

Islamic Chamber of Commerce, Industry & Agriculture La Chambre Islamique de Commerce, d'Industrie et d'Agriculture

Report on the Activities of the

Islamic Chamber of Commerce, Industry & Agriculture (ICCIA) for submission to the 31st Meeting of the Follow-up Committee of COMCEC

> 13-15 May 2015 Ankara, Republic of Turkey

<u>Report on the Activities of the</u> <u>Islamic Chamber of Commerce, Industry & Agriculture (ICCIA)</u> <u>for submission to the 31st Meeting of the Follow-up Committee of COMCEC</u> <u>13-15 May 2015, Ankara, Republic of Turkey</u>

Introduction:

The Private Sector is recognized as a driver for economic growth and is essential to achieve sustainable development. It is considered one of the primary sources of economic growth, job creation and poverty eradication. Since the OIC countries cover a diverse economic group, some of them have a dynamic and resilient private sector. Whereas, some OIC Countries are not fully benefiting from the opportunities that can be generated by the Private Sector. There is a dire need to encourage Private-Sector-led economic growth. On the other hand, the Public-Private Partnership can be a most effective tool, when they work together. They have a significant role to play in creating a healthy environment for trade and investment promotion in OIC Countries.

The OIC Countries need a strong Private Sector that can lead to create vital links amongst the Member Countries through trade and investment. It has a fundamental role to play in harnessing these links, to contribute in achieving the level of Intra Islamic Trade to 20% by 2015.

Realizing the challenging economic environment, the ICCIA focuses on those activities that can best address the needs of the private sector. It has its Work Plan, which is made in consonance with the OIC Program of Action and keeping in mind the global economic challenges.

As the ICCIA represents the private sector within the OIC countries, it advocates the interests of the private sector at the various OIC Foras. Private Sector is the vehicle of economic growth and hence the role of the ICCIA bears more importance. ICCIA is striving to assist the entrepreneurs of OIC countries in developing capacities for sustainable trade promotion and industrial development.

Within the framework of the implementation of its Work Plan and in its endeavors to serve the Private Sector, the Islamic Chamber has developed many goals and also has drawn up ethical and practical aspirations upon which the advanced nations lean to go ahead towards further progress.

The General Secretariat of ICCIA has been undertaking activities in line with its objective by holding the following activities:-

- Organization of business forums for private sector
- Workshops, Training programs on capacity building, poverty alleviation, upgrading marketing and managing skills, value-addition, gender development, economic empowerment of women, promotion & development of Small & Medium Enterprises, utilization of microfinance, developing Entrepreneurship, particularly in women and the youth.
- Playing a role for increasing the level of Intra Islamic Trade to 20% by 2015.
- Creating awareness about the various OIC agreements for enhancing economic cooperation, particularly the Trade Preferential System among the Member States of the Organization of Islamic Cooperation (TPS-OIC).
- Implementing the relevant aspects of the OIC Program of Action
- Cooperating with OIC & other related International Organizations for the development of SMEs

- Setting-up of the Islamic Corporate Masfaq (International Business Development Centre):
- Halal Issues
- Excellence Awards Project
- Project for establishment of Islamic International Commercial Center for Reconciliation and Arbitration
- ICCIA Website

Mentioned hereunder are the broad areas and salient aspects of the activities:

Private Sector Meetings/Businesswomen Forums:

