecting the activities of the OIC Institutions aligned with COMCEC Strategy and Policy Recommendations adopted at the Ministerial level.

7. The CCO informed the Committee about the sectoral themes to be supported by the COMCEC Coordination Office in the 6<sup>th</sup> Project Call to be made in September 2018, under the COMCEC Project Funding. In this regard, the Committee underlined the importance of the submission of the project proposals by the OIC Institutions through COMCEC Project Funding for the realization of the COMCEC Ministerial Policy Recommendations.

8. The Committee welcomed the execution of the Headquarters Agreement of the Islamic Organization for Food Security and operationalization of its Secretariat in March 2018.

9. The Committee agreed upon the need for the utilization of the training centers of the Central Banks in the Member Countries (i.e. Training Center of Central Bank of Turkey) and OIC Institutions' potentials for increasing the capacity with regards to Islamic Finance in the Member Countries through various training programmes and modules. In this regard, the Committee requested the SESRIC in cooperation with the IDB Group, CCO and OIC Central Banks with training centers, to study the issue and come up with a proposal to be submitted to the next Sessional Committee Meeting.

10. Recalling the relevant resolutions of the COMCEC, the Committee highlighted the importance of the IDB's allocation of the necessary funding to the capacity building project of SESRIC for the successful finalization of the OIC Cotton Programme with the SESRIC's capacity building Project.

### **Possible Contributions of the OIC Institutions to the Implementation of the SDGs in the OIC Member States**

11. The Committee was informed by the SESRIC on the results of the "Tendency Survey on SDG Priorities of OIC Member Countries" circulated to the Member Countries in line with the relevant resolution of the 33<sup>rd</sup> Session of the COMCEC. It was noted that 33 member countries have communicated their completed or partial responses to the SESRIC. The SESRIC informed the participants that SDG-3 titled "Ensure healthy lives and promote well-being for all at all ages", SDG-2 titled "End hunger, achieve food security and improved nutrition and promote sustainable agriculture" and SDG-1 titled "End poverty in all its forms everywhere" are the top three targets prioritized by the Member Countries.

12. The Committee was informed by the CCO that in line with the relevant resolution of the 33<sup>rd</sup> COMCEC Session, "the List of Activities of the OIC Institutions Related to the SDGs for the period of 2018 and 2019" will be compiled by the CCO and will be submitted to the 34<sup>th</sup> COMCEC Session. The Committee requested the OIC Institutions to give due regard to the needs and priorities of the Member Countries, which was presented by the SESRIC via the SESRIC's above-mentioned tendency survey, while planning their activities related to the SDGs.

## **Implementation of the Economic Cooperation Section of the OIC-2025 Programme of Action**

13. The OIC General Secretariat informed the Committee about the recent developments towards the implementation of the OIC-2025 Programme of Action. The Committee highlighted the importance of effective cooperation and coordination among the OIC Institutions concerning realization of the goals defined by the OIC-2025: Programme of Action. The Committee was also informed about the efforts of the relevant OIC institutions under the ACMOI. It was noted that the 4<sup>th</sup> Meeting of ACMOI will be held in December 2018 with the participation of the OIC Organs/Institutions.

### ***The Proposal on the “Business Intelligence Center”***

14. ICIEC (IDB Group) made a presentation on “Interim Report & Business Case for Business Intelligence Center (CBIC)”. The Committee took note of the report prepared by ICIEC (IDB Group) and requested the OIC Institutions to convey their comments on the said report to the ICIEC until the July 30<sup>th</sup>, 2018 at the latest.

### ***Trade Related Statistics***

15. The Committee highlighted the importance of harmonizing the trade related statistics in the publications of the OIC Institutions. In this regard, the Committee requested the CCO, ICDT and SESRIC to utilize the possible venues, especially OIC Statistical Commission (OIC-StatCOM) Meetings, to study and elaborate on the methodologies used for calculating OIC trade data with a view to harmonizing them and inform the Committee in its forthcoming meetings.

### ***Any Other Business***

16. The Committee Meeting ended with a vote of thanks.

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# **ANNEX**

## **VI**

Original : English



**AGENDA OF THE 34<sup>th</sup> MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE COMCEC  
(Ankara, 9-10 May 2018)**

1. Opening of the Meeting and Adoption of the Agenda
2. Report on the COMCEC Strategy and Its Implementation
3. The Implementation of the OIC-2025: Programme of Action
4. Intra-OIC Trade
5. Enhancing the Role of Private Sector in Economic Cooperation
6. Improving Transport and Communications
7. Developing a Sustainable and Competitive Tourism Sector
8. Increasing Productivity of Agriculture Sector and Sustaining Food Security
9. Alleviating Poverty
10. Deepening Financial Cooperation
11. Preparations for the Exchange of Views on “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States”
12. Draft Agenda of the 34<sup>th</sup> Session of the COMCEC
13. Any Other Business
14. Adoption of the Report

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# **ANNEX**

## **VII**

Original: English

**DRAFT POLICY RECOMMENDATIONS OF THE 11<sup>th</sup> MEETING  
OF THE COMCEC TRADE WORKING GROUP  
TO BE SUBMITTED TO THE EXCHANGE OF VIEWS SESSION OF  
THE 34<sup>TH</sup> COMCEC SESSION**

The 33<sup>rd</sup> COMCEC Session agreed on “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States” as the theme for the Exchange of Views Session at the 34<sup>th</sup> Session of the COMCEC and requested the COMCEC Trade Working Group (TWG) to come up with concrete policy recommendations on this topic and report it to the 34<sup>th</sup> COMCEC Ministerial Session. Along with the issues related to customs risk management, the WG also considered the challenges and possible policy options related to various aspects of trade facilitation. In this framework, the Working Group, come up with the following challenges and problems as well as the policy options for facilitating trade and improving customs risk management in the member countries.

