



**REPORT
ON THE IMPLEMENTATION OF THE
COMCEC STRATEGY**

**38TH MEETING OF THE FOLLOW-UP
COMMITTEE OF THE COMCEC**

PROGRESS REPORT

ON THE IMPLEMENTATION OF THE COMCEC STRATEGY

1. Introduction:

COMCEC (The Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation) 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 and to contribute to their development efforts. In this regard, COMCEC serves as a policy forum for producing and disseminating knowledge, sharing experience, and best practices, developing a common understanding and approximating policies among the Member Countries.

COMCEC continues its activities in light of the COMCEC Strategy. The Working Groups (WG), as part of the implementation of the COMCEC Strategy, provide a regular platform for the member country experts for discussing the policies and practices in each cooperation area to create a common understanding and approximate policies among the Member Countries. Research reports conducted for Working Group Meetings reveal the state of affairs in the member countries related to the specific themes of the Meetings. Some of the member countries are studied in detail in these reports through field visits, surveys, and interviews.

COMCEC Working Groups are held in the six cooperation areas defined by the COMCEC Strategy, namely trade, transport and communications, tourism, agriculture, finance, and poverty alleviation. Since the 38th Session of the COMCEC, six Working Group Meetings were held. The detailed information about the WGs is available on the COMCEC website (<http://www.comcec.org/>).

The COMCEC Project Funding, another important implementation instrument of the COMCEC Strategy, enables Member Countries registered to the Working Groups as well as the relevant OIC Institutions, to develop and implement concrete cooperation projects. Moreover, the policy recommendations, which are formulated by the Working Groups and adopted by the Ministerial Sessions, are transformed into concrete projects through this mechanism.

The Member States and the relevant OIC Institutions have shown great interest to the COMCEC Project Support Instruments. 15 project were successfully implemented in 2022. In addition, under the 10th Call for Project Proposals under the COMCEC Project Funding, 19 projects have been selected to be financed in 2023. Moreover, the COMCEC COVID Response (CCR) Program has successfully been finalized with the completion of the six projects of the Member Countries by the end of 2022.

Within the framework of COMCEC Al-Quds Programme, in 2021-2022 implementation period, 5 projects were implemented covering the areas of tourism promotion, cultural heritage, community resilience, online reservation and food tourism. The scope of the program has been enriched with the inclusion of new thematic areas namely, entrepreneurship, creating job opportunities and empowerment of youth, e-commerce and SME development. In this respect, 5 projects will be implemented under the Al-Quds Program in this year.

This report summarizes the progress achieved since the 38th Session of the COMCEC towards the implementation of the COMCEC Strategy.

2. Resolutions of the 38th Session of the COMCEC on the Implementation of the Strategy

The 38th Session of the COMCEC was held on 28-29 November 2022 in İstanbul. The Session was informed by the COMCEC Coordination Office (CCO) on the progress achieved towards the implementation of the COMCEC Strategy. After fruitful exchange of views and deliberations among the Member Countries, the 38th Session of the COMCEC adopted the following resolutions, among others, for ensuring the effective implementation of the COMCEC Strategy.

- The Session welcomed the Progress Report submitted by the COMCEC Coordination Office highlighting the progress achieved in the implementation of the Strategy; commends the Member Countries and the OIC Institutions for their valuable contributions to its implementation and requests the Member Countries and the OIC Institutions to further their full support to the implementation of the Strategy.
- The Session welcomed the successful convening of the 18th and 19th rounds of the COMCEC Working Groups Meetings (17th and 18th rounds for Financial Cooperation WG) in the cooperation areas in accordance with the relevant resolutions of the 37th Session of the COMCEC and also welcomes the research reports conducted by the COMCEC Coordination Office for enriching the discussions in the meetings of the COMCEC Working Groups.
- Commending the efforts of the Member Countries and the OIC Institutions for the realization of COMCEC Ministerial Policy Recommendations, the Session invited all the Member Countries to exert every effort, to the extent possible, to implement the Policy Recommendations and requests the OIC Institutions to support the Member Countries to this end.
- Commending the valuable outcomes of projects financed by COMCEC since 2014, the Session welcomed that sixteen projects are being implemented in 2022 and invites Member Countries to intensify their efforts to harness the benefits of COMCEC Project Funding particularly with a view to materialize the Ministerial Policy Recommendations.
- Taking into consideration the need for increasing the number of projects and expanding their scope within the framework of the COMCEC Project Funding and the deliberations held during the Ministerial Working Session, the Session requested the COMCEC Coordination Office to undertake the necessary work for mobilizing voluntary contributions from the interested Member Countries for this purpose.
- The Session expressed its appreciation to the COMCEC Coordination Office, SESRIC, ICDT, IsDB Group, ICD, ICIEC, ITFC, ICCIA, SMIIC and IOFS for their efforts towards the implementation of the COMCEC Strategy.
- Noting the report's emphasis on the growing trend of geopolitical risks and threat of conflicts as well as the challenges associated with climate change, the Session encouraged the Member States to take into account the highlighted measures while devising appropriate policies and strategies to strengthen their economic resilience to future shocks.
- The Session welcomed the convening of the Trade Negotiating Committee (TNC) on November 27th, 2022, on the margins of the 38th COMCEC Session and takes note with appreciation of TNC's decisions.

