

**CCO BRIEF
ON
FINANCIAL
COOPERATION**

BRIEF ON FINANCIAL COOPERATION

I. Introduction

Financial cooperation stands as a foundational pillar for maintaining the stability of the international financial system. It is essential to foster robust capital flows, advance financial literacy, and mitigate systemic risks, while simultaneously ensure the effective supervision of financial institutions. Furthermore, such collaboration plays a critical role in the diversification of financial instruments and the strengthening of global financial markets, all of which are vital for enhancing global economic and social conditions.

Over the past four years, the financial sector has been forced to navigate a period of unprecedented shocks. In the post-pandemic era, the global economy has endured significant volatility, characterized by extensive supply chain dislocations and disruptions. This instability was further exacerbated by geopolitical tensions that triggered global energy and food crises, as well as a synchronized shift toward tighter monetary policies in a concerted effort to curb surging inflation.

Despite these multifaceted challenges, the global economy has demonstrated remarkable resilience. Contrary to numerous pessimistic projections, the world avoided a recession, banking systems held firm, and major emerging market economies successfully averted the risk of sudden stops. Moreover, the inflationary surge was managed without triggering destructive wage-price spirals, and inflation levels have since begun to moderate at a pace comparable to their initial rise.

Nevertheless, the global economic outlook remains precarious due to emerging threats, particularly enhanced tensions around the Gulf region in addition to the wave of tariff increases and associated trade policy uncertainties. These factors have exerted considerable pressure on global growth and trade volumes, while directly impacting consumers by eroding household purchasing power and intensifying price pressures. Consequently, there is a clear and urgent need for enhanced financial cooperation and coordinated policy responses to mitigate these adverse effects and secure a stable path for the global economy.

II. Islamic Finance

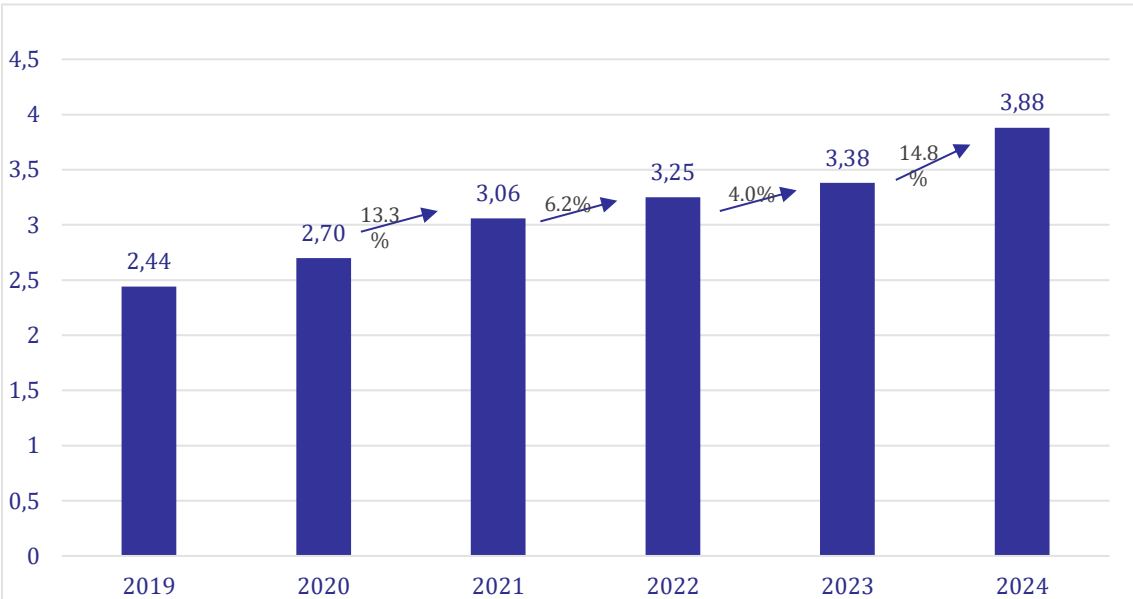
Islamic finance has become a key aspect of the global financial system, showing significant growth but remaining concentrated in certain regions.

Global Islamic finance total assets, comprising Islamic banking, sukuk, takaful, and Islamic funds, grew steadily from USD 2.44 trillion in 2019 to USD 3.38 trillion in 2023, with varying annual growth rates.

By 2024, the sector reached USD 3.88 trillion, marking the strongest annual growth in recent years at 14.8%.

The consistent upward trend reflects the expanding demand for Shariah-compliant financial products across different regions.

