



Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)

COMCEC



COMCEC

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EXECUTIVE SUMMARY

The Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) has been continuing its efforts towards enhancing economic and commercial cooperation among the 57 OIC Member Countries since 1984. The main objective of the COMCEC is to address the economic challenges of the Islamic Ummah, to contribute to their development efforts and to enhance trade among the Member Countries. In this regard, COMCEC serves as a policy dialogue forum for producing and disseminating knowledge, sharing experience and best-practices, developing a common understanding, and approximating policies among the Member Countries.

The Annual Progress Reports are submitted to the COMCEC Ministerial Sessions to present the progress in the implementation of the COMCEC Strategy. This Annual Progress Report 2022 provides an overview of the major achievements in the implementation of the COMCEC Strategy, since the 37th Session of the COMCEC. Accordingly, for each cooperation area, the Report provides the outcomes of the most recent meetings of the relevant COMCEC Working Groups. Moreover, the progress in the implementation of the COMCEC Ministerial Policy Recommendations is included in this report. The activities of the OIC Institutions serving to the objectives of the Strategy are also highlighted.

Since the 37th Session of the COMCEC, held on 24-25 November 2021, 6 Working Group (WG) Meetings have been held successfully. For these meetings, 6 research reports and 6 sectoral outlook documents have been produced by the COMCEC Coordination Office. All publications regarding the working group meetings are available on the COMCEC website: (<http://www.comcec.org>).

The Working Groups have continued to conduct policy debate sessions in their deliberations. The Member Country experts discuss policy recommendations on the theme of the meeting based on intensive research. These policy recommendations are then referred to the Ministerial Session for consideration and adoption. Accordingly, the recommendations of this year's WG meetings will be submitted to the 38th Session of the COMCEC for consideration and necessary action.

The COMCEC Project Funding (CPF), the second implementation instrument of the COMCEC Strategy, provides an opportunity for the Member Countries as well as the OIC institutions to implement projects in line with the goals and targets set by the COMCEC Strategy. Moreover, the policy recommendations, which are produced by the Working Groups and adopted by the Ministerial Sessions, are transformed into concrete projects. These projects serve to the ultimate aim of improving institutional and human capacity within the OIC Member Countries.

In this regard, under the 9th Call for Project Proposals under the CPF, 16 projects are being implemented by the relevant OIC Member Countries and OIC Institutions and expected to be finalized by the end of 2022.

Moreover, the CCO has an intervention instrument to alleviate negative impacts of the pandemic on OIC Member Countries, which is called COMCEC COVID Response (CCR). The Program aims at assisting member countries with a view to address existing and potential future ramifications of the pandemic. In this regard, 6 projects of the Member Countries are being financed under the 2nd Call under the CCR during 2022 implementation period.

Furthermore, considering the current situation and special conditions in Palestine, especially in Al-Quds Al-Sharif, and the resolutions of the Extraordinary Islamic Summits on Al-Quds, the CCO has initiated the Al-Quds Program in 2020, which focuses on enhancing economic and social welfare of the Muslims in Al-Quds. 2 projects were finalized in 2020 under the Program. In 2021-2022 implementation period, 5 projects have been implemented covering the areas of among others, exhibitions, trainings, capacity building, procurement of machinery/equipment/service, online platform development, renovations, research, audio-visual material production etc. The third project call under the Al-Quds Program has been made in October 2022.

The activities of the OIC institutions aligned with the COMCEC Strategy play a crucial role for the effective and successful implementation of the Strategy. This report also gives information regarding various activities held over the course of last year that are in line with the COMCEC Strategy and organized by the relevant OIC Institutions, namely, COMCEC Coordination Office, IC-CIA, ICDT, IDB Group, SESRIC, SMIIC, IOFS and OISA.

CHAPTER I: COOPERATION AREAS

1. TRADE

1.1. Trade Working Group

Small and Medium Enterprises (SMEs), which does not have single definition globally and are differentiated in terms of number of employees or annual turnover play a major role in most economies, particularly in developing countries. SMEs have great importance, impacts and functions on national and international social, financial, economic environment including investment, productivity, employment, income distribution and intra-region and international trade. Moreover, researchers acknowledge that supporting these enterprises is a “key strategy for national development and competitiveness” of developing countries.

According to World Bank, SMEs account for the majority of businesses worldwide and are important contributors to job creation as well as global economic development. They represent about 90% of businesses and more than 50% of employment worldwide. However, in spite of their significant contribution to national economies today, SMEs tend to be underrepresented in international trade.

They suffer from a lack of relevant skills and lack of knowledge about international markets, non-tariff barriers, and complex customs procedures, other border control procedures and a number of national and international regulations as well as limited access to trade finance.

Even though there are a great number of efforts made and programs implemented to increase the SMEs internationalization at national, regional and international levels, their share in international trade, particularly in national export volume is not at the desired level yet. Governments in OIC Member States have also been actively promoting the participation of their SMEs into not only international trade but also intra-regional trade. However, with respect to international trade, SMEs still represent a minor share of exports and face barriers to entry into international markets.

Within this framework, the COMCEC Trade Working Group (TWG) has devoted its 18th and 19th meetings to “Increasing the Internationalization of SMEs in OIC Member States”. A research report has been prepared with the same theme. This study aims to (i) provide a basic guidance in terms of principles and recommended practices; (ii) share information on good practices & assessments of the current similar programs and practices; (iii) provide a reference practical instrument towards establishing effective SMEs internationalization programs and (iv) present a baseline for national policy options for the implementation of SMEs internationalization programs. Methodology used in the report involves comprehensive research and review of SME internationalization literature followed by collection of data and its analysis. The report also employs in-depth case study analysis that are the product of discussions with public and private sector representatives as well as desk reviews and field visits.

The 18th Meeting of the COMCEC Trade Working Group was held on May 11th, 2022 and preliminary findings of report have been discussed. As a sequel of the 18th Meeting, 19th Meeting of the COMCEC TWG was held on October 4th, 2022 with the same theme. The final draft of the report has been discussed

during the 19th Meeting of the Working Group. During these both Meetings, the experiences and perspectives of the Member Countries, international organizations and the private sector with regard to increasing internationalization of SMEs were shared with the participants. In light of the main findings of the report and the deliberations made during 19th Meeting, the Working Group has come up with the following policy recommendations:

- Promoting formalization of SMEs and eliminating informality through, among others, reducing the time and cost of registration and reducing administrative burdens.
- Adopting a uniform SME definition and clearly identifying the objectives of SME-related laws and regulations.
- Making SME internationalization a part of national policy documents by developing an SME strategy, setting out the strategy in a binding multi-year document and positioning SME internationalization policies in the context of broader policy frameworks.
- Supporting the institutional framework by necessary financial means and government guarantees to facilitate SMEs' access to finance as they move into international markets.
- Categorizing SMEs in terms of their capacity and potential for internationalization and involve them in export assistance programs based on the results of the sorting system.
- Supporting managerial and human resources of the SMEs in line with the requirements of successful internationalization.
- Providing guiding mechanisms for SMEs to improve their products according to the market- and product-specific required standards and certifications.
- Supporting SME branding by creating a national brand and including the SMEs' products in the national brand.
- Conducting impact analysis of implemented programs regularly and share transparently with public.

All the documents and presentations made during the TWG Meetings are available on the COMCEC website. (www.comcec.org)

1.2. Other Trade-Related Developments and Activities Organized by OIC Institutions

TPS-OIC

Since the establishment of the COMCEC, trade has been one of the most important cooperation areas. In order to enhance trade among the OIC Member Countries, the COMCEC has initiated many programs and projects towards reaching this objective. The Trade Preferential System among the Member States of the OIC (TPS-OIC) is one of the most important projects of the COMCEC for fostering intra-OIC trade.

The TPS-OIC mainly based on three agreements, namely the Framework Agreement, the Protocol on Preferential Tariff Scheme (PRETAS), and the Rules of Origin. The legal basis of the TPS-OIC has been completed in 2011 and the required number of the member countries for the operationalization of the System has been reached by the end of 2014. These countries are Bangladesh, Iran, Jordan, Malaysia, Morocco, Pakistan, Türkiye, Bahrain, Saudi Arabia, United Arab Emirates, Kuwait, Qatar and Oman.

