

DRAFT NEGOTIATION STRATEGY AND WORK PROGRAMME
FOR
POTENTIAL EXPANSION OF TPS-OIC
(İstanbul, Türkiye, 10-11 June 2024)

Background

The idea of a preferential trade agreement among the Member States of the Organization for Islamic Cooperation (OIC) goes back to the adoption of the General Agreement for Economic, Technical and Commercial Cooperation at the 8th Islamic Conference of Foreign Ministers (ICFM) held in Tripoli, Libya, in May 1977 and became effective in April 1981. The agreement aims at encouraging economic, technical and commercial cooperation among the OIC Member States.

The Islamic Centre for Development of Trade (ICDT), was entrusted to prepare a Draft Agreement for the establishment of a Trade Preferential System among OIC Member States during the First Session of the COMCEC in 1984.

A Declaration of Intent was approved at the 4th Session of COMCEC in 1988 which decided that a Framework Agreement be prepared to determine the negotiating approaches, rules and methodology for the establishment and operation of the System.

The ICDT was requested by the 5th Session of COMCEC to convene an expert group meeting to examine this Draft Framework Agreement taking into account the comments received from the Member States and to submit the revised draft to the 6th Session of COMCEC. The Expert Group Meeting on TPS-OIC was held in İstanbul from 18-21 December 1989. The meeting while adopting the Draft Framework Agreement, decided that the draft Rules of Origin, prepared by the ICDT would be discussed in another expert level meeting. The ICDT accordingly convened an expert level meeting in Casablanca from March 12-14, 1990.

The Sixth Session of the COMCEC held in İstanbul on 7-10 October, 1990 adopted the Framework Agreement on TPS-OIC and its annex on the Rules of Origin and requested the General Secretariat of the OIC to arrange for its opening at the Headquarter of the General Secretariat for signature and ratification by the Member States.

As per Article 18.1 of the Framework Agreement, ten Member States had to ratify it for its entry into force and this ratification requirement was satisfied near the end of 2002.

COMCEC established Trade Negotiating Committee (TNC) by adopting its Rules of Procedures at its 19th Session in 2003.

As Türkiye offered to host, four meetings of TNC (first round of negotiations) were held in Antalya, Türkiye between April 2004 – April 2005 where Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) was prepared and subsequently adopted by COMCEC at its 21st Session.

The First Ministerial Meeting of TNC was held on November 24, 2006 which adopted a Ministerial Declaration for commencement of the second round of TPS-OIC trade negotiations. In this vein, four meetings of TNC were held between November 2006 – September 2007 where TPS-OIC Rules of Origin was prepared and finalized at the Second Ministerial Meeting of TNC. This Protocol was then adopted by COMCEC at its 23rd Session.

Both PRETAS and Rules of Origin had to be ratified by ten Member States for them to enter into force. This process was completed in 2010 for PRETAS and 2011 for Rules of Origin. In order to make the TPS-OIC system operational, 10 Member States had to ratify the three TPS-OIC Agreements and submit their respective lists of concessions. As of December 2014, required number of countries having met necessary requirements of the System has been reached.

There were also some practical steps that had to be taken by the Participating States for the entry into force of the System. With the completion of all such procedural issues, including those related to the concession lists, the System is in effect since 1 July 2022. Türkiye hosted one consultative and four official TNC meetings between 2020 and 2023 where implementation issues and future steps, including expansion of product coverage and addition of new disciplines to the System, were discussed.

Objective

With a view to achieving solidarity among the members of OIC through economic integration; and keeping in view the provisions of Article 4 of the Framework Agreement on TPS-OIC, the Participating States aim to

- enhance product-by-product scheme for extending trade preferences granted by PRETAS through a new Protocol on Trade in Goods;
- start negotiations on a Protocol on Facilitation of Services and Investment,
- start negotiations on a Protocol on Trade Facilitation.

Basic Principles

The negotiations shall be carried out in accordance with the following principles:

- The negotiations shall be inclusive to all OIC Member States, targeting the participation of the largest possible number of OIC Members.
- Ratification of the Framework Agreement shall be the only pre-requisite to accede to new Protocols.
- Balance of concessions and commitments among Member States should be maintained.
- The adaptation needs of the least developed countries both in terms of the level of concessions and the implementation periods shall be addressed effectively.
- The sustainable development goals (SDGs) of the United Nations shall be taken into account throughout the negotiations, where applicable.
- The Member States shall endeavor to achieve impactful results which will substantially contribute to 25% intra-OIC trade target.