- Under the agenda item No.5 of the 31st Session of the Follow-up Committee of • COMCEC, "Enhancing the Role of Private Sector in Economic Cooperation", the Islamic Chamber of Commerce, Industry & Agriculture (ICCIA) has been carrying out various activities. One of important activity is holding of Private Sector Meeting and Businesswomen Forums. Apart from this ICCI has been organizing Workshops, Training Programs on Capacity Building, Poverty Alleviation, Upgrading Marketing Managing Skills, Value-Addition, Gender Development, Economic and Empowerment of Women, Promotion & Development of Small & Medium Enterprises (SMEs), Utilization of Microfinance, Developing Entrepreneurship, particularly in Women and the Youth. Through these activities, ICCIA strengthen economic cooperation among the private sector of the Member States so as to contribute in enhancing the level of Intra Islamic Trade.
- Given the resources, of the 57 member states of OIC, the level of economic cooperation, is not reflective of the potentials. This can be attributed to the geographical placement and the diverse and varied socio-economic level of development of the said member states. Perhaps a cross the board approach for the member states is not feasible and applicable. Therefore, member states are encouraged to work out bilateral arrangements on granting concessions for establishing businesses and expanding trade.
- In order to address the issue and bridge the gap of information, the ICCIA organizes Business Forums such as Private Sector Meetings and Businesswomen Forums. The ICCIA has so far, held sixteen (16) Private Sector Meetings and Seven (7) Businesswomen Forum.
- ICCIA will be organizing the 17th Private Sector Meeting, in Riyadh, Kingdom of Saudi Arabia, alongwith the 15th Islamic Trade Fair from 8-12 November 2015. In addition, the 8th Forum for Businesswomen will be organized in 2015.
- As a follow-up of the Recommendations of the 16th Private Sector Meeting the ICCIA has approached the relevant stakeholders with regard to the recommendations. In this context and as a follow-up of the ICCIA organized some activities which are as follows:-
 - Seminar on Introduction of Islamic Banking and Finance, Kampala-Uganda, 28th April 2014
 - Training program (outstanding leader convert good managers to great leaders), Dubai 18-19, February 2015
- As a follow-up the ICCIA requested:
 - \Rightarrow To call upon OIC member states who have not yet signed and ratified OIC-TPS to do so, and those who have, to kindly fulfill the requirements and thereafter create

awareness of and encourage their private sectors to benefit from them and entrust ICCIA to formulate a specific training programs and courses that are directed to identified sectors.

- \Rightarrow To implement the existing strategy on SMEs, which could develop the sector through nurturing entrepreneurship spirit and provide networking opportunities among SMEs and entrepreneurs in the Islamic World.
- \Rightarrow Calls upon the ICCIA and other relevant stake holders to conduct regular training programmes focusing on knowledge sharing, adopting of best practices and exchange of technology. To call upon the Private Sector to emphasize the need of diversified products and find new markets in the Member States.
- As regards the OIC-TPS, the OIC General Secretariat, ICDT and COMCEC Coordination Office in their capacity of Members of TNC and Secretariat are in contact the OIC Member States. The ICCIA, being a representative of the Private Sector, is promoting the utilization of this agreement at the level of the OIC Private Sector in cooperation with ICDT and COMCEC Coordination Office.
- In order to continue to increase intra-OIC trade, ICCIA has been carrying various programmes through the Private Sector.
- Trade Preferential System of the OIC (TPS-OIC) is one of the important tools in achieving the said target. In this context, the General Secretariat of ICCIA requested its Honorable Member Institutions to establish contacts with the policy makers to see how the agreements can be beneficial for the private sector, so as to facilitate the desired expansion of intra-OIC trade in line with OIC Ten Year Programme of Action.
- The outcome of the previous meetings has been productive, in establishing Banks, Incubation Center & Buying House and in addition providing a common platform for the business community of the 57 member states to explore greater opportunities for trading and investment. The ICCIA is undertaking these activities with the support and cooperation of IDB and relevant UN Agencies. They are result oriented and they are proving to be an important platform for the business community to interact and discuss on a bi-lateral and multi-lateral basis their avenues of cooperation. The share of intra-OIC trade in the Member States experienced an increase from 18.45% to 18.64% in 2013 as compared to the last year. It is now hoped that this level of intra Islamic trade would further increase, with the coming into force of the Trade Preferential System among the Member States of the Organization of Islamic Cooperation."
- There is a need for the member states to actively engage the private sector and to provide them with a conducive environment for them to expand their business ties.

