

**ASSESSMENT REPORT OF  
THE EXECUTIVE PROGRAMME**

**PRESENTED BY**

**THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE**

**TO**

**THE 31<sup>st</sup> SESSION OF  
THE STANDING COMMITTEE FOR ECONOMIC AND  
COMMERCIAL CO-OPERATION OF THE OIC  
(COMCEC)**

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## PART I: ACHIEVEMENTS OF THE OIC CONSULTATIVE GROUP ACTIVITIES

### 1. Background:

The 3<sup>rd</sup> Extraordinary Summit of the OIC adopted the Ten-Year Programme of Action to meet the challenges facing the Islamic Ummah in the 21<sup>st</sup> century which focused, among others, on the following measures in order to enhance intra-OIC Economic and Trade Cooperation:

- Speeding up the signature and the ratification by Member States all existing OIC trade and economic agreements, and implementing provisions of the relevant OIC Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States;
- Supporting the activities of this plan by Member States and their participation in those activities at the highest possible level;
- Encouraging economic regional integration and development through free trade agreements, customs unions, common markets and other activities aimed at enhancing intra OIC trade and development”;
- Supporting OIC Member States in their efforts to accede to the World Trade Organization (WTO), and promoting concerted positions between the Member States within the WTO;
- Supporting expanding electronic commerce among the OIC Member States;
- Establishing a special fund within the Islamic Development Bank (IDB) in order to help address and alleviate poverty, and provide job opportunities; and entrusting the IDB Board of Governors to establish this special fund, including mechanisms for its financing;
- Entrusting the IDB Board of Governors to take necessary measures for ensuring a substantial increase in the Bank’s authorized, subscribed, and paid-up capital, so as to enable it to strengthen its role in providing financial support and technical assistance to OIC Member States, and strengthen the Islamic Corporation for Trade Finance recently established within the IDB;
- Urge the IDB to develop its mechanisms and programmes aimed at cooperation with the private sector and to consider streamlining and activating its decision-making process;
- Urge the IDB and its institutions to promote investment opportunities and intra-OIC trade, and to conduct other feasibility studies to provide the necessary information to develop and promote joint ventures.

This Summit mandated the COMCEC to promote measures to expand the scope of intra-OIC trade and to consider the possibility of establishing a Free Trade Area between the Member States in order to achieve greater economic integration to raise it to a percentage of 20% of the overall trade volume during the period covered by the plan, and call on the Member States to support its activities and to participate in those activities at the highest possible level.

After consultations between the COMCEC Coordination Office and the Islamic Centre for Development of Trade (ICDT) and the International Islamic Trade Finance Corporation (ITFC), in Istanbul on 24<sup>th</sup> October 2008 on the sidelines of the 24<sup>th</sup> Ministerial Session of the COMCEC and the adoption of the “*Road Map for Enhancing intra-OIC Trade*” by the Expert Group Meeting on “enhancing intra-OIC trade” was held in Ankara on 5<sup>th</sup> and 6<sup>th</sup>

July 2008, the OIC Consultative Group for Enhancing Intra-OIC Trade was created.

Thus, the Consultative Group has been established to boost synergy between the similar activities and programs of the OIC institutions in order to enhance cooperation and coordination between them during the period of planning, scheduling and implementation of these activities. The roadmap of the Executive Program for strengthening intra-OIC trade is a multi-annual program of consolidated activities of the OIC institutions whose aim is to share information about their projects and activities carried out and to be implemented in Member Countries.

This Group is composed of the following Institutions:

- ✓ The General Secretariat of the Organisation of Islamic Cooperation (Department of Economic affairs);
- ✓ The COMCEC Coordination Office;
- ✓ The Islamic Development Bank Group (IDB);
  - *The International Islamic Trade Finance Corporation (ITFC)*;
  - *The Islamic Corporation for Insurance of Investments and Export Credit (ICIEC)*
  - *The Islamic Cooperation for Development of Private Sector (ICD)*;
  - *The Cooperation and Integration Department of IDB Group (CID)*;
  - *The Islamic Research and Training Institute (IRTI)*;
  - *The Islamic Solidarity Fund for Development (ISDF)*.
- ✓ The Islamic Chamber of Commerce and Industry and Agriculture (ICCIA);
- ✓ The Islamic Centre for Development of Trade (ICDT);
- ✓ The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC);
- ✓ The Organisation of the Islamic Shipowners Association (OISA);
- ✓ The Standards and Metrology Institute of Islamic Countries (SMIIC).

The Consultative Group took for Meetings in the Kingdom of Morocco as follows:

- First Meeting in Casablanca on 11<sup>th</sup> and 12<sup>th</sup> February 2009;
- Second Meeting in Casablanca on 31<sup>st</sup> May and 1<sup>st</sup> June 2010;
- Third Meeting in Casablanca on 3<sup>rd</sup> and 4<sup>th</sup> February 2011;
- Fourth Meeting in Marrakesh on 22-23 February 2012;
- Fifth Meeting in Casablanca on 27<sup>th</sup> and 28<sup>th</sup> February 2013;
- Sixth Meeting in Marrakesh on 3<sup>rd</sup> and 4<sup>th</sup> February 2014;
- Seventh Meeting in Casablanca on 2<sup>nd</sup> and 3<sup>rd</sup> March 2015.

Since 2009, national Trade Promotion Organs, Funds and International Organisations also take part in the meetings of this Group.

The Group adopted in its first session the Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets (See recommendations attached in annexes).

Thus, The 26<sup>th</sup> session of the COMCEC endorsed this programme and requested the OIC Institutions to carry out their activities according to the Executive Program and the IDB to provide necessary financial contribution for the achievement of the activities and projects included in the Executive Program and urged the Member States to give the required support to the OIC Institutions for the implementation of the Executive Program and to actively participate in those activities.

## 2. Structure and functioning of the Group:

The Coordination and Secretariat of the “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets” are assumed by the ICDT. The OIC institutions in charge of implementation are as follows:

- **Trade Financing and Export Credit Insurance:** ITFC, ICIEC and ICD;
- **Trade promotion:** ICDT, ITFC and ICCIA;
- **Trade facilitation :** COMCEC, OIC, ICDT, OISA, ITFC, CID, SMIIC and SESRIC ;
- **Development of Strategic Commodities:** OIC, ITFC, ICD, ICDT, SMIIC and SESRIC;
- **Capacity Building:** COMCEC, SESRIC, ITFC, ICCIA, CID, IRTI and ICDT;
- **Trade Negotiations:** COMCEC and ICDT.

OIC Institutions agree annually on the schedule of joint actions to be implemented.

During the Second Meeting, the Consultative Group adopted unanimously “*the Guiding Principles and foundations for cooperation between the OIC institutions active in the field of economic and commercial cooperation*”.

The Group decided also to launch a new wave of joint activities based on integrated programmes approach focused on targeted products and Countries during the 3<sup>rd</sup> Meeting (See recommendations attached in annexes).

The aim of the Integrated Sector Based programme is to implement holistic approach in order to expand intra-OIC trade in some groups of products with high trade potential, notably:

### **Goods:**

- cotton, textiles, clothing & accessories;
- building materials (cement, steel and related products);
- leather, footwear and related products;
- food products (edible oils, cereals, fisheries);
- pharmaceutical products ;
- information technologies products.

### **Services:**

- transportation and logistics;
- construction and engineering;
- Islamic finance services
- educational services;
- health services;
- communication services.

One month before the organization of Consultative Group Meeting, every OIC Institution committed itself to send to ICDT its report in order to prepare a consolidated report reflecting all individual activities. This report is based on data contained in the reports of the Consultative Group composed of The COMCEC Coordination Office, the International Islamic Trade Finance Corporation (ITFC), The Islamic Centre for Development of Trade (ICDT); the Islamic Chamber of Commerce and Industry and Agriculture (ICCIA) and The Organization of Islamic Ship-owners Association (OISA), the Islamic Corporation for Insurance of Investments and Export Credit (ICIEC), The Islamic Corporation for Development of Private Sector (ICD), the Islamic Research and Training Institute (IRTI), the Islamic Solidarity Fund for Development (ISFD) and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) .

Every year the Director General of ICDT submits the consolidated report to the Competent Organs of the Organisation of Islamic Cooperation notably, the Islamic Commission of Economic, Cultural and Social Affairs, the COMCEC Meetings (Ministerial Session and the Follow up Committee).

In the context of the follow-up of the implementation of the “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets”, the Islamic Centre for Development of Trade (ICDT) and the International Islamic Trade Finance Corporation (ITFC), Member of the Islamic Development Bank (IDB) Group organize under the auspices of the Ministry of Industry, Trade, Investment and Digital Economy in Charge of Foreign Trade of the Kingdom of Morocco, an annual meeting in general in February with a view to examining the evaluation of the implementation of the executive programme and the way forward to enhance the coordination of activities of this Group in order to achieve the goals of the Ten-Year Program of Action of OIC namely the increase the intra-OIC Trade share to 20% in the global trade of Member States by 2015.

On the other hand, these meetings aim also at exploring the cooperation opportunities with international and regional organizations within the framework of the Executive Program and the COMCEC’s New Strategy.

