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**REPORT**

**OF**

**THE OIC GENERAL SECRETARIAT**

**ON**

**IMPLEMENTATION OF THE OIC TEN-YEAR PROGRAMME OF ACTION**

**TO BE SUBMITTED**

**TO**

**THE THIRTIETH SESSION OF STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE OIC (COMCEC)**

TURKEY, REPUBLIC OF TURKEY  
25-28 NOVEMBER 2014

## ABBREVIATIONS:

CFM	Islamic Conference of Foreign Ministers
COMCEC	OIC Standing Committee for Economic and Commercial Cooperation
COMESA	Common Market for Eastern and Southern Africa
ECCAS	Economic Community of Central African States
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agricultural Organization
GCC	Gulf Cooperation Council
ICCIA	Islamic Chamber of Commerce, Industry and Agriculture
ICD	Islamic Corporation for the Development of the Private Sector
ICDT	Islamic Centre for Development of Trade
ICECS	Islamic Commission for Economic, Cultural and Social Affairs
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
ICLM	Islamic Conference of Labour Ministers
ICTM	Islamic Conference of Tourism Ministers
ICT	International Trade Centre
IDB	Islamic Development Bank
ISESCO	Islamic Educational, Scientific and Cultural Organization
IFAD	International Fund for Agricultural Development
IFSB	Islamic Financial Services Board
IGAD	Intergovernmental Authority on Development
IIFA	International Islamic Fiqh Academy
IMF	International Monetary Fund
IOFS	Islamic Organization for Food Security
IRCICA	Research Centre for Islamic History, Art and Culture
ISF	Islamic Solidarity Fund
ISFD	Islamic Solidarity Fund for Development
ITAP	International Assistance Programme
ITFC	International Islamic Trade Finance Corporation
KOICA	Korea International Cooperation Agency
LAS	League of Arab States
LMDC	Least Developed Member Countries
MFN	Most Favored Nation
MUSIAD	Independent Industrialists & Businessmen's Association of Turkey
NEPAD	New Partnership for Africa's Development
OIC	Organization of the Islamic Conference
OIC PACCA	OIC Plan of Action for Cooperation with Central Asia
OISA	Organization of Islamic Ship-owners Association
PRETAS	Preferential Tariff Scheme of TPS-OIC
R&D	Research and Development
RECCA	Regional Economic Cooperation Conference on Afghanistan
SAARC	South Asian Association for Regional Cooperation
SESRIC	Statistical, Economic and Social Research and Training Centre for Islamic Countries
SME	Small and Medium Entrepreneurs
SMIIC	Standards and Metrology Institute for Islamic Countries
SPDA	Special Programme for Development of Africa
TCP	Trade Cooperation and Promotion Programme
TNC	Trade Negotiating Committee
TPS-OIC	Trade Preferential System of OIC
TPS-OIC-RoO	Rules of Origin of Trade Preferential System of OIC
TOBB	Union of Chambers and commodity Exchange of Turkey
TYPOA	OIC Ten-Year Programme of Action
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and Pacific
UNIDO	United Nations Industrial Development Organization
UNESCWA	United Nations Economic and Social Commission for Western Asia
UNOSSC	United Nations Office for South-South Cooperation
UNWTO	United Nation World Tourism Organization
UNCTAD	United Nations Conference on Trade and Development
WAEMU	The West African Economic and Monetary Union
WCO	World Customs Organization

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## **I. INTRODUCTION**

1. The General Secretariat has continued to place considerable emphasis on coordinating the socio-economic cooperation agenda of the OIC, underscoring thereby the implementation of the various decisions of the OIC as espoused in its charter, other multilateral agreements and indeed the Ten Year programme of Action (2005-2015). In the wake of the assumption of duties of His Excellency, Mr. Iyad Ameen Madani on 1<sup>st</sup> January 2014, the need to prioritise inter-agency coordination among the various institutions of the OIC has received added impetus. This Report would highlight the various demarches made by the General Secretariat towards accelerating the implementation of OIC decisions and resolutions in the economic domain, pursuant to the Ten Year Programme of Action.
2. It would highlight the particular efforts made with regard to boosting intra-OIC cooperation in the domain of trade and logistics, tourism development, labour and productivity and indeed agriculture and rural development. Furthermore, the significance of increasing regional and international partnerships for the rapid implementation of OIC resolutions and the execution of OIC national and cross-border projects has also informed the various actions taken during the year under review.
3. Significantly, the convening of the first Leadership Meeting between OIC Secretary-General and the President of the IDB Group and the ensuing series of sub-committee meetings are aimed at scaling up the actual execution of such OIC projects as the investment forum for Central Asia, the consolidation of the structures of the new specialized institution for food security in Astana, Kazakhstan and modalities for effective allocation of the poverty alleviation funds for the benefit of the vulnerable segments of the OIC societies.
4. In addition, , the Report will highlight the implementation of the outcome of the 8<sup>th</sup> Islamic Conference of Tourism Ministers held in Banjul, The Gambia on 4-6 December 2013 and the selection of two winning awards for OIC City of Tourism for 2015 and 2016 respectively. Similarly, the convening of the 1<sup>st</sup> International Forum on Islamic Tourism in Jakarta, Indonesia on 2-3 June 2014 heralded the desire to activate intra-OIC cooperation in this vital sector, which is fast gaining popularity among the increasing middle class and the growing number of educated youthful population of OIC member states.

## II. COOPERATION IN THE AREA OF TRADE

5. Since 29<sup>th</sup> Session of COMCEC, due emphasis has continued to be placed on operationalisation of the trade preferential system of the OIC and implementation of OIC General Agreement for Economic, Technical, and Commercial Cooperation as well as OIC Agreement for Promotion, Protection and Guarantee of Investment among Member States. Consequently, in addition to the efforts to ensure the completion of the administrative measures necessary for the take-off of the system, other non-tariff components of the TPS-OIC were also given due consideration during the year under review. The following report covers the recent outlook of trade relations in OIC Member States, consolidating coordination of activities under the Road Map for Enhancing Intra-OIC Trade, trade financing and export credit insurance, and trade promotion.

### *Recent Outlook of Intra-OIC Trade*

6. During the year under review, trade exchanges among the OIC Member States continued to grow. Member states' trade increased from US\$ 4.126.01trillion in 2012 to US\$ 4.184.08 trillion in 2013, an increase by 1.41%. Trade among OIC Member States accounted for 11.34 % of world trade in 2012, compared to 10.8 % in 2011.
7. Similarly, the total value of intra-OIC trade in 2013 reached US\$ 778.75 billion, as against US\$ 751.68 billion in 2012, an increase by 3.60%. At the same time the share of intra-OIC trade in the total trade of Member States increased from 18.45 % in 2012 to 18.70% in 2013, which represents an increase by 1.33%.

<b>Global Trade of OIC/ Intra-OIC Trade: 2004-2013</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Global Trade of OIC</b>									
<b>Total World Merchandise Trade</b> In billion US\$	26.300	23.890	27.600	31.900	25.300	30.290	35.780	36.134	36.775
<b>Total OIC Merchandise Trade</b> In billion US\$	1.776.11	2.139.32	2.560.29	3.380.74	2.659.05	3.182.12	3.880.16	4,126.01	4.184.08
<b>Share of OIC in World Trade</b> In %	6.77 %	8.96 %	9.28 %	10.61 %	10.28 %	10.57 %	10.80%	11.34%	11.37%
<b>Intra OIC Trade</b>									
<b>Value of Intra-OIC Trade</b> In billion US\$	271.45	333.36	420.6	551.02	426.75	539.00	681.60	751.68	778.75
<b>Share of Intra-OIC Trade</b> In %	15.47%	15.83%	16.63%	16.60%	16.05%	17.03%	17.80%	18.45%	18.70%

*Source: Islamic Center for Development of Trade (ICDT)*

8. The major actors in the domain of intra-OIC trade in 2012 were: United Arab Emirates (13.40% intra-OIC trade share, 91,3 billion US\$), Turkey (10.08%-68.7 US\$), Saudi Arabia (9.36%-63.8 US\$), Iran (8.32%-56.7US\$), Indonesia (7.30%-49.7 US\$), Malaysia (6.99%-47.6 US\$), Pakistan (4.44%-30.2 US\$), Iraq (4.23%, 28.8 US\$), Egypt (3.59%, 24.5 US\$) and Syria (3.50%-23.9 US\$). These countries represented 71.19% of intra-OIC trade in 2012, amounting to US\$485.3 billion. Similarly, the list and share of major actors in intra-OIC trade in 2013 are as follows:

<b>Major actors in Intra-OIC Trade in 2013</b>
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<i>Major actors in Intra-OIC Trade</i>			<i>Major Exporters to the OIC area</i>			<i>Major Importing countries</i>		
<i>Member States</i>	<i>Volume of intra-OIC trade billion US\$</i>	<i>% of share in intra-OIC Trade</i>	<i>Member States</i>	<i>Volume in billion US\$</i>	<i>% of Intra-OIC Export)</i>	<i>Member States</i>	<i>Volume in billion US\$</i>	<i>% of Intra- OIC Import</i>
<b>UAE</b>	91.3	13.40%	<b>UAE</b>	60.4	18.6%	<b>Iran</b>	37.7	10.58%
<b>Turkey</b>	68.7	10.8%	<b>Saudi Arabia</b>	45.3	13.9%	<b>Turkey</b>	31.4	8.82%
<b>Saudi Arabia</b>	63.8	9.38%	<b>Turkey</b>	37.3	11.5%	<b>UAE</b>	30.9	8.69%
<b>Iran</b>	56.7	8.32%	<b>Malaysia</b>	24.9	7.7%	<b>Indonesia</b>	26.8	7.54%
<b>Indonesia</b>	49.7	7.30%	<b>Indonesia</b>	22.9	7%	<b>Iraq</b>	23.7	6.66%
<b>Malaysia</b>	47.6	6.99%	<b>Iran</b>	19	5.8%	<b>Malaysia</b>	22.8	6.39%
<b>Pakistan</b>	30.2	4.44%	<b>Egypt</b>	12	3.7%	<b>Pakistan</b>	21.3	5.97%
<b>Iraq</b>	28.8	4.23%	<b>Kuwait</b>	11.2	3.4%	<b>Saudi Arabia</b>	18.5	5.19%
<b>Egypt</b>	24.5	3.59%	<b>Syria</b>	10.5	3.2%	<b>Syria</b>	13.3	3.74%
<b>Syria</b>	23.9	3.50%	<b>Pakistan</b>	9	2.8%	<b>Egypt</b>	12.4	3.49%
<b>Total</b>	<b>485.3</b>	<b>71.19%</b>	<b>Total</b>	<b>252.5</b>	<b>77.6%</b>	<b>Total</b>	<b>238.8</b>	<b>67.1%</b>

*Source: ICDT Annual Report 2013*

9. In 2011, the following 29 Member States exceeded the threshold of 20% of the level of intra-OIC trade, the target set by Ten Year Programme of Action for the year 2015: Somalia, Djibouti, Syria, Lebanon, Afghanistan, Jordan, Pakistan, Tajikistan, Kyrgyz Republic, Iraq, Comoros, Burkina Faso, Senegal, Cote d'Ivoire, Turkmenistan, Niger, Yemen, Uzbekistan, Egypt, Libya, Oman, Mali, Togo, Iran, Uganda, Bahrain, Sudan, Guinea Bissau and Turkey.

#### ***Enhancing Coordination on Intra-OIC Trade:***

10. In line with the objectives of coordination and synergy among the OIC institutions in the area of Intra-OIC Trade, the Islamic Center for Development of Trade (ICDT) and International Islamic Trade Financing (ITFC) organized the Sixth Meeting of the OIC Consultative Group for Enhancing Intra-OIC Trade in Marrakesh, Kingdom of Morocco, on 3-4 February 2014. The meeting reviewed implementation of the Executive Programme of the Road-Map for Enhancing Intra-OIC Trade and the plan of activities for 2014-2015 within the five clusters of Trade Facilitation, Trade Financing, Trade Promotion, Capacity Building and Development of Strategic Commodities. The Meeting also examined the assessment and evaluation process for the Executive Programme and made recommendations on the way forward to further enhancing the coordination of activities of the Group and achieving the goals of the OIC Ten Year Programme of Action.
11. The salient recommendations for consolidating the work of Consultative Group adopted by the Meeting include: preparation of a comprehensive evaluation report on the work of Consultative Group; further consolidating coordination and synergy among the relevant OIC institutions in the trade area on the implementation of joint activities; expediting implementation of activities in the area of: Aid for Trade at the OIC sub-regional level. It further provide for enhancing access to financing and strengthening SMEs; establishing the Global Network of TPOs in OIC Member States; and funding of the existing projects on cotton action plan and assisting OIC project owners in repackaging their projects; enhancing consultation and cooperation with Regional and international organizations as well as regional economic blocks within the OIC. Other recommendations feature ensuring support for ICDT in its capacity as the Technical

Secretariat of the Consultative Group; and encouraging all reporting agencies to submit an assessment of their respective activities under the various clusters.

#### ***Network of OIC Trade Promotion Organs (TPOs)***

12. The First Meeting of the Global Network of the OIC Trade Promotion Organs (TPOs) was jointly organized by Islamic Center for Development of Trade (ICDT) and Sharjah Chamber of Commerce and Industry in Sharjah, State of the United Arab Emirates on 17-18 March 2014. The Meeting was attended by representatives of Governments and Trade Promotion Organs of OIC Member States as well as OIC, regional and international institutions and Private Sector operators.
13. The Meeting agreed *inter alia* to launch the Network of OIC TPOs; entrust the ICDT the task of the Secretariat of the OIC TPOs; establish a dedicated dynamic website for the Network; hold a Global Conference of the Network; create a trophy of the best TPO in the OIC Member States and mobilize resources for the implementation of Projects adopted by the Network. The Meeting also elaborated on the possible mandate of the Network in the area of capacity building, trade promotion, trade information, studies and business missions, as well as trade and investment facilitation,

#### ***Trade Facilitation:***

14. The General Secretariat has renewed its call on OIC Member States to give effect to some important multilateral trade instruments in force among OIC Member States. Both the General Agreement for Economic, Technical and Commercial Cooperation among OIC Member States and the Agreement for Promotion, Protection and Guarantee of Investments among OIC Member States had entered into force in April 1981 and February 1988 respectively.
15. The General Agreement for Economic, Technical and Commercial Cooperation among OIC Member States has been signed by 47 Member States and ratified by 32, while the Agreement on Promotion, Protection and Guarantee of Investments has been signed by 38 and ratified by 27. While the former Agreement provides for facilitating trade exchanges among Member States, the latter provides for the commitment of OIC Member States to creating, in their respective countries the necessary and favorable conditions for promoting intra-OIC investment and to offer various incentives for free movement of capitals, *inter se*.
16. Similarly, 39 Member States have signed and 30 ratified the Framework Agreement on Trade Preferential System of the OIC, 31 Member States signed and 16 ratified the PRETAS, and 30 Member States signed and 16 ratified the Rules of Origin, while 13 Member States submitted their list of products. The Kingdom of Bahrain has ratified the TPS-OIC Rules of Origin on 05 June 2014, while the Kingdom of Morocco submitted its List of Products under the TPS-OIC on 18 July 2014. Accordingly, the Trade Negotiating Committee (TNC) on TPS-OIC can now convene to ensure the immediate operationalisation of this OIC trade facilitation mechanism.
17. The status of signing and ratification of OIC economic agreements as of 30 August 2014 is annexed to this Report.

18. In this context, Member States which are yet to complete the signing and ratification processes of TPS-OIC or forward their lists in line with the relevant provisions of CFM resolutions are being requested to do so as early as possible. This includes the submission of their specific annual installments of reduction along with the list of products (schedules of concessions), sample of certificates and specimen impression of stamps used in their customs and to complete internal and legislative and administrative measures.

***Trade Promotion:***

19. During the year 2013, the Islamic Center for Development of Trade (ICDT) in collaboration with relevant authorities in Member States organized various Trade Fairs and Specialized Exhibitions, including ; the 1<sup>st</sup> Handicrafts Exhibition of the OIC Member States, 11-14 April 2013 Casablanca - Kingdom of Morocco; the 6<sup>th</sup> Exhibition of Agribusiness Industries in the OIC Member States 13-16 May 2013, Muscat ,Sultanate of Oman; the 1<sup>st</sup> OIC -China Expo and the Economic and Trade Forum, 15-19 September 2013, Yinchuan, Ningxia Hui Autonomous Province , People's Republic of China; the 14<sup>th</sup> Trade Fair of the OIC Member States, 22-23 September 2013, Tehran, Islamic Republic of Iran; and the 2<sup>nd</sup> Halal Food Exhibition of the OIC Member States, 16-18 December 2013 Sharjah, United Arab Emirates.

***Trade Financing and Export Credit Insurances:***

20. During the year 2013 the ITFC kept expanding its operation in developing intra-OIC trade accompanied by adequate precautions so that the ITFC resource could be preserved. In 2013, the trade approvals of ITFC reached about US\$ 4.938 million, as against US\$ 4.466 million in 2012, which represents an increase of 10 percent. Similarly, the level of utilization of the credits reached around US\$ 3.900 million in 2013, which is 80% of approvals, compared to 90% of approvals in 2012. Accordingly, over last 6 years the volume of ITFC trade financing approval reached US\$ 5.0 billion as of end of 2013, which indicates almost double, up from US\$ 2.5 billion in 2008.
21. Similarly, during the year under review, the new commitments of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) reached to US\$ 1.791 million compared to US\$ 1.657 million for the year 2012, registering an increase of 8%. In the same vein the business insured by the Corporation in 2013 reached US\$ 2.439 million compared to US\$ 2.343 million in 2012, representing 4% increase and an achievement of 71% of the set target for the period. However, the Corporation was not spared the effects of the increased credit and investment risks, particularly in Southern Europe and North Africa, resulting in paid claims amounting to US\$ 1.58 million, compared to US\$ 1.30 million, thereby registering an increase by 22% compared to the same period last year.

Since its inception, the ICIEC has cumulatively insured US\$ 13.87billion in Member States export, and US\$ 9.03 billion in Member States imports. ICIEC cumulative operations reached US\$ 27.25 since its establishment in 1994.