**Challenges and Problems:**

In addition to the challenges related to high trade costs; non-tariff barriers and limited awareness of relevant stakeholders about the economic gains from trade facilitation; the Trade Working Group highlighted the following possible challenges and problems in trade facilitation and CRM:

**Simplification and Harmonization of Trade Procedures**

- Cumbersome trade procedures and documentation;
- Harmonization challenges in trade procedures and documentation;
- Need to simplify procedures for authorized traders with high compliance;
- Complex and outdated import and export requirements;
- Special case of Palestinian Customs- as they have no control on clearance procedures due to the absence of ports and borders, and their efforts for simplification of customs clearance procedures and trade facilitation confront major hindrances from the Israeli side

**Customs Risk Management**

- Limited coordination among the relevant stakeholders with respect to customs risk management
- Need for a sound risk management strategy for improving the CRM performances and modernization efforts;
- Inadequate IT infrastructure required for customs risk management

- Insufficient use of audit-based controls and risk assessment techniques;
- Lack of integrated customs risk management system

#### Legal and Institutional Framework

- Lack of strategic framework which will enable concerting efforts between public and private stakeholders for the national trade facilitation reform;
- Need for better national coordination
- Inadequate legal framework;
- Inadequate information and transparency on trade-related laws; regulations, procedures and inadequate public availability;
- Low level of co-ordination and communication among the relevant border agencies;

#### Infrastructure and Modernization

- Inadequate transport infrastructure (roads, posts, border points etc.)
- Limited physical infrastructure (buildings, equipment, etc.);
- Inadequate customs administrative capacity (technical, financial and human capacity);
- Limited use of information technology and automation as well as inter-operable data-sharing system;

#### Harmonization and alignment of product standards and conformity

- Need for the alignment of product standards with international standards;
- Need for the development of “quality infrastructure”<sup>2</sup> (e.g. insufficient number of accredited laboratories at the national level)

#### Transit Trade

- Inadequate transit systems
- Limited cooperation between agencies of countries involved in transit trade
- Insufficient pre-arrival processing for transit facilitation

#### International Cooperation

- Unaligned operating hours at Customs offices across countries;
- Need for an information exchange mechanism which allows electronic exchange of data between and among OIC customs administrations

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<sup>2</sup> “A quality infrastructure is the totality of the institutional framework (whether public or private) put in place to formulate, issue, and implement standards and the associated evidence of compliance (i.e., the relevant mix of inspection, testing, certification, metrology, and accreditation) in order to improve the suitability of products, processes, and services for their intended purposes; prevent barriers to trade; and facilitate technological cooperation.” (UNECE, designing and implementing trade facilitation in Asia and Pacific, 2013)

## Policy Recommendations

In light of the above-mentioned challenges and problems, TWG came up with a set of policy recommendations:

### 1. Simplifying trade procedures and documentation

- Conducting needs assessments by national authorities and the relevant international organizations to highlight the challenges and obstacles in ensuring the efficiency of customs procedures
- Promoting the adoption of international standards in customs procedures and related matters for harmonizing and simplifying data, documents and procedures related to the cross border trade and logistics operations consistent with national rules and regulations
- Streamlining customs law, regulations and procedures in line with the international standards to facilitate trade.
- Enhancing supportive IT infrastructure for automation of customs and other border agency procedures for imports, exports and transit formalities.
- Developing interoperable Single Window Systems<sup>3</sup> as a trade facilitation tool to simplify and expedite import, export and transit formalities in the interested member countries.

#### *Improving Customs Risk Management*

- Developing/upgrading customs risk management (CRM) systems used by customs authorities to identify high risk areas while facilitating the legitimate trade;
- Establishing a risk management committee and developing an efficient and effective risk management strategy for improving the CRM performances and modernization efforts;
- Exchange of information in real-time with national and international agencies;
- Maintaining adequate IT support for the electronic submission of pre-arrival/pre-departure information for risk assessment;
- Using advanced techniques and tools for risk assessment; such as usage of appropriate statistical models etc.

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<sup>3</sup> “A Single Window is a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements.” (UNECE Recommendation No 33)

- Utilizing Integrated CRM system including Data Warehouse, Business Intelligence, and Data Mining;
- Enhancing customs audit based controls; including post-clearance
- Developing integrated customs risk management system
- Promoting authorized economic operators program to facilitate the cross border movement of goods treated by low-risk operators;
- Implementing joint or coordinated controls at border posts where appropriate, in consultation with other Customs administrations to facilitate trade (e.g. one stop shop);

## **2. Legal and Regulatory Framework**

- Calling for strong political and stakeholder support for the effective implementation of trade facilitation measures
- Developing a strategic planning framework and preparing a National Strategic Plan with a view to ensure coordination and collaboration among public and private stakeholders
- Establishing well-functioning national trade facilitation bodies for enhancing coordination among the relevant stakeholders through effective communication systems
- Encouraging national trade facilitation monitoring mechanisms in order to measure the progress in trade facilitation over time and take the necessary measures accordingly.
- Encouraging the governments to access to the relevant international conventions for standardizing the customs-related procedures
- Enhancing effective publication of trade rules and regulations (such as laws, decrees, changes in regulations, tariffs, fees and charges, working hours and announcements) through establishing trade portals and websites for allowing more transparent dissemination of import, export, and transit requirements and issuance of advance ruling.

## **3. Physical Infrastructure and Modernization**

- Supporting customs modernization efforts through improving customs related infrastructure with information and communication technology and non-intrusive inspection technology to enhance the effectiveness and efficiency of customs
- Enhancing human resources via training and continuous capacity building the existing staff and employing new staff having digital skills.
- Encouraging Public-Private Partnerships for improving customs infrastructure as well as enhancing customs modernization

#### **4. Harmonization and alignment of standards and conformity**

- Strengthening harmonization, alignment of standards and conformity assessment procedures with international standards.
- Participating actively in the work of international standards bodies so that the resulting norms can be applicable to the particular circumstances of the Member Countries, as appropriate
- Developing/Strengthening National “Quality Infrastructure” in order to facilitate access to the international markets.

#### **5. Adopting Measures to facilitate Transit Trade**

- Improving the usage of risk assessment to facilitate transit trade
- Considering transit agreements with neighboring countries, as appropriate
- Encouraging pre-arrival processing for transit facilitation
- Strengthening cooperation between agencies of countries involved in transit trade

#### **6. Regional/International Cooperation**

- Enhancing information exchange among the border agencies of the Member Countries with a view to facilitating trade
- Promoting mutual recognition agreements for border controls and authorized economic operators,
- Promoting cross-border interconnectivity and interoperability of the national Single Window Systems towards establishing Regional Single Window Systems.
- Conducting experience sharing programmes in the field of trade facilitation (expert exchange or trainings and best practices etc.) among the Member Countries especially by the relevant OIC Institutions.
- Improving the infrastructure of land border crossing points such as reciprocal modernization and automation of customs and transport connectivity through the joint efforts of the interested neighboring countries.
- Supporting the efforts aiming to acquire Palestinian’s right to establish their own customs warehouses and clearance centers.