In order to make the TPS-OIC system operational, participating states have to fulfill two conditions at the same time, namely the ratification of the three TPS-OIC Agreements and the submission of the list of concessions to the TNC Secretariat.

On the other hand, for successful implementation of the System, the Member Countries are required to undertake some internal measures, such as; printing the TPS-OIC Certificate of Origin documents, conveying specimen impressions of stamps to the Trade Negotiating Committee Secretariat and completing the necessary internal legislative and administrative measures. After the completion of these measures, the System would become fully operational.

The 37th Session of the COMCEC endorsed the decisions of the Trade Negotiating Committee Meeting held on 1-2 June 2021, in particular determination of July 1st, 2022 as the cut-off date for the effectuation of the system, and requested the concerned member states to complete the necessary internal procedures and other preparations until that date.

Recalling the relevant decisions of the 37th Ministerial Session of the COMCEC and the Trade Negotiating Committee Meeting held in June 2021 on determination of July 1st, 2022 as the cut-off date for the effectuation of the System, the 38th Follow-up Committee requested the participating states to expedite the completion of their internal procedures and other preparations until that date.

Also recalling the relevant decision of the 37th Ministerial Session, 38th Follow-up Committee requested the TPS-OIC Participating States who have not done so yet to notify the TNC Secretariat of their relevant internal measures to be undertaken for the implementation of the TPS-OIC Rules of Origin.

Commending the efforts of TNC Secretariat for finalizing the completion of updated concession lists process, the 38th Follow-up Committee called upon the concerned Member States to expedite their efforts for the submission of the concession lists in the same format for the operationalization of the TPS-OIC at the earliest.

documents (the lists of authorized bodies, their sample of stamps and signs, and concession lists) of other participating states through diplomatic channels. Thus, with the completion of the aforementioned arrangements in accordance with the relevant provisions, full implementation of the preferential trade has been started and the System has become operational as of July 1st, 2022. Moreover, in order to facilitate the communication among the Participating States within the scope of TPS-OIC, an online communication platform has been established by the COMCEC Coordination Office. Furthermore, The TPS-OIC Participating States will convene on the sidelines of the 38 Session of the COMCEC for considering the status of implementation of the System in their respective countries.

Islamic Trade Fairs:

Islamic trade fairs are held every two years in one of the OIC Member Countries by ICDT in order to promote intra-OIC trade. In addition to the Islamic Trade Fairs, sector-specific exhibitions are also organized by the ICDT in the Member States. The 17th Trade Fair of OIC Members was held in Dakar, Senegal on 13-19 June 2022.

Moreover, the 37th COMCEC Session and the 38th Follow-up Committee requested the Member States to encourage their private sector to actively participate in the Islamic Trade Fairs and requested ICDT to submit on regular basis, progress reports on the Trade Fairs of Islamic Countries and the other specialized fairs as well as exhibitions to the COMCEC Sessions and other related OIC fora.

2. TRANSPORTATION AND COMMUNICATIONS

2.1. Transport and Communications Working Group

COVID-19 has had unusual implications on the transportation systems and services of the countries. The responses to COVID-19, from implementing social distancing to lockdown policies for affected areas, have huge implications for the mobility and connectivity of people and goods and the continuity of transport services. They also have cumulative impacts on the economic activity of cities, regions, freight logistics, as well as related industries, markets, and supply chains. During the post-pandemic period, the countries having a well-functioning and robust transport and communications infrastructure are more likely to get out of the COVID-19 pandemic trap and feel less about its negative impacts.

Transport infrastructure is a critical component of the economic and social development of countries. The economic and productivity growth of a given region is tied closely to its transport infrastructure and transport systems, which enable higher productivity through lower logistics costs, inventory savings, and access to larger supply and labour markets. In this respect, it is extremely critical to evaluate the effects and importance of transportation investments and improvement in the transportation system on the economy within the scope of economic performance and efficiency.

Meanwhile, high-quality transport infrastructure is crucial not only for a seamless transportation system but also for industrial development, agriculture, access to markets, and trade. However, not all infrastructure projects have the same impact. Some provide high economic and social returns while stimulating economic and social activity, employment, and government revenue as well. Other projects, on the other hand, produce insufficient returns. Alongside its direct impact, the indirect impact of infrastructure arises through a variety of channels, including the enabling of productive private investment, the creation of new supply chains, or the reshaping of economic geography.

Within this framework, accurate assessments of the economic and social impacts of the transport infrastructure are vital for supporting economic development and wealth creation. Besides, determination of the magnitude of that impact may provide invaluable input and information for the decision-makers for allocating scarce resources to the potential transport investment projects on the pipeline in their countries.

Considering its importance, COMCEC Transport and Communications Working Group (TCWG) devoted its two consecutive meetings in 2022 (18th and 19th) to the theme of "Economic and Social Impact of Transport Infrastructure: An Overview of the OIC Member Countries". During both meetings, the representatives of the Member States shared their experiences, achievements, and challenges regarding the economic and social impacts of transport infrastructures in their respective countries. Furthermore, they have deliberated global practices for the assessments of economic and social impacts of transport infrastructures and key success factors and challenges faced in the OIC Member Countries. The meeting has mainly considered the findings of the research report titled "Economic and Social Impacts of Transport Infrastructures: An Overview of OIC Member Countries" which was conducted by the CCO.

The said research report prepared for the meetings provides a conceptual framework for the economic and social impacts of transport infrastructure, presents global trends and best practices, identifies the key success factors and challenges faced by the OIC Member Countries, and comes up with concrete policy recommendations to address these challenges. The research report includes a detailed analysis based on in-depth research in the selected Member Countries namely; Türkiye, Qatar, Uganda, Azerbaijan, Jordan, and Nigeria.

In light of the main findings of the report and the deliberations during the meetings, the Working Group has come up with the following policy recommendations:

- Developing/Improving a comprehensive strategy including the components of development, planning, and programming capacity for better economic and social impacts of transport infrastructure.
- Integrating the transport infrastructure projects with the higher national policies to serve the needs at best.
- Promoting the prioritization of the transport infrastructure projects in line with the high quality economic and financial analyses.
- Strengthening the conditions for better risk assessments of transport infrastructure projects.
- Enhancing the quality of transport infrastructure projects' statistics and ensuring transparency in information disclosure.
- Making better use of alternative financing and procurement mechanisms including Public Private Partnerships (PPPs) and implementing ex-post analysis for enhancing the economic and social impact of transport infrastructure.

All the documents and presentations made during the WG Meetings are available on the COMCEC website. (www.comcec.org)

3. TOURISM

3.1. Tourism Working Group

Tourism is very essential for the success of economies of the countries. A country's infrastructure is improved, its money is raised, and a sense of cultural engagement between citizens and visitors is fostered through the tourism industry. Many economies around the world succeed in large part because to tourism. The tourism industry provides employment opportunities and contributes to cultural interaction. Many tourists around the world travel in order to their medical treatments, to study, to learn a language, to work or to attend seminars, meetings or concerts. Thus, tourism does not only provide entertainment opportunities, but it also contributes many other vital industries. Tourism industry is the largest service industry and largest employment generator in the world. According to the United Nations World Tourism Organization, tourism generates 10% of world jobs (UNWTO highlights).

After Covid-19, human resources management has gained much more importance. Due to the pandemic's suspension of employment prospects in the tourism industry, there was a labour shortage and people tended to shift their attention to other industries. Tourism has various problems with informal labour, low pay, hard work and unionization.