**III. TRANSPORTATION DEVELOPMENT:**

***Implementation of the OIC Dakar-Port Sudan Railway Project:***

22. The General Secretariat and IDB participated in the West African Investment Forum held in Dubai, UAE on 8-9 September 2014. Consequently, the General Secretariat is in receipt of the railway project approved by the West African Economic and Monetary Commission (WAEMU), which falls on the same rail corridor as the OIC project. It has accordingly initiated arrangements with IDB and other funding partners for the financing of the feasibility and design studies estimated at US\$ 3.5 billion and US\$ 10.1 million respectively. The train loop is from Dakar-Bamako-Sikasso-Bobo Dioulasso (1793 km).
23. Before-hence and sequel to the Validation Workshop on the Final Report of Pre-Feasibility Studies on the Missing Links on the AU/NEPAD Dakar - Djibouti corridor, which was held in Djibouti on 18-19 December 2012, at which IDB participated as one of the donor agencies, arrangements for the feasibility stage of the Project commenced in earnest. Participating Member States have been requested to include the missing links in their national development priorities in order to secure adequate financing..
24. Consequently, the General Secretariat obtained the complete set of the Pre-Feasibility Studies on the Missing Links of Dakar - Djibouti and transmitted the same to OIC Member States and development partners/institutions. The General Secretariat also requested the OIC Member States and development partners/institutions to consider possibility of extending technical and funding support to OIC project-owners in the elaboration of feasibility studies of their national segments along the proposed OIC Dakar-Port Sudan Railway line.
25. In this context, it is worth mentioning that the Pre-Feasibility Study focused on the feasibility of the missing links of the Dakar Djibouti Transport Corridor with its both road and rail components. The Study examined the technical-economic characteristics and performance of the existing railways and assessed the feasibility of constructing railway missing links of Dakar Djibouti corridor. The Study also proposed two alternative routes for constructing railway missing links of Dakar Djibouti corridor in standard gauge as well as estimated cost of upgrading the existing railway networks to standard gauge.
26. The Study further recommended moving to the completion of missing links' conceptual design studies. It also recommended creating and putting in place national committees comprising officials from various concerned institutions in the transport sector for monitoring and evaluation of the planned activities' implementation. Furthermore, it emphasized the crucial role of the regional economic communities crossed by the corridor, namely ECOWAS, ECCAS, COMESA and IGAD in consolidating efforts of the concerned countries and development partners in this regard.
27. In reply to the General Secretariat's request, the Abu Dhabi Fund for Development has indicated its readiness to consider contributing to financing projects covering the respective national segments along the proposed OIC Dakar-Port Sudan Railway line, upon receiving an official request from the concerned OIC member states to this effect. Similarly, the Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey has also indicated

its willingness to extend support to OIC project-owners in the form of expert assistance and training relating to Due Diligence. The concerned OIC Member States have been informed accordingly.

28. In a related development, the General Secretariat has also reached an understanding with the United Nations' Office for South-South Cooperation on the extension of necessary technical and consultancy support, through its Global Assets and Technology Exchange (SS-GATE) to needy project-owners among OIC Member States during the implementation phase of the Dakar-Port Sudan Railway Project. This support would be in the form of assistance to OIC Member States in packaging their respective projects for their segments along the proposed transport corridor. Such action would facilitate the mobilization of funds from OIC traditional partners.
29. In line with the on-going alliance with AU on the implementation of infrastructure projects in Africa, the OIC participated in the Dakar Financing Summit for Africa's Infrastructure, which was held in Dakar, Senegal on 14-15 June 2014. The Summit agreed to prioritize the financing of the 16 infrastructure projects and one of these projects is modernization of Dakar-Bamako railway line, which is a key component of OIC Dakar-Port Sudan Railway Project and AU Dakar-Djibouti Transport Corridor. In the aftermath of the Summit, the General Secretariat has forwarded for consideration of NEPAD a proposal to create a mechanism for regular consultations between OIC and AU/NEPAD on the above mentioned projects and other issues of common interest. This would enable the two Organisations exert more coordinated efforts to foster active exchange of best practices as well as ensure efficiency through an effective use of resources.
30. In view of the foregoing, the concerned OIC Member States are being sensitized on the need to include the respective national segments along the corridor in their national development plans and commence necessary actions so as to take advantage of offers by the Abu Dhabi Fund for Development and the Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey. These measures would facilitate the early convening of the Second Stakeholders meeting on the OIC Dakar-Port Sudan Railway Project as recommended by the 40<sup>th</sup> Session of OIC Council of Foreign Ministers (CFM) and reaffirmed by 41<sup>st</sup> Session of OIC CFM.

#### **IV. TOURISM SECTOR DEVELOPMENT:**

##### ***8<sup>th</sup> Islamic Conference of Tourism Ministers, Banjul, the Republic of The Gambia, 4-6 December 2013***

31. The Eighth Islamic Conference of Tourism Ministers (ICTM) took place in Banjul, the Republic of The Gambia on 4-6 December 2013, under the theme 'Fostering Wealth Creation through Tourism Development'. The Conference was attended by 28 member states, comprising Ministers in charge of Tourism and heads of delegation as well as representatives of relevant OIC institutions, regional and international organizations.

32. The Ministers reviewed and approved, among other issues, the Mechanism and Criteria for the selection of OIC City of Tourism, the Mechanism and Criteria for the award of OIC Seal of Excellence for Handicrafts and the establishment of the Heritage Centre for Islamic Countries.
33. The introduction of the OIC City of Tourism Award is aimed at galvanizing intra-OIC activities in an identified city, thereby developing the socio-economic potentials of the city in question, while scaling up intra-OIC trade in goods and services. This mechanism is also aimed at enhancing intra-OIC solidarity through rendering considerable assistance to OIC member states in the crucial areas of tourism infrastructure development, human capital development and harmonization of standards.
34. The establishment of the award of OIC Seal of Excellence for Handicrafts is also aimed at preserving, promoting and developing traditional and contemporary crafts in the OIC member states. The Conference reviewed the proposition by the Islamic Republic of Iran on the establishment of the Heritage Centre for Islamic Countries as an international specialized institution against the background of the similarity between the mandate of the proposed Centre and the functions of such existing OIC institutions in the relevant domain. Accordingly, the Conference requested IRCICA and ISESCO to include the stipulated functions of the proposed Centre in their respective mandates.
35. The Conference also adopted various resolutions on how to accelerate the implementation of the OIC Framework for Development of Tourism, including the activities of the various OIC institutions working in the domain of tourism promotion. The Conference elected new members to the re-constituted Coordination Committee, charged with the implementation of the OIC Framework and the new award mechanisms.
36. The Conference also examined a number of issues concerning the implementation of the OIC Framework for Promotion of Tourism among OIC member states, reiterating the need for tourism infrastructure development; policy and standard harmonization; promotion of Shariah-compliant tourism products; increasing competitiveness among SMEs in OIC member states; and facilitation of movement of tourists among the OIC Member States. The 9<sup>th</sup> Session of the Islamic Conference of Tourism Ministers will be held in the Republic of Niger in 2015.

***4<sup>th</sup> Coordination Committee Meeting for the Implementation of the Framework for Development and Cooperation in the Domain of Tourism among OIC Member States and the ICTM Resolutions, Jakarta, Republic of Indonesia, 3 June 2014***

37. The Fourth Coordination Committee Meeting on Tourism was held in Jakarta, Republic of Indonesia, on 3 June 2014. The Meeting was chaired by Her Excellency Mrs. Fatou Jibe Njie, Minister of Tourism and Culture of the Republic of The Gambia and the Chairperson of the Eighth Session of the ICTM. The Meeting was attended by delegates from 6 Member States of the Committee members (out of 9), representatives of the OIC General Secretariat, SESRIC and ICDT. The Republic of Indonesia attended the Meeting as an observer.
38. The highpoint of the Meeting was the selection of the two winning awards for the OIC City of Tourism namely: Al-Quds Al-Sherif (2015) and Konya, Republic of Turkey (2016)

respectively. The selection was held on the basis of a Score Sheet, featuring the selection criteria contained in the Mechanism and Criteria for the Selection of OIC City of Tourism as approved by the 8<sup>th</sup> ICTM.

39. The Committee designated Turkey and Indonesia to coordinate relevant actions in intra-OIC tourism activities in the domains of occupational skills standards; and Islamic tourism respectively, in collaboration with the OIC General Secretariat. The Committee also approved that Malaysia should continue its coordination role on Tourism Marketing and submit a Report on Tourism Marketing Strategy among the Member States, in collaboration with the OIC General Secretariat.

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

40. The 8<sup>th</sup> ICTM requested the participating Member States in this Regional Project to include the project in their respective development programmes, which are submitted to bilateral and multilateral donors and to submit the respective national segments of the project. In this regard, the General Secretariat has renewed its request participating Member States to submit details on their respective segments of the Project, in the traditional bankable format, to facilitate mobilization of funds for their implementation. Essentially, Member States were urged to submit these re-packaged projects expeditiously, bearing in mind the need for the participating member states to include the proposed project in their development plans. Other actions required include an allocation of internal resources for the launching of activities identified in their national territory, with a view to building the capacity of National Focal Points (NFPs) in order to implement this project, and to explore ways and means for a greater involvement of the private sector in the management of parks and protected areas.