### 3. Implementation of the Executive Programme:

The “Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets of Intra-OIC trade” is composed of about 1.125 activities from February 2009 to December 2014 covering the implementation period 2009-2019 and have been dispatched as follows:

**Table 1: Evolution of the activities of the Executive Programme per OIC Institution (as of December 2014)**

<b>Institution</b>	<b>Feb 2010</b>	<b>Feb 2011</b>	<b>Feb 2012</b>	<b>Feb 2013</b>	<b>Feb 2014</b>	<b>December 2014</b>
<b>ITFC</b>	47	82	91	132	<b>207</b>	<b>295</b>
<b>ICDT</b>	48	64	74	119	<b>194</b>	<b>226</b>
<b>ICD</b>	19	39	65	100	<b>153</b>	<b>181</b>
<b>SESRIC</b>	1	3	22	52	<b>160</b>	<b>168</b>
<b>ICIEC</b>	5	14	29	31	<b>67</b>	<b>97</b>
<b>ICCIA</b>	16	25	26	42	<b>60</b>	<b>68</b>
<b>COMCEC</b>	4	6	14	14	<b>22</b>	<b>29</b>
<b>CID</b>				12	<b>18</b>	<b>28</b>
<b>IRTI</b>				6	<b>16</b>	<b>20</b>
<b>OISA</b>	3	5	5	9	<b>13</b>	<b>13</b>
<b>TOTAL</b>	<b>143</b>	<b>238</b>	<b>326</b>	<b>517</b>	<b>910</b>	<b>1,125</b>

According to data provided by the Members of the Consultative Group in table n° 1, the activities of the group increased from 143 to 238 projects, i.e. a rise by 66% between 2010 and 2011 and by 37% between 2011 and 2012 and by 59% between 2012 and 2013 and by 76% between 2013 and 2014 due to the implementation by some institutions such as ITFC, ICDT, ICD, SESRIC, ICIEC and ICCIA, which have almost doubled their activities between February 2013 and December 2014.

**Table n° 2: Evolution of the share of activities of the Executive Programme of the OIC Institutions  
(Feb 2010- December 2014)**

Activity	Feb 2010	Feb 2011	Feb 2012	Feb 2013	Feb 2014	Dec 2014
Capacity building	42%	33%	33%	38%	36%	29%
Trade Facilitation	19%	28%	28%	28%	25%	27%
Trade Financing and Export Credit Insurance	5%	9%	12%	8%	16%	25%
Trade promotion	27%	23%	18%	17%	14%	11%
Development of strategic commodities	7%	7%	9%	9%	9%	7%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

With respect to the activities organised by this Group, those relating to capacity building hold the first position followed by those of trade facilitation and financing, export credit insurance at the rate of 81% of the whole activities scheduled on the basis of the data of December 2014 of the members of the group (see table n° 2).

**Table n° 3: Distribution of planned activities by Institution and sector  
(Number of activities) (As of December 2014)**

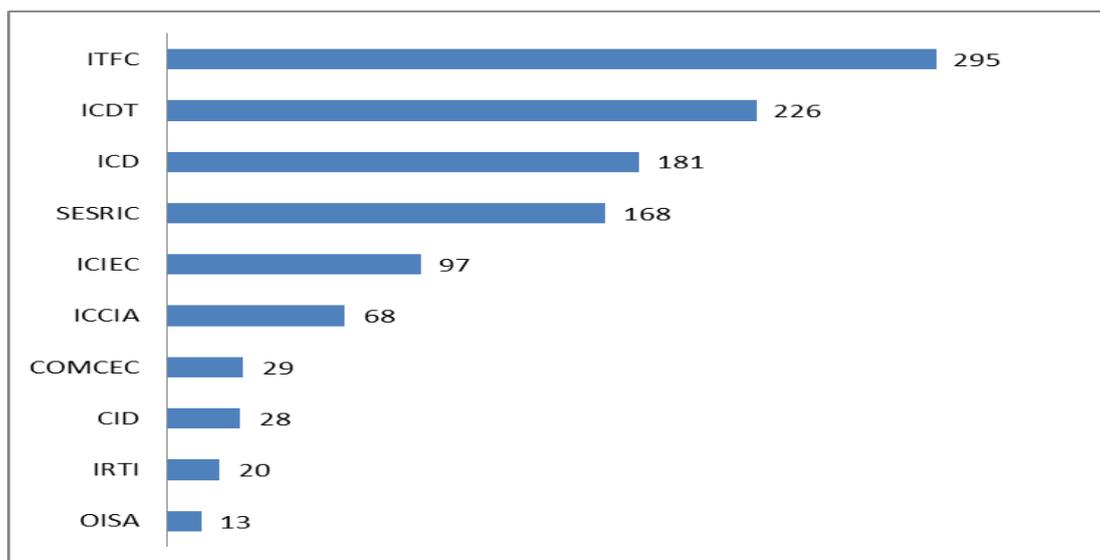
Activity Institution	Trade Financing and Export Credit Insurance	Trade Promotion	Trade facilitation	Strategic Products	Capacity building	TOTAL
ITFC	63	22	112	29	69	295
ICDT		86	79	7	54	226
ICD	145	1	23		12	181
SESRIC			16	37	115	168
ICIEC	75	1	1	0	20	97
ICCIA		15	11	8	34	68
COMCEC			29			29
CID			15		13	28
IRTI		3	9		8	20
OISA			13			13
<b>TOTAL</b>	<b>283</b>	<b>128</b>	<b>308</b>	<b>81</b>	<b>325</b>	<b>1,125</b>

According to table 3, since February 2009, the activities and projects of the Group have been increasingly focusing on capacity building, with about 325 activities accomplished essentially by SESRIC, ITFC and ICDT, followed by trade facilitation accounting for 308 activities, mainly carried out by ITFC, ICDT and COMCEC and trade financing and export insurance credit with 283 predominantly fulfilled by the Institutions of the IDB Group, such as ITFC, ICIEC and ICD.

**Table n° 4: Distribution of Planned Activities per Institution (%) (as of December 2014)**

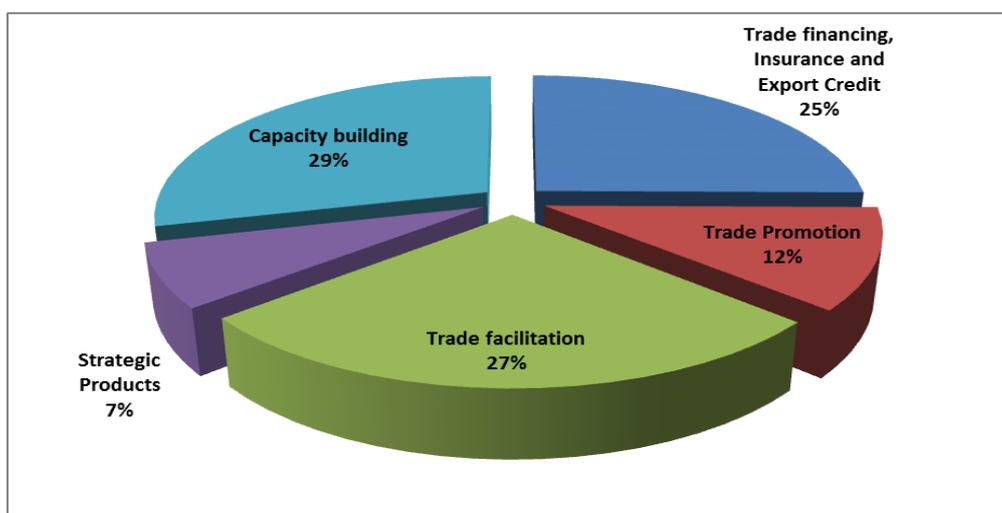
Institution	Number of projects and activities	Share of each institution
ITFC	295	26%
ICDT	226	20%
ICD	181	16%
SESRIC	168	15%
ICIEC	97	9%
ICCIA	68	6%
COMCEC	29	3%
CID	28	2%
IRTI	20	2%
OISA	13	1%
<b>TOTAL</b>	<b>1,125</b>	<b>100%</b>

**Graph n° 1: Number of Projects and activities of OIC Institutions (2009-2014)**



According to the data provided by all institutions, the capacity building activities are in the first position with 29%, followed by trade facilitation activities with 27%, Trade Financing and Export Credit Insurance with 25%, trade promotion activities with 12%, and the activities relating to the development of strategic commodities accounted for 7% of the total activities updated in December 2014.