Given the importance of the issue, the COMCEC Tourism WG, in its meetings this year, elaborated on sustainable human resource management in tourism through discussing the trends in the World and OIC, identifying the main challenges, exchanging experiences and good practices, and deliberating on the policy advices for improving sustainable human resource management in tourism sector in the member countries. Within the framework of the research report conducted for the meeting, case studies were conducted to Türkiye, Malaysia, Tunisia, The Gambia, Indonesia and Azerbaijan as the OIC Member Countries' practices. After intense deliberations, the Working Group has come up with the following policy recommendations:

- Improving/Developing strategic COVID-19 alert and new normal adjustment sustainability policies in human resources
- Promoting in-service training, tourism schools, certificate programs, international exchange programs, and internship opportunities with a view to improving service and quality in the tourism industry
- Ensuring the sustainability of Staff/Employee well-being through, among others, rewards, bonuses, raises in salary or possibility for employees to become shareholders and favourable working circumstances
- Increasing synergy between businesses and partners

All the documents and presentations made during the Tourism WG Meetings are available on the COMCEC website. (www.comcec.org)

3.2.OIC/COMCEC Private Sector Tourism Forum

OIC/COMCEC Private Sector Tourism Forum provides a regular communication channel for the private sector representatives of the Member Countries. In this regard, Ministry of Culture and Tourism of the Republic of Türkiye, which serves as the Secretariat of the Forum, will organize virtually the 10th Meeting of the OIC/COMCEC Private Sector Tourism Forum on 10th November 2022, with the theme of "The Prospects and Challenges for Gastronomy Tourism in OIC Countries.

4.AGRICULTURE

4.1.Agriculture Working Group

COVID 19 disrupted the global food system and revealed its structural inequity. Despite producing more food by volume than humanity has to date, millions of people remain food insecure. Given the importance of the issue, the Agriculture Working Group devoted its 18th and 19th Meetings to the theme of "Trans-

forming Food Systems After COVID-19: Agricultural Knowledge and Information Systems (AKIS) in the OIC Member countries. A research report on the said theme was prepared and considered by the Working Group. The Meetings were held virtually on May 16th, and October 10th 2022, respectively.

The report examines the use of AKIS across the globe and in the OIC Member Countries and their role in increasing the production volume as well as improving the productivity in the agriculture sector. The report also underlines that while OIC countries accounted for more than one-fourth of the world's agricultural land area, agricultural production faces severe problems. To manage those problems, OIC member countries need to enhance production, improve productivity and develop a sustainable value chain in food and agriculture. To meet the growing demand on food and to respond to new market opportunities, agricultural systems in the OIC member countries need to be more sustainable by generating and applying new knowledge and innovations. Agricultural Knowledge and Information Systems (AKIS) could help address these problems by linking Education, Research, and Extension to boost agricultural productivity. AKIS has also great potential to enhance economic performance of farming and contribute to agricultural sustainability.

Within the framework of the research report, Türkiye, Senegal Egypt and Denmark were analysed in detail as case countries.

The research report identifies the following challenges, among others, in terms of food supply chains in the Member Countries:

- Insufficient institutional structure with deficient communication mechanism,
- Overlapping power, authority, jurisdiction among actors and institutions
- Weakness human resource capacity and under financing of human resource development
- Inefficient linkages among research, education, and extension components of AKIS
- Unstable policy and strategic framework of the country on agriculture

In line with the main findings of the aforementioned report and the discussions during the Meeting, the Agriculture Working Group put forward the following policy recommendations:

- Developing a sound stakeholder coordinating and consulting mechanism to provide a common framework in which all actors can operate in an aligned and harmonized way
- Making use of Public-Private Partnerships for effective AKIS governance and financing
- Investing in new talent for agriculture through developing connections and networks between youth and AKIS institutions to prepare workforce of the future
- Including seasonal agriculture workers into the AKIS for better harnessing their potential in terms of investment, job creation and agricultural productivity
- Developing a sound system for effective monitoring and evaluation from the beginning to better understand the impact of AKIS
- Strengthening the information and communications technology (ICT) Systems for AKIS to address the need for localized and customized information
- Developing an AgriTech & FoodTech ecosystem for the creation and growth of new companies and supporting the existing ones
- Developing a virtual network of OIC AKIS institutions to increase collaboration among OIC Member Countries

All the documents and presentations made during the WG Meetings are available on the COMCEC website. (www.comcec.org)

5. POVERTY ALLEVIATION

5.1. Poverty Alleviation

The outbreak of the COVID-19 pandemic erased several years of efforts in poverty alleviation. While the economic contraction due to the COVID-19 has been relatively slower in the OIC region, the impact on poverty has been drastic. The COVID-19 pandemic has led to an increase of more than 13 million poor people in OIC countries from 2019 to 2021. With the outbreak of the pandemic and the expected catastrophes associated with global warming in the coming decades, governments all over the world have turned to flexible and fast social assistance delivery systems to respond to sudden shocks.

Given the importance of the issue, the 18th and 19th Meetings of the Poverty Alleviation Working Group were devoted on social assistance and socioeconomic empowerment. The Meetings were held virtually with the same theme titled "Effective Social Assistance Provision and Socioeconomic Empowerment in the light of Covid-19 Pandemic" on May 10th, 2022 and October 6-7, 2022, respectively.

The research report on the subject considered during the above-mentioned Meetings reviews the global and the OIC trends through focusing on Indonesia, Sudan, Tunisia and Türkiye as the case countries.

Moreover, the report highlights that social assistance programs are more commonly used among OIC members than social insurance or labor market programs. Forty-eight countries across all OIC members implement a cash transfer program and utility or financial support for their citizens. In-kind transfers, such as school lunch programs, are also standard social assistance tools among the members. On the other hand, labor market policies, such as wage subsidies or training were the least used tools during the COVID-19 pandemic.

It is also highlighted in the report that the OIC Member Countries vary significantly in terms of the level of integration of social assistance programs. The degree of integration seems to correlate

with member countries' economic development levels. In terms of geographical distribution, the member countries of the MENA region seem to have more advanced systems for social services provision. In contrast, African members seem to lag in exhibiting the critical building blocks of integrated monitoring and information systems in social assistance.

The report also indicates that there is an explicit political commitment to moving into integrated systems for most member countries. Integration of social programs is a policy priority, and most countries have some elements of MIS in member countries. Efforts to move to integrated systems in social assistance delivery accelerated over the last decade, most notably during the COVID-19 pandemic.

The following challenges were identified by the Working Group:

- There is a negative relationship between the coverage of social assistance and adequacy of social assistance among the OIC Member Countries.
- Compared with other countries social insurance and labor market support programs are less common across the OIC Member Countries.
- Social assistance programs were not adequately supported with labor market policies, such as wage subsidies, training, and subsidized work time in more than half of OIC Member Countries during the COVID-19 Pandemic.
- Integrated monitoring and information systems in social assistance are most common across the OIC Member Countries in the MENA Region and Asia Region and least common across members in the Africa region.
- Lack of social registries and existence of unique national identity numbers significantly reduce the speed at which countries can build the basic blocks of integrated systems in social assistance delivery.
- Individual data privacy laws, which are crucial requirements of well-functioning integrated systems, are still at infancy stage in some member countries.

- Lack of technical infrastructure and know-how is the main challenge against building integrated monitoring and information systems for more effective social assistance delivery.

To overcome these challenges, the Working Group came up with a set of policy recommendations to be submitted to the 38th COMCEC Ministerial Session. All the documents, including the Policy Recommendations document, and presentations made during the 18th and 19th Meetings of the Working Group are available on the COMCEC website (www.comcec.org).

5.2. Other Efforts under the COMCEC by the OIC Institutions

Other ongoing programs for alleviating poverty under the COMCEC: Special Program for the Development of Africa - SPDA (within the Islamic Development Bank), Islamic Solidarity Fund for Development - ISFD (within the Islamic Development Bank) and OIC Vocational Education and Training Program – OIC-VET (within SESRIC).

The Islamic Solidarity Fund for Development (ISFD) is a special fund established with the purpose of reduction of poverty focusing on human development, agriculture, rural development and basic infrastructure. The Fund provides concessional financing for programs and projects in MCs, especially the least developed ones. The targeted budget of the Fund is US\$ 10 billion. As of September 2022, the commitments to the ISFD core capital amounted to around US\$2.60 billion, representing 26% of the target capital. The Paid-up capital stood at US\$2.53 billion. The ISFD cumulative allocation since inception reached US\$ 1.2 billion by June 2022.