***3<sup>rd</sup> Conference on Health Tourism in Islamic Countries (CHTIC)***

41. The General Secretariat participated in the 4<sup>th</sup> Conference on Health-Tourism in Islamic Countries (CHTIC) held in Mashhad, Islamic Republic of Iran, on 26-27 November 2013. The meeting highlighted the enormous potential of OIC Member States in the field of health tourism and its role in spurring sustainable economic growth among countries.
42. The meeting resolved, among other things, to discuss the provisions of an OIC Accreditation System - taking into account national accreditation systems- so as to facilitate this important branch of the service sector. It also called upon the insurance companies and authorities to devise means and ways of mutual collaboration towards providing joint medical insurance services to boost health tourism among OIC Member States. The Meeting also agreed to establish the Health Tourism Information Center. The official web-site of the Health Tourism Information Center is: [www.hicois.com](http://www.hicois.com)

***2<sup>nd</sup> Meeting of the OIC/COMCEC Private Sector Tourism Forum***

43. The General Secretariat participated in the 2<sup>nd</sup> Meeting of the OIC/COMCEC Private Sector Tourism Forum held in Istanbul, Republic of Turkey, on 16-17 December 2013. The Forum

was attended by sixteen (16) OIC member states as well as one (1) observer-country. Several presentations were made by keynote speakers from both the Public and Private Sector agencies as well as SESRIC. In addition, delegations from thirteen (13) OIC member states presented their national experiences on promoting tourism in their respective countries.

44. The Forum recommended the need for training and exchange programs, B2B Meetings and workshops for the private sector representatives. It also underlined the importance of developing cultural tourism routes and joint tours in the OIC region, while underscoring the necessity of creating online platforms to promote the tourist destinations and facilitate communication and networking among the private sector representatives in OIC member states.
45. Notwithstanding the fact that the OIC/COMCEC Private Sector Tourism Forum aims at bringing together public and private players in the tourism sector in order to exchange information, ideas and discuss some of the most important present and future challenges of tourism development in OIC countries, majority of the participants of the 2<sup>nd</sup> Forum was from public sector. It is, therefore, essential for OIC and its relevant institutions to encourage more inclusive participation of the Private Sector agencies in the future meetings of this nature.

***First OIC International Forum on Islamic Tourism, Jakarta, Republic of Indonesia, 2-3 June 2014***

46. The First OIC International Forum on Islamic Tourism took place in Jakarta, Republic of Indonesia, on 2-3 June 2014. The Forum was attended by delegates from 27 OIC Member States, representatives of the OIC General Secretariat, SESRIC and ICDT, as well as members of the Private Sector, Research institutions and other Civil Society Organizations.
47. The Forum has made very important recommendations that can complement the on-going efforts at increasing Islamic financial and economic products, in such a manner as to stimulate economic activities in OIC Member States, while as the same increasing economic welfare through social and financial inclusion among OIC citizens.
48. The Forum also identified Islamic tourism as a growing services industry that can impact favourably on OIC economic growth and development as the OIC strives to develop Sharia-friendly economic products in its Member States, such as Islamic banking, investment, finance, Halal food and fashion. The growth of this industry was traceable to the growing number of educated youths from Muslim countries, which are interested in travelling and would require such Sharia-friendly services increasingly. It is also worth noting that Republic of Indonesia has agreed to act as a coordinator for Islamic tourism to further facilitate the development of Islamic Tourism among the Member States, in collaboration with the OIC General Secretariat.

***Tourism Fair***

49. The 2<sup>nd</sup> Tourism Fair of the OIC Member States will be held in Sharjah, United Arab Emirates on 19-21 October 2015, under the patronage of H.H. Sheikh Dr. Sultan Bin Mohammed Al

Qassimi, Member of the Supreme Council of the State of the United Arab Emirates and Ruler of Sharjah.

## **V. AGRICULTURE, FOOD SECURITY AND RURAL DEVELOPMENT:**

### ***Establishment of an OIC Food Security institution in Kazakhstan***

50. The 40<sup>th</sup> Session of the OIC Council of Foreign Ministers (CFM), which was held in Conakry, Republic of Guinea on 9-11 December 2013, approved the Statute of Islamic Organisation for Food Security (IOFS) as recommended by the Expert Group Meeting held in Astana, Republic of Kazakhstan on 11-13 June 2013, the Islamic Commission and the Special Committee successively. Following the approval of the Statute, 19 OIC Member States signed the document. These Member States are: Afghanistan, Burkina Faso, Djibouti, Gambia, Guinea, Guinea Bissau, Iran, Kazakhstan, Mali, Mauritania, Niger, Palestine, Sierra Leon, Somalia, Sudan, Suriname, Turkey, Uganda and Union of Comoros. In April 2014, Libya signed the Statute of the Islamic Organisation for Food Security, thus bringing the number of OIC Member States, which have signed the Statute to twenty (20).
51. The IOFS is the newest OIC specialized institution, headquartered in Astana, Kazakhstan, specially created for coordinating and implementing OIC policies on agriculture, rural development and food security. To this end, the IOFS aims at: providing expertise and technical know-how to Member States on the various aspects of sustainable agriculture, rural development and food security, including addressing the problems posed by desertification, deforestation, erosion and salinity as well as providing social safety nets. It will also strive to assess and monitor the food security situation in Member States in order to determine and make necessary emergency and humanitarian assistance, including the creation of food security reserves; mobilize and manage financial and agricultural resources for developing agriculture and enhance food security in Member States; and to coordinate, formulate and implement common agricultural policies, among others.
52. The Statute of IOFS provides that it shall be applied provisionally upon signing by at least ten OIC member states and definitively enter into force when ten member states submit their instrument of ratification. Since the required number of signature has been secured for provisional application of the Statute, the General Secretariat is presently working with relevant authorities in Kazakhstan on the consolidation of the structures of IOFS as earlier as possible.
53. To this end, IDB has approved a Technical Assistance grant amounting ID 200,000 (approximately US\$ 300,000) for the establishment of IOFS. The grant will be utilized for covering the cost associated with the preparation of necessary Terms of Reference, Operational Guideline and Short-Term Action Plan for the take-off of the new OIC specialized institution. On its part, the Government of Kazakhstan has designated a National Coordinator for the purpose of liaising with OIC Member States on arrangements for convening of the Inaugural Session of the General Assembly of the Islamic Organisation for Food Security in Astana, Kazakhstan.

54. The General Secretariat hereby renews its request to other OIC Member States to conclude all necessary arrangements to accede to the Statute of IOFS at their earliest convenience and participate in the Inaugural Session of the General Assembly of the Islamic Organisation for Food Security in Astana, Kazakhstan on a date to be announced in due course.

### **The International Conference on Implementing Food Programme in Uzbekistan**

55. The International Conference on Uzbekistan's Food Security Potentials took place in Tashkent, Uzbekistan on 5-6 June 2014. This event provided a good platform to apprise the participants on the on-going activities of the OIC in the area of agriculture, rural development and food security.
56. Furthermore, the OIC interactions at the Conference centered on the need: to increase public and private investment in agriculture and agro-food processing as well as to support smallholder farmers and community based organisations; to create an enabling environment for profitable agricultural ventures; to develop an adequate infrastructure; and to support the current approach of the OIC on building wider partnerships for the implementation of its various programme and projects in this domain, among others.
57. The participation of the General Secretariat in this event was within the framework of the OIC on-going efforts to increase interaction with OIC Member States, particularly Uzbekistan, in order to secure their active participation in the various OIC programmes and projects.

### ***OIC Cotton Action Plan***

58. In line with the decision adopted by the 29<sup>th</sup> Session of the COMCEC on the implementation of the OIC Cotton Action Plan, the OIC General Secretariat and its concerned Institutions have carried out several activities in the areas of capacity building, trade promotion and project financing.
59. Towards implementation the OIC Cotton Action Plan (2007-2016), the General Secretariat has, renewed its communications with all project owners, requesting them to resubmit the proposed Cotton projects in a comprehensive bankable format through the normal official channel. To date, only Mozambique had sent the official request to the IDB. This measure will enable the IDB and other financial institutions to take further necessary action on the projects.
60. The IDB Group has provided US\$ 16.5 million to finance 6 projects approved within the framework of the Action Plan in Cameroon, Egypt, Turkey, Syria and Mozambique. For a follow-up, Agriculture Department of the IDB has sent its project identification missions to Mozambique and Uganda in the first half of 2014. As a result, the Government of Mozambique submitted the request and the project feasibility study. The IDB Group has programmed the Mozambique Cotton project for processing in 2015 with planned contribution of US\$ 50 million.
61. Having circulated the project on enhancing the productivity of cotton submitted by the Senegalese Agricultural Research Institute/Development and Textile Fabrics Company

(SODEFITEX), one of the Centers of Excellence for the OIC Cotton Action Plan to relevant stakeholders, the General Secretariat has received the reactions of the Kuwait Fund for Economic Development and the Arab Bank for Economic Development in Africa (BADEA), requesting necessary details to facilitate positive consideration.