**Graph n° 2: Distribution of Planned Activities by Domain (%) (as of December 2014)**



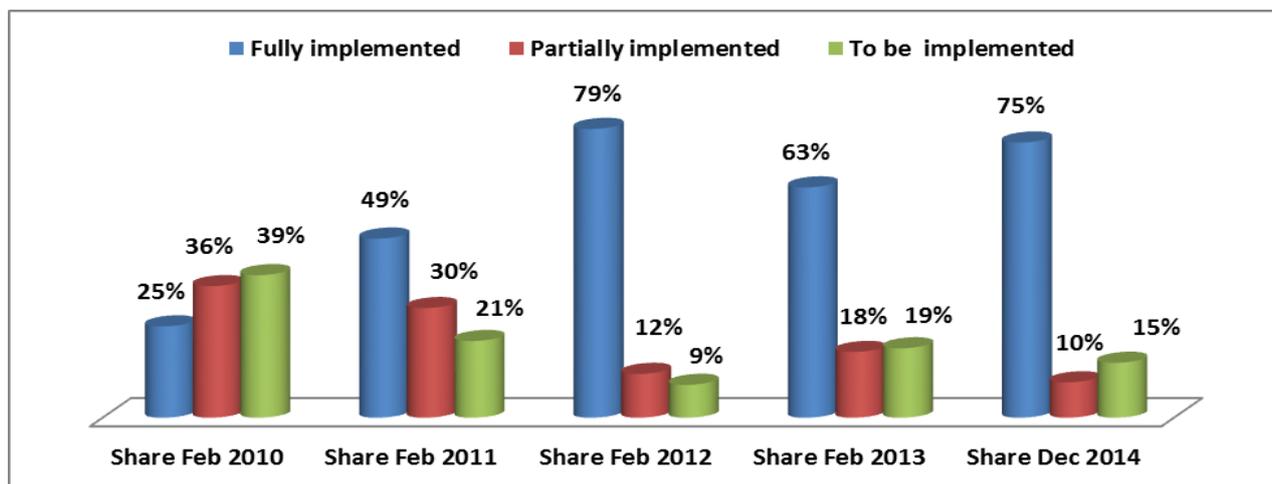
The implementation of the “Executive Programme of the Road-map for Achieving intra-OIC Trade Targets”, which is composed of about 1,125 activities, shows the following:

- ✓ About 75% of the projects were fully implemented up to December 2014, i.e. an increase by 20% in comparison with February 2013 due to the rise in the projects implemented between 2013 and 2014 by the various institutions;
- ✓ 10% of the projects are to be implemented, i.e. a decrease by 46% comparison with February 2014 thanks to the increase in the implemented projects but also because they cover several years of achievements;
- ✓ 15% of the projects are on stand-by position and are to be implemented in the majority between 2014 and 2015, especially by ICDT, ITFC and SESRIC.

**Table n° 5: State of play of the implementation of the Executive programme  
(Feb 2010- Dec 2014)**

State of play	Share Feb 2010	Share Feb 2011	Share Feb 2012	Share Feb 2013	Share Dec 2014
Fully implemented	25%	49%	79%	63%	75%
Partially implemented	36%	30%	12%	18%	10%
To be implemented	39%	21%	9%	19%	15%

**Graph 3: Evolution of the implementation of OIC Consultative Group' Institutions activities by Domain (%)**



Besides, the projects implemented between February 2009 and December 2014 are 847 and mostly executed by ITFC, ICDT, ICD and SESRIC, projects in progress are around 109, in majority implemented by, ITFC, ICDT and ICIEC and those to be realized numbering 169 projects are largely to be executed between 2015 and 2019 by ICDT, ITFC and SESRIC, because they require the mobilization of funds and the identification of strategic partners.

**Table n° 6: State of play of the implementation of the Executive programme  
(Feb 2010- Dec 2014)**

Institution	Fully implemented	Partially implemented	To be implemented	TOTAL
ITFC	209	28	58	<b>295</b>
ICDT	149	18	59	<b>226</b>
ICD	177	4	0	<b>181</b>
SESRIC	105	18	45	<b>168</b>
ICCIA	63	4	1	<b>68</b>
ICIEC	76	21	0	<b>97</b>
COMCEC	22	3	4	<b>29</b>
CID	19	8	1	<b>28</b>
OISA	9	4	0	<b>13</b>
IRTI	18	1	1	<b>20</b>
<b>TOTAL</b>	<b>847</b>	<b>109</b>	<b>169</b>	<b>1,125</b>

#### 4. Conclusion:

Since the establishment of the Group, many efforts have been made to boost intra- OIC trade particularly in the fields of capacity building, trade facilitation, trade financing and export credit insurance, support to SMEs, products and services promotion of the Member States but also the development of strategic products, namely food, agricultural and energy products.

Despite these many efforts made by the Group to effectively carry out its activities, the desired objectives are hardly achieved because of:

- Lack of implementation of regional integrated projects according to country priorities and the expertise of the Institutions of the Group and other development partners in the sub region;
- lack of investment in products with high trade potential ;
- The non- involvement of the private sector and trade promotion organs in projects and activities undertaken by the Group;
- Work in silos of Institutions on their own projects and activities.

In order to further strengthen the intra-OIC trade, OIC institutions and their development partner should collaborate and execute joint projects by appointing focal points and managers of regional projects in the different value chains of products and services, in a bid to achieve the trade development of the Ummah. They include: Halal products and services (finance, food, cosmetics ...), the health sector (pharmaceutical and welfare), the education services and logistics, cotton products, textile and leather, renewable energy. The group members should also take part in various working groups of the COMCEC and contribute to the implementation of additional projects in the areas of its cooperation strategy.

During the past six years Member Institutions have achieved important activities aiming at enhancing intra-OIC trade, among others:

- OIC: actions aiming at raising the awareness of the importance of TPS/OIC and Investment agreements so as to prompt their signature and ratification, operationalization of infrastructure projects between African and Asian countries, the development of tourism and agriculture;
- COMCEC: implementation of the strategy through the COMCEC Projects Management Cycle of and working groups on trade, transportation, agriculture and finance ... the implementation of the TPS/OIC.
- ICDT: awareness-raising of the importance of the TPS/OIC Agreement, the organization of trade fairs and exhibitions, training in international trade and organization of business forums, strengthening of the Network of Trade Promotion Organs;
- SESRIC: capacity building on statistics, health, competition policies, development of strategic models. ... ;
- ICCIA: private sector development through the organization of B2B meetings especially for women in business sector, training in agro-industry, Halal sector and a Business Development Centre, capacity building of SMEs ...;
- OISA: strengthening the development of maritime transport;
- ITFC: providing trade finance & trade related technical assistance to MCs with a view to promote trade and trade cooperation among Member Countries;
- ICIEC: insurance, reinsurance and export credit of OIC countries, capacity building in the field of insurance and export credit of the private sector ...;
- ICD: providing finance for private sector entities with a focus on SMEs, developing Islamic financial markets, extending advisory services and setting up Islamic financial institutions ;
- The CID capacity building in the field of multilateral trade and regional economic integration and in particular, within the framework of the WTO. ... ;
- IRTI: studies in the area of Islamic finance, capacity building in economic and social fields.

## **PART II. ASSESSMENT OF THE CONSULTATIVE GROUPE' ACTIVITIES**

### **1. Methodological considerations**

The Consultative Group requested ICDT to initiate and to oversee the assessment study on behalf of all other OIC Institutions and to present the assessment report during 7<sup>th</sup> Consultative Group Meeting and 31<sup>st</sup> Session of the COMCEC in November 2015 with a view to identify:

- Activities and projects carried out by OIC Institutions during the considered period of time and particularly those undertaken outside of their annual programme and budget;
- Challenges, obstacles, and constraints encountered by these institutions when carrying out their projects and activities;
- The cost of carrying out these projects and activities since 2009;
- Recommendations aiming at easing the attainment of intra-OIC trade targets.

To this end, the ICDT has devised a questionnaire and sent it to all concerned institutions asking them to fill it out and to forward it back to the Centre by December 31<sup>st</sup>, 2014. All these institutions completed the questionnaire. Some of them even added extra inputs aiming at proposing concrete actions and frameworks toward the achievement of the set trade targets.

This report is a synthesis of all answers provided to the questions asked by the Centre. However, it is noteworthy that most institutions did not answer all the questions either because some of them did not comply with their mission or because of relevant data was not available.

With a view to serve as a working paper during the 7<sup>th</sup> Consultative Group Meeting, this report is structured as follows:

- Overall assessment
- Achievements
- Obstacles, challenges, and constraints
- Recommendations, and other propositions
- New programmes, projects, and initiatives

### **2. Overall assessment:**

Two overall paradoxical conclusions can be made in the spotlight of activities undertaken by OIC institutions with a view to increasing intra-OIC trade on one hand, and their respective positive impact on major relevant key performance indicators (KPIs) on the other hand. Indeed, while both the percentage of activities and the budget dedicated to enhancing intra-OIC trade are still weak despite their continuous improvement, most KPIs have shown a positive evolution (Table 7) over the considered period (2008-2013).