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**ANNEX**

**VIII**

Original: English

## **POLICY RECOMMENDATIONS OF THE 11<sup>TH</sup> MEETING OF THE COMCEC TRANSPORT AND COMMUNICATIONS WORKING GROUP**

The COMCEC Transport and Communications Working Group (TCWG) successfully held its 11<sup>th</sup> Meeting on March 15<sup>th</sup>, 2018 in Ankara, Turkey with the theme of “Governance of Transport Corridors in OIC Member States: Challenges, Cases, and Policy Lessons”. During the Meeting, TCWG made deliberations on the policy recommendations related to the governance of transport corridors. The policy recommendations were formulated by taking into consideration the research report titled “Governance of Transport Corridors in OIC Member States: Challenges, Cases, and Policy Lessons” and the responses of the Member States to the policy questions sent by the COMCEC Coordination Office. The policy recommendations are as followings:

**Policy Recommendation I: Developing/Improving an enabling legal, institutional and regulatory framework for ensuring effective coordination and cooperation among the relevant countries and for achieving reform-demanding objectives.**

### **Rationale:**

A strong legal and institutional framework, defining common objectives and plans is a pre-requisite for effective coordination among the countries and implementation of the objectives for the development of the corridor. Ambitious objectives without a sound legal and institutional framework make it difficult to achieve reform-demanding objectives. The legal framework is determined as creating binding or non-binding incentives to reach the identified common objectives. Once the consensus is reached between the different stakeholders on the objectives and management of the corridor, the process of creating a legal basis begins. Legal framework typically cover the overall strategic perspective of the corridor in various levels, institutional arrangements, working principles and financing issues. It can also covers sanctions in case of non-compliance, prioritisation systems or sustainability goals. The commitment and willingness by the members to reach a common objective is expressed through legal and institutional framework. Hence, national reforms and investments are more effective when considered from a regional perspective, ideally coordinated with neighbouring countries.

**Policy Recommendation II: Establishing a dedicated corridor secretariat/coordination unit for facilitating corridor governance through ensuring permanent communication and coordination among the relevant countries.**

**Rationale:**

The presence of a dedicated secretariat is critical for the effective corridor governance. The function of the secretariat is to maintain the dialogue among all relevant countries and stakeholders. In this respect, a corridor secretariat has a catalyst function towards improved corridor governance by preparing meetings, ensuring communication and coordination among the countries, transforming the objectives into action as well as fund raising for development of the corridor. Furthermore, a dedicated secretariat is also critical for formulating long-term strategies, analysing the current trends and practices, collecting of data and statistics as well as setting performance indicators and monitors their implementation.

**Policy Recommendation III: Promoting the development of transport corridor governance in a holistic way, combining hard measures such as infrastructure and soft measures such as political support, stakeholder consultation and capacity building.**

**Rationale:**

Effective corridor governance is a key factor towards successful development of transnational transport corridors. Corridor governance is a complex process involving various aspects such as legal and institutional matters, as well as multiple stakeholders, often from various countries. Furthermore, governance requires various hard and soft measures that are interrelated and need to be developed in a harmonized way. These measures are; infrastructure, legal and institutional framework, corridor objectives and political support, corridor performance monitoring and dissemination, corridor promotion and stakeholder consultation, and capacity building. Developing transport corridors serves to multiple objectives including facilitation of trade by providing access to markets, regional integration, improving growth prospects, enhancing cooperation and collaboration among countries and related public and private sector agencies.

**Policy Recommendation IV: Seeking support of the related international organizations in carrying forward corridor governance, especially in the initial phase of corridor development.**

**Rationale:**

Corridor governance depends on a range of factors, such as maturity of the corridor, political will and support, regional stability, the presence of an international organisation facilitating corridor governance, and funding availability. In this respect, international organisations play a decisive role not only in the establishment of a corridor but also in improving corridor governance. The knowledge, accumulation, resources and the role of international organisations as independent mediators are valuable for consensus building among the relevant countries, providing structure, as well as some initial funding in the beginning of the process. With the Abidjan-Lagos Corridor (ALC), the World Bank played a key role in initiating the corridor. Both for South-East Europe Transport Observatory (SEETO) and notably Transport Corridor Europe-Caucasus-Asia (TRACECA), the EU had a prominent role in bringing together the member states, negotiating the legal framework, commissioning studies, hosting training sessions and more. For the Eurasian Central Corridor, UNESCAP is playing a similar role by publishing strategic documents and performance studies to justify the establishment of governance institution on a corridor level. The initial efforts of international organisations are useful to convince the member states on the merits of joint corridor development.

**Instruments to Realize the Policy Advices:**

**COMCEC Transport and Communications Working Group:** In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.

**COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above-mentioned policy areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organizing seminars, training programs, study visits, exchange of experts, workshops and preparing analytical studies, needs assessments and training materials/documents.

# **ANNEX**

## **IX**

Original: English

## **POLICY RECOMMENDATIONS OF THE 11<sup>TH</sup> MEETING OF THE COMCEC TOURISM WORKING GROUP**

The COMCEC Tourism Working Group (TWG) has successfully held its 11<sup>th</sup> Meeting on February 15<sup>th</sup>, 2018 in Ankara, Turkey with the theme of “Destination Development and Institutionalization Strategies in the OIC Member Countries.” During the Meeting, Tourism Working Group, made deliberations on destination development and institutionalization strategies in the OIC Member Countries in tourism sector. Accordingly, the participants has come up with some policy recommendations.

**Policy Advice 1: Encouraging the establishment of/Strengthening local and regional public-private Destination Management Organizations (DMOs) with the assignment of responsibilities related to destination planning, development, marketing and management.**

### **Rationale:**

Destinations need a holistic approach in planning, development, marketing and management that would coordinate and lead various stakeholders as well as integrate their efforts effectively. Existence of a governing body (i.e. DMO) to develop, lead and implement destination wide strategies is of particular importance for a destination’s success.