The Special Program for the Development of Africa (SPDA) is another program developed to alleviate poverty in the Member States in Africa through increasing economic growth, enhancing the productivity of agriculture sector and creating employment opportunities. The target capital of the SPDA is \$12 billion. The amount of total approvals has exceeded 5.5 billion USD since the beginning of the Program.

The Vocational Education and Training Program for the OIC Member Countries (OIC-VET) is implemented by SESRIC in order to strengthen the member countries' capacities in the field of technical and vocational education and training. In this framework, SESRIC has prepared a progress report on the implementation status of the OIC-TVET Strategic Road Map 2020-2025 to be submitted to the 38th Session of the COMCEC.

Implementation of the SDGs

Given its crucial place in the global development agenda, the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) takes place in the agenda of the COMCEC.

In this regard, the COMCEC follows-up the programs, projects and other activities of the relevant OIC Institutions contributing to the implementation of the SDGs in the OIC Member Countries. In this framework, SESRIC conducted a tendency survey on the priorities of the member countries regarding the SDGs and reported the results to the 34th COMCEC Session. Thus, since 2018 SESRIC has been submitting annual reports on the progress at the OIC level towards achieving the prioritized SDGs to the COMCEC Ministerial Sessions. Furthermore, in line with the relevant decisions of the COMCEC Ministerial Sessions, the COMCEC Coordination Office compiles the activities of the relevant OIC Institutions related to the implementation of the prioritized SDGs and reports them to the COMCEC Sessions.

6. FINANCIAL COOPERATION

6.1. Financial Cooperation Working Group

Financial cooperation bears utmost importance for enhancement of the economic cooperation among the countries. In this respect, the COMCEC Financial Cooperation Working Group has elaborated on the various aspects of Islamic Finance in the previous years. This year, the theme of the Financial Cooperation Working Group has been devoted to the Standardization Efforts in Islamic Finance.

There has been significant growth in Islamic Finance Services Industry (IFSI) globally since the emergence of the first modern Islamic financial institutions (IFIs) in the late 1960s. According to the Islamic Financial Services Stability Report (IFSB, 2021), the total asset size of the industry has increased to US\$2.70 trillion in 2021 and is anticipated to reach a value of \$3.02 trillion by 2027 with a 10.2 percent growth rate despite the adverse effects of the COVID-19 pandemic all over the world. The growing trend is also continuing in 2022 according to professionals in the sector.

With the proliferation of IFIs across jurisdictions and increasing the complexity of their products, standardization has been viewed as an important factor in ensuring market integrity and stability, thereby achieving a fair and equitable financial system. While IFIs are continuing in the recent trend, the market share of Islamic Financial Institutions (IFIs) is very little compared to the global finance sector. In addition, several significant issues need to be tackled. One of them is the lack of standardization, which is creating an important impediment to the advancement of the industry.

Standardization enhances the clarity of communication, guarantees the quality of processes, and minimizes the risks of critical information being omitted. By creating consistency and homogeneity even among geographically dispersed individuals and organizations, standards enhance international coordination and collaboration. Standards are seen as instruments of control, while standardization as a form of regulation equally important as hierarchical structures and markets. The goal of standardization

is to bring about uniformity, that is, everyone will look and act in the same manner. Besides, unifying standards could enable Muslim countries to accrue greater benefits from the globalization of the Islamic financial sector. The standards are designed to ensure that markets conform to a specific set of structural properties that meet certain minimum criteria.

As standards are intended to bring about consistency and homogeneity even among individuals and organizations located in different parts of the world, they greatly contribute to international coordination and collaboration. The number of IFIs is growing across jurisdictions, and Islamic Finance instruments are becoming more sophisticated, which calls for standardization of the markets to enhance transparency and stability. A greater degree of standardization and codification is necessary in certain areas to gain wider acceptance among regional and international investors. The level of standardization, even at the local level, remains limited in some cases, so further progress would need to be made at the regional and international scales. Therefore, such studies become even more important in order to raise awareness of the effects of the lack of standardization.

Moreover, in order to enrich the data and analysis in the research report and to get insights about the policy environment in terms of Standardization, field visits Malaysia, Morocco, Oman, and Türkiye, representing OIC countries, and the UK – a non-OIC European Islamic Finance market were conducted. In light of the main findings of the research report and the intensive discussions held during its meetings, the Working Group highlighted the following challenges in terms of Standardization in the member countries:

Challenges and Problems Concerning Standardization:

- The market share of Islamic Financial Institutions (IFIs) is underrepresented compared to the global finance sector
- There has been a lack of harmonization between International Islamic SSOs.

- The divergence in Shariah rulings is often seen as a negative feature in the modern IFSI, particularly in issues relating to product development.
- There are significant differences of opinion among scholars on the use of specific product structures such as commodity Murabaha.
- There have been noticeable inconsistencies in the approval and non-approval of certain products in various jurisdictions. This has been flagged as a cause of negative perception towards practices in the industry.
- With the establishment of international Islamic SSOs such as AAOIFI, IFSB, and IIFM, it appears there is a new glimmer of hope for the industry. However, there is still more room for improvement, as they need to adopt common standards in their respective approaches to standard development.
- The global efforts toward standardization have tremendously impacted the IFSI, as the industry is a niche market within the global financial system
- Prior to recent steps taken by international SSOs within the IFSI, sincere individualized efforts of bodies like AAOIFI and IFSB toward standardization could potentially lead to duplication of efforts and inconsistencies in some related standards issued by the bodies.

There have been a series of uncoordinated diverse efforts in standardization in Islamic Finance across different sectors and aspects. Even in the process of the implementation of the standards and guidelines adopted in other jurisdictions, significant challenges are faced.

To overcome these challenges, the Working Group has come up with the following policy recommendations:

- Developing a comprehensive strategic master plan that clearly defines the standardization and harmonization requirements (at global and local levels).
- Establishing a centralized Shariah governance framework to ensure the compliance of the Islamic Financial Services Industry with standards on Shariah products, dispute resolution, and reporting.
- Ensuring periodical review of the standards so that they reflect current market dynamics and needs.
- Enhancing the legal, regulatory, and supervisory frameworks to create a level-playing field for all market participants.
- Enhancing the coordination among regulatory bodies and with international standard-setting bodies.
- Developing quality human capital by including standardization-related modules in the higher education curriculum/syllabus, conducting training and seminars, and introducing accreditation of Islamic Finance academic programmes.

All the documents and presentations made during the WG Meetings are available on the COMCEC website. (www.comcec.org)

6.2. Other Efforts under the COMCEC Financial Cooperation

OIC Exchanges Forum

The OIC Member States Stock Exchanges Forum, established in 2005, aims to increase the cooperation among the stock exchanges of the OIC Member Countries and relevant institutions and focuses on the harmonization of the rules and regulations governing market operations. Since its establishment, the Forum has also developed some important projects such as S&P OIC/COMCEC 50 Shariah Index and Fund.

Furthermore, the Forum has been working on the establishment of a gold exchange/platform for the OIC Member Countries in line with the relevant resolutions of the COMCEC. The 16th Meeting of the Forum was held virtually on 11-12 October 2022. Details regarding the Forum activities are available on the Forum website. (www.oicexchanges.org)

COMCEC Capital Markets Regulators Forum

The COMCEC Capital Markets Regulators Forum was established in 2011 in order to develop a cooperation mechanism for capital markets regulatory bodies of the Member States. The Forum undertakes its work under four task forces namely, "Capacity Building", "Market Development", "Islamic Finance" and "Financial Literacy". The Task Forces produced nine reports on various issues including, Islamic finance, financial literacy improvement in securities markets, and public disclosure systems etc. The 11th Meeting of the Forum was organized virtually on 1 November 2022.