Methodology

Three new Protocols will be drafted (on goods; on facilitation of services and investment; on trade facilitation). For each, TNC Secretariat shall prepare the zero-drafts and submit them in advance of the negotiation rounds for facilitating the negotiations.

Negotiations shall be hosted in rotation by Member States that will hold chairmanship. Opening and closing sessions of each meeting shall be chaired by the host. Each of the sessions on (i) goods (ii) facilitation of services and investment and (iii) trade facilitation shall be chaired by one of the other vice-chairs. The chair may convene inter-sessional virtual meetings where necessary, in consultation with vice-chairs.

Member States shall strive to conclude negotiations on texts in 2025.

For goods:

- Concessions already given under PRETAS shall be preserved.
- New modalities for further liberalization of trade in goods will be negotiated first in 2025.

- Negotiation on new concession lists shall commence in 2026 after finalization of the Protocol on Trade in Goods
- Most Favored Nation and national treatment rules shall be applied.
- Member States may adopt *principal supplier rule* used during GATT negotiations, to expedite and finalize list negotiations.

Facilitation of services and investment:

- With a view to increase trade and create a predictable business environment, transparency and procedural facilitation issues will be discussed conceptually at first.
- Protocol to be drafted by the TNC Secretariat in line with the results of conceptual discussions will be the basis for negotiations.
- Member States should target a balanced and achievable framework of principles that will be reflecting the common objectives and expectations of all interested Member States.

For Trade Facilitation:

- Technical provisions of the WTO Trade Facilitation Agreement may serve as a basis for negotiations.
- Provisions of the Protocol will be tailored towards the capacity and specific needs of Member States.
- Developing Countries may implement the Protocol upon its entry into force.
- Least-developed Countries may request time and technical assistance and capacity building for implementing the measures.

DRAFT WORK PLAN

- 1) Adoption of the Draft Negotiation Strategy and Work Plan at the Third Ministerial Meeting of the TPS-OIC TNC, İstanbul, Türkiye, 11 June 2024
- 2) Commencement of preparation of zero drafts (for goods and trade facilitation) by TNC Secretariat, 1 July 2024
- 3) Endorsement of Ministerial TPS-OIC TNC Report and its Annexes by 40th Ministerial Session of COMCEC, İstanbul, 4-5 November 2024
- 4) Distribution of zero drafts (for goods and trade facilitation) to Member States, 1 January 2025
- 5) First TNC meeting of third round of negotiations (negotiations of draft Protocols on Goods and Trade Facilitation, conceptual discussions on Facilitation of Services and Investment) Ankara, 14-16 April 2025
- 6) Distribution of draft Protocol on Facilitation of Services and Investment to Member States, 15 May 2025
- 7) Presentation of the results of negotiations to the 41st Session of the COMCEC Follow up Committee, Ankara, May 2025
- 8) Second TNC meeting of third round of negotiations, to be hosted by Vice Chair from Asian Region, 23-25 June 2025
- 9) Third TNC meeting of third round of negotiations, to be hosted by Vice Chair from African Region, 22-24 September 2025
- 10) Presentation of the results of negotiations to the 41st Session of the COMCEC, İstanbul, November 2025,
- 11) Fourth TNC meeting of third round of negotiations, to be hosted by Vice Chair from Arab Region, 22-24 December 2025
- 12) Fourth Ministerial Meeting of TNC for adoption of Protocol on Trade in Goods and signing ceremony for Protocols on Facilitation of Services and Investment and Trade Facilitation at the end of third round of negotiations, to be hosted by Vice Chair from Arab Region, 24 December 2025

- 13) Ratification process of Protocols on Facilitation of Services and Investment and Trade Facilitation in 2026
- 14) Fifth TNC meeting of third round of negotiations on concession lists, to be hosted by Vice Chair from Asian Region, 30 March – 1 April 2026
- 15) Presentation of the results of negotiations to the 42nd Session of the COMCEC Follow up Committee, Ankara, May 2026
- 16) Sixth TNC meeting of third round of negotiations on concession lists, to be hosted by Vice Chair from African Region, 22-24 June 2026
- 17) Seventh TNC meeting of third round of negotiations on concession lists, to be hosted by Vice Chair from Arab Region, 1-3 September 2026
- 18) Eighth (and last) TNC meeting of third round of negotiations on concession lists and signing ceremony for Protocol on Trade in Goods, İstanbul, on the margins of 42nd Ministerial Session of COMCEC
- 19) Entry into force of the Protocols three months after their ratification by 10 Member States, unless another entry into force provision is decided during negotiations