Destinations have different characteristics and their development, marketing and management need to be customized to local needs. Besides a central governing body (e.g. National Tourism Organization); developing, facilitating and empowering regional and local tourism governance structures (e.g. DMOs) lead to a more effective and efficient use of limited resources. This would also improve stakeholder engagement and participation, internalize external costs and create synergies between different actors.

Effective coordination and communication among various stakeholders is of utmost important for the success of a destination. A public-private legal structure of a DMO can facilitate all stakeholders’ involvement, pooling of knowledge and expertise, and cooperation, coordination as well as communication among the various stakeholders. In this respect, a purely public DMO managed by central governments may not have the necessary efficiency, funding, expertise and outcome orientation whereas a purely private DMO might focus on short-term gains while neglecting sustainable development, the

needs of locals and environmental costs associated with tourism activity. Thus a combination of two approaches might create necessary efficiency while ensuring sustainability and transparency. In this framework, DMOs can be managed by private sector and audited by public authorities through a public private partnership.

**Policy Advice 2: Planning supply and demand as well as identifying and monitoring KPIs for ensuring sustainable tourism development at the destination.**

**Rationale:**

Traditionally, DMOs mainly focus on destination promotion. However, in developed destinations their role has expanded to cover product development, stakeholder coordination, as well as monitoring, evaluation and ensuring sustainability. Stakeholder engagement, carried by local and regional DMOs, requires effective coordination of various stakeholders including local tourism companies, government bodies, professional associations, universities, the local community and tourists. Since the interests of stakeholders differ, it is important for the DMO to balance the needs of different stakeholders. DMOs should create platforms such as stakeholder meetings and seminars, a digital portal etc. that can facilitate engagement of the various stakeholders. DMOs should also allocate sufficient staff to manage stakeholder relations, planning and representation of destination as a whole.

Countries seeking to attract more tourists often overlook the risk it imposes on natural and cultural resources, as well as its negative effect on the quality of life of the locals. In order to preserve natural environment and economic benefits and to distribute the latter equitably, tourism must be planned, developed and managed within step-by-step, ranging from the local to the territorial or provincial, to the national, and even to the international level. The responsibilities at each level must be clearly identified and implemented. Majority of the OIC Member Countries, have national public governance structures and very few of them have DMOs at regional level. Planning supply and demand and conducting impact analysis at the local level will help avoid overuse of shared resources and prevent underutilization during stagnant periods. Destinations at the development stage should therefore prepare master plans defining their vision of desired future state while preserving the resources. Mature destinations on the other hand are recommended to diversify their products and manage supply and demand at optimum prices in order to avoid overcrowding and low per tourist spending. DMOs should also encourage local participation, entrepreneurship and employment in tourism. Key performance indicators (e.g. average spending, occupancy levels, average

length of stay, amount of leakages, level of environmental degradation, extent of community participation) should also be developed.

**Policy advice 3: Encouraging self-funding of DMOs and improving efficiency as well as transparency in utilization and management of resources.**

**Rationale:**

Funding DMO activities is a major challenge for countries. Many OIC member countries use public resources to finance local DMOs. On the other hand, other resources can also be utilized for this purpose. When DMOs are encouraged to create their own funds (e.g. membership fees, commissions, marketing contributions, sponsorships, ticket sales, project grants, revenues from attractions and convention centres), the demand for public funds decrease. In this framework, while government incubation funds might be utilized during their establishment phases, DMOs should have the ability to finance some of their activities.

The public funding should also be linked with private funding and major KPIs (e.g. tourism tax revenues). Since DMOs are not profit organizations, they should aim to facilitate increased sales and improved sustainability of the region rather than concentrating on improving their own revenues. Therefore, transparent and fair use of funds raised also need to be ensured.

**Policy Advice 4: Promoting destinations through forming OIC country alliances and the alliances with external stakeholders.**

**Rationale:**

Complementary OIC cross-border destinations (e.g. national parks, cultural routes) can pool resources and efforts to promote the region as a whole, even an umbrella DMO can be created which might focus on a specific shared travel theme such as mountain climbing or desert safaris. In this respect, OIC Member countries can collaborate to promote each other's destinations, which would allow them to promote their destination, with limited expenses, to the tourists visiting other complementary OIC destinations.

Additionally, DMOs can form strategic alliances with external stakeholders (e.g. national airlines, sports federations, retail outlets (as in the case of shopping festivals)) for joint projects that would be benefited by both sides. To illustrate, Dubai Department of Tourism and Commerce Marketing formed a strategic alliance with Emirates Airlines to promote the destination. They implemented joint advertising campaigns such as "Hello Dubai" and joint familiarization tours for influencers and journalists. They also jointly offered special promotions aimed at attracting tourists to Dubai, including special



airline ticket fares from certain destinations as well as complimentary products such as visas, park tickets etc. They also jointly developed “My Emirates Pass” which offers discounts to tourists for various activities and attractions.

**Instruments to Realize the Policy Advices:**

- **COMCEC Tourism Working Group:** In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.
- **COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above-mentioned policy areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organizing seminars, training programs, study visits, exchange of experts, workshops and preparing analytical studies, needs assessments and training materials/documents.
- **OIC/COMCEC Private Sector Tourism Forum:** In its future meetings, the OIC/COMCEC Private Sector Tourism Forum may elaborate on the above-mentioned policy areas and the sub-areas from the private sector perspective.

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# **ANNEX**

## **X**

Original: English

## **POLICY RECOMMENDATIONS OF THE 11<sup>TH</sup> MEETING OF THE AGRICULTURE WORKING GROUP**

The COMCEC Agriculture Working Group (AWG) has successfully held its 11<sup>th</sup> Meeting on February 22<sup>nd</sup>, 2018 in Ankara, Turkey with the theme of *“Improving Agricultural Market Performance: Developing Agricultural Market Information Systems”*. During the Meeting, Agriculture Working Group, made deliberations on improving agricultural Market Information Systems. Accordingly, the participants have come up with the following policy recommendations.

### **Policy Advice 1: Designing Market Information Systems (MIS) through assessing and reviewing targeted stakeholders with a sustained budget support and an effective monitoring and evaluation framework**

#### **Rationale:**

A well-functioning agricultural Market Information System (MIS) requires a careful design which aligns information provided to the identified needs of targeted stakeholders, especially farmers, traders, financial intermediaries and other private actors in the agricultural value chains through regular assessments and reviews. Because of the “public good” characteristics of the market information, sustainability of the MIS implementations can be achieved by governments’ budget support. Furthermore, a well-established monitoring and evaluation framework at the beginning is of utmost importance for the efficiency and sustainability of an MIS and ensuring that the target audience gains the anticipated benefits.