62. In addition to the on-going consultations with the UN-South-South Office on technical support for OIC Cotton project-owners, the General Secretariat has noted the offer of the Government of Turkey through COMCEC to grant similar technical support. Similarly, the General Secretariat has included this project on the agenda of its cooperation with the French Ministry of Foreign Affairs, considering the French expertise in supporting Cotton producers in developing countries.

## **VI. POVERTY ALLEVIATION PROGRAMMES:**

### ***Islamic Solidarity Fund for Development (ISFD):***

63. The Islamic Solidarity Fund for Development (ISFD) has continued to expand its activities towards alleviating poverty and improving social services and infrastructures in OIC member states. The ISFD is exploring possible opportunities for securing complementary resources, through mechanisms such as Trust Funds, allocation of Waqf assets, enhancing co-financing for ISFD projects, and donations from Philanthropists, private sector, etc.
64. ISFD had developed a framework on establishing Trust Funds to support poverty reduction programmes with interested donors including governments, philanthropists, private companies, development institutions and others, which was approved in the 40<sup>th</sup> Meeting of the ISFD Board of Directors on 1<sup>st</sup> April 2013, giving the means to ISFD to strengthen its alternative/complementary resource mobilization efforts. The ISFD is now engaged in developing the operational structure of Trust Funds, while it maintains close relationships with interested donors, such as the World Congress of Muslim Philanthropists and is also discussing with some Member Countries, to begin launching Trust Funds focused on various poverty reduction themes.
65. The Fund has also put in place a comprehensive investment policy with a view to ensuring a stable source of income for the Fund, consistent with the resources needs and the long-term preservation and appreciation of the real value of the invested principal amounts of the Fund.
66. To-date, the ISFD has approved 49 projects with direct funding from its income, in addition to co-financing from IDB, governments and other financiers. The cumulative project cost of these projects is estimated at US\$1.86 billion. The Fund contribution to these programs is US\$264.10 million, while the remaining amount of US\$1,597.90 million has been leveraged from the IDB (US\$1061 million), governments and other financiers (US\$537 million). The Least Developed Member Countries (LDMCs) have been the main beneficiaries of these operations, enjoying more than 80% of the Fund's financing. In fact, 61% of these approvals were made Africa, 15% to the CIS countries, and 12% to Asia and Middle-Eastern countries.

67. So far disbursements stand at US\$42.0 million. The low disbursements are due the fact that the ISFD portfolio is relatively young and its financing usually targets the ‘soft’ components of the financed projects which are implemented towards the end of the project implementation cycle.
68. The ISFD has launched this program in May 2011 to be initially implemented in six countries in Africa over the next three years. The program, which is partially inspired by the UN Millennium Villages Project (MVP), is aimed to offer a multi-sector, integrated model of development for addressing extreme poverty among the rural communities. Two SVPs have already been launched in Chad (Salamat Region) and Kulbus in West Darfur in Sudan. The amount approved for the program is US\$120 million (an average of US\$20.0 million per project) as loan, and small grants. The Fund is currently working on the next batch of countries in the program. The program will be implemented in collaboration with the Earth Institute of the University of Columbia, MDG Centre in Nairobi, Arab Bank for Development in Africa (BADEA), Qatar Red Crescent, and other partners.
69. The ISFD is currently working on developing new flagship programs such as the Urban Poverty Reduction Program, the Renewable Energy for Poverty Reduction Program, and Save the Mothers Program.
70. The ISFD intends to take a number of steps aimed at achieving and intensifying the efforts for resource mobilization and advocacy. These steps include:
  - a. Enhancing the efforts for resource mobilization through consultations with member countries, tapping non-conventional sources, such as philanthropists, in-kind donations, donations of Waqf lands in member countries, etc.
  - b. Engaging with the private sector under the Fund’s Corporate Social Responsibility (CSR) initiatives, as well as approaching high net-worth individuals and institutions within member countries to solicit contributions to the Fund.
  - c. Developing the Second ISFD Strategy for the period (2014-2016).
  - d. Setting up specific poverty-related Trust Funds under the umbrella of the ISFD. These funds will be aimed to finance the provision of basic services to the poor, such as primary education, primary health care, microfinance, agriculture and rural development, energy for the poor, emergency relief and institutional capacity building.
  - e. Vigorous implementation of the approved ISFD Investment Policy to increase the Fund’s income.
  - f. Widening partnerships to enhance the financing leverage of the Fund.
71. The ISFD looks forward with optimism that member countries will implement the relevant OIC resolutions on supporting the activities of the Fund in addressing poverty in member countries, including the Board of Governors’ Resolutions relating to the ISFD to enable it mobilize its target capital of US\$10.0 billion. The strategic focus of the Fund over the next three years will be to exert utmost effort to realize all the unpaid commitments and increase in commitments from members countries.

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

72. As it was reported to the 29<sup>th</sup> Session of COMCEC last year, in November 2012, the approval phase of SPDA was accomplished and the level of funding commitments to the Programme by IDB Group reached US\$ 5 billion. In addition, an amount of US\$7 billion has been mobilized from other development agencies for projects under the SPDA. Accordingly, a total of 480 projects have been approved for financing under the SPDA in 22 OIC African member states. Most of the projects relate to infrastructure, agriculture, industry, education, health and financial sectors.
73. It is noteworthy that at the end of the implementation of all the projects under SPDA, the following outcomes would have been realized: In infrastructure: over 2,500 KM of roads would have been either constructed or upgraded in 13 Member States, in addition to two new airports in Senegal and Sudan. Similarly, more than 900MW of electricity would have been produced in six countries with increased access to over 40,000 households; while almost 700 KM of power lines would be laid. On human development, more than 325 new primary and secondary schools and over 1000 classrooms would be built and equipped. This will be in addition to the building of three technical colleges and 8 university faculties built or equipped; over 10 new hospitals and over 120 clinics, health centers and primary healthcare centers, resulting in an increase in bed-capacity of about 1200. On agriculture, over 800,000 hectares of land would be developed and cultivated, in addition to the execution of 8-10 strategic grain reserves to support food security programmes, including the building of about 5-6 soil and/or seed research laboratories.
74. The successes achieved in the course of the implementation of the SPDA underscored the need to elaborate a successor programme for OIC countries in Africa (SPDA-2), so as to consolidate the progress recorded by these countries in the various domains. To this end, the 4<sup>1st</sup> Session of the Council of Foreign Ministers held in Jeddah, Saudi Arabia on 18-19 June 2014, called on the Secretary General to intensify consultations with concerned OIC Member States and relevant OIC institutions, including the IDB Group, for the evaluation of the achievements made under SPDA and the elaboration of a successor programme to the SPDA. It also urged all OIC Member States and their development institutions as well as international partners to actively support, and contribute to, the elaboration and eventual implementation of a successor programme of SPDA.
75. Consequently, the IDB has recruited a team of 2 consultants to undertake independent assessment of SPDA implementation and to prepare outlines for a successor programme. In addition, the General Secretariat requested all OIC Member States communicate their views on the implementation of SPDA as well as any relevant proposals for the impending successor programme of SPDA.
76. In view of the foregoing, the OIC Member States are hereby invited to react to the request of the General Secretariat on the proposals for a successor programme.

## **VII. COOPERATION IN FINANCIAL AND STATISTICAL SECTORS**

## **The Annual Meeting of the Central Banks and Monetary Authorities of the OIC Member States**

77. The Annual Meeting of the Central Banks and Monetary Authorities of the OIC Member States was jointly organized by the SESRIC and the Saudi Arabian Monetary Agency in Jeddah, Saudi Arabia, on 27-28 November 2013. The two-day meeting was comprised of an Expert Group Workshop (EGW) on the first day and a Governors Meeting on the second day.
78. During the EGW, experts from the central banks and monetary authorities of the OIC member states discussed issues relating to the recent developments in the international financial regulatory reforms, including Basel III framework, and their expected impacts at both the national and international levels, particularly on the Islamic financial industry in the OIC countries. In addition, country experiences and perspectives on the prospects and challenges brought about by the recent global regulatory reforms for the Islamic financial industry were also presented by experts from Malaysia, Sudan, United Arab Emirates and Saudi Arabia.
79. The Governors Meeting reviewed the outcome of the EGW and the progress report of the Three Working Groups on Liquidity Management in Islamic Finance; Macro-Prudential Regulations; and Payment Systems, which were established by the decisions of the 2012 Meeting of the Central Banks and Monetary Authorities of the OIC Member States.
80. Based on its deliberations, the Meeting adopted the Final Communiqué, which, among others, includes:
  - call on the international regulatory bodies to accommodate the Shari'ah Compliant financial products when setting standards;
  - reaffirming the need for enhancing technical cooperation among the central banks of the OIC countries through experience sharing and joint initiatives in order to strengthen institutional capacities for better policy making and supervision;
  - recognizing the need for enhancing intra-OIC cooperation and collaboration to strengthen the Macro-prudential regulatory frameworks in OIC countries through allocation of resources for technical assistance in developing joint capacity building and experience sharing programmes, among others.
81. The conclusions reached at the Meeting underscored a need for a more formal and multilateral policy dialogue among the Central Banks and Monetary Authorities of the OIC member states to discuss common policy issues and concerns and to promote policies that ensure price stability, sound financial systems and sustainable long-term growth in the OIC countries. To this end, the SESRIC in collaboration with the Central Bank of Republic of Indonesia will organize next edition of the Meeting of the Central Banks and Monetary Authorities of the OIC Member States in Surabaya on 5-6 November 2014 under the theme "Financial Stability through Macro-prudential Policy and Financial Market Deepening among OIC Countries".