- The Session requested the Member Countries to encourage their Chambers to actively participate in the work of the OIC Arbitration Center with a view to enhance the utilization of Center’s services by their private sector.
- Taking note of the efforts of the OIC General Secretariat and the IsDB Group to operationalize the OIC Dakar-Port Sudan Railway corridor, the Session requested the General Secretariat and IsDB Group to regularly inform the concerned Member Countries about the progress in the realization of the Project in the relevant OIC fora.
- The Session invited the Member Countries to encourage their relevant institutions, tourism companies and tour operators etc. to further their efforts through, among others, organizing promotion campaigns and additional tours to Quds Al-Sharif for supporting Palestinians of Al-Quds and to demonstrate solidarity with them.
- Taking note of the ongoing programmes within the framework of the Livestock Ecosystem as developed by the IOFS, the Session encouraged the Member States to assist the Organization in providing necessary financial resources for the successful implementation of such programmes for the benefit of OIC Member States.
- The Session reiterated its request to the Member Countries, which have pledged to the ISFD to fulfil their commitments and make fresh contributions to finance more poverty alleviation projects in Member Countries.
- The Session took note with appreciation the proposal of the Digital Transformation Office (DTO) of the Presidency of the Republic of Türkiye, as the Secretariat of the COMCEC High Level Digital Transformation Forum, to host the first High-Level Forum Meeting in 2023 and requests all the interested Member States and the relevant OIC Institutions to actively participate in the activities of the Forum.
- Regarding the Exchange of Views on “Effective Social Assistance Provision and Socioeconomic Empowerment in the light of COVID-19 Pandemic”
- The Session welcomed the policy recommendations of the 19th Meeting of the Poverty Alleviation Working Group, which served as the preparatory meeting for the Ministerial Exchange of Views Session, on “Effective Social Assistance Provision and Socioeconomic Empowerment in the light of COVID-19 Pandemic” held virtually on 6-7 October 2022.
- The Session decided on “Improving the e-Commerce Capacities of the OIC Member Countries” as the theme for the Exchange of Views Session at the 39th Session of the COMCEC and requests the COMCEC Trade Working Group in its 21st Meeting, in cooperation with the relevant OIC Institutions, to come up with concrete policy recommendations on this topic and report it to the 39th COMCEC Session.
- Recalling the relevant resolution of the 37th Session of the COMCEC and the recommendation of the 38th Follow-up Committee Meeting of the COMCEC, the Session welcomed the criteria for the formulation of the COMCEC Ministerial Resolutions and requested the CCO to give due regard to these criteria in the preparation of draft resolutions for the upcoming COMCEC Sessions and Follow up Committee Meetings
- The Session elected the State of Qatar, Brunei Darussalam and Senegal as Vice Chairmen of the Bureau of the COMCEC to represent the Arab, Asian and African Regions, respectively, and Islamic Republic of Pakistan as Rapporteur, to assume their posts as of the 39th Meeting of the Follow-up Committee of the COMCEC.

3. Implementation of the COMCEC Strategy

3.1. Meetings of the COMCEC Working Groups

Since the 38th Session of the COMCEC, the 20th round of COMCEC Working Group Meetings was held in May 2023 (19th meeting for the Financial Cooperation Working Group). Apart from the relevant public institutions, representatives from the private sector and NGOs as well as relevant international organizations participated in the working group meetings for enabling the reflection of a wide range of stakeholders' perspectives during the discussions.

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

3.1.1. COMCEC Trade Working Group

International trade is an important catalyst for economic and social development. Enhancing international trade contributes to enhancement of living standards, investments and employment. Many countries perceive international trade as an important tool for strengthening their integration with other countries and take steps towards improving trading environment through multilateral, regional, and bilateral initiatives.

Today, along with the traditional commercial practices, electronic trade (e-commerce) has become a significant asset through which production, distribution, marketing, sale or delivery of goods and services are realized by electronic means.