### **Policy Advice 2: Building sufficient capacity for stock monitoring, trend analysis and forecasting as well as other relevant subjects beyond providing price information for a better functioning MIS**

#### **Rationale:**

Based on evidence found with regards to the expectations of market players, it is clear that the content of MIS should go beyond price information and include reporting trend analysis which can signal supply and demand conditions and allow market players to take positions regarding immediate and future price levels. To achieve this, there is a need to make necessary investments in

building output forecasting capacity, which is becoming increasingly more feasible with the advances in ICT.

**Policy Advice 3: Linking MIS to other market-supporting institutions and/or other risk-management tools to increase the mutual benefits.**

**Rationale:**

Linking the development of MIS to that of other market-supporting institutions such as line ministries, producer unions, farmer and traders' cooperatives, marketing boards, state-owned economic enterprises and other institutions on the supply chain and/or other risk-management tools such as warehousing receipt systems, agricultural commodity exchanges as well as agricultural insurance programs can lead to mutual benefits. On the one hand, such institutional innovations will ensure that price discovery is more transparent and therefore worth accessing. On the other hand, effective and reliable MIS is an important prerequisite for developing these market institutions successfully.

**Policy Advice 4: Forming the necessary mechanisms/platforms for an improved coordination among the key stakeholders and ensuring the effective review of the quality of information provided.**

**Rationale:**

The needs of the relevant stakeholders along the agricultural value chains could be mediated by setting up necessary mechanisms/platforms such as specific working groups with representation from government, providers, key stakeholders and donors. These mechanisms facilitate coordination and rationalization of the information collection and dissemination process and thereby contribute to the efficiency. Furthermore, the quality of information provided and its relevance to target users could also be regularly reviewed through these mechanisms/platforms.

**Instruments to Realize the Policy Advices:**

**COMCEC Agriculture Working Group:** In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.

**COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the member countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by

the COMCEC Coordination Office. For the above- mentioned policy areas, the member countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, needs assessments and training materials/documents, etc.

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# **ANNEX**

## **XI**

Original: English

## **POLICY RECOMMENDATIONS OF THE 11<sup>TH</sup> MEETING OF THE COMCEC POVERTY ALLEVIATION WORKING GROUP**

The COMCEC Poverty Alleviation Working Group (PAWG) has successfully held its 11<sup>th</sup> Meeting on April 5<sup>h</sup>, 2018 in Ankara, Turkey, with the theme of “Quality of Education in the OIC Member Countries”. During the Meeting, PAWG made deliberations on the efforts for improving education quality. Accordingly, the Working Group has come up with the following policy recommendations.

**Policy Advice 1: Increasing both the quantity and quality of teachers, particularly who teach in schools serving to disadvantaged and poorest through improving wage rates, pedagogical interventions, performance incentives, training and curricula reforms.**

### **Rationale:**

Teachers are the most significant influencer of educational outcomes. However, they are in short supply in many OIC member countries. Efforts should be intensified to make teaching an employment of choice. Income levels are critical for attracting best candidates into the teaching profession. This partly explains why in high performing countries such as Singapore and South Korea, many top graduate students aspire to enter the teaching profession. However, teacher wage rates are very low in many OIC member countries. As indicated in SDG target-4, increasing the supply of qualified teachers must be a priority for the OIC countries.

On the other hand, evidence indicates that the level of competencies and knowledge among teachers remain low in the OIC member countries, particularly in schools serving the most excluded and poorest. Teachers lack the ability to transfer their own knowledge effectively to the students. Available options to improve teacher quality include contract-based appointment or the introduction of performance incentives. Pedagogical interventions that align teaching to student learning levels are also effective at improving student performance. Moreover, curricula reforms and teacher training should focus on the student’s understanding of the subjects and promote analysis instead of rewarding memorization.

**Policy Advice 2: Increasing teaching and learning effectiveness through adoption and widespread use of Information and Communication Technology (ICT) based new models.**

**Rationale:**

In all assessments, the OIC as a group showed a declining trend in education quality, measured in terms of student achievement in math, science and reading. The use of ICT based teaching and learning models remain a popular choice to aid teachers and students to overcome such shortcomings. Jordan and Malaysia are two examples to OIC member countries which have launched new projects to improve the quality of education by investing in ICT infrastructure in education sector.

While the use of ICT-based teaching and learning models are popular and have some promising features, their success is not always guaranteed. Content design of ICT-based learning platforms is one of the important dimensions of this type of initiatives. Moreover, new ICT-based models should be tried in small-scales and only be scaled up following an evaluation of their impact on learning outcomes. Experiences of the OIC members who have made investments in this area can offer some guide to other members. Examples include distribution of low-cost tablet-PCs, establishing central online school monitoring and reporting systems.

**Policy Advice 3: Promoting better early-childhood learning opportunities through accessible and affordable pre-primary schooling**

**Rationale:**

Income poverty and poor health are system-wide problems that also limit early-life learning opportunities. The level of malnutrition is very high in some of the OIC member states; physical illness is a major cause of student absenteeism from school. Therefore, investments in child health and enhancing access to quality pre-primary schooling can go a long way for removing inequalities in learning opportunities at later stages of school education. The importance of early development is already recognized in the SDGs target 4.2 i.e. “ensuring that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education by 2030”.

Country-specific analysis of learning outcomes of Jordan, Malaysia and Nigeria confirm the importance of pre-primary schooling for later success in primary and secondary grades. According to one estimate, providing children with 3 years of Early Childhood Education and Development (ECED) would increase the average secondary and tertiary educational attainment by 0.7 years.



However, coverage of ECED differs throughout the OIC members. In many countries, participation rate in pre-primary education is low. In many instances, reliance on private providers limits access of the children from economically poor families or creates inequality in access to quality pre-primary education.

**Policy Advice 4: Ensuring progressive universalism for closing the rich-poor gap in learning outcomes.**

**Rationale:**

Despite the reductions in poverty and increases in schooling rates in some OIC member countries, the gap between educational outcomes of students from rich and poor families persists. This socio-economic gap in learning is observed across the OIC region. The wealth gap is larger for the students studying at mainstream government schools in rural areas where the school quality is especially poor.