Figure 1: Global Islamic Finance Total Asset Size (USD in Trillion)

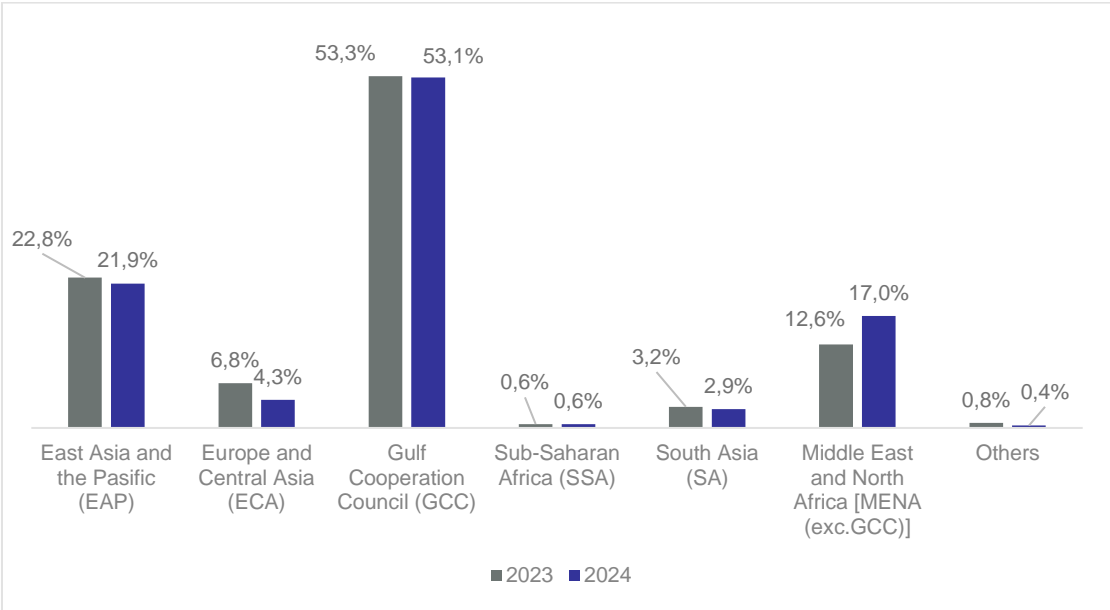


Source: 2025 Islamic Financial Services Industry Stability Report

The concentration of Islamic finance, in terms of the region, remained the same in 2024. The GCC maintains the dominant share at over 53% in both 2023 and 2024.

East Asia and the Pacific followed with 22%, while the Middle East and North Africa (excluding GCC) slightly increased their share from 12.6% in 2023 to 17% in 2024.

Figure 2: Breakdown of IFSI by Region (%)

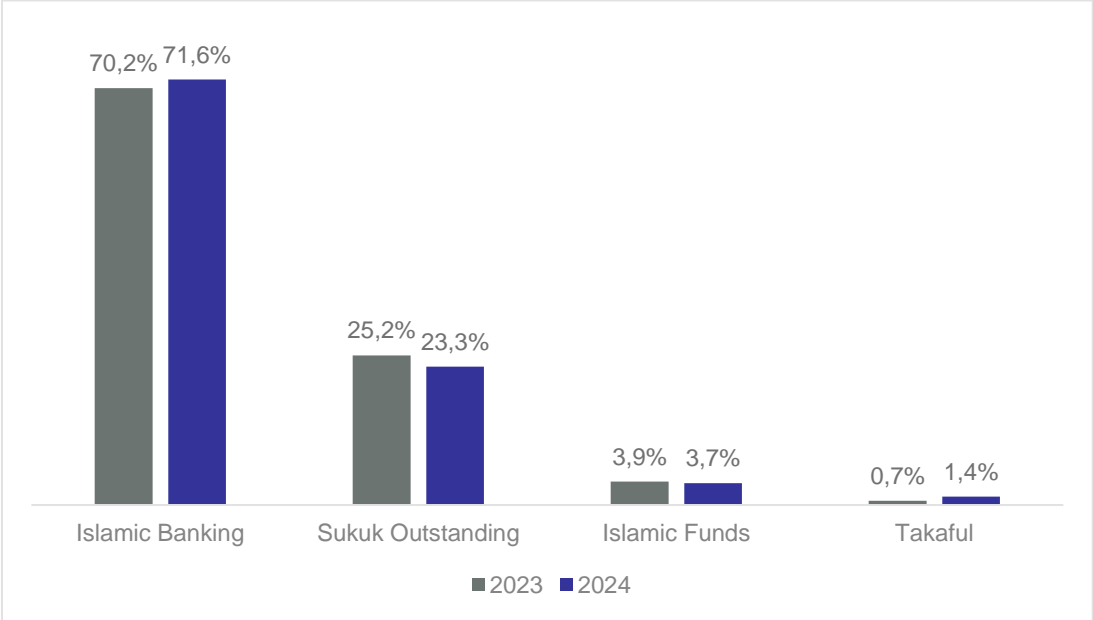


Source: Compiled from IFSB 2024 and IFSB 2025

Islamic banking remains the dominant component of global Islamic finance, increasing slightly from 70.2% in 2023 to 71.6% in 2024.