### **Fourth Session of the OIC Statistical Commission**

82. The Fourth Session of the OIC Statistical Commission (OIC-StatCom) was co-organised by the SESRIC and the IDB in Ankara, Republic of Turkey on 21-23 April 2014. The Session was attended by representatives of the NSOs of 38 OIC Member Countries as well as representatives of 9 international organisations. In addition to the progress reports regarding the activities of the OIC-StatCom, the Commission reviewed and discussed issues related to the recent developments on poverty statistics, post-2015 development agenda and implications for NSOs, health statistics, integration of GIS into official statistics, and tourism statistics.

## **VIII. COOPERATION WITH OTHER REGIONAL AND INTERNATIONAL ORGANIZATIONS**

83. The General Secretariat has continued to interface with international organisations for the sake of widening partnership for the implementation of OIC resolutions in the following manner:

### **UN-OIC Biennium Coordination Meeting**

84. The biennial meeting between the organizations and agencies within the United Nations system and the various institutions of the Organization of Islamic Cooperation was held in Istanbul, Turkey on 20-22 May 2014. The meeting provided an opportunity for review of the various bilateral projects between OIC and UN agencies and institutions. These include conflict situations in OIC countries; combating terrorism and countering radicalism and violent extremism; joint projects on Somalia, trade facilitation, agriculture and food security; cooperation within the framework of UN Alliance of Civilizations and Istanbul Process; combating Islamophobia, among others.
85. In the economic domain, the meeting examined the status of implementation of their joint projects on Somalia, trade facilitation, agriculture and food security, Aid-for-Trade initiatives, as well as joint organization of business/trade forums and exhibitions, mobilization of funds for joint projects, capacity building programme for trade and agriculture related activities.
86. At the end of its proceedings, the meeting adopted its Report and Updated Matrix of Activities, which under 41 objectives contains 154 activities and timelines for their implementation in the next biennium. The economic components include such activities as capacity-building for trade negotiations, Aid for Trade, organization of Business Forums and Private Sector meetings, capacity building programmes in agricultural sector, and partnership funding under Jeddah Declaration for food security, among others. It was agreed that the Director-General of Science and Technology in the OIC General Secretariat and the Senior Political Officer responsible for the OIC file in the Department of Political Affairs in the United Nations Secretariat act as focal points for OIC and UN respectively to coordinate activities relating to the UN-OIC cooperation and implementation of the Matrix.

### **Global South-South Development Expo and First Arab States Regional South-South Development Expo**

87. Within the framework of its collaboration with UNOSSC, the General Secretariat participated in: the Global South-South Development Expo (GSSD Expo) held in Nairobi, Kenya on 28 October - 1 November 2013, and the First Arab States Regional South-South Development Expo held in Doha, Qatar on 18-20 February 2014, respectively.
88. Participation of the General Secretariat at the above mentioned events provided an opportunity to sensitize participating OIC Member States and its partners on the need to support measures at pooling of resources within the OIC region to address the developmental challenges in the OIC member states as well as promoting socio-economic development through the consolidation of South-South and triangular cooperation among member states of the Organisation and other multilateral bodies within the international system.

### **Third Arab-Africa Summit**

89. The General Secretariat attended the Third Arab-Africa Summit under the theme "Action Partnership in Development and Investment", which was held in Kuwait on 19-20 November 2013. The Summit adopted the Kuwait Declaration, which sets out their future cooperation, taking into account successes and challenges towards socio-economic transformation of their Member States.
90. Important points in the Declaration include emphasis on encouraging investment promotion in African and Arab countries, and a joint commitment towards enhancing cooperation in the field of energy. They will also strengthen their cooperation in agriculture, rural development and food security; and support infrastructure development projects in the two regions. Other areas of joint endeavour include cultural exchanges, education and scientific research, health, gender equality, people to people relations and migration.
91. Another major outcome of the Summit was the announcement by the Amir of Kuwait of an offer by the Kuwait Fund of US\$ 1 billion in soft loans to African countries over the next five years. He also announced the intention by Kuwait, to earmark an annual financial award of US\$ 1 million focusing on development research in Africa.
92. Participation of the General Secretariat at the Third Arab-Africa Summit was within the framework of its multi-stakeholders' approach towards implementation of OIC programmes and projects. Accordingly, OIC will continue its on-going engagement with both African Union and League of Arab States for the joint implementation of OIC projects in common Member States. These projects include OIC Dakar-Port Sudan Railway Project; Regional project "Sustainable Development in a Network of Cross-Border Parks and Protected Areas in West Africa"; OIC Cotton Action Plan, among others.

### **Dakar Financing Summit for Africa's Infrastructure**

93. The OIC attended the Dakar Financing Summit for Africa's Infrastructure, which was held in Dakar, Senegal on 14-15 June 2014. The Dakar Financing Summit (DFS) was aimed at mobilizing various stakeholders to support efforts of the African Union (AU) and the New

Partnership for Africa's Development (NEPAD) to accelerate the implementation of priority regional infrastructure projects.

94. The Summit issued "The Dakar Agenda for Action (DAA)", which identifies infrastructure development as a key driver and a critical enabler for sustainable growth in Africa and how the continent's public and private sector will partner with other development players to ensure financing and investment for key regional infrastructures. To this end, the Summit agreed to prioritize the financing of the 16 infrastructure projects as pilot to accelerate the implementation of PIDA, while the African Development Bank was invited to finance the preparation of these projects.
95. Recommendations contained in the DAA cover the areas of project preparation; project segmentation; Diaspora Funds; increased private sector participation; enabling policy environment; and Sovereign Wealth Funds. Highlights of the recommendations include, among others:
  - Countries should enact laws to facilitate the participation of private sector in projects;
  - Government and public institutions must focus on financing the preparation phase of projects;
  - Countries should promote the participation of local private sector in Africa's infrastructure development, notably through favorable local laws and provision of capacity building opportunities; and
  - Harmonizing regional regulatory frameworks for infrastructure development in order to minimize disparities in rules and regulations, including on Public Private Partnerships.
96. Participation of the OIC at the DFS was within the framework of its on-going alliance with AU/NEPAD for the implementation of the OIC Dakar Port Sudan Railway. It is more so considering the fact that one of the 16 projects is modernization of Dakar-Bamako railway line, which is a key component of OIC Dakar-Port Sudan Railway Project and AU Dakar-Djibouti Transport Corridor. Accordingly, the OIC will further intensify its interaction with AU/NEPAD for the above purpose.

## **IX. ACTIVITIES RELATED TO THE ECONOMIC ASSISTANCE TO THE OIC MEMBER STATES AND MUSLIM COMMUNITIES IN NON-OIC COUNTRIES**

### **Malaysia Capacity Building Programme for OIC Countries:**

97. The Malaysian Capacity Building Programme for OIC Countries (CBP4OICC), which was initiated in 2005, had become a household name among the OIC member states, particularly in those countries covered in the Phase 1 of the project. One of the three projects, which were identified for this pilot phase of CBP4OICC, namely "Exploitation of Oil and Mineral Resources and Capacity Building in Administrative, Planning and Management Functions in Mauritania" was successfully executed, while the other two projects: 1) Capacity Building in the Palm Oil Industry in Sierra Leone; and 2) Development of the Fisheries Sector in Bangladesh are still at various stages of implementation.

98. Meanwhile, the General Secretariat and IDB are in the process of evaluating the success and experiences learned during the execution of the Phase 1 of CBP4OICC. In this regard, the relevant authorities in Malaysia were requested to provide their own feed-backs to enable a successful take-off of the subsequent phases of the project. In addition, the General Secretariat is putting more emphasis on the need to transform capacity-building programme into a development project that would engage the beneficiaries in win-win development project with the kind participation of Malaysia.

**Assistance to OIC Member States:**

***i. Benin***

99. The Government of the Republic of Benin has submitted to the General Secretariat a project "Equipping Technical and Vocational Training Institutions in 120 days". The aim of this initiative is to equip, rehabilitate and build the technical and vocational education and training institutions, which are necessary prerequisites for income-generating employment among the youth in Benin.

100. In a similar vein, the President of the Republic of Benin has also addressed an appeal to me, requesting the Organisation to donate improved seedlings and farm inputs, with a view to encouraging youth employment in the area of cereal production and enhancing food security in the country.

101. In line with the relevant OIC resolutions on economic assistance to Benin as well as the ideals of partnership, mutual assistance and solidarity among OIC countries, the General Secretariat has requested the Member States and the relevant OIC institutions to support the implementation of the above mentioned project and to indicate their possible donations of improved seedlings and farm inputs to the Republic of Benin.