In addition to the existing efforts to boost cooperation among the capital markets regulatory bodies of the Member States, the Forum has also been working on the establishment of the "COMCEC Real Estate Exchange" in light of the relevant resolutions of the COMCEC. Detailed information regarding the Forum activities are available on the Forum website. (www.comceccmr.org)

OIC-COMCEC Central Banks Forum

As per decision of the 16th Meeting of the Central Banks and Monetary Authorities and the relevant resolution of the COMCEC, the Central has started to continue its activities as the "OIC-COMCEC Central Banks Forum." The Central Bank of Türkiye serves as the Secretariat of the Forum. The 4th Meeting of the Forum was organized on 24-26 September 2022. Detailed information regarding the Forum activities are available on the Forum website. (<http://www.comceccentralbanks.org>)

7.PRIVATE SECTOR COOPERATION

The private sector is an important driver of economic growth and sustainable development. It is the major source of income generation, job opportunities and poverty eradication. As the OIC Member Countries have a wide range of development levels, some member countries have a dynamic and resilient private sector, whereas others do not fully benefit from the opportunities generated by the private sector. Therefore, there is a primary need for developing private sector in the member countries to enable them to be incorporated into the development endeavours. Considering the importance of the private sector for the economies of the Member Countries, some important events, fairs and exhibitions are organized by the ICDT and ICCIA in order to strengthen the private sector cooperation under the OIC. These activities are reviewed during the COMCEC annual Meetings.

Private Sector Meetings

The strong involvement of the private sector to the COMCEC and other relevant fora under the OIC is very crucial for enhancing intra-OIC trade and investments. In this respect, Private Sector Meetings, organized by the Islamic Chamber of Commerce, Industry and Agriculture (ICCIA), serves as a platform for the private sector of the 57 OIC Member Countries to communicate with each other, explore new markets and learn about best practices. Apart from private sector meetings, the ICCIA also organizes various sector specific Forums in the areas of Sustainable Agriculture, Sustainable Tourism, Islamic Economy, Investment, Digital Economy, and Entrepreneurship to support the sustainable development of the OIC private sector for the resilient economic growth of the member countries.

The 37th Session of the COMCEC welcomed the membership of Al Manara Chamber of Commerce, Irish Islamic Chamber of Commerce and the Arab Chamber of Commerce as the observer chambers, which has increased the number of ICCIA Members to 57 along with 3 Observers effective from 20th May 2021.

Preparations for the Operationalization of the OIC Arbitration Center

During the 13th Islamic Summit held in 10-15 April 2016 in İstanbul, Türkiye, H.E. Recep Tayyip ERDOĞAN, the President of the Republic of Türkiye and the Chairman of the COMCEC proposed to set-up an arbitration center in İstanbul for the benefit of the OIC Member Countries. Upon this proposal, the COMCEC has taken the necessary actions to start the preparations for establishing the OIC Arbitration Center in İstanbul.

In this regard, 2 task force meetings were held in 2018 and the draft statute of the Center was prepared. Accordingly, the Statute of the Center was approved by the 35th General Assembly Meeting of the ICCIA. Furthermore, the Host Country Agreement was signed during the opening session of the 35th COMCEC Ministerial Meeting chaired by H.E. Recep Tayyip Erdoğan, President of the Republic of Türkiye and the Chairman of the COMCEC,. The Host Country Agreement was ratified by the Turkish Grand National Assembly on January 18th, 2020. The Board of Trustees and the Board of Directors of the OIC Arbitration Center were formed in November 2021. Within this framework, the 37th Session of the COMCEC and the 38th Meeting of the Follow-up Committee of the COMCEC welcomed the operationalization of the OIC Arbitration Center in İstanbul and expressed their appreciations to the ICCIA and TOBB for their efforts towards making the Center operational.

CHAPTER II: COMCEC POLICY FOLLOW-UP SYSTEM AND MEMBER COUNTRIES' EFFORTS FOR THE REALIZATION OF THE MINISTERIAL POLICY RECOMMENDATIONS

Continued efforts to pursue the state of implementation of the COMCEC policy recommendations and to identify the progress and performance at the national level necessitate a robust monitoring and evaluation mechanism under COMCEC. For this purpose, COMCEC has launched the COMCEC Policy Follow-Up System (PFS) in July 2019, to assess the results of the implementation of the COMCEC policy recommendations adopted in the COMCEC Ministerial Sessions.

As an electronic-based platform, COMCEC PFS aims to facilitate the effective follow-up of the implementation of the policy recommendations (PRs) in the Member Countries. COMCEC PFS has designed based on the Results-based Monitoring and Evaluation Approach, which focuses on the outcomes and impacts more than the process. Besides, COMCEC PFS enables CCO to collect, manage, analyse, and report synchronized data and information to the relevant COMCEC for as well as to assist CCO to extract relevant information for future planning.



Furthermore, COMCEC PFS facilitates the regular and reliable reporting on the implementation of the COMCEC policy recommendations.

The COMCEC Working Group Focal Points have a crucial role as they collect the necessary information on the implementation of the Ministerial Policy Recommendations in their respective

countries and submit through the PFS. In this respect, COMCEC Focal Points are expected to provide timely, accurate and reliable data and information on their respective countries' performance through the PFS. The System can be accessed through the COMCEC Web Page (<http://pfs.comcec.org>). The Guideline for utilizing the PFS is also available in the System.

Furthermore, for the active follow-up of the implementation of Policy Recommendations and effective use of PFS, national coordination bears great importance. In this regard, effective national coordination among the relevant Ministries and Institutions of the Member Countries is needed for implementation of the policy recommendations and for their effective following up. Considering the importance of this issue, some member countries, such as the Gambia, Nigeria, Indonesia and Türkiye have already established high-level coordination committees/bodies in their respective countries as part of the national coordination efforts.

On the other hand, the use of the System by the COMCEC Working Groups Focal Points has remained limited. The details related to the feedbacks of the concerned member countries are given below under each cooperation area.

a. Trade Cooperation

Indonesia

Concerning the policy recommendations related to the establishment of a formal consultation mechanism between regulatory authorities and trade community towards ensuring an efficient trade environment for the interest of various stakeholders at the national level: Indonesia has reported that it has already a strategy/action plan/ road map for this aim and is ready to provide technical assistance to the other requesting member countries through workshops.

Besides the establishment of a formal consultation mechanism, Indonesia also reported that it has already a strategy, action plan, and road map concerning the development of an effective Advance Ruling System, promotion of integrated Single Windows (SW) Systems, and Trade Information Portals.

Concerning the policy recommendation related to border management, Indonesia has completed its strategy, action plan, and road map as well as the related regulation, law, and administrative measures with a view to implementing this policy recommendation. Furthermore, Indonesia reported that it can provide technical assistance to the other requesting member countries on the subject.

Jordan

Concerning the policy recommendations related to the establishment of a formal consultation mechanism between regulatory authorities and the trade community towards ensuring an efficient trade environment for the interest of various stakeholders at the national level, Jordan reported that it has already a strategy/action plan/ road map for this purpose. Jordan also reported that it has ongoing efforts for utilizing information and communications technologies effectively for the dissemination of trade and the development of an effective Advance Ruling System in order to enhance the certainty and predictability of customs operations.

Moreover, Jordan considers having a strategy/ action plan/ road map to promote an integrated Single Windows (SW) Systems and Trade Information Portals. In addition, there is an ongoing process of issuing a regulation/law/ administrative measure for this purpose.

Jordan completed the required strategy, action plan, and road map with the aim of establishing an efficient electronic exchange of information systems among all relevant agencies, particularly among neighbouring countries. Although a regulation/law/ administrative measure does not exist on this issue, Jordan con-

ducts several training activities towards implementing the concerned policy recommendation.

Concerning the policy recommendations related to the simplification of the formalities and documentary requirements for facilitating transit operations, there is an ongoing process to have a strategy/ action plan/ road map. Activities like trainings, workshops and conferences are conducted for this purpose in Jordan.