Given its vital importance, many OIC Member Countries have shown great interest in e-commerce business and some of them have already developed their national e-commerce strategies. On the other hand, the scale and weight of the e-commerce in OIC Member Countries' total commercial volume as well as the barriers they have significantly vary.

Within this framework, the COMCEC Trade Working Group (TWG) has devoted its 20th and 21st meetings to "Improving E-Commerce Capacities of the OIC Member Countries". During its 20th Meeting, the Working Group has focused on the first draft of the guide being prepared on this subject. Furthermore, the experiences and perspectives of the Member Countries, international organizations and the private sector with regard to improving e-commerce capacities have been shared with the participants.

3.1.2. COMCEC Transport and Communications Working Group

The existence of a well-functioning transportation system is of particular importance for economic growth as well as for all segments of society to enjoy the benefits of economic development. Both direct and indirect impacts of transport infrastructure can be transformative in terms of economic and social development of countries. Along with its direct impacts, there are also indirect impacts of a well-functioning transport infrastructure, such as enhanced productive private investments and creation of new supply chains etc. Despite its high contribution to economic growth and social welfare of countries, a rapid growth of the transportation sector may result in several environmental impacts. Excessive consumption of energy resources, wastes polluting the environment, noise, traffic congestion and traffic accidents are some of the negative environmental and social effects of the transportation sector. This paradoxical relationship necessitates the formulation and implementation of transportation and environmental policies in a harmonious and coordinated manner.

Considering the importance of the issue, the COMCEC Transport and Communications

Working Group (TCWG) has devoted its 20th and 21st Meetings to "Measuring the Environmental Impacts of Transport Infrastructures in OIC Member Countries". A Guide on the subject is being prepared for two consecutive COMCEC TCWG meetings (20th and 21st). The guide will identify best practices, innovative approaches and successful initiatives in measuring the environmental impacts of transport infrastructures in OIC member countries. The preliminary findings of the Guide, the experiences and perspectives of the Member Countries as well as international organizations were elaborated during the 20th TCWG Meeting. The final version of the guide will be submitted to the 21st TCWG meeting which will be held in October 2023.

3.1.3. COMCEC Tourism Working Group

The tourism sector is one of the largest industries in the world and an important source of foreign exchange and jobs. This sector is also among the industries that rely heavily on entrepreneurship and business start-ups, value creation and innovation in almost all its operations. Hence it has long been considered to be an attractive environment for the entrepreneurial activities and among the most rewarding industries for entrepreneurs.

Considering the importance of the subject, the Tourism Working Group (TWG) has devoted its Meetings in 2023 to the issue of promoting entrepreneurship in tourism sector. In this respect, 20th Meeting of the TWG was held on May 4th, 2023, in a virtual-only format, with the theme of "Promoting Entrepreneurship for Tourism Industry Competitiveness in the OIC Countries." The 21st Meeting of the Working Group will be held with the same theme in October, 2023.

A research report is being prepared on this important topic for two consecutive COMCEC TWG Meetings. The preliminary findings of the Report, the experiences and perspectives of the Member Countries as well as international organizations were presented during the 20th TWG Meeting. The final version of the report will be submitted to the 21st TWG meeting to be held in October 2023.

3.1.4. COMCEC Agriculture Working Group

The total world population facing food insufficiency is about 722 million people, approximately 509 million of whom live in low-income food deficit countries. Furthermore, about 23% of the total undernourished world population is located in the OIC member countries corresponding to 10.5% of the OIC total population.

While the supply-side effects of the pandemic have caused difficulties in the supply of intermediate inputs, fixed capital and labor, fluctuations in food demand, disruptions in access to food and high prices in contrast to the decline in workers' incomes have enhanced the dependence of many countries on food imports.

Due to the vital importance of the subject, the Agriculture Working Group (AWG) has devoted its Meetings in 2023 to discuss the topic "Ensuring the Sustainability of Agricultural Inputs to Combat Food Insecurity in OIC Member Countries ". In this respect, 20th Meeting of the AWG was held on May 11th, 2023, in a virtual-only format, with the aforementioned theme. The 21st Meeting of the Working Group will be held with the same theme in October 2023.

A Guide on the subject is being prepared for two consecutive COMCEC AWG meetings (20th and 21st). The guide will identify best practices, innovative approaches and successful strategies to combat food insecurity effectively and holistically through the use of Sustainable Agricultural Inputs within the scope of OIC countries. The preliminary findings of the Guide, the experiences and perspectives of the Member Countries as well as international organizations

were elaborated during the 20th AWG Meeting. The final version of the Guide will be submitted to the 21st Meeting of the Working Group to be held in October 2023.