Findings in the context of all four case study countries of the research report indicate that income level of the family is strongly associated with student performance. Ensuring progressive universalism – allocating more resources to those who need it most – will require identifying children with learning deficits and effective mechanism to target them in the classroom and community. Only a few examples such as Bangladesh Rural Advancement Committee (BRAC) in South Asia and United Nations High Commissioner for Refugees (UNHCR) schools in Jordan are observed to achieve success in providing quality education to students from economically disadvantaged families. More examples shall be identified across the OIC Region so that effective pro-poor education models can be made wide-spread. Madrassahs<sup>4</sup> may play an important role in pro-poor education, however, some set of reforms and regulations might be needed to improve the prospects of religious seminaries across the OIC Region.

**Policy Advice 5: Enhancing and reinforcing accountability through parental engagement and involving parents in the monitoring of their children's education and intensifying the parent-teacher interaction to improve education delivery.**

**Rationale:**

The delivery of equitable quality education is a shared responsibility whereby different stakeholders work together and depend on each other. The lack of

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<sup>4</sup> While in Arabic, the word Madrasa refers to any type of educational institution (religious as well as non-religious), this refers to a specific model of education in some countries where the focus is on Islamic or Qur'anic education.

accountability is a system-wide challenge and key reason for the poor returns to public spending in education in the OIC member countries. Teacher truancy is a significant challenge in OIC countries. According to one survey including OIC countries, on average nearly 20 percent of teaching time is lost every year due to factors resulting in teachers being away from school.

Evidence indicates a positive association between student performance in PISA and parental engagement. Student achievement is low where school authorities report only a minority of parents applying pressure on academic standards or the pressure being “largely absent”. Parents need to be kept up-to-date with what their children are studying and how they are progressing. This can enable parents to follow-up the progress by regularly consulting the teachers. Moreover, increasing the frequency of parent-teacher interaction can enable the school to provide parents with clear information on how to effectively contribute to their children’s learning. In addition, schools can provide useful information to parents through a variety of communication methods such as home visits, publishing newsletters, and parent’s handbooks.

### **Instruments to Realize the Policy Advices:**

**COMCEC Poverty Alleviation Working Group:** In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.

**COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office issues calls for project proposals each year. With the COMCEC Project Funding, the member countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For realizing above-mentioned policy recommendations, the member countries can utilize the COMCEC Project Funding facility. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparation of analytical studies, needs assessments and training materials/documents, etc.

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**ANNEX**

**XII**

Original: English

## **POLICY RECOMMENDATIONS OF THE 10<sup>TH</sup> MEETING OF THE COMCEC FINANCIAL COOPERATION WORKING GROUP**

The COMCEC Financial Cooperation Working Group (FCWG) has successfully held its 10<sup>th</sup> Meeting on March 29<sup>th</sup>, 2018 in Ankara, Turkey with the theme of “The Role of Sukuk in Islamic Capital Markets”. During the Meeting, FCWG made deliberations on the role of Sukuk in Islamic capital markets. Accordingly, the participants have come up with the following policy recommendations.

**Policy Recommendation 1: Developing an Enabling Legal and Regulatory Framework for Islamic Capital Markets and Promoting Solid Collaboration among the Key Market Stakeholders to improve the ecosystem for Sukuk issuance.**

**Rationale:**

Specific legal and regulatory framework along with robust market and infrastructure conditions play a key role in the development of Islamic Capital Markets (ICM) as well as sukuk as its core component. Based on the findings of the research report, each jurisdiction adopts its own strategy to promote Islamic finance and overcome inherent risks. In order for the smooth development of the ICM and to have a supportive ecosystem for sukuk issuance, the concerted efforts of key market stakeholders are quite important as well.

**Policy Recommendation 2: Improving Market Infrastructure and, where needed, the Existing Tax Framework for Enhancing Sukuk Issuance.**

**Rationale:**

The existence of a strong market infrastructure coupled with an enabling tax environment is one of the basic building blocks for sustaining long-term capital market growth. The progress of the Islamic capital markets to establish a compelling value proposition for market instruments will create a successful landscape for sukuk issuance as well. Hence, in order to promote sukuk issuance, there is a need for strengthening domestic Islamic capital markets through maintaining Tax neutrality or where needed improving the existing tax framework and the reforms to enhance market infrastructure (e.g. cost competitiveness, listing and approval process, tradability and transparency).

**Policy Recommendation 3: Developing a Sustainable Liquidity Base to Support Demand for Shariah-Compliant Assets, and Facilitating Diversification of Market Players on the Demand Side of the Sukuk Market.**

**Rationale:** One of the performance indicators of a healthy financial system is supporting non-bank financial intermediaries (NBFIs) mainly where such institutions are needed to complement the role of the banking sector, to create the liquidity base to promote demand for capital market products. Additionally, development of cornerstone investors with a specific appetite for Islamic assets (e.g. pilgrimage funds, waqf funds) would create extra demand for Shariah-compliant assets and potentially bring better cost-competitiveness (i.e. access to a wider investor base). Setting the stage to encourage the development of domestic wealth is equally important to develop a strong NBFIs investor base. The responsibility then resides with the respective government to provide the necessary support (e.g. compulsory pension schemes, incentives for retirement investment schemes, etc.) to strengthen wealth creation within its domestic financial system.

**Policy Recommendation 4: Promoting a Sustainable Supply of Sukuk Issuance from the Private Sector in order to Foster Diversification of Industry Participants on the Supply Side and Expand the Benchmark Yield Curve.**

**Rationale:**

Based on the research report, the performance of the private sector is one of the most important indicators to track the pulse of a local sukuk market. Key to building a sustainable supply of private sector sukuk typically starts with a sovereign benchmark yield curve for corporate issuers to follow. Commercial motivation will always be the compelling reason for issuers to choose sukuk instead of conventional bond issuance. Identification of suitable state-owned entities or government-linked companies to become sukuk champions in promoting innovative structures can be the starting point to support the expansion of the benchmark yield curves.