The 36th COMCEC Ministerial Session adopted the "COMCEC Handbook for High Performing Trade Facilitation Bodies" as the main policy document in the field of Trade Cooperation. Regarding the utilization of the said Handbook, Jordan reported that they considered producing a Strategy/ Action Plan/ Road Map for the actualization of this policy document.

In this respect, Jordan has conducted conference, seminar, and study visit with the aim of implementing the concerned policy recommendation. Jordan has reported its need for technical assistance in the form of exchange of experts and training program for implementation of the policy recommendation.

b. Transport and Communications

Jordan

Concerning the policy recommendations related to the improvement of risk management in transport PPP projects in Islamic Countries, Jordan reported that it has already a strategy/action plan/ road map for developing the legal framework through adopting PPP tailored legislation. In this respect, Jordan expresses its readiness to provide technical assistance to the other requesting member countries through workshops.

Besides, Jordan already has a PPP unit, which facilitates allocating responsibilities for the management of PPPs. Jordan has also a conducive administrative environment for supporting the use

of appropriate technical tools, analyses, etc., and development of a strong database and competences for minimizing risks during the implementation of the PPP projects. Furthermore, Jordan has risk management guidelines and checklists for the betterment of the implementation of the PPP projects.

Concerning the policy recommendations related to the improvement transport project appraisals in the OIC member countries, Jordan has reported that it has ongoing efforts to complete a strategy/ action plan/ road map, which aims at designing a systematic framework for transport project appraisals, indicating the objectives, types and the utilized methodologies.

Jordan has also ongoing efforts to complete a strategy/ action plan/ road map with respect to developing manuals and guidelines for ensuring effective and harmonized transport project appraisals. In this respect, it was indicated that Jordan needs technical assistance through training programs.

Türkiye

Concerning the policy recommendations related to the improvement of risk management in transport PPP projects in Islamic Countries, Türkiye reported that it has already a strategy, action plan, and road map for the development of the legal framework through adopting PPP tailored legislation. In this respect, Türkiye is willing to provide technical assistance to the other requesting member countries through study visits.

Furthermore, Türkiye has specific units/departments under the Ministry of the Transport and Infrastructure and Directorate Generals of Highways, which facilitate allocating responsibilities for the management of PPPs over the course of their life cycle. Limited institutional and human capacity and technical expertise as well as the Covid-19 Pandemic have been considered as the main challenges for the development of risk management guidelines and checklists for the betterment of the implementation of the PPP projects.

Concerning the policy recommendations related to the improvement transport project appraisals in the OIC member countries, Türkiye has responded that it has already a systematic framework for transport project appraisals, indicating the objectives, types, and the utilized methodologies. In addition, Türkiye has manuals and guidelines for ensuring effective and harmonized transport project appraisals as well as effectively implementing the existing ones.

c. Agriculture

Malaysia

Regarding the policy recommendation related to enhancing the capacity in the collection, management, and dissemination of agricultural trade data, Malaysia indicated that it has already an ongoing effort to develop a policy document together with the relevant regulatory and administrative preparations on the issue.

Qatar

Concerning the policy recommendation related to the promotion of Niche Agricultural Products and Halal Certification through product diversification, trademarking, marketing strategies and advertising campaigns, Qatar reported that they have ongoing efforts on initiating a strategy/ action plan/ road map aimed at enhancing their capacity in this regard. Qatar also reported that the above-mentioned efforts were put forward solely by taken into consideration the relevant the COMCEC Policy Recommendation. Furthermore, it was indicated that Qatar needs technical assistance in the types of training program, workshop, study visit, and exchange of experts.

With regard to the policy recommendation about developing a comprehensive national food security and nutrition strategy and/ or strengthening the existing food security policies and strategies to extend their reach and inclusiveness, Qatar indicated that there is already a completed strategy/ action plan/ road map, which had

been initiated by national concerns. In addition, Qatar is considering launching regulation / law/ administrative measure(s) with the objective to implement this policy recommendation. Qatar reported its willingness to provide technical assistance to the other requesting member states.

Concerning the policy recommendation on establishing a high-level national coordination mechanism or committee, Qatar reported that they already have a completed strategy/ action plan/ road map aimed at implementing this policy recommendation. In addition, it was reported that Qatar is willing to take part of any activities including exchange of experts in order to provide assistance to the requesting member countries.

Regarding the policy recommendation related to improving the coordination and coherence of policy actions on food security and nutrition in turbulent times (e.g. COVID-19 pandemic) at all levels ranging from subnational to national, Qatar expressed their readiness to cooperate with the voluntary countries on this issues.

With regard to the policy recommendations about establishing an online platform/food information systems, Qatar stated that they have ongoing efforts to create an online platform through which the state of affairs of food capacity of the country is been tracked. On the other hand, Qatar reported their needs for technical assistance in some cases as well as their willingness for providing technical assistance to the requesting member states.

d.Financial Cooperation

Iran

Iran reported that it is developing a comprehensive legal and regulatory framework for the Takaful industry to facilitate the operations, transparency, and governance in this sector.

Besides, Iran has conducted several activities such as workshops, training, and seminar for improving capacity and human capital for increasing the use of Islamic finance for infrastructure financing.

e.Poverty Alleviation

Afghanistan

Regarding the policy recommendations on access to health services, which were adopted by the 35th COMCEC Session, it was reported that some legal regulations were initiated to improve the health insurance system. It was also indicated that financial constraints is the main challenge on this topic and technical assistance support such as exchange of experts is needed to implement the policy recommendations.

Iran

With regard to the policy recommendations about access to health services, it was reported that Iran is ready to provide technical assistance through seminar, training program, and/or workshop to the other requesting member countries for developing a strategy/policy including a well-designed payment and health insurance schemes to achieve universal health coverage.

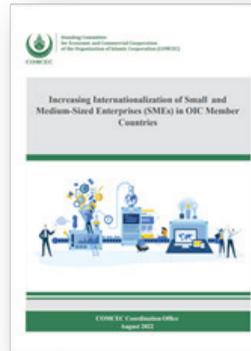
Concerning the policy recommendations about child and maternal mortality, it was stated that Iran could benefit from technical assistance opportunities in the format of training programs, workshops, or seminars to develop a strategy/policy to improve access to maternal, neonatal, and child health (MNCH) care, and to provide equitable distribution of health providers. Iran also expressed that it is ready to cooperate with the countries on the issues linked to access to maternal, neonatal, and child health services through the exchange of expert programs.

Iran also expressed its readiness to provide technical assistance with workshops and exchange of expert programs to improve health system functioning through training and practice of recommended standard of care protocols, and regular monitoring of standards.

With respect to developing/improving integrated health information management systems and developing sustainable educational programs on women and child health care, Iran expressed its willingness for providing technical assistance to the other requesting member countries.

CHAPTER III: KNOWLEDGE PRODUCTION EFFORTS: COMCEC PUBLICATIONS

The COMCEC aims to produce and disseminate knowledge, share experiences and best practices, develop a common understanding and approximate policies in cooperation areas to find solutions to the challenges faced by the Member Countries. To this end, the COMCEC Working Group was designed as an instrument for realizing this mission of the COMCEC. In this regard, research reports are prepared for each WG meeting, to form a basis for the discussions made during the Meetings.



The COMCEC Coordination Office conducts the reports in close cooperation with the consultants to ensure high-quality research studies. The studies begin with a conceptual framework and an overview of the specific theme in the world and the member countries, followed by an in-depth analysis of a few member countries based on field visits, surveys and interviews. At the end of each report, several policy recommendations are given for the Member Countries as well as international cooperation efforts under the umbrella of the COMCEC. During the preparation of each research report, the active involvement of the Member Countries is of vital importance. In this regard, the research topics are identified with the COMCEC Focal Points of the Member Countries. In light of the views of the COMCEC Focal Points, the themes of each working group as well as research report are determined for the next three years.



Moreover, during the preparation of the research reports, surveys are conveyed to the focal points for enriching the empirical data presented in the reports and ensuring their analytical soundness. The observations of the Member Countries are also benefited through receiving their views/comments on the draft case studies (if they are subject to

case analysis) and draft report before its finalization. Furthermore, the observations made during the Working Group Meetings, where each research report is presented, the Member Countries and relevant international organizations are benefited for improving the research reports. The final versions of the research reports are published through the COMCEC e-book website (ebook.comceec.org).