**Table 7: Key Performance Indicators of OIC Member States between 2008 and 2013**

Indicators	2008	2013	Evolution 2008-2013 in %
Intra-OIC Trade Share in %	16.60%	18.64%	12.29%
Number of OIC Member-States whose Intra-OIC Trade share > 20%	27	32	18.52%
Number of ratifying Countries of TPS/OIC Agreement and its protocols			
TPSOIC	22	31	40.91%
PRETAS	7	18	3 times
Rules of Origin	3	18	6 times
Share of Intra-OIC Trade of Manufactured products	48.28%	58.4%	20.96%
Number of the CG Activities	143*	910	More than 6 times
Budget of OIC Institutions for trade in million USD	4,369.19	8,917.54	104.1%
Share of OIC Institutions budget in intra-OIC Trade	1.59%	2.30%	44.91%
Liner shipping connectivity index	15.67	20.88	33.25%
Customs performance index	2.34**	2.43***	3.85%
% of ICT goods in total OIC Trade	3.75%	4.72%	25.87%

\* 2009 \*\* 2010 \*\*\* 2014

Source: UNCTD, WEF, Doing Business, ICDT, COMCEC, CG, 2015

N.B: The funds raised mobilized by ICDT for trade fairs and exhibitions is beyond the above mentioned figures each exhibition total cost is on average 150.000 USD; that means that ICDT mobilize additional annual amount of 600,000 USD.

Nevertheless, it is noteworthy that the positive change in some key performance indicators is more linked to the Executive Program such as in the following cases of the Budget of OIC Institutions for trade in billion USD, the Number of the CG Activities, the Number of ratifying Countries of TPS/OIC Agreement and its protocols, the Intra-OIC Trade Share, etc. On the other hand, other KPIs are more contingent upon the intervention of Member States on individual basis as well as on activities of other regional and international institutions such as the liner shipping connectivity or the share of ICT goods in total exports.

Keeping in mind the aforesaid note of caution, a clear improvement in all indicators can be observed: the share of intra OIC trade increased from 16.6% in 2008 to 18.64% in 2013, i.e a progression of 13%. The same positive evolution is observed in the other KPIs in particular the budget devoted to trade by OIC institutions which doubled shifting from 4.4 billion USD to 9 billion USD but represents only 2.3% in intra-OIC trade; the six-fold increase of CG activities and, last but not least, the share of manufactured products in intra OIC trade which has shown an increase from 48% to 58%.

The enlargement of TPS OIC membership is also another positive development and the increase of interaction and consultation among OIC institutions since 2008. (See the previous reports of CG Group submitted by ICDT to COMCEC sessions).

However, some other KPIs (not shown in Table 1) such as Export Diversification Index (EDI) that indicates how concentrated or diversified a country's exports are, and the Logistics Performance Index (LPI), which reflects perceptions of the country's logistics efficiency, have recorded a regression of -4.24% and -0.38% respectively.

In addition and as previously mentioned, the budget of most OIC institutions for intra-OIC trade is quite weak as indicated in the Table n° 8.

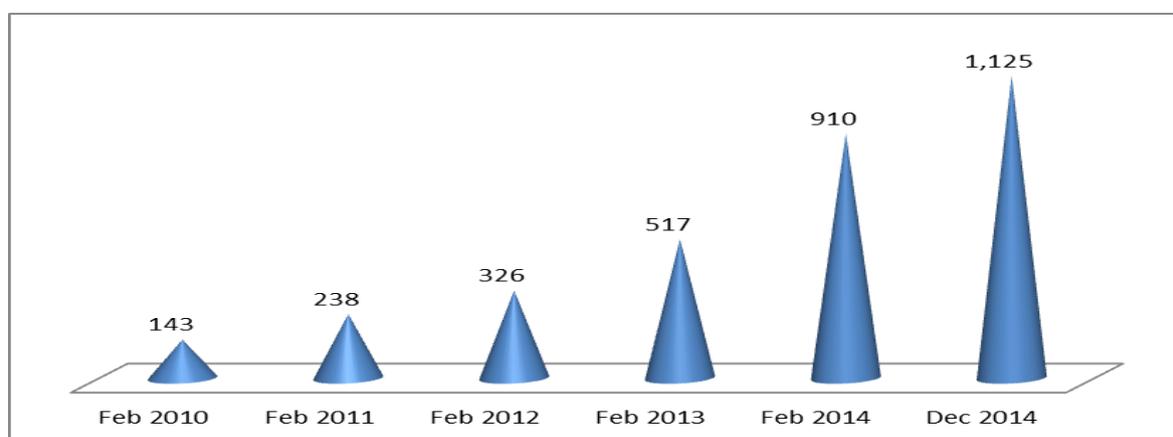
**Table n° 8: Budget of OIC Institutions for trade in million USD (2008-2014)**

	2008	2009	2010	2011	2012	2013	2014	Total (2008/2014)	evolution 2008-2014
ITFC	2,505.8	2,166.4	2,555	3,033.4	4,467.1	5,048.5	5,343	25,119.2	113%
ICIEC	1,513	969	1,984	3,313	3,201	3,437	4,830	19,247	219%
ICD	348	408	238	373	419	430	546	2,762	57%
ICDT	0.99	1.05	1.13	1.04	1.01	1.24	1.22	7.68	23%
ICCIA	0.35	0.31	0.4	0.44	0.48	0.38	0.43	2.79	23%
DIC	0.96	0.82	0.41	0.56	0.68	0.3	0.32	4.05	-67%
SESRIC	0.09	0.11	0.09	0.07	0.08	0.12	0.11	0.67	22%
IRTI							0.1	0.1	
<b>TOTAL</b>	<b>4,369.19</b>	<b>3,545.69</b>	<b>4,779.03</b>	<b>6,721.51</b>	<b>8,089.35</b>	<b>8,917.54</b>	<b>10,721.18</b>	<b>47,143.49</b>	<b>145%</b>

According to budget criterion, we can observe that the ranking of OIC institutions changes significantly since on one hand, the IDB group corporates and directions, such as ICIEC and the Department of Cooperation and Integration, shifted respectively from the 4<sup>th</sup> rank and 8<sup>th</sup> rank to second and sixth positions. From 2008 to 2014, the total amount of the OIC Institutions dedicated to trade is about US 47.2 billion (eleven times comparing to the budget of 2008) and most of it, is ensured by IDB Group.

Besides, the data provided by the Members of the Consultative Group indicated that the activities of the group increased from 143 to 238 projects, i.e. a rise by 66% between 2010 and 2011 and by 37% between 2011 and 2012 and by 59% between 2012 and 2013 and by 76% between 2013 and 2014 due to the implementation by some institutions such as ITFC, ICDT, ICD, SESRIC, ICIEC and ICCIA, which have almost doubled their activities.

**Graph 4 : Evolution of the OIC Consultative Group' projects and activities between Feb 2009 and Dec 2014**

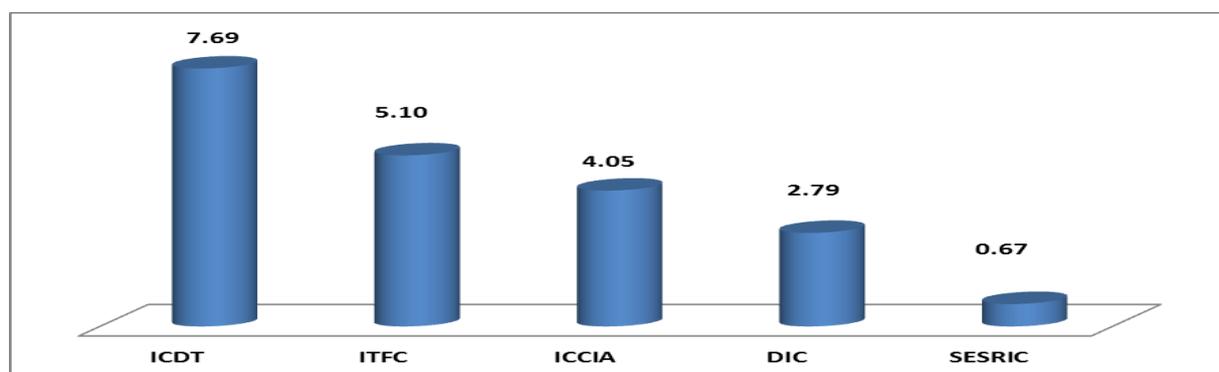


**Table n° 9: Budget of Trade facilitation and promotion of the OIC Institutions (investment, exports and insurance excluded) in million USD**

	2008	2009	2010	2011	2012	2013	2014	Total	Evolution 2008-2014
ICDT	0.99	1.05	1.13	1.04	1.01	1.24	1.23	7.69	24%
ITFC	1.00	1.00	1.00	0.65	0.5	0.52	0.43	5.10	-57%
ICCIA	0.96	0.82	0.41	0.56	0.68	0.3	0.32	4.05	-67%
DIC	0.35	0.31	0.4	0.44	0.48	0.38	0.43	2.79	23%
SESRIC	0.09	0.11	0.09	0.07	0.08	0.12	0.11	0.67	22%
<b>TOTAL</b>	<b>3.39</b>	<b>3.29</b>	<b>3.03</b>	<b>2.76</b>	<b>2.75</b>	<b>2.56</b>	<b>2.52</b>	<b>20.3</b>	<b>-26%</b>

According to the budget allocated to trade facilitation and promotion (investment, exports and insurance excluded), it indicates that it is ensured by 83% by ICDT, ITFC and ICCIA in 2014.