3.1.5. COMCEC Poverty Alleviation Working Group

As the COVID-19 pandemic has put a severe burden on economies, unfortunately, achievements in poverty alleviation in the last decades have been adversely affected. As a result of the restrictions applied to prevent the spread of the virus, the economic problems experienced worldwide led to job losses and other income losses, so more people became poor.

According to the International Labor Organization, the global youth (ages 15-24) unemployment rate is at 15.6 per cent in 2021, more than three times the adult rate. Furthermore, alarmingly, the proportion of the youth who are not in education, employment or training (NEET) has increased to its highest level in at the last 15 years.

The situation is even worse in OIC member countries, where the youth unemployment rate and NEET rate are 19.97% and 25.8%, respectively, and have been increasing since 2020. This increase has been partly due to COVID-19 pandemic, which has further worsened the hardly achieved gains towards improving the labor market situation in OIC member countries and elsewhere. For this reason, in accordance with the global development agenda, youth unemployment is an important research and policy priority in OIC member countries.

Due to the importance of the subject, the Poverty Alleviation Working Group (PAWG) has dedicated its Meetings in 2023 to the issue of reducing youth unemployment through effective vocational education and training programs. In this respect, 20th Meeting of the PAWG was held on May 10th, 2023, in a virtual-only format, with the theme of “Effective Vocational Education and Training Strategies to Reduce Youth Unemployment in the OIC Member Countries.” The 21st Meeting of the Working Group will be held with the same theme in October, 2023.

A specific research report is being prepared on this crucial topic. The first draft of the said report was presented at the 20th Meeting of the PAWG. The draft report includes background and key concepts of youth unemployment and vocational education, and reviews the experiences and recommended practices from the OIC as well as non-OIC countries. The final version of the said research report will be submitted to the 21st Meeting of the Working Group which will be held in October 2023.

3.1.6. COMCEC Financial Cooperation Working Group

The acceleration of technological developments in recent years has led to many changes in various sectors. Finance is one of the sectors mostly affected by these technological developments. Within this process, new instruments has also come to agenda of financial institutions in many countries.

In this respect, digital currency is one of the important subjects on the agenda of many central banks. Issuing a Digital Currency is a very significant step for a central bank, since this would require a completely new payment infrastructure and technologies. Since it is a new field, the various aspects of the subject need to be elaborated.

Given the importance of the subject, the Financial Cooperation Working Group (FCWG) has devoted its Meetings in 2023 to the theme of “Improving Cooperation among Central Banks in terms of Digital Currencies: Challenges and Prospects for OIC Member Countries”. In this

respect, 19th Meeting of the FCWG was held on May 9th, 2023, in a virtual-only format, with the aforementioned theme. The 21st Meeting of the Working Group will be held with the same theme in October, 2023.

A specific research report is being prepared on the subject focuses on how to improve the cooperation among Central Banks concerning Digital Currencies. The preliminary findings of the report, the experiences and perspectives of the Member Countries as well as international organizations were presented during the 19th Meeting of the Working Group. The final version of the Report will be submitted to the 20th Meeting of the Working Group to be held in October 2023.

3.2. COMCEC Project Support Instruments

3.2.1. The COMCEC Project Funding

The COMCEC Project Funding is one of the two implementation instruments of the COMCEC Strategy, which aims at providing funding to the COMCEC Projects in the form of grants. The Strategy introduces a well-defined project cycle management with a clearly identified financial mechanism. The COMCEC Funded Projects to be submitted by the Member States and the 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 the mobilization of human and institutional resources 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 endeavors. It turns COMCEC policy recommendations into practice while improving the institutional and human capacity of the Member Countries. The mechanism provides the project owners with the opportunity to implement projects in cooperation with other OIC Member Countries. In doing so, 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 multilateral projects.

In 2022, 15 projects were implemented within the framework of the 9th Project Call under the COMCEC Project Funding. Moreover, under the 10th Call for Project Proposals made in October 2022, 19 projects were selected to be financed by the CCO in 2023 as demonstrated in Table 1.