The Islamic Corporate Masfaq (International Business Development Centre):

Al-Masfaq is an Arabic word for the place where transactions take place. It is a model for collaboration between the Chambers of Commerce and the ICCIA. The first implementation of the idea commenced in collaboration with the Jeddah Chamber of Commerce & Industry (JCCI). The ICCIA major objective is to replicate this model with numerous OIC Member States.

Al-Masfaq is a Business Development Center, presently established in Jeddah in collaboration with the Jeddah Chamber of Commerce & Industry. This model after its completion and successful implementation could be executed in collaboration with any of the Chambers of Commerce of OIC Member States. Its main goal is to develop the economy and to provide job opportunities by way of developing an investment map of the city, where Al-

Masfaq operates, so as to give a clear picture to the potential investors to explore the real and feasible investment opportunities. It also aimed at being the one-stop-shop that provides all the needful permission, licensees and NOCs that are needed from the concerned governmental authorities. Al-Masfaq will be a place where youth with creative ideas can meet entrepreneurs who are willing to assist in investment and wellbeing of the community. The major role of Al-Masfaq is not only the investment, but also to gather people under one roof and to facilitate procedures and create development in the various fields of economic activities.

The Food Trade Exchange Meeting Between Saudi Arabia and other Islamic Countries 5-6 November 2014, Jeddah, Kingdom of Saudi Arabia:

In pursuance of the ICCIA's Plan of Action for 2014, the First Food Trade Exchange Meeting between Saudi Arabia and other Islamic Countries was held on 5-6 November 2014, Jeddah, Kingdom of Saudi Arabia, as the largest importer for food items.

The meeting was held in the premises of the Jeddah Chamber of Commerce and Industry in the city of Jeddah. This event could be viewed as a model for cooperation and coordination between the Islamic Chamber and the Saudi Chamber.

The meeting was an excellent opportunity for making agreements and closing direct transactions between the traders (importers and exporters) through the B2B sessions.

The event was attended by the delegates from six (6) OIC Member Countries (namely Algeria, Egypt, Sudan, Uganda, Niger and Kuwait). It was attended by more than 150 Saudi Companies that specialize in importing food material. These Saudi Companies had fruitful discussions and expanded their business ties with the companies from the other Islamic Countries, particularly Algeria, which was represented by six companies.

The event aimed at bringing about actual increase in the commercial exchange amongst the Islamic countries and to transform the ICCIA events into practical activities that result in tangible benefits and concrete outcomes.

Based on the successful outcome of the Jeddah Meeting, the ICCIA is making a roadmap, to hold similar B2B Meetings in other Member Countries as well.

Halal Issues:

• The ICCIA is working on Halal issues in order to add real value to the Market and assist in improving this significant global market. The General Secretariat of the ICCIA entrusted one of the specialized consultancy companies to conduct study on Halal Market and to prepare working strategy that suits the status of the market and to ensure that ICCIA would efficiently undertake its pivotal role. In this context, the ICCIA is establishing an Islamic International Company for Halal, Ethics and Quality. Presentation will be made to the 31st General Assembly Meeting of the ICCIA which will be held in 27 April 2015, in Kampala (Uganda) for review and approval as well as for the contribution of the Private Sector of the Member States.

Excellence Awards Project:

The Islamic Chamber of Commerce, Industry & Agriculture within its responsibilities as the major Representative of the Private Sector within the OIC Member States as per COMCEC resolutions, include within its objectives the spreading and implementing of many values, such as Efficiency, Excellence and Quality. Many resolutions have been issued by the OIC that authorizes the ICCIA to play a major role with regard to those values and these include the following:

Resolution No. (135) issued by the 11th Islamic Summit held in Dakar – Senegal on 13-14 March 2008, which is supporting the Islamic Chamber as the major representative of the private sector in the OIC Member States, with regard to value, halal and quality control.

ICCIA aims through the Excellence Awards' Project to consolidate the principle of efficiency in accordance to teaching of the Prophet $(a_{\pm \mu})$. It is step in the path of spreading the idea of construction of the earth "creating growth for the land and employment of its people", which is the economics that aimed at serving the community in a practical and actual manner and not bubbles or fragile system that cannot stand the great challenges.