**Graph n°5: Budget of Trade facilitation and promotion of the OIC Institutions (investment, exports and insurance excluded) in million USD (2008-2014)**



**Table n° 10: Budget of OIC Institutions related to investment, export credit and insurance activities (million USD)**

	2008	2009	2010	2011	2012	2013	2014	Total	Evolution 2008-2014
ITFC	2,504.8	2,165.4	2,554	3,032.9	4,465.1	5,047.9	5,342.2	25,112.3	113%
ICIEC	1,513	969	1,984	3,313	3,201	3,437	4,830	19,247	219%
ICD	348	408	238	373	419	430	546	2,762	57%
TOTAL	4,365.8	3,542.4	4,776	6,718.9	8,085.1	8,914.9	10,718.2	47,121.3	146%

As one can see, two institutions, namely ITFC and ICIEC, and to a lesser extent ICD, account in 2014 for more than 99% of financing, insurance and investment activities of the Consultative Group. Nevertheless, the total budget dedicated to intra-OIC trade accounts for only 2.3% of this trade and needs to be strengthened.

### 3. Achievements:

Two types of achievements were reported:

- Regular activities and planned projects;
- Extra activities and projects.

#### ♦ Regular Activities and Planned Projects:

To answer this question, the participating institutions either list all the activities carried out and projects implemented since 2009 or gave examples of such activities and projects that they sorted depending on their nature. Some of them provided the total number of all these activities and projects.

In addition to these achievements sorted according to the four headings indicated by the ICDT, some institutions provided information pertaining to other kinds of achievements in compliance with their specific mission. In this regard,

IRTI provided information regarding the following achievements:

- Launching of the IDB Solidarity Prize aimed at promoting trade among OIC Member Countries. Four winners, all of them TSI in Member-States, already received the Prize;
- Research and Publications;
- Advisory Services.

OISA indicated a number of Memorandums of Understandings signed with some partners such as Arab Academy for Science, Technology and Maritime, Turkish Shipbuilders' Association, Arab Shipbuilding & Repair Yard Co., and Emirates Classification Society.

According to the data of table 11, the number of activities fully and partially implemented by OIC Institutions between 2009 and 2014, ICDT, SESRIC and ICCIA organised more than 50% of their activities in partnership with the other national, OIC and international organisations.

**Table 11: Reported Number of Activities Fully or Partially Implemented by OIC Institutions between February 2009 and December 2014**

Institutions/ Activities	ICDT	SESRIC	IRTI	ITFC	OISA	CID	ICD	ICIEC	COMCEC	ICCIA
Trade Financing and Export Credit Insurance				63			145	97		
Trade promotion	44 (17)		3	22 (2)			1		2	13(6)
Trade facilitation	42 (25)	9(6)	9	42 (6)	6	15	23		8	11 (5)
Capacity Building	26 (20)	45 (12)	8 (8)	37 (2)		13	12		2	19(10)
Development of strategic products	4 (1)	19(12)		6					1	2
<b>Total</b>	<b>114</b>	<b>73</b>	<b>20</b>	<b>165</b>	<b>6</b>	<b>28</b>	<b>181</b>	<b>97</b>	<b>13</b>	<b>45</b>

N.B.: Figures between brackets refer to projects and activities undertaken in partnership with another OIC institution.

#### ➤ **Extra Activities and Projects:**

Whereas some institutions stuck to their scheduled programme and budget, some others had to undertake unplanned activities and projects. In the latter case, the percentage of such activities varied between 5% as in the case of ICDT and ICD, and 15% as in the case of IRTI. These activities reflect a need for the concerned institutions to be responsive to countries' needs and *ad-hoc* demand for special trainings and events organisation.

#### **4. Obstacles, challenges and constraints:**

Responding institutions reported many obstacles, challenges and constraints that impede their normal operations, and in particular, those geared toward enhancing intra-OIC trade. To simplify their presentation, these obstacles, challenges and constraints have been merged into the following specific categories according to their nature.

- **Financial constraints:** All institutions regret the absence or, at least, the insufficiency of dedicated funds to finance both their planned and unplanned activities. Many institutions reported partially implemented projects due to lack of funds, and some of them regretted their inability to undertake some ambitious projects due to the same reasons. This impediment stems primarily from the uncertainty of receiving on time the annual financial contributions of Member countries by the institution.
- **Shortage of professional staff:** Many institutions reported facing shortage in professional staff able to help them achieve their mission.
- **Insufficient coordination and cooperation between OIC institutions:** As we can see from Table 1, the number of joint projects between OIC institutions is quite low as compared to their total activities. Such an insufficient coordination and cooperation entails an insufficient implementation of regional integrated projects responding to

countries' priorities. It also leads to useless and unjustified overlapping and duplication of activities between OIC institutions.

- **Limited investment in projects, products, and services with high trade potential:** As a corollary of the previous obstacle, many OIC institutions focus, almost exclusively, on activities and projects answering to their host countries' needs and expectations. Unfortunately, those projects and activities are not necessarily the ones with a high intra-OIC trade potential.
- **Low level of Member Country participation to the OIC Institutions' activities:** In order to achieve sustainable success, Member Countries' involvement to the efforts of the OIC Institutions shall be maintained. In this respect some actions can be taken for raising awareness of the OIC Institutions and their activities in the Member Countries. It may not be entirely accurate to state that at present there are not coordination mechanisms or efforts under the umbrella of the OIC or COMCEC. Various platforms exist in the OIC foremost the Sessional Committee Meeting, Trade Working Group, TNC Meetings, COMCEC Sessions, COMCEC Follow-up Committee Meetings and other relevant OIC fora to enhance cooperation among our sister institutions. For example, Sessional Committee convenes twice each year to discuss the joint activities organized by the OIC Institutions and elaborated on the added value of these activities (KPI and M&E).
- **Absence of a task force or technical committee to initiate and coordinate joint projects:** In addition to initiating and monitoring joint projects and activities, such a body would be entrusted with the mission of reviewing and assessing these projects and proposing corrective actions as and when needed. In terms of initiation and monitoring of joint projects, emphasis may be made to underutilization of existing mechanisms such as COMCEC Project Funding or similar mechanisms within the IDB as well as other OIC Institutions.
- **Poor involvement of the private sector and national trade support institutions (TSI) from the projects and activities undertaken by OIC institutions:** Some OIC institutions direct their projects and activities toward the needs of the public sector and governments of Member countries. As a consequence, their action entails limited impact on the private sector, the one ultimately and concretely concerned with the issue of promoting intra-OIC trade.
- **Lack of coordination mechanism to design and implement integrated projects:** Not only do not many OIC institutions embark in joint projects with other institutions, but they also suffer from the absence of agreed-upon and effective mechanisms to coordinate such projects and activities. And even when they exist, those mechanisms do not encompass any key performance indicators (KPIs) to monitor and follow up how the joint projects and activities are implemented.
- **Impediments to businesspeople movement:** We cannot enhance intra-OIC trade without easing businesspeople movement between Member-countries.

## 5. Recommendations and other propositions:

Many recommendations stem from the previous part on obstacles, challenges and constraints. Indeed, each impediment calls for a remedy that can be formulated as a recommendation. As a consequence, we will start with these "natural" recommendations before completing them with others.

- To cope with financial constraints, one important recommendation would be to take collective actions by all OIC bodies to urge Member-countries to pay their annual financial contribution on time. Another recommendation would be to develop fee-

based programmes tailored to meet countries' needs and specifically those of the private sector. Particular emphasis would be made to COMCEC Project Funding and all OIC Institutions may be called on to make use of it;

- OIC institutions and mainly the under-staffed ones, should be given precedence in the organisation's recruitment plans to better fulfil their respective mission and mainly to actively contribute in promoting the intra-OIC trade;
- OIC institutions would aim to reach a minimum number of projects and activities to be carried out in partnership with other institutions;
- Available resources in OIC institutions could be allocated primarily to projects and activities with a high potential of intra-OIC trade. Such a potential should become an important criterion in allocating resources. Emphasis should be on projects with highest "value added" potential;
- OIC institutions should develop programmes and activities addressing the private sector's needs in Member states. These programmes and activities can be offered within the framework of training workshops and seminars, B2B meetings, trade missions, etc;

In addition to the above recommendations corresponding to impediments enumerated previously, the following propositions were also suggested by responding institutions:

- Organisation of a high-level meeting of OIC institutions' senior executives to lay foundations of a new vision for intra-cooperation;
- Participation of relevant delegates who are competent in the themes of the meetings;
- All participants should carefully examine the documentation prepared for the meeting preferably before attending;
- Take necessary actions to expedite the signing and ratification of TPS-OIC agreement and also, emphasis is needed for the "full implementation of the System by the existing participating states;
- Specifically, OISA recommends to work toward requesting Member countries to convince their shipping companies to register their vessels with the Islamic Protection & Indemnity (IPI) Club. It also recommends involving "financial institutions, banks and transport Ministries for promoting shipping since marine transportation carries 90% of goods and heavy equipment to all over the world" ;
- Specifically, ICIEC recommends to encourage the use of credit information bureau, which is critical for trade credit/insurance and also to use the Aman Union database;
- Particular emphasis would be made to COMCEC Project Funding and all OIC Institutions may be called on to make use of it.

## **6. New programmes, projects and initiatives:**

Some responding institutions reported partially implemented projects as the ones they plan to carry out during the years to come. Others suggested totally new projects and activities.