***ii. Burkina Faso***

102. During the year under review, the General Secretariat received three projects from El Hadj Moussa Yugo Islamic Foundation in Burkina Faso with a view to securing funds from OIC for their execution. These projects relate to: 1) Establishment of a Micro-Finance Office in the three provinces in Burkina Faso; 2) Construction of a Training Center in Burkina Faso; and 3) Improvement of Cattle Breeding.

103. Considering the social and economic impact of these projects on vulnerable groups of population, especially women and youth, the General Secretariat is liaising with Islamic Solidarity Fund for appropriate action towards funding of these projects.

***iii. Comoros***

104. In line with the relevant OIC resolutions on economic assistance to Comoros, the Government of Comoros has submitted to the General Secretariat a Master Plan/Project "On Development of Women Entrepreneurship in Comoros" and has requested the latter to mobilize support of OIC Member States for its execution. This project aims at strengthening the capacity of women entrepreneurs as well as developing a national program for promoting women entrepreneurship in Comoros.
105. Accordingly, the General Secretariat is coordinating the responses of the relevant OIC institutions in this connection.

*iv. Mali*

106. The Government of Kuwait during the Donors' Conference on Mali held in Brussels, Belgium in May 2013, pledged a US\$ 60 million assistance in support of development in the Republic of Mali. In addition, the Kuwait Fund for Arab Economic Development since 1976 has financed 11 development projects in Mali. The total amount of these projects is estimated at US\$ 153 million.

*v. Nigeria*

107. The Government of the Federal Republic of Nigeria has submitted to the General Secretariat a project on: "Design of a Fenton Oxidative Waste Water Treatment Plant". The project involves rehabilitating and building of a water treatment plant, which will in the short and long terms solve the acute water shortage problems in Zaria city of Nigeria.
108. Similarly, the General Secretariat is interfacing with all relevant OIC institutions and development partners for the execution of this project.

*vi. Somalia*

109. As it was reported last year, the Republic of Azerbaijan has indicated its keen interest in undertaking a project on training of trainers in both educational and agricultural sectors in Somalia in line with relevant provisions of the Resolution No.8/39-E on Economic Assistance to Somalia adopted by the 39th Session of the OIC CFM held in Djibouti in 2012.
110. Consequently, the Government of Somalia has prepared a project on construction and equipment of a vocational training facility for Somali youth. The General Secretariat has transmitted this project to the relevant authorities in Azerbaijan for consideration.
111. In a similar vein, the General Secretariat, in partnership with the United Nations Office for South-South Cooperation (UNOSSC), has developed a project aimed at strengthening the educational and health infrastructure, as well as improving the livelihood of displaced and unemployed Somalis through skill development and entrepreneurial training. Accordingly,-a

joint appeal was addressed to all Member States of the OIC as well as its partners to support the implementation of the project through resource or in-kind contributions.

112. In response to the joint appeal, some OIC Member States and partners have expressed their willingness to support the project. For example, the Government of Guyana has declared its intent to contribute an initial sum of US\$10000 to the project. In addition, during the First Arab States Regional South-South Development Expo, which took place in Doha, State of Qatar, on 18-20 February 2014, a Special Session on mobilizing international support for the joint OIC-UNOSSC project for Somalia was held. The said session, while acknowledging the positive developments and enormous opportunities for development in Somalia, urged Governments, NGOs and other civil society and private sector organizations of OIC Member States and its partners to contribute generously towards the resources of the joint OIC-UNOSSC project for Somalia, thereby enabling the accomplishment of its stated development goals within the period foreseen.
113. In view of the foregoing, the OIC Member States are invited to consider the possibility of making resource or in-kind contributions to the above-mentioned projects in the spirit of partnership, mutual assistance and solidarity among OIC countries.

#### **Cooperation with Charitable and Civil Society Organizations:**

##### *i. Islamic Relief Worldwide*

114. Within its renewed efforts to increase the role of Civil Society organizations for the implementation of OIC resolutions, the General Secretariat received a delegation of a UK-based international humanitarian organization - Islamic Relief Worldwide at the OIC Headquarters in Jeddah, Saudi Arabia in February 2014. The core activities of Islamic Relief Worldwide in OIC Member States and other countries include providing emergency aid and assistance during crises and disasters (Syria, Horn of Africa countries); strengthening food security (Niger); providing sustainable access to safe water and sanitation (Palestine); providing shelter for poor communities (Pakistan); and supporting agricultural livelihoods (Bangladesh), among others. In addition, Islamic Relief Worldwide is advocating for active participation of Islamic countries in the Post-2015 Development Agenda process, since its outcome will have a significant impact on their national development plans.
115. During the visit, the delegation explored the potential areas of cooperation between OIC and Islamic Relief Worldwide. Specifically, issues relating to utilization of Zakat for development purposes; mediation and reconciliation in conflict zones; emergency relief and disaster preparedness; reform of international financial institutions; financing development; and role of OIC in consolidating the position of OIC countries on the Post-2015 Development Agenda process came under discussion. Within this context, it was emphasized that there was a need for coordination and synergy between the various programmes of OIC and Islamic Relief Worldwide for achieving better results.

## **X. ENHANCING THE ROLE OF PRIVATE SECTOR**

116. The General Secretariat has intensified its coordination activities with the Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) and other relevant institutions in order to implement the various OIC resolutions bearing on increasing the role of the Private Sector. Among other issues, the establishment of a Special Fund for Small and Medium Enterprises (SMEs) received particular attention during the year under review. However, the issue of the proposed creation of a network of Business and Technology Incubation Centers; as well as a database of Business Angel Investors in OIC Member States is being vigorously pursued with the ICCIA and other Private Sector establishments.

#### **Establishment of a Special Fund for SMEs**

117. The General Secretariat has identified the relevant OIC institutions operating special funds for micro-credits and micro-finance and commenced discussions on modalities for synergizing and harmonizing the various interventions made by these institutions, in order to achieve the desired objectives. The ITFC, ISF, ICD, and ISFD do have micro-finance operations that can discharge the functions traditionally carried out through a Special SME Fund. On the whole, over the last five year a total approval by these OIC institutions has reached US\$ 303 billion in 2013.

#### **Private Sector Meetings**

118. Since the 41st Session of the Council of Foreign Minister (CFM), the Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) organized the 15<sup>th</sup> and 16<sup>th</sup> Private Sector Meetings in Tehran, Islamic Republic of Iran on 28-30 October 2013, and Sharjah, United Arab Emirates, on 19 to 20 March 2014, respectively.

119. The major recommendations of 15<sup>th</sup> Private Sector Meeting featured, among others, a renewed call for reviving the OIC Network of SME Agencies (ONSA) ; and an increase in the value of trade financing allocations to SMEs and other Private Sector operators. The Meeting also recommended the importance of further developing handicraft industries as a means for providing employment for women and youth. The Meeting underlined the need of the OIC Member States to encourage their Private Sector establishments to utilize the existing agreements of OIC Trade Preferential System (TPS-OIC) as well as the creation of necessary institutional and regulatory frameworks to attract FDI from the Islamic financial market, thereby fostering intra-OIC FDI.

120. The 16<sup>th</sup> Private Sector Meeting was held in Sharjah, UAE on 19-20 March 2014 under the theme: “Benefits of Trade Preferential System TPS-OIC for the promotion of Intra-OIC Trade”. The Forum was jointly organized by Sharjah Chamber of Commerce and Industry and ICCIA and was held under the auspices of His Royal Highness Sheikh Sultan Bin Muhammad El-Qasimi, Ruler of Sharjah. Participants were drawn mainly from the Private Sector establishments and Civil Society organizations of OIC Member States, with the attendance of delegates representing OIC institutions and relevant international organizations.

121. The Forum addressed such topical issues as the role of Chambers and Private Sector in maximising the level of intra-OIC trade, the role of OIC trade organizations, financial

institutions and other stakeholders in enhancing intra-Islamic trade; and the impact of the TPS-OIC on the economies of the OIC Member States. It came out with several recommendations, notably the need for the Private Sector to take advantage of the numerous trade-enhancing instruments of the OIC, including the General Agreement for Economic, technical and Commercial Cooperation, the Agreement for Promotion, Protection and Guarantee of Investment among Member States of OIC; and the Framework Agreement of TPS-OIC, including PRETAS and Rule of Origin. Similarly, the Forum saw the need for an early implementation of the Strategic Plan for promotion and Development of Small and Medium Enterprises Sector in OIC Member States, including the creation of mechanisms for networking and exchange of expertise among the economic actors in such sectors as agro-food industry, business and technology incubation and social finance. The Forum was attended by about 250 members of the Private Sector from various OIC Member States.

***a. Recent Developments:***

**The 7<sup>th</sup> Businesswomen Forum**

122. The 7<sup>th</sup> Businesswomen Forum was organized by Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) in Tehran, Islamic Republic of Iran on 29 October 2013. The Forum discussed the socio-economic challenges facing women in OIC countries and elaborated on the need for developing capacity building programmes for women, with the objective of empowering women through promoting awareness, training and creating active networking. The Meeting also discussed the modalities for creating a special mechanism for facilitating access to Islamic micro-finance and micro-credits by businesswomen. The Forum also underscored the need for creating enabling business environment through support for SMEs owned by businesswomen, while scaling up capacity-building activities for women entrepreneurs, including knowledge-sharing.