It may cover various activities (export, production, innovation, etc...) as well as various categories. Rules of Corporate Governance and Transparency

The draft plan for this Award will be presented to the 31st General Assembly Meeting of the ICCIA, which will be held in 27 April 2015, in Kampala (Uganda) for review and approval.

<u>Project for Establishment of Islamic International Commercial Center for</u> <u>Reconciliation and Arbitration</u>

The Islamic International Commercial Center for Reconciliation and Arbitration will be established under the ICCIA umbrella in collaboration with the ICCIA Member institutions, so as to contribute in resolving commercial disputes that may arise among the businessmen of OIC Member States. The draft Statute of this Center will be presented to the 31st General Assembly Meeting of the ICCIA, which will be held in 27 April 2015, in Kampala (Uganda) for review and approval.

ICCIA Website:

ICCIA endeavors to utilize the information technology and the internet by operating a dynamic portal that interacts with the locals and international clients, taking into consideration the various categories/interests of users/clients in accordance to the services that are provided to them in an interactive and user-friendly approach. The objectives of the website are:

- Means for introducing the ICCIA and its activities, accomplishments and news.
- Database providing information, figures, statistics and relevant reports on intra-Islamic trade and investments based on the status of the economy.
- Platform for launching new projects and ideas and publicizing investment and business opportunities.
- A place for introduction and interaction among members with mutual interests.
- Medium for publicizing the activities of the Member Chambers and their Countries as well as their projects.
- To provide a multi-lingual website.

Cooperation with International Organizations:

- ICCIA continues to explore new avenues of cooperation with international organizations, such as:
 - Perez-Guerrero Trust Fund (PGTF);
 - United Nations Office for South-South Cooperation (UNOSSC));
 - Food and Agriculture Organization (FAO)

- > International Finance Corporation of the World Bank Group (IFC).
- United Nations Industrial Development Organization, Investment & Technology Promotion Office (ITPO), Bahrain
- As a result of this cooperation, the above Institutions, whenever possible, extend technical support in organizing Training Programs and Workshops and by sponsoring the participants and resource persons.
- In order to promote women-led business enterprises in OIC Member Countries, the ICCIA, in collaboration with Perez-Guerrero Trust Fund (PGTF) for South-South Cooperation, would be organizing a programme on 'Development of a Mechanism for Joint Ventures and partnerships among Women-led Enterprises through South-South Cooperation' which would be held sometime in 2015, in one of the OIC Countries. The objective of the event is to strengthen the partnership amongst the women entrepreneurs through mobilizing resources and joint efforts with similar entities with the objective of strengthening economic cooperation, transfer of technology, technical know-how, expertise and best practices. The event will be very beneficial for the women-led enterprises, women organizations working for the economic and social empowerment of the women as well as the institutions working towards women empowerment.

Cooperation with SS-Gate:

- In order to expand its activities to cover not only the OIC region but other regions, where there is a large Muslim population, the ICCIA has been working closely with the South-South Global Assets and Technology Exchange (SS-GATE). The SS-GATE Platform has added great value to South-South Cooperation by providing virtual and physical platform where entrepreneurs in developing countries can interact and obtain needed technology, asset & finance in a secure environment.
- The overall success of the SS-GATE & ICCIA cooperation led to setting up of Country Centres in OIC Member Countries namely: Pakistan, Sudan, Uganda, Egypt, Turkey, Bangladesh, Iran, Yemen and Qatar. This initiative would facilitate in setting up of projects, which would ultimately lead to the realization of the objectives for South-South Cooperation which ICCIA has undertaken under the aegis of United Nations Office for South-South Cooperation (UNOSSC).
- In addition, ICCIA is promoting the United Nations Office for South-South Cooperation (UNOSSC) sponsored One Million Businesswomen of the Global South On-Line (OMBOL) initiative in OIC Member Countries thereby involving, and benefitting, women-led businesses in the partnership process.