ITFC for instance, within the framework of its new programme-based approach, intends to launch and/or to continue the following initiatives that can be jointly implemented by OIC institutions:

- Aid-for-Trade initiatives for Arab States, and for SPECA;
- Arab-Africa Foreign Trade Bridge Programme: This is a 3-year comprehensive regional trade promotion programme with some capacity building priorities to enable beneficiaries sustain the capabilities to be created during the implementation of this programme;

- Trade Knowledge Bridge Programme;
- Export Credit and Investment Insurance: An important means to facilitate trade and investment among member countries as well as between member countries and the rest of the world.

## ANNEXES

### QUESTIONNAIRE

In compliance with the relevant recommendations of the 6<sup>th</sup> meeting of the OIC Consultative Group for enhancing intra-OIC trade, held in Marrakesh - Kingdom of Morocco, the group has decided to assess the activities carried out from 2009 to 2014. In this regard, ICDT has prepared this questionnaire to be addressed to all the Members of the Consultative Group in order to evaluate the implementation of the Executive programme of the roadmap for enhancing intra-OIC trade.

Each institution is requested to provide accurate answers to the questionnaire. The questionnaire should be completed and returned to ICDT for the final drafting before 31 December 2014.

Thanking you for your comprehension and collaboration.

**INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION  
(ITFC)**  
**ISLAMIC CORPORATION FOR INSURANCE OF INVESTMENTS AND  
EXPORT CREDIT (ICIEC)**  
**ISLAMIC COOPERATION FOR DEVELOPMENT OF PRIVATE  
SECTOR (ICD)**  
**COOPERATION AND INTEGRATION DEPARTMENT OF IDB GROUP  
(CID)**  
**ISLAMIC RESEARCH AND TRAINING INSTITUTE (IRTI)**  
**ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)**  
**ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY AND  
AGRICULTURE (ICCIA)**  
**STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING  
CENTRE  
FOR ISLAMIC COUNTRIES (SESRIC)**  
**ORGANISATION OF THE ISLAMIC SHIOWNERS ASSOCIATION  
(OISA)**  
**COMCEC COORDINATION OFFICE**  
**GENERAL SECRETARIAT OF THE ORGANISATION OF ISLAMIC  
COOPERATION  
(DEPARTMENT OF ECONOMIC AFFAIRS)**

**Question 1:** Have you ever organised special activities & projects other than those planned in your annual activity programme? If yes, What is the share of activities and projects extra annual programme and budget?

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**Question 2:** What are the major challenges and constraints encountered by your institution?

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**Question 3:** What is the overall cost of the projects carried out by your institution since 2009?

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**Recommendations:**

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Business Lines	Number of projects Fully implemented	Number of projects Partially implemented	Number of projects implemented with an OIC Institutions	Number of projects implemented with International partners	Number of National events	Number of Regional events	Number of Inter regional events	Number of participants (countries/institutions)	Mode of financing
Trade Financing and Export Credit Insurance									
Trade Promotion									
Trade facilitation									
Strategic Products									
Capacity building									

# **MAJOR RECOMMENDATIONS**

**2009-2014**

## RECOMMENDATIONS 2009

The committee duly noted the efforts being done by all OIC Institutions but was of the view a more proactive and tangible approach needed to be taken to make these meetings more meaningful or coordinative approach needs to be taken by all OIC Institutions to make the road map more effective.

Following the three working sessions, where the OIC Institutions presented their activities individually, the Meeting devoted the second day to examine the whole proposed activities put in a matrix and in addition to the observations introduced in the previous parts of this report, the following general recommendations have been made:

1. To give the priority as far as possible to skills and competencies within the OIC Institutions and OIC Member States in all areas of trade cooperation;
2. To encourage and support OIC Member States in adopting policies and measures to facilitate intra-OIC trade and trade generally of OIC countries,
3. Including improving market access conditions, removing market entry barriers, avoiding trade distorting practices and providing support to TPOs. A special attention shall be given to the OIC Least Developed Countries;
4. To promote The Framework Agreement on Trade Preferences among OIC Countries (TPS/OIC) and PRETAS which are the key instrument that can bring new dynamism to intra-OIC trade and thus OIC countries need to actively implement PRETAS so as to make a significant impact on intra-OIC trade;
5. To better coordinate the implementation of the activities and projects adopted by the EGM on intra-OIC trade through tripartite mechanism involving: financial institutions (IDB Group and other Funds etc.), implementing Institutions (like ITFC, SESRIC, ICCL, ICDT and ITC) and donor or host countries;
6. To entrust ICDT with the task of assuming the Secretariat of the Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets on Intra-OIC trade;
7. To prepare a progress report on the implementation of the Road Map and to hold two EGM on intra-OIC trade meetings every year: one at the level of OIC Institutions and the other open to OIC Member States;
8. To urge OIC Member States, which have not done so, to sign the Statute of OISA”;
9. To include in the programmes of OIC Institutions, projects that will deal with the issue of enhancing production and quality of targeted goods with high trade potential;
10. To hold the seminar on “the project of the OIC Free Trade Area” to be organised by IDB Group (Cooperation Office) and the Ministry of Industry and Trade of Malaysia-MITI (within the framework of the MOU signed by the IDB and Malaysia-BNM) in collaboration with ICDT and SESRIC with a view to exploring the ways and means to fulfil the salient recommendation of the 3<sup>rd</sup> Islamic Extraordinary Summit;
11. To examine the feasibility of setting up an OIC e-market place for buyers and sellers for the Member States as well as buyers from other countries through the web-portal, COMCEC Coordination Office will take the responsibility of further studying the issue and reporting to the Sessional Committee Meeting;
12. To request ITC to keep informed the OIC on the Aid for Trade process and any other recommendation for the executing of this implementation programme;

13. To invite the International Trade Centre to consider the possibility of supporting OIC institutions in implementing the projects adopted within the framework of the Road Map notably in the following areas:
  - capacity building component by assisting small enterprises and communities to reach global markets with products and services;
  - developing trade promotion activities by developing the capacity of trade support institutions to back up SMEs export businesses, especially by organising buyers/sellers meetings;
  - the development of commodities strategies by providing methodologies and tools for designing and implementing export strategies;
  - the area of trade information and all export advisory services.
14. To consider the possibility of finalising the OIC Halal Food Standards at the 25<sup>th</sup> Session of the COMCEC;
15. To expedite the operationalization of Standardization and Metrology Institute for Islamic Countries (SMIIC);
16. To set up a Grand OIC/IDB Scholarship Programme in major academic fields for contributing education of future trade bridges;
17. To sustain and support Bakkah Shipping Company which belongs to the Organisation of the Islamic Ship-owners Association (OISA) and requests the Islamic Financial Institutions to grant financing for the construction of big ships for the Company, especially as the latter was created in compliance with a resolution of the Islamic Conference of Foreign Ministers in Karachi in 1991;
18. To hold an annual meeting of the head of training department in OIC Institutions in order to assess the training needs of OIC Countries, to adopt an unified calendar of activities and follow up its implementation;
19. To examine the possibility of setting up a special fund within IDB Group in order to boost capacity building in OIC Member States;
20. To promote the objectives of the OIC Network of SME's Agencies created by the ICCI for the development and promotion of SMEs;
21. To invite the relevant International and regional Institutions to attend the up coming Meetings on Intra-OIC Trade;
22. To invite the financial international and regional institutions to the up coming meetings on intra-OIC trade;
23. To strengthen and enhance the financial capabilities of OIC Institutions (SESRIC, ICDT, ICCI, OISA) in order to achieve the targets of the OIC Ten Year programme of Action.

# RECOMMENDATIONS 2010

Participants adopted the following recommendations:

## *I. "The Guiding Principles and Foundations for Cooperation between the OIC Institutions active in the field of economic and commercial cooperation".*

### **A. Principles and foundations:**

- Consultation and coordination between OIC Institutions concerning common activities and the exchange of plans and programmes of action ;
- To inform other OIC Institutions on the activities deemed relevant for cooperation;
- Flexibility in the procedures and policies for the implementation of common programmes;
- To give priority to the extent possible, to expertise available in the OIC Institutions and Member States;

### **B. Planning and Organisation:**

- To draw up a joint plan of action for medium term cooperation, that is susceptible to be revised or amended;
- To lay stress on the strategic sectors and products with high intra-OIC trade potential, by adopting a scientific methodology in the choice of programmes;
- To adopt annual integrated programmes (sector based) encompassing several fields including market studies, sector based fairs, buyers/sellers meetings and trade facilitation measures.
- To strive to choose activities that would meet as far as possible the needs of the private sector in Member States;
- To give priority to the participation of the economic operators and the private sector in joint actions.