***b. Other Related Issues***

**Entrepreneurship Programme for Sub-Saharan Africa**

123. The General Secretariat has recently notified Member States of the 1<sup>st</sup> Annual Business Plan Competition for SMEs in Sub-Saharan Africa, being organized by the Islamic Development Bank Group. The programme is aimed at stimulating and promoting entrepreneurial initiatives in Sub-Saharan Africa and in encouraging entrepreneurs in the region with several financial and non-financial benefits. Essentially, the Competition would enable the IDB Group, other leading Multilateral Development Banks and Private Sector Organisations to identify, educate and mentor high-impact entrepreneurs in Sub-Saharan Africa to foster entrepreneurship in the region. The said Competition is expected to take off in 2014, after the expiration of the deadline of end of April for submission of applications.

**XI. INTER-AGENCY COORDINATION**

124. The activities of the General Secretariat on socio-economic cooperation in the year 2014 placed considerable emphasis on increasing coordination among the various OIC institutions working in the economic domain, while expanding international partnership for the implementation of OIC resolutions.
125. In furtherance of the emphasis hitherto placed on sensitizing decision-makers of OIC Member States on the execution of the various OIC trade-enhancing instruments and since the assumption of office of the incumbent Secretary-General in January 2014, due priority was accorded to enhancing inter-agency coordination and synergy for the rapid and effective implementation of OIC resolutions.
126. To this effect, the first Leadership Meeting between the OIC Secretary-General and President of the IDB Group was held at the OIC General Secretariat, Jeddah, Saudi Arabia on 17 April 2014. The meeting was preceded by meetings of sub-committees of economic matters, Palestine, humanitarian and cultural matters, as well as science and technology, health and environment. The salient outcome of the meeting was the agreement to effectively coordinate actions of implementation of the various OIC programmes, targets and resolutions in above mentioned sectors, while harmonizing their respective strategies, increasing synergy and avoiding duplication and over-lapping.

### **Ten Year Programme of Action**

127. The 40th Session of Council of Foreign Ministers (CFM) of the Organisation of Islamic Cooperation held in Conakry, Republic of Guinea on 9-11 December 2013 considered the Report of the Secretary General on the Implementation of the OIC Ten Year Programme of Action (TYPOA). The Report provided a detailed account of the achievements realized in the implementation of the TYPOA, including the various challenges faced, and suggested measures to further consolidate on the gains hitherto made.
128. While acknowledging that the TYPOA resulted in diversification and increase of OIC activities in various domains, the CFM emphasized the imminent expiration of the TYPOA in December 2015 and the need to take stock of the achievements as well as challenges attendant to on the implementation of this Programme. To this end, the 40th Session of CFM requested the Secretary General to initiate actions on a comprehensive and inclusive review of the TYPOA with a view to making necessary proposals for a possible successor programme.
129. Following consideration of the Report of Secretary-General on this issue, the 41st CFM held in Jeddah, Saudi Arabia on 18-19 June 2014 called upon the Secretary-General to convene OIC inter-governmental expert group meetings, with the participation of standing committees and all OIC organs and institutions, to review and evaluate the implementation of TYPOA (2005—2015) and propose a draft new OIC programme of action (2016-2025). The sectors covered by current TYPOA include Peace and Security, Palestine and Quds-Sherif, cooperation on social, economic, science and technology, cultural, humanitarian and information, among others.
130. In this regard, the General Secretariat has commenced necessary preparations for the implementation of this resolution.

## **XII. ASSESSMENT AND RECOMMENDATIONS:**

131. The recent emphasis on increased coordination among the various OIC organs and institutions has resulted in increased efficient and prompt implementation of OIC decisions. The first ever leadership meeting between the Secretary-General and the President of the Islamic Development Bank Group led to series of coordination meetings between members of the IDB Group and the various offices of the General Secretariat.
132. Consequently, this unity of action facilitated the joint preparations for staging of the Investment Forum for Central Asia, OIC participation in the International; Conference on Islamic Tourism in Jakarta, Indonesia, the Investment Forum on projects sponsored by the West African Economic and Monetary Union (UEMOA) in Dubai, UAE, and the on-going consolidation of the structures of the Islamic Organisation for Food Security, being established in Astana, Kazakhstan, including the demarches to convene its inaugural General Assembly by early 2015. In this regard, the positive outcome of the International Food Security Conference in Tashkent, Uzbekistan has also signposted the potentials of leveraging on national programmes for the implementation of OIC cooperation framework.
133. Similarly, the selection of the winning awards for 2015 and 2016 and the advanced preparation for the roll-out of tourism and cultural activities in Al-Quds Sherif and Konya (Turkey), the two award cities respectively have added impetus to OIC cooperation in the domain of tourism.
134. On developing South-South and Triangular cooperation, the increasing collaboration between the OIC and the United Nations South-South Office, the resumed action on the Malaysian Capacity Building Programme; and the Project Cycle Management sponsored by the Republic of Turkey have rekindled hope that OIC member states can still respond to the various requests for supporting national development programmes that are mutually reinforcing.
135. On the whole, the following recommendations are submitted to the 30<sup>th</sup> COMCEC General Assembly for its consideration:
  - A renewed call on member states to sign and ratify the various OIC economic agreements, while taking note of the completion of the legal requirements for the take-off of the OIC Trade and Preferential System;
  - The need for the OIC to consider a regime of compensation for loss of revenue on the account of implementation of TPS-OIC. This is to enable member states belonging to regional trade preferential zones to consider joining the OIC trade facilitation framework;
  - Participation of member states in OIC trade expositions and specialised fairs and prompt submission of national projects for funding support would certainly increase intra-OIC social and economic cooperation;
  - Appeal to Member States to support the role of lead/pivotal countries as a credible means of sharing national experiences among member states. The General Secretariat expresses

appreciation to all countries which have accepted to sponsor projects and researches on tourism, agriculture, energy, labour and productivity, among others;

- Inviting Member States to scale-up their participation in, contributions and commitments to the various OIC funds, including ISFD, ITFC, ICD, ICIEC and ISF;
- Calling on Member States to encourage the participation of their countries “umbrella” chambers of commerce in the ICCIA, in order to increase its coverage, representativeness and stature as well as effectively discharging the advocacy role of the Private Sector. In this regard, official support of Member States is solicited for the implementation of the various Private Sector led initiatives of the OIC.

**Department of Economic Affairs**  
**OIC General Secretariat**  
**29 September 2014**

**MEMBER STATES THAT SIGNED /RATIFIED THE TPS-OIC AGREEMENTS (As of 30 October 2014)**

No.	Member States	Framework Agreement		PRETAS		TPS-OIC Rules of Origin		Submission of the Documents
		Signed	Ratified	Signed	Ratified	Signed	Ratified	
1	<b>Bahrain</b>	√	√	*	√	√	√	√
2	<b>Bangladesh</b>	√	√	√	√	√	√	√
3	Burkina Faso	√	---	√	---	√	---	
4	Benin	√	---	√	---	√	---	
5	Cameroon	√	√	√	---	√	---	
6	Chad	√	---	---	---	---	---	
7	Comoros	√	---	√	---	√	---	
8	Cot d'Ivoire	√	---	√	---	√	---	
9	Djibouti	√	√	√	---	√	---	
10	Egypt	√	√	√	---	---	---	
11	Gabon	*	√	---	---	---	---	
12	Gambia	√	√	*	√	*	√	
13	Guinea	√	√	√	---	√	---	
14	Guinea-Bissau	√	---	√	---	√	---	
15	Indonesia	√	√	√	---	√	---	
16	Iran	√	√	√	√	*	√	
17	Iraq	√	√	---	---	---	---	
18	<b>Jordan</b>	√	√	√	√	√	√	√
19	Kuwait	√	√	√	---	√	---	√
20	Lebanon	√	√	---	---	---	---	
21	Libya	√	√	---	---	---	---	
22	<b>Malaysia</b>	√	√	√	√	√	√	√
23	Maldives	*	√	---	---	---	---	
24	Mauritania	√	---	√	---	√	---	
25	<b>Morocco</b>	√	√	√	√	√	√	√
26	Niger	√	---	√	---	√	---	
27	Nigeria	√	---	√	---	√	---	
28	<b>Oman</b>	√	√	√	√	√	√	√
29	<b>Pakistan</b>	√	√	√	√	√	√	√
30	Palestine	√	√	√	√	√	√	
31	<b>Qatar</b>	√	√	√	√	√	√	√
32	<b>Saudi Arabia</b>	√	√	√	√	√	√	√
33	Senegal	√	√	---	---	---	---	
34	Sierra Leone	√	---	√	---	√	---	
35	Somalia	√	√	√	√	√	√	
36	Sudan	√	---	√	---	√	---	
37	<b>Syria</b>	√	√	√	√	√	√	√
38	Tunisia	√	√	√	---	√	---	
39	<b>Turkey</b>	√	√	√	√	√	√	√
40	<b>UAE</b>	√	√	√	√	√	√	√
41	Uganda	√	√	---	---	---	---	
		<b>39</b>	<b>30</b>	<b>31</b>	<b>16</b>	<b>30</b>	<b>16</b>	<b>13</b>