Moreover, sectoral outlooks are prepared annually for each cooperation area. These documents are prepared by the COMCEC Co-ordination Office with a view to exploring the global trends and current situation in the OIC Member Countries in the respective area and enriching the discussions during the Working Groups Meetings by providing up-to-date data.



Furthermore, Proceedings documents are produced after each Working Group Meeting to reflect the discussions including the summaries of the presentations made during the Meetings.

All these publications are available on the COMCEC website accessible in e-book format at COMCEC E-Book Website: <http://ebook.comceec.org>

CHAPTER IV: COMCEC FINANCIAL SUPPORT INSTRUMENTS

1. COMCEC PROJECT FUNDING

The COMCEC Project Funding is one of the implementation instruments of the COMCEC Strategy, which aims at providing funding member countries' projects in the form of grants. The Strategy introduces a well-defined project cycle management with a clearly identified financial mechanism. The projects to be submitted by the Member States and relevant OIC institutions under the COMCEC Project Funding serve to the realization of the objectives of the Strategy and of the policy recommendations adopted by COMCEC Sessions as well as to enhance human and institutional capacities of the Member States.

This instrument enables the Member Countries and OIC Institutions to get involved in cooperation efforts to overcome the common challenges of the Member States in cooperation areas. It provides an opportunity to the Member Countries to propose projects in priority areas identified by the COMCEC Strategy, the working groups and the policy recommendations.

COMCEC Project Funding is a valuable tool to assist member countries in their policy-making endeavours. It turns COMCEC policy recommendations into practice while improving the institutional and human capacity of the Member Countries. It not only enables sharing knowledge and experience in a specific theme, but also improves the ability of the Member Countries to work together in addressing the common problems through the implementation of capacity-building projects.

Under the 9th Call for Project Proposals made in September 2021, 16 projects were selected to be financed by the CCO in 2022 as demonstrated in Table 1.

Table 1: Projects being implemented under the COMCEC Project Funding in 2022

No	Project Owner	Cooperation Area	Project Title
1	Benin	Agriculture	Promote Nutrition Sensitive Agriculture to Ensure Food Security and Good Nutrition in West Africa
2	Türkiye	Agriculture	Capacity Building on New Technologies to Reduce Post-Harvest Losses
3	ICCIA	Agriculture	Creating Awareness on the Importance of Agriculture Commodity Exchange Markets
4	IOFS	Agriculture	Building the Capacity of OIC Member States in Food Security Governance
5	SESRIIC	Financial Cooperation	Strengthening Financial Literacy and Promoting Islamic Finance in the OIC Member Countries
6	Türkiye	Poverty Alleviation	Impacts of Digitalization in Social Assistance Program for Forced Migration
7	SESRIIC	Poverty Alleviation	Fostering Information Technology (IT) Solutions to Improve the Effectiveness of Public Employment Services (PES) in the OIC Member Countries
8	Uganda	Tourism	Risk Analysis and Crisis Planning and Management for Community Based Tourism
9	Nigeria	Tourism	A Two-Day Training on Human Resource Management in Tourism Sector
10	Palestine	Trade	Enhancing Palestinian Limestone-SMEs Internationalization
11	Lebanon	Trade	Developing a Roadmap for Establishing National Trade Facilitation Body in Lebanon
12	Morocco	Trade	Accelerating customs clearance of goods between OIC Member countries through the exchange of Electronic Certificate of Origin
13	Indonesia	Trade	Upscaling exports strategy and market access assistance for SMEs
14	SMIIC	Trade	Promotion of OIC/SMIIC Halal Standards use in the Asian and Arab Region
15	The Gambia	Transport and Communications	Improving Human and Institutional Capacity for the Development of Key Performance Indicators (KPIs) in the Transport Sector of the OIC Countries
16	SESRIIC	Transport and Communications	Improving the Regulatory Framework for PPPs in Transport Sector in the OIC Member Countries

Moreover, an online training program on the implementation process of the projects under the COMCEC Project Funding was held on June 29th, 2022. Within the scope of the program, project staff were informed about the actors and their responsibilities in the implementation period, monitoring and reporting processes, and critical issues in the implementation period and basic working principles of the project management information system.

Furthermore, the CCO has made the 10th Call for Project Proposals and the COMCEC Project Funding on October 1st, 2022.

2. COMCEC COVID RESPONSE

With a view to address the existing and potential ramifications of the COVID Pandemic, the CCO initiated the COMCEC COVID Response (CCR) for the benefit of member country public institutions in 2020. The CCR is mainly about alleviating the negative impact of the pandemic on member country economies on the cooperation areas. Under the Program, the CCO finances certain types of projects, which would focus on needs assessment, sharing expertise and providing direct grants to final beneficiaries.

In this regard, the CCO started the 2nd Call for project proposal to be financed under new CCR Program in 2022 in October 2021. After the appraisal process, 7 projects was selected to be implemented by the member countries. Table 2 below shows the List of Projects to be financed by the COMCEC Coordination Office under CCR in 2022.

Table 2: Projects being implemented under the COMCEC COVID Response in 2022

Project Owner	Cooperation Area	Project Title	Type of the Project
1 Azerbaijan	Agriculture	Reduction of Food Loss and Waste during COVID-19 through Promoting Climate Smart Agriculture	Sharing Expertise (Visiting Expert)
2 Benin	Agriculture	Increase Rice Productivity to Ensure Food Security and Sovereignty in Benin	Direct Grant
3 Türkiye	Agriculture	Resilience in the Seed Sector with the Rising of Risks after Covid-19	Sharing Expertise (Workshop)
4 Sierra Leone	Tourism	Preparation of COVID-19 Hygiene Protocol and Training of Employees within the Tourism, Leisure and Hospitality Sector	Sharing Expertise (Training)
5 Senegal	Trade	Resilience Program Against Covid-19 for the Digital Management of Agricultural Markets	Direct Grant
6 The Gambia	Transport and Communications	Alleviating the Negative Impacts of the Coronavirus Pandemic on Air Transportation Sub-Sector of the Gambia and OIC Countries	Sharing Expertise (Visiting Expert)

Moreover, Project Management Training Program for the CCR Projects was held June 30th, 2022 with the participation of the owner institutions and personnel of the projects to be financed under the CCR in 2022. During the Training Program, the participants were informed about the project types under the CCR as well as the responsible actors, implementation, monitoring and reporting processes, visibility issues and other critical issues for successful implementation in each project type under the CCR.

3. COMCEC AL-QUDS PROGRAM

COMCEC Coordination Office initiated the COMCEC Al-Quds Program in 2019 as a sign of solidarity with Palestine considering the current situation and special conditions there, especially in Al-Quds Al-Sharif, and the resolutions of the recent Extraordinary Islamic Summits on Al-Quds.

In this regard, the first two pilot projects were completed in 2020. Under the first project titled "Analysing the Tourism Infrastructure and Developing a Tourism Destination Road Map for Al-Quds", the CCO conducted a research study for analysing the tourism infrastructure and developing a tourism destination roadmap for Al Quds. Moreover, the second project, titled "Supporting Institutional Capacity of Al-Quds Tourism and Heritage Council" aimed at improving the institutionalization and sustainable financing mechanism of the Al-Quds Tourism and Heritage Council (ATHC) to be a well-functioning destination management organization for Al-Quds.

In 2021-2022 implementation period, five projects have been implemented covering the areas of among others, exhibitions, art production, trainings, capacity building, procurement of machinery/equipment/service, online platform development, renovations, research, audio-visual material production etc. The list of projects implemented in 2021-2022 period are demonstrated the Table 3 below:

Table 3: Al-Quds Program: Projects implemented in 2021-2022 Period

Project Owner	Project Title
Ministry of National Economy of Palestine	The Artists' Identity Path: Tracing Heritage in Al-Quds
	"Jerusalemites": Because We Are the Place and Time
	Enjoy the Hidden Jewels of Al Quds
	Old City Bakeries: Food Tourism and Heritage
	Al-Quds: Secrets and Narratives to Unfold

The third phase of the Program has commenced as of October 2022. The scope of the program was expanded and new thematic areas such as entrepreneurship, creating job opportunities and empowerment of women and youth, e-trade and e-learning, microfinance and SME's involvement in Al-Quds Economy were included in the 3rd phase of the Programme.