### **C. Instruments for the Selection, Implementation and Follow up of Joint Activities:**

- OIC Institutions shall agree annually on the schedule of joint actions to be implemented;
- The Coordination and Secretariat of the "Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets" are assumed by the ICDT. The OIC institutions in charge of implementation are as follows :
  - **Trade Financing:** ITFC and ICIEC;
  - **Trade promotion:** COMCEC, ICDT, ITFC and ICCI;
  - **Trade facilitation :** COMCEC, OIC, ICDT, OISA, ITFC and ICCI ;
  - **Development of Strategic Commodities :** ITFC, ICDT and SESRIC;
  - **Capacity Building:** SESRIC, ITFC, ICCI and ICDT;
  - **Trade Negotiations:** COMCEC and ICDT.
- Holding of two annual coordination meetings:
  - ✓ The first one shall be held in Jeddah on the sidelines of the Islamic Commission for Economic, Social and Cultural Affairs; with the possibility of involving Concerned Member States and the relevant Financial Institutions in this Meeting;
  - ✓ The second one shall be held in Casablanca, at least a month before the holding

the Ministerial Session of the Standing Committee for Economic and Commercial Cooperation.

- Evaluation of common activities and programmes and preparation of follow up reports with a view to improving them and enhancing their efficiency so as to achieve fixed targets.

#### **D. Financing:**

- To provide a special budget for the financing of common projects and to adopt budget estimates to implement all the activities;
- The leading OIC Institution hosting the joint activity shall insert the logos of the OIC Partner Institutions in the promotional materials the letters, brochures, leaflets etc;
- In case of the cancellation or postponement of a joint action to the next financial year, it shall be replaced by another activity in consultation between concerned parties."

#### **II. *The New "Executive Programme of the Road-Map for Achieving intra-OIC Trade Targets" for the period 2011-2015.***

OIC Institutions were invited to submit their views on the "*New Executive Programme for Achieving intra-OIC Trade Targets*" for the period 2011-2015 drafted by ICDT within one month.

**(The New "*Executive Programme of the Road-Map for Achieving intra-OIC Trade Targets*" for the period 2011-2015 is in annex 3),**

#### **III. *Integrated sector based programmes encompassing several fields including market studies, sector based fairs, buyers/sellers meetings and trade facilitation measures.***

The participants decided to launch a new wave of joint activities based on integrated programmes approach focused on targeted products and Countries; in this regard, the meeting invited the OIC Institutions to send to ICDT the list of products which can be selected to be subject to the first pilot programme within one month.

#### **IV. *The Meeting decided to rename the OIC Consultative Meeting as "Consultative Group for enhancing Intra-OIC Trade".***

#### **V. *The Meeting invited the OIC Member States to provide moral and financial support to enhance intra-OIC trade and to strengthen and enhance the capabilities of the National Trade Promotion Organs and OIC Institutions active in the commercial field, in order to achieve the targets of the OIC Ten Year Programme of Action.***

## RECOMMENDATIONS 2011

The meeting adopted the following recommendations:

- ❖ To increase efforts by the concerned entities to implement the Framework Agreement on Trade Preferential System among OIC Member States and establish the desired OIC Free Trade Area.
- ❖ To seek the support of forthcoming Islamic Summit, through COMCEC recommendation or resolution, to create a high level contact group, under the chairmanship of the COMCEC, to sensitize Member States on the need for early implementation of TPS/OIC.
- ❖ To call Member States, through COMCEC recommendation or resolution, to consider establishment of foreign trade training centers to meet local capacity development needs of their respective countries due to the importance of capacity building on trade development.
- ❖ To request ITFC, ICDT, and IDB Group through GTRC, to submit a proposal in order to launch a Pilot integrated programs.
- ❖ To call on ICIEC and the Cooperation Department of IDB Group to increase their participation in the scheduled activities within the executive program for enhancing intra-OIC trade and propose activities and programmes to strengthen their role in achieving the targets of the programme.
- ❖ To call and urge Member States, through OIC Organs (such as COMCEC), to intensify their efforts in promotion of foreign trade and provide the Trade Promotion Organizations/Export Development Agencies of their respective countries the necessary support and funds to promote intra-OIC trade.
- ❖ To entrust ICDT with publishing an annual report for submission to COMCEC Ministerial Meeting on the development level of intra-OIC trade share and the growth of intra-OIC trade level of each Country along with the required recommendations for the improvement of intra-OIC trade.
- ❖ To entrust ICDT with the task of preparing the ranking of OIC Member States performances in trade promotion in OIC Zone every year. This ranking will be submitted to the Adjudicating Panel of the “The Islamic Solidarity Prize for the Promotion of Trade among OIC Member Countries” for final decision.
- ❖ To call on ICDT to finalize the study of scenarios on the future forecasts on Inter-Islamic trade promotion in next year.
- ❖ To support Bakkah Shipping Company affiliated from OISA for construction of two large ships and request the Islamic Financial Institutions to grant financing for remaining 20% loan.
- ❖ To invite OIC Member Countries, by Bakkah Shipping Company, to register ships with Islamic Protection and Indemnity Club one of the project of OISA in order to reach the Club to the international level.
- ❖ To invite OIC Member Countries to participate in the increase of ICIEC capital, in order to build-up its capacity to provide Export Credit Insurance as an important driver for intra-OIC Trade Promotion and Economic Cooperation.
- ❖ To invite OIC Institutions, by ICDT, to put more emphasis on trade facilitation, trade promotion activities and products with high trade potential which will develop complementarities among OIC Countries.

## RECOMMENDATIONS 2012

The meeting adopted the following recommendations:

### *OIC Member States:*

- To invite the Member States to give necessary support to the OIC Institutions for implementation of the Executive Program and actively participate in those activities;
- To request the Member States which did not do so to join ICIEC Membership;
- To request the Member States to participate in the capital increase of ICIEC and enhance the capital resources of their respective Export Credit Insurance Agencies (ECAs);
- To encourage Member States to establish their own National Export Credit Insurance Agencies;
- To recommend to Central Banks in OIC Member Countries to encourage Commercial Banks under their supervision to use Export Credit Insurance as an acceptable risk mitigant for trade finance;
- To invite Member Countries to establish Trade Finance Support Schemes.

### *OIC and International Institutions:*

- To continue conducting studies and organizing the activities listed in the Executive Programme in order to support the Member Countries to increase their external trade;
- To request the ICDT to prepare a questionnaire on the effectiveness of the Executive Programme in coordination with the other members of the Consultative Group and circulate it to the Member States through the OIC General Secretariat by 1<sup>st</sup> May 2012;
- To request ICDT in collaboration with ITFC, IDB and ICIEC to conduct a comprehensive impact assessment of the activities adopted towards achieving the current target of 20% of intra-OIC trade by 2015 based on Key Performance Indicators in various sectors covered by this program such as :
  - Share of intra-OIC trade;
  - Ease of doing business index;
  - Logistic performance index;
  - Trade finance;
  - Nominal / Real Growth in trade;
  - Product and market diversification;
  - Level of utilization of Export Credit Insurance in Member Countries.
- To develop a proposal to work with UNDP and ITC on establishing a Monitoring Framework for Intra-OIC Trade with robust indicators;
- To adopt the revised "Executive Programme of the Road Map for Achieving Intra-OIC Trade Targets" by adding a column relating to the KPIs (**the revised Executive Programme is attached in annex 3**);
- To invite OIC Institutions to propose to include in the Executive programme only the projects and activities which meet the following conditions :
  - It shall fall within the domains of Road-map (trade finance, trade promotion, trade facilitation, strategic commodities, capacity building in international

- trade);
  - It shall include more than one OIC institution;
  - It shall encompass more than one country;
  - It shall be submitted in a format agreed upon by the Group (project profile form);
  - It shall be financially secured;
  - It shall be endorsed by the Consultative Group.
- To improve coordination mechanism of the OIC Consultative Group with a view to enhancing its efficiency and performance, the following improvements shall be considered :
    - Implementation of the guidelines for cooperation adopted by the second OIC Consultative Group in Casablanca on 31<sup>st</sup> May- 1<sup>st</sup> June 2010; **(the guidelines of cooperation are attached in annex 4)**;
    - The Group shall hold two meetings each year, (Consultative Group meeting and on the sidelines of the Institutional meetings (ICECS, COMCEC, Coordination meetings etc ).
  - To set up of a consultation and monitoring mechanism among the Regional Economic Groupings in order to enhance their cooperation and harmonise their regulations (notably: ECO, GCC, WAEMU, AMU, Agadir Agreement, GAFTA...) with a view to inviting them to join the Consultative Group Meetings;
  - To note with appreciation the efforts exerted by IDB Group in the area of development of Integrated Program for certain commodities and encourage the rest of the Consultative Group Members to start developing the same and keep the Group updated during future Meeting;
  - To invite those strategic partners, who have programs/activities in the revised Executive Programme to be Members of the Consultative Group and contribute to enhance the Executive Programme and design, implement and evaluate the projects in the Executive Programme;
  - To invite relevant OIC and IDB Group Institutions to continue mobilizing necessary funds in order to expedite the implementation of the Executive Programme;
  - To invite the ICDT, ITFC and the COMCEC Coordination Office as a part of its outreach initiative to promote the Executive Programme during the upcoming OIC-UN coordination Meeting to be held in Geneva from 1<sup>st</sup> to 3<sup>rd</sup> May 2012;
  - To invite ICDT and ITFC to organize regional sensitizing seminars for the benefit of OIC Member States which did not sign and ratify TPSOIC agreement and its protocols (PRETAS and Rules of Origin) in order to do so;
  - To reinforce the regional sensitizing programs on TPSOIC by requesting the Cooperation and the Integration Department of IDB to join hands with the ICDT for conduct of such seminars;
  - To use the Aid for Trade Initiative as a platform for enhancing coherence /collaboration with the relevant UN Agencies for the benefit of the OIC Member States;
  - To invite ICDT to publish an annual consolidated report on the implementation of the Executive Programme;
  - **To take note with appreciation ICDT's and ITFC's proposals relating to the need for the development of an Intra-OIC Trade strategy for the period 2015-2025 and suggest to start consultation with the relevant OIC Institutions (OIC**

**General Secretariat and COMCEC Coordination Office).**

*Private sector:*

- To Encourage the Private Sector to use Export Credit Insurance services,;
- To involve the private sector in relevant activities of the Consultative Group by motivating the participation of SME-SMI and the LDCs through a significant funding by the Financial Institutions;
- ✓ To focus and enhance the marketing of the Consultative Group projects and activities for the benefit of the private sector through the relevant OIC private sector organizations.