Table 1: Projects to be financed through the COMCEC Project Funding under in 2023 Implementation Year

No	Beneficiary Countries	Cooperation Area	Project Title
1	Benin, Uganda	Agriculture	Increasing Agricultural Productivity in West Africa through Promoting Village Beekeeping
2	The Gambia, Senegal, Nigeria, Türkiye	Agriculture	Capacity Building on Data Collection, Analysis and Reporting in the Agriculture Sector
3	Malaysia	Agriculture	Need Assessment on the Adoption of Sustainable Approaches for Rice Cultivation in Facing Climate Change
4	Türkiye, Malaysia	Agriculture	Capacity Building on Using Remote Sensing Systems in Agriculture
5	40 Member Countries SESRIC's Project	Financial Cooperation	Unleashing the Potential of Islamic Finance in Supporting MSMEs in the OIC Member Countries
6	Benin, Türkiye	Poverty Alleviation	Improving Interoperability between Information Systems of Social Assistance Programs
7	15 Member Countries SESRIC's Project	Poverty Alleviation	Promoting Digital Technologies for an Integrated and Efficient Social Protection Systems in the OIC Member Countries
8	Mali, Burkina Faso, Morocco, Guinea Niger	Tourism	Accommodation Establishments Quality Improvement Program in Tourism Sector in 4 OIC Member Countries (Mali-Burkina Faso-Guinea, Niger)
9	Uganda	Tourism	Enhancing the Capacity of Tour and Travel Personnel for Adapting to Changing Trends in Tourism Sector
10	Bangladesh, Türkiye	Trade	Developing Export Competitiveness of Potential Halal Products of Bangladesh
11	Cameroon	Trade	OIC/SMIIC Halal Auditor and foundation Training for Africa
12	Iran, Türkiye	Trade	Capacity-building and Institutional Strengthening for Rules of Origin in OIC Member States
13	Suriname, Guyana, Türkiye	Trade	Supporting and Ensuring SMEs in Suriname and Guyana to Continue Business during Crisis
14	Türkiye, Nigeria, Sudan, Jordan, Saudi Arabia, Azerbaijan, Kazakhstan	Trade	Raising Awareness for Multilateral/Mutual Recognition According to the OIC/SMIIC Halal Standards
15	Indonesia, Iran, Iraq, Jordan, Pakistan, Malaysia, Morocco, Saudi Arabia, Sudan, Türkiye SMIIC's Project	Trade	Halal Food and Meat Detection Methods Training and Inter-laboratory Comparison for OIC Countries
16	Benin, Burkina Faso	Transport and Communications	Implementation of a Mechanism for Renewing the Fleet of Road Transport Vehicles in Benin
17	The Gambia, Morocco	Transport and Communications	Increasing Human and Institutional Capacities for the Establishment of a Road Safety Lead Agency in The Gambia
18	Jordan, Türkiye	Transport and Communications	Detailed Feasibility Study for Passenger Transport at specific portions of Hejaz Railway Alignment
19	20 Member Countries SESRIC's Project	Transport and Communications	Increasing the Utilization of Innovative Financing Tools to Maintain Transport Infrastructure and the Services of TSPs 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 April 5th, 2023. 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 as well as basic working principles of the project management information system.

Furthermore, the 11th Call for Project Proposals will be open October 1st, 2023 under the COMCEC Project Funding.

3.2.2. 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 aimed at alleviating the negative impact of the pandemic on member country economies, particularly in 6 sectors, namely agriculture, financial cooperation, poverty alleviation, trade, transport and communications and tourism. Under the Program, the CCO financed certain types of projects, which focus on needs assessment, sharing expertise and provide direct grants to final beneficiaries.

In this regard, in 2022 6 projects were financed under the CCR Program. With 8 projects implemented in 2021, 14 projects have been supported in total for the benefit of the Member Countries in order to overcome the economic problems arisen after the COVID-19 Pandemic. The CCR Program has been finalized as of the end of 2022.

3.2.3. COMCEC Al Quds Program

The COMCEC Al-Quds Program has been developed as sign of solidarity with Palestine considering the current situation and special conditions there, especially in Al-Quds Al-Sharif, and the resolutions of the Extraordinary Islamic Summits on Al-Quds as well as the COMCEC Sessions.

In 2021-2022 implementation period, 5 projects were 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 scope of the program has been enriched and new thematic priority areas including entrepreneurship, creating job opportunities and empowerment of youth, e-commerce and SME development, have been added to the themes to be supported under the COMCEC Al-Quds Program. In this regard, 5 projects will be implemented under the Al-Quds Program in 2023. The list of projects to be implemented in 2023 period are demonstrated the Table 2 below:

Table 2: Al-Quds Program: Projects to be implemented in 2023

Project Title
1. Empowering the Palestinian Economy in Al Quds by means of Innovation & Entrepreneurship in the Tourism Sector
2. Enhancing the E-commerce Capacities of SMEs Located in Al-Quds
3. Increasing the tourism recovery opportunities in Al-Quds by promoting organized tours, and supporting entrepreneurs in handicraft industries
4. Old City Butcheries: Economic and Social Support
5. Supporting Traditional Handicrafts and Industries in Jerusalem