**Policy Recommendation 5: Developing a Seamless Shariah Governance Process for Facilitating Faster Turnaround Time for Sukuk Issuance, Improving Clarity of Sukuk Structures, Promoting Product Innovation, Building Market Confidence and Increasing Market Awareness among the Industry Practitioners.**

**Rationale:**

A seamless Shariah governance process incorporated into the financial system is important to make the Islamic capital market products attractive for all

market players. There are different methods among countries in terms of the implementation of Shariah governance framework: while some countries adopt a centralized approach where a national Shariah committee is set-up within the regulatory bodies (e.g. central bank, securities commission, etc), some other countries implement a harmonized approach which is accepted by in-house Shariah advisers. Even though reference can be made to AAOIFI and IFSB Shariah standards, the final decision is still based on the domestic Shariah advisers that reside in each OIC member country. Ultimately, key stakeholders would need to decide which method fits industry requirements as well as provides faster turnaround time for sukuk issuance, improves the clarity of sukuk structures, promotes product innovation, builds market confidence and increases awareness among the industry practitioners.

**Instruments to Realize the Policy Recommendations:**

**COMCEC Financial Cooperation Working Group:** In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.

**COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office issues calls for project proposals each year. With the COMCEC Project Funding, the member countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For realizing above-mentioned policy recommendations, the member countries can utilize the COMCEC Project Funding facility. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparation of analytical studies, needs assessments and training materials/documents, etc.

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**ANNEX**

**XIII**

Original : English



**DRAFT AGENDA  
OF THE 34<sup>th</sup> SESSION OF THE COMCEC  
(İstanbul, 26-29 November 2018)**

15. Opening of the Meeting and Adoption of the Agenda
16. Report on the COMCEC Strategy and Its Implementation
17. The Implementation of the OIC-2025: Programme of Action
18. World Economic Developments with Special Reference to the OIC  
Member Countries
19. Intra-OIC Trade
20. Enhancing the Role of Private Sector in Economic Cooperation
21. Improving Transport and Communications
22. Developing a Sustainable and Competitive Tourism Sector
23. Increasing Productivity of Agriculture Sector and Sustaining Food  
Security
24. Alleviating Poverty
25. Deepening Financial Cooperation
26. Exchange of Views on “Facilitating Trade: Improving Customs Risk  
Management Systems in the OIC Member States”
27. Date of the 35<sup>th</sup> Session of the COMCEC
28. Any Other Business
29. Adoption of the Resolutions

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**ANNEX**

**XIV**

Original: English

**CLOSING SPEECH BY H.E. AMBASSADOR SALİH MUTLU ŞEN,  
PERMANENT REPRESENTATIVE OF THE  
REPUBLIC OF TURKEY TO THE OIC  
THIRTY FOURTH MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE COMCEC  
(Ankara, 10 May 2018)**

Distinguished Members of the Follow-up Committee,  
Esteemed Delegates,

After intensive deliberations, we have successfully concluded the 34<sup>th</sup> Follow-up Committee Meeting of the COMCEC. We have reviewed various issues taken up by COMCEC and drawn up its agenda for the 34<sup>th</sup> Session. I would like to express my sincere thanks to all delegations for their active participation in the Meeting as well as their valuable contributions to the deliberations.

Esteemed Guests,

COMCEC, as the highest economic and commercial cooperation platform of the OIC, has been exerting intense efforts to further economic cooperation among the Member Countries since its inception. Providing a new and realistic impetus for our cooperation, COMCEC Strategy is being implemented successfully through its two implementation mechanisms namely Working Groups and COMCEC Project Funding.

Within 5 years, COMCEC Working Groups successfully held 65 expert level meetings on different technical themes under six main cooperation areas. During the meetings, key policy recommendations were developed in the light of evidence based discussions with a view to approximating policies among our countries as well as coming up with collective solutions to our common challenges.

I am pleased to observe the valuable efforts of the Member Countries as well as the OIC Institutions towards the realization of the policy recommendations developed in the COMCEC Working Groups and adopted by the COMCEC Ministerial Sessions. Seizing the opportunity, I would like to emphasize once more that as the member countries we need to exert more efforts to implement these recommendations at the national level to the extent

possible. In this respect, COMCEC Project Funding Mechanism provides our member countries a practical tool to conduct joint projects and improve our institutional and human capacity in a spirit of solidarity and cooperation.

We are also pleased to learn that 44 projects were successfully implemented during the last five-year-period and 19 projects are being implemented this year. Since the projects are required to have at least 2 member countries in addition to the project owner country for implementation; in some projects nearly 30 member countries are involved and almost all the member countries are directly or indirectly beneficiaries of these projects.

Esteemed Delegates,

During our Meeting, we have discussed various issues of importance for our member countries in critical sectors such as trade, transport, agriculture, poverty alleviation, tourism and financial cooperation. As we have already spent sufficient time on all these matters, it would suffice at this point with mentioning the importance and relevance of the “Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States” as the theme of the Exchange of Views Session of the 34<sup>th</sup> Session of the COMCEC.

As you all know, trade facilitation contributes to reducing transactional costs and, therefore, enhancing competitiveness. As a case point, the effective implementation of the WTO Trade Facilitation Agreement is expected to reduce the total trade costs by more than 14 per cent for the low-income countries and more than 13 per cent for the upper middle income countries by streamlining the flow of trade across borders. In this respect, I believe that the outcomes of the exchange of views session will provide us with strong insights and indications with regards to facilitating trade among the Member Countries.

Distinguished Guests,

I would like to remind you that the 6<sup>th</sup> Annual Meeting of the Focal Points of the COMCEC will be held on 3-5 July 2018 in Ankara. This Meeting provides a great opportunity for our focal points to discuss ongoing efforts under the COMCEC and the implementation of the outcomes of the Working Group Meetings and COMCEC Project Funding. Furthermore, our focal points will have the chance of designing our future works and plans. I would like to call upon all the member countries to actively participate in this important meeting.

Esteemed Guests,

Before concluding, I would like to thank all the Members of the Follow-Up Committee, the OIC General Secretariat, SESRIC, the IDB Group, ICDT, ICCIA, SMIIC, and OISA for their participation and valuable contributions to the meeting. I would also like to thank our colleagues in the COMCEC Coordination Office, the staff on duty in this Organization, interpreters, revisers and translators for their untiring efforts which helped rendering this meeting a success.

I wish you all a safe trip back home.

Thank you.