## RECOMMENDATIONS 2013

Participants agreed on the following:

### *I- OIC MEMBER STATES:*

1. To commend the fruitful participation of the OIC Member Countries and Institutions for their support to the implementation of the Executive Programme and its initiatives;
2. To call on OIC Member States to enhance, support and provide recommendations for the implementation of the Executive Programme;
3. To invite the major intra-OIC trading Member States including LDCs to participate in the meetings of the "Consultative Group for Enhancing Intra-OIC Trade" with a view to contributing to various programs and activities identified in the Executive Programme of the Road-Map;
4. To invite the Member States to give necessary support to the OIC Institutions for the implementation of the Executive Program and actively participate in those activities;
5. To invite ICDT to disseminate a questionnaire in cooperation with relevant institutions to identify the needs and views of the OIC Member States for the successful implementation of the Executive Program of the Road-Map;
6. To request the Member States to participate in the capital increase of ICIEC and enhance the capital resources of their respective Export Credit Insurance Agencies (ECAs);
7. To request the Member States which did not do so to join ICIEC Membership and encourage Member States to establish their own National Export Credit Insurance and re-insurance Agencies and to utilise the ICIEC's re-insurance;
8. To invite Member Countries to establish Trade Finance Support Schemes;
9. To invite Arab States to appoint their focal points as soon as possible in order to facilitate the implementation of the project on Aid for Trade (AfT) Initiative;
10. To commend the State of Kuwait for its contribution by an amount of US\$ 2 million to the Aid for Trade Initiative for Arab States which will be managed by the ITFC Member of the IDB Group;
11. To invite the OIC Member States and specialised international organisations and institutions to contribute to this Initiative;
12. To take into account the Aid for Trade Initiative for Arab States provided by International organisations and trading partners so as to avoid duplications which mitigate the target benefits in such a way as not to reduce the possibilities of Member States to be granted aids and credits in other fields;
13. To foster the implementation of the AfT initiative for the Arab States in close consultation between ITFC and OIC Institutions in order to provide advisory services and quality assurance and to propose strategic directions;
14. To examine the possibility of launching a new AfT initiative for the benefit of the ECOWAS Countries in order to enhance their integration in Intra-OIC Trade.

### **II- OIC AND INTERNATIONAL INSTITUTIONS:**

15. To continue the activities of the Consultative Group in coherence with Trade Working Groups to be established by the COMCEC, which will bring together regularly the experts of the OIC Member States in order to reach the 20% of intra-OIC Trade and the effective implementation of the New COMCEC's Strategy;

16. To invite UNDP, ITFC and ICDT to organise a brainstorming meeting to deliberate on how a monitoring and evaluation framework could be customised for the OIC Executive Programme in order to overcome some challenges facing its implementation in compliance with specific objectives;
17. To entrust ICDT, IDB Group and the Tunisian Republic to keep on extending technical assistance in the field of competition policies for the benefit of Arab and African French Speaking Countries in 2014;
18. To set up a task force within the OIC Consultative Group in order to study the feasibility on the follow-up the issue of Single Window and entrusts ICDT and ITFC to be the focal point;
19. To invite ICDT and ITFC to convene a Conference of the OIC Trade Promotion Organs (TPOs) Network with the main objective of enhancing their role in the implementation of the Executive Program;
20. To enhance cooperation between the OIC Institutions and other sub-regional organizations such as WAEMU, of which the members are also OIC Member States in the following fields: trade facilitation, trade promotion, capacity building, doing business climate and the exchange of the private sector activities of the two Institutions.

### **III- ORGANISATIONAL MATTERS OF THE GROUP:**

21. To identify the priority major and specific objectives and to determine the execution and financing agencies of each activity/project of the Executive Program;
22. To propose a new target for the next period of the Executive Program focusing on the significant increase in the share of the intra-OIC Trade in collaboration with OIC Member States;
23. To enhance concessional resources and the need for optimal use of ordinary resources to finance energy and transport projects in Africa;
24. To focus within the framework of the Executive Program on regional and sub-regional projects which contribute to strengthening commercial and economic relations and regional and sub-regional levels;
25. For better coordination in the collaboration among OIC institutions, it is recommended to consider "Trade Mainstreaming" in the executive programme which will lead to more Trade Mainstreaming;
26. To improve the coordination mechanism of the OIC Consultative Group with a view to enhancing its efficiency and performance, the following improvements shall be considered :
  - To implement the guidelines for cooperation adopted by the second OIC Consultative Group;
  - To hold annually the meeting of the OIC Consultative Group in Morocco.
27. To integrate all other relevant initiatives on trade promotion so as to supplement and complement the programmes of the Consultative Group.

### **IV- PRIVATE SECTOR:**

28. To strengthen the existing initiatives programmes of the Consultative Group, by a more proactive involvement of the Public and Private Sector;
29. To develop an incubation system that encompasses pre-incubation, incubation and post-incubation services in order to set up new businesses; or to make the youth an important element in the promotion of intra-OIC Trade by developing the SME and

setting up Incubators to facilitate their growth;

30. To focus on programmes that promote and develop the culture of entrepreneurship;
31. To take into account on the one hand, the close relation between productive investment and the promotion of the private sector and export promotion in the OIC Member States with a view to improve export competitiveness both among the member States and with the other regions of the world ;
32. To encourage productive investment and private sector in the OIC Member States and to coordinate the efforts of the financial institutions in this field.

## RECOMMENDATIONS 2014

Participants agreed on the following:

- Taking into consideration the resolutions of the 40<sup>th</sup> OIC Council of Foreign Ministers (CFM) and 29<sup>th</sup> Session of the COMCEC requesting the Consultative Group to carry out its work with the active participation of the OIC Institutions in line with the relevant resolutions of the COMCEC and in accordance with its mandate;
- Taking into account the role and achievements made by the Consultative Group since its inception in the field of enhancing Intra-OIC trade;
- Bearing in mind the needs to provide more support to Member States in their strive in expanding the Intra-OIC Trade by exploring the existing trade potential;
- Considering the outcomes of the various issues discussed in the Sixth Consultative Group Meeting in the area of Trade Financing and Export Credit Insurance, Trade Promotion, Trade Facilitation, Capacity Building and Strategic Products Development.

The Meeting recommended the following:

1. To continue the work of the Consultative Group with a view to providing guidance on reaching the target of 20% stipulated in the OIC Ten-Year Program of Action by 2015;
2. To agree on the preparation of a comprehensive evaluation report, which will include the shortcomings and the achievements recorded so far and recommend ways and means to further enhance cooperation and coordination among the OIC Institutions. A "Task Force" within the Consultative Group, will assess in depth the outcome so far achieved in close collaboration with UNDP and ITC.
3. To work in a close relation with COMCEC Coordination Office towards the effective implementation of COMCEC's New Strategy;
4. To further consolidate coordination and synergy among the relevant OIC Institutions active in trade area on the implementation of joint activities;
5. To expedite the implementation of the identified activities in the following areas:
  - Aid for Trade at OIC sub-regional level,
  - Enhancing access to financing and strengthening SMEs competitiveness,
  - Establishing the Global Network of TPOs within the OIC,
  - Assisting and coaching SMEs for a better and more effective preparation and participation in Islamic trade fairs,
  - Funding of existing projects on cotton action plan and determine assistance available to OIC project owners in repackaging their projects.
  - to encourage Member States who did not do so, to submit the list of concessions to the Trade Negotiations Committee (TNC);
6. To sensitizing OIC Member States to benefit and make use of the existing products & windows facilities of ICIEC and ICD;
7. To enhance and strengthen the cooperation between the Consultative Group and the relevant regional and international organizations such as ITC, UNCTAD, WTO, UNWTO, UNDP, etc.
8. To continue closer consultations with regional economic blocks such as GCC, ECOWAS, WAEMU, AMU in enhancing intra-OIC trade;
9. To support financially the Technical Secretariat of the Consultative Group in order to enable it to be more efficient and productive;
10. To enhance communication/visibility of results achieved by the Consultative Group.

# **CARRIED OUT ACTIVITIES**

**2009-2014**