SME Development among Member States:

- In the area of SMEs the ICCIA has several initiatives and is in the process of realizing them.
- ICCIA in cooperation with Small and Medium Enterprise Development Organization of the Republic of Turkey (KOSGEB), organized a 2-day Training Program for the Development of SMEs was held in Astana, Republic of Kazakhstan. The program helped promoting, sharing of knowledge, expertise and capacity building, between Turkey and Kazakhstan in the area of SME Development.
- In view of the success of the Training Program in Kazakhstan and on the invitation of Uganda National Chamber of Commerce & Industry, the ICCIA will be organizing a similar Training Program in Uganda in the second half of 2015 in collaboration with the SESRIC and KOSGEB.

<u>Seminar on Introduction of Islamic Banking and Finance</u> <u>Kampala-Uganda, 28th April 2014</u>

As part of its efforts to provide the private sector, facilities that would enable them to expand their trade linkages and also broaden their investment base, the ICCIA in collaboration with Uganda National Chamber of Commerce & Industry (UNCCI) and of Islamic Research & Training Institute (IRTI) of the Islamic Development Bank (IDB) Group had organized a Seminar on Introduction of Islamic Banking and Finance in Kampala, Uganda on 28th April 2014.

The purpose of the said seminar was to introduce the concept of Islamic Banking and Finance to the business community in Uganda and to cooperate with the legislative and executive authorities in the country so as to pave the path for allowing operation of the Islamic Banking and Finance in Uganda. As a result of these efforts, the Financial Institutions Amendment Bill 2014 has been endorsed by the Ugandan Cabinet and forwarded to the First Parliamentary Counsel for drafting and it is on the order paper for presentation (first reading) by the Hon. MFPED. Thereafter the Speaker of Parliament would refer it to the Standing Committee of Finance & National Economy for scrutiny. Then the second reading will be done in Parliament by the Chairperson of the Committee for debate to ensure its realization. Depending on the appreciation of MPs, it could be easily passed if there is support or delayed if many issues are raised. ICCIA is impressing upon the Uganda Chamber to call upon the Government for the implementation of the Bill.

Creating awareness of the utility of the various OIC Agreements:

• The ICCIA also organized a Seminar for the private sector to explain to them the utility and benefits of the various OIC Agreements for the promotion of intra-Islamic trade. In this context, the ICCIA allocated two special sessions within the 16th Private Sector Meeting and the International Trade Week held in Sharjah on 19-20 March 2014. The Islamic Centre for Development of Trade (ICDT) and Sharjah Chamber of Commerce & Industry collaborated with ICCIA in this respect.

Promotion of Entrepreneurship in OIC Member States:

- Entrepreneurship is an important aspect of economic growth and the backbone of any country for its development. It is one of the most important vehicles for improvement in the economic wellbeing of individuals and societies. Studies have shown a positive relationship between entrepreneurship and aggregate economic growth. Fostering entrepreneurship in the OIC Member States is part of ICCIA's capacity building policy that aims at by providing networking opportunities to enter and expand business.
- The ICCIA is undertaking activities that would directly or indirectly lead to develop the economies of the Member states. In line with Resolution No.78 of the 28th Session of the COMCEC, which calls on the ICCIA to increase its capacity building programmes, B2B and Public Private Partnership events, the ICCIA has been undertaking relevant activities.
- In order to create in-depth understanding of entrepreneurial skills as a contributor to self-reliance, Islamic Chamber of Commerce, Industry & Agriculture (ICCIA) has organized Training Workshops on Enterprise Development in Karachi and Islamabad, Pakistan in April and June 2014 respectively. The Training Workshops were attended by participants from various cities of Pakistan, representing business and trading firms, Members of Chamber of Commerce & Industry, youth graduates from Universities with an interest to setup their own businesses, functionaries of NGO's

and microfinance organizations, women and young entrepreneurs, who want to improve entrepreneurship skills as well as Small and Medium Enterprises (SMEs).