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# **ANNEX**

## **XV**

Original: English

**LIST OF BASIC DOCUMENTS CONSIDERED  
AND/OR PRESENTED AT THE THIRTY FOURTH MEETING OF  
THE FOLLOW-UP COMMITTEE OF THE COMCEC  
(Ankara, 9-10 May 2018)**

1.	Report on the Implementation of the COMCEC Strategy - Progress Report.....	<i>OIC/COMCEC-FC/34-18/D(1)-CCO</i>
2.	Report of the OIC General Secretariat on the Implementation of the OIC 2025: Programme of Action.....	<i>OIC/COMCEC-FC/34-18/D(2)-OIC</i>
3.	Brief on Trade/TPS-OIC.....	<i>OIC/COMCEC-FC/34-18/D(3)-CCO</i>
4.	Proceedings of the 11 <sup>th</sup> Meeting of the COMCEC Trade Working Group .....	<i>OIC/COMCEC-FC/34-18/D(4)-CCO</i>
5.	Draft Policy Recommendations of the 11 <sup>th</sup> Meeting of the Trade Working Group to be submitted to the Exchange of Views Session of the 34 <sup>th</sup> Session of the COMCEC.....	<i>OIC/COMCEC-FC/34-18/D(5)-CCO</i>
6.	List of TPS-OIC Signatory and Ratifying Countries.....	<i>OIC/COMCEC-FC/34-18/D(6)-CCO</i>
7.	Reports of ICDT on the OIC Fairs and Exhibitions.....	<i>OIC/COMCEC-FC/34-18/D(7)-ICDT</i>
8.	Executive Summary - Annual Report on Intra-OIC Trade 2016-2017.....	<i>OIC/COMCEC-FC/34-18/D(8)-ICDT</i>
9.	Report on IDB's WTO-Related Technical Assistance and Capacity Building Program .....	<i>OIC/COMCEC-FC/34-18/D(9)-IDB</i>
10.	Report on the Issues Relating to the Activities of the World Trade Organization .....	<i>OIC/COMCEC-FC/34-18/D(10)- ICDT</i>
11.	ITFC Progress Report on Enhancing Intra-OIC Trade.....	<i>OIC/COMCEC-FC/34-18/D(11)- ITFC</i>
12.	Concept Note on Business Intelligence Centre...	<i>OIC/COMCEC-FC/34-18/D(12)- ICIEC</i>
13.	Report of SMIIC.....	<i>OIC/COMCEC-FC/34-18/D(13)- SMIIC</i>
14.	Report on the Activities of ICCIA.....	<i>OIC/COMCEC-FC/34-18/D(14)- ICCIA</i>
15.	ICIEC's Brief Performance.....	<i>OIC/COMCEC-FC/34-18/D(15)- ICIEC</i>
16.	Brief on Transport and Communications	<i>OIC/COMCEC-FC/34-18/D(16)-CCO</i>
17.	Proceedings of the 11 <sup>th</sup> Meeting of the COMCEC Transport and Communications Working Group.....	<i>OIC/COMCEC-FC/34-18/D(17)-CCO</i>

18.	Policy Recommendations of the 11 <sup>th</sup> Meeting of the Transport and Communications Working Group.....	<i>OIC/COMCEC-FC/34-18/D(18)-CCO</i>
19.	Brief on Tourism .....	<i>OIC/COMCEC-FC/34-18/D(19)-CCO</i>
20.	Proceedings of the 11 <sup>th</sup> Meeting of the COMCEC Tourism Working Group .....	<i>OIC/COMCEC-FC/34-18/D(20)-CCO</i>
21.	Policy Recommendations of the 11 <sup>th</sup> Meeting of the Tourism Working Group .....	<i>OIC/COMCEC-FC/34-18/D(21)-CCO</i>
22.	Resolution on Tourism Development among the OIC-Member States adopted by the 10 <sup>th</sup> Session of the Islamic Conference of Tourism Ministers (ICTM).....	<i>OIC/COMCEC-FC/34-18/D(22)-OIC</i>
23.	Report of the 6 <sup>th</sup> Meeting of the OIC/COMCEC Private Sector Tourism Forum.....	<i>OIC/COMCEC-FC/34-18/D(23)- Ministry of Culture and Tourism of the Republic of Turkey</i>
24.	Brief on Agricultural Cooperation.....	<i>OIC/COMCEC-FC/34-18/D(24)-CCO</i>
25.	Proceedings of the 11 <sup>th</sup> Meeting of the COMCEC Agriculture Working Group.....	<i>OIC/COMCEC-FC/34-18/D(25)-CCO</i>
26.	Policy Recommendations of the 11 <sup>th</sup> Meeting of the Agriculture Working Group.....	<i>OIC/COMCEC-FC/34-18/D(26)-CCO</i>
27.	Brief on Poverty Alleviation .....	<i>OIC/COMCEC-FC/34-18/D(27)-CCO</i>
28.	Proceedings of the 11 <sup>th</sup> Meeting of the COMCEC Poverty Alleviation Working Group..	<i>OIC/COMCEC-FC/34-18/D(28)-CCO</i>
29.	Policy Recommendations of the 11 <sup>th</sup> Meeting of the Poverty Alleviation Working Group.....	<i>OIC/COMCEC-FC/34-18/D(29)-CCO</i>
30.	Report on the Activities of the Islamic Solidarity Fund for Development.....	<i>OIC/COMCEC-FC/34-18/D(30)-IDB- ISFD</i>
31.	Report on the Special Programme for the Development of Africa (SPDA) .....	<i>OIC/COMCEC-FC/34-18/D(31)-IDB- SPDA</i>
32.	Tendency Survey on SDG Priorities.....	<i>OIC/COMCEC-FC/34-18/D(32)- SESRI</i>
33.	Brief on Financial Cooperation .....	<i>OIC/COMCEC-FC/34-18/D(33)-CCO</i>
34.	Proceedings of the 10 <sup>th</sup> Meeting of the COMCEC Financial Cooperation Working Group.....	<i>OIC/COMCEC-FC/34-18/D(34)-CCO</i>
35.	Policy Recommendations of the 10 <sup>th</sup> Meeting of the Financial Cooperation Working Group.....	<i>OIC/COMCEC-FC/34-18/D(35)-CCO</i>
36.	SESRI Activity Report Towards the Implementation of the COMCEC Strategy.....	<i>OIC/COMCEC-FC/34-18/D(36)- SESRI</i>

Reports are available on the COMCEC website. ([www.comcec.org](http://www.comcec.org))



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