CHAPTER V: NEW COMCEC INITIATIVE: HIGH LEVEL INITIATIVE / PROGRAMME ON DIGITAL TRANSFORMATION

In recent years, governments tend to utilize digital technologies and adapt their services to these novel technologies. This adaptation is called in the literature as "Digital Transformation". Especially amid the COVID-19 Pandemic and Post-COVID era, this topic has been gaining more importance in the global development agenda.

Digital transformation is important for harnessing the opportunities of new digital economy. Through transforming business processes considering new information and communication technologies (ICT), countries can gain the economic benefits of digital transformation. Therefore, digital transformation policies of governments are not only limited to changing and adapting government services, but rather it also includes supporting the economy through gaining opportunities of digital economy.

In this framework, underlining the emerging trends with respect to digital technologies in all government services in particular amidst the COVID-19 pandemic, the COMCEC Ministerial Session decided the inclusion of digital transformation as an additional cooperation area in the COMCEC Agenda and requested COMCEC Coordination Office in cooperation with the interested Member States and the relevant OIC Institutions to develop a comprehensive programme / High-Level Digital Cooperation Initiative with a series of technical meetings (when needed), with

the relevant stakeholders and to report the progress thereon to the 38th Follow-up Committee and COMCEC Ministerial Session. Moreover, during the 38th Meeting of the COMCEC Follow-up Committee held on 24-25 May 2022, the Committee requested the CCO, in collaboration with the interested Member Countries and relevant OIC Institutions, to finalize the technical preparations through, among others, conducting a survey to get insights about the needs and expectations of the Member Countries and organizing technical meetings (when needed) with a view to launch the Initiative/Programme during the 38th COMCEC Ministerial Session. Meanwhile, the aforementioned survey has been conveyed to the member countries to get insights about digital transformation needs and expectations.

During the formulation process of the Program, a comprehensive draft concept report was prepared through collecting the feedbacks of the member countries to understand the needs and expectations of the countries in this area. Moreover, in line with the relevant resolution of 37th COMCEC Ministerial Session and relevant decision of 38th Follow-up Committee, 1st and 2nd Technical Meetings on COMCEC High Level Digital Initiative/Programme were held virtually on September 28th, 2022 and November 1st, 2022 respectively.

Furthermore, on the sidelines of the 38th Meeting of the COMCEC Ministerial Session, the High-Level Meeting on "COMCEC High Level Digital Initiative/Programme will be held on November 27th, 2022 in İstanbul/Türkiye.

CHAPTER VI: 38th MEETING OF THE COMCEC FOLLOW-UP COMMITTEE

The Follow-up Committee is one of the organs of the COMCEC to review the progress in the implementation of the programmes and projects approved by the COMCEC Ministerial Sessions. The Committee also prepares the draft agenda of the COMCEC Sessions. The Follow-up Committee of the COMCEC convenes annually in the Republic of Türkiye.

The 38th Meeting of the COMCEC Follow-up Committee was held virtually on 24-25 May 2022 with the participation of current Members of the COMCEC Follow-up Committee under the chairmanship of the Deputy President of Strategy and Budget of the Presidency of Republic of Türkiye, H.E. Abdullah Rıdvan Ağaoğlu. The Committee reviewed the progress implementation in the COMCEC Strategy and its mechanisms, namely the Working Groups and COMCEC Project Funding. Moreover, the Committee elaborated on the programs, projects and activities in the COMCEC agenda. The Committee has prepared a set of recommendations to be submitted to the 38th COMCEC Session. Accordingly, the Committee welcomed, among others, the Progress Report submitted by the COMCEC Coordination Office particularly highlighting the progress achieved in the implementation of the Strategy, and commended the Member States and OIC Institutions for their valuable contributions to the implementation of the COMCEC Strategy. The Committee also requested the Member States and OIC Institutions to further their full support to the implementation of the Strategy.

All reports and documents submitted to the 38th Meeting of the COMCEC Follow up Committee are available at the COMCEC website (www.comcec.org).

CHAPTER VII: COMCEC SESSIONAL COMMITTEE

The Sessional Committee, which consists of the OIC Institutions working in the economic domain, meets on the sidelines of each COMCEC Ministerial Session and Follow-up Committee meeting to review and coordinate the activities and programs of the relevant OIC institutions. Along with the OIC General Secretariat and the COMCEC Coordination Office, the Sessional Committee Meetings are attended by the relevant OIC Institutions, namely ICCIA, ICDT, IDB Group, ICD, SESRIC, ICIEC, ITFC, SMIIC and IOFS. In this regard, the 40th Meeting of the Sessional Committee of the COMCEC was held on May 18th, 2022, in a virtual only-format, on the sidelines of the 38th Follow-up Meeting of the COMCEC.

.During the Meeting, the OIC Institutions discussed their planned activities aligned with the COMCEC Strategy and the COMCEC policy recommendations. Moreover, the contributions of the OIC institutions to the implementation of the COMCEC ministerial policy recommendations were also discussed during the 38th Sessional Committee Meeting.

The Committee was informed by the OIC Institutions about their activities / programs aiming to help member countries in their efforts towards mitigating the adverse effects of the COVID-19 Pandemic. The Committee was informed by the SESRIC of the preparations regarding the annual report on the progress at the OIC level towards achieving the prioritized SDGs as decided by Member States to be submitted to the 38th Ministerial Sessions of the COMCEC. The Committee welcomed that in line with the decision of the previous Sessional Committee Meeting, the CCO, in collaboration with SESRIC, established an online platform for facilitating the compilation of the SDG-related activities of the OIC Institutions and their better follow-up.

The Committee was informed by the ICIEC (IsDB Group) on the progress towards the launching of "the OIC Business Intelligence Programme" initiative. Within this framework, the Committee took note of the progress therein and requested the ICIEC, in cooperation with SESRIC and ICDT, to finalize the technical preparations for the operationalization of the Programme at the earliest.

The Committee was informed by the OIC Institutions regarding their activities, projects and existing and newly launched programs for the benefit of Palestinian people and Al-Quds Sharif and geographically distant OIC member countries such as Guyana and Suriname, and Observer Countries. The Committee appreciated the efforts of the OIC Institutions and requested them to further enhance their possible contributions including the possible joint activities, projects, and programmes.

The 41st Sessional Committee Meeting will be held virtually on November 16th, 2022.

CHAPTER VIII: EXCHANGE OF VIEWS SESSION

Exchange of views sessions are held regularly at the COMCEC Ministerial Sessions. The Ministers of the OIC Member Countries discuss their country experiences as well as the ways and means for enhancing cooperation among the Member Countries on a specific theme, which was determined by the previous COMCEC Ministerial Session. In this regard, the 37th Session of the COMCEC determined the theme "Effective Social Assistance Provision and Socioeconomic Empowerment in the light of Covid-19 Pandemic" as the theme of the Ministerial Exchange of Views Session of the 38th COMCEC Session. The 37th Session also requested the COMCEC Poverty Alleviation Working Group (PAWG), in cooperation with the relevant OIC Institutions, to come up with concrete policy recommendations on this topic and report it to the 38th COMCEC Session. In this regard, the 19th Meeting of the COMCEC PAWG held virtually on October 6-7, 2022, served as a preparatory meeting towards the said session. Accordingly, the PAWG, in its 19th Meeting, deliberated on the preparations regarding the Exchange of Views Session and has come up with a set of policy recommendations, which will be submitted to the 38th COMCEC Session. The details of the policy recommendations to be submitted to 38th COMCEC Session are available on the COMCEC website (www.comcec.org).



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