- The Training Workshops were designed to develop entrepreneurship among youth and women, who are doing business or are planning to establish enterprises in near future. Participants were introduced to national and international best practices, and the latest concepts of enterprise development through economic empowerment, working with people with varied skills, establishing forward-backward linkages within a community for setting-up their small scale business ventures. These training workshops were very useful in research and consultation work for university students.
- As a result of the success of these workshops, ICCIA intends to cooperate with the interested Member Institutions, in organizing similar workshops at the level of their local chambers for the benefit of the above said segments.

Senior Managers Leadership Training Program (transforming Good Managers into Great Leaders), Dubai, United Arab Emirates 18-19, February 2015:

ICCIA organized a leadership training program from 18-19 February 2015, ICCIA, for the senior managers titled (transforming Good Managers into Great Leaders), in Dubai, United Arab Emirates, on 18-19, February 2015, in collaboration with the Dubai Chamber of Commerce. The program prepared by renowned American Company "Zenger Folkman".

It was attended by senior management representatives from (Jeddah Chamber, Saudi Eastern Province Chamber, Ajman Chamber, Fujairah Municipality, IDB Group, Al-Baraka Islamic Bank of Bahrain, Jordan Islamic Bank).

The Training Programme gave an opportunity to the participation to learn about the qualities required in the senior management of businesses. Apart from giving training, the programme also enabled the participants to share their experiences and best practices.

Workshop on Capacity Building on Value Chain Analysis

for Agribusiness for OIC Countries, 1-3 December 2014, Ankara - Turkey

In order to implement the activities coming within the priority areas of the OIC Programme of Action, the OIC Institutions, share their experiences and expertise to add more value to the activity. In this context, Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) had organized a Workshop on Capacity Building on Value Chain Analysis for Agri-Business for OIC Countries in Ankara-Turkey from 1st to 3rd December 2014.

The said Workshop was organized in collaboration with the Perez-Guerrero Trust Fund (PGTF)/United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO) and Statistical, Economic & Social Research and Training Centre for Islamic Countries (SESRIC).

The Workshop was attended by 42 participants from 16 Countries, representing all regions of the OIC, namely Arab, Africa, Central Asia and South-East Asia. The participating countries were from Bangladesh, Indonesia, Iran, Jordan, Kazakhstan, Lebanon, Libya, Pakistan, Palestine, Nigeria, Saudi Arabia, Sudan, Tajikistan, Tunisia, Uganda & Turkey. In addition, representatives of Food and Agriculture Organization (FAO) Standing Committee for Economic & Commercial Cooperation of OIC Countries (COMCEC) and Statistical, Economic & Social Research and Training Centre for Islamic Countries (SESRIC) were also participated.

The objective of the Workshop was to promote exchange of experiences and discussion of best practices among primary producers and small-to-medium scale entrepreneurs engaged in first, second and third level agro-processing activities that provide value chain concept to the farmers, create off-farm employment, help stabilize local markets, improve hygienic standards for marketed products and/or facilitate market access. The main focus was given on value-chain, agro-processing Farm-to-Fork spectrum activities that can be carried out using relatively simple technologies.

Outcome of the Workshop:

As a result of the discussions, the participants were able to exchange views and agreed to cooperate with each other. The following were some of the outcomes.

- Since the workshop focused on an area of great concern to the Member States, namely food security and agriculture, considerable interest was generated for the participants to learn each-others experiences and share best practices.
- The participant from the Ministry of Agriculture (Kingdom of Saudi Arabia) has included in his respective Ministry, the recommendations of Ankara Workshop, in the programs and activities of the Ministry's policies and yearly annual strategic plan, for the benefit of the small farmers in order to contribute to the enhancement of current levels of agricultural production and improvement of the agricultural value chain.
- The participant from Palestine is working at the local level through the creation of an integrated program called "WASH and Food Security program" (water, agribusiness and value chain) funded from the Spanish cooperation AECID. The program will contribute efficiently to supply chains and the linkages between small farmers/enterprises and emerging ago-industry. The program will also focus on the importance of value chain in development of agribusiness and rural development.

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