Meanwhile, the share of sukuk declines from 25.2% to 23.3%, while takaful grows modestly from 0.7% to 1.4%, and Islamic funds see a small dip from 3.9% to 3.7%.

Figure 3: Breakdown of IFSI by Islamic Finance Segments (%)



Source: Compiled from IFSB 2024 and IFSB 2025

III. Cooperation Efforts under the COMCEC

a. Potential of Crowdfunding for Economic Development in the OIC Member Countries

The 25th Meeting of the COMCEC Financial Cooperation Working Group (FCWG) was held on April 22nd, 2026, in a virtual-only format with the theme of “Potential of Crowdfunding for Economic Development in the OIC Member Countries”. The first draft version of the research report on the theme of the meeting, along with a country case study, was submitted to the meeting. The final version of the report will be submitted to the 26th Meeting of the Working Group to be organized on 21-22 September 2026.

The main objective of this report is to examine comprehensively the opportunities that crowdfunding can offer for the entrepreneurs and investors in the Member Countries. In light of the research findings, a comprehensive road map is expected to be prepared, to guide the Islamic countries, according to their level of development on the matter, the means and ways to create an effective regulatory environment for crowdfunding.

All the presentations made during the 25th Meeting of the Working Group are available on the COMCEC web page (www.comcec.org).

b. The COMCEC Project Funding Mechanism

COMCEC Project Funding (CPF) is the other important instrument of the Strategy. Projects financed under the CPF need to serve cooperation among member countries and must be designed in accordance with the objectives and the expected outcomes defined by the Strategy in the finance section. Projects also play important roles in realization of the policy recommendations formulated by the Member Countries during the FCWG Meetings.

In 2025, two projects were selected in the financial cooperation area. The project titled “Experience Sharing in Designing a Legal Framework for Building an Islamic Finance Lead Unit” was implemented by Benin. The project aimed to understand the process of establishing a legal framework for an Islamic Finance Lead Unit, which would facilitate the mobilization of Islamic green finance to mitigate climate change impacts and enhance disaster resilience. As part of the project, a study visit and a training activity were carried out.

Sierra Leone implemented the project titled “Capacity Building for Strengthening Digital Payment Systems in the Financial Sector” in partnership with The Gambia and Nigeria. The project aimed to enhance the skills of selected professionals in the digital payments sector by providing advanced knowledge and practical experience. A study visit and a training activity were conducted under this project.

Under the 13th Call for Project Proposals under the CPF, three projects have been selected for implementation in 2026. The projects are as follows:

Gambia will carry out the project titled “Capacity Building in Green Sukuk and Islamic Microfinance in the Gambia”. The purpose of the project is enhancing the technical knowledge and practical skills of public officials and financial sector practitioners in designing regulating and implementing green sukuk and Islamic microfinance instruments. A training activity will be carried out as part of the project.

Malaysia will implement the project titled “Utilizing Islamic Social Finance Instruments as a powerful alternative for climate resilience”. The strengthening the capacity of partner countries to design and implement Islamic social finance instruments for climate resilience and sustainable growth. Training and workshop activities will be carried out under the project.

Uganda will carry out the project titled “Enhancing Professional’s Cybersecurity Capabilities in Digital Payment Systems in Uganda”. The project aims to enhance cybersecurity capabilities of the participants by equipping them with knowledge, skills and tools required to protect Information Systems, networks and digital payment platforms. A study visit and training will be conducted under the project.

c. Other Ongoing Efforts under the COMCEC:

OIC Member States' Stock Exchanges Forum: Cooperation among the Stock Exchanges was launched in 2005 in line with the decision taken by the 20th Session of the COMCEC. The Forum held its 19th meeting virtually on September 23rd, 2025. In addition to efforts to enhance cooperation between stock exchanges, the Forum has realised some important projects, such as the OIC/COMCEC 50 Shariah Index Fund. In this context, an important financial product, the OIC COMCEC 50 Shariah International Investment Fund, based on the index, became available to international investors in August 2022. It remains important to increase the size of the fund and continue to raise investor awareness.

In this context, the 41st COMCEC Session called upon member countries to support the promotion of the S&P OIC/COMCEC Shariah International Fund, which includes stocks from the OIC/COMCEC 50 Shariah Index developed under the coordination of the OIC Exchanges Forum, to investors and the financial community in their respective countries.

The Forum has also been working on the Gold Exchange Initiative for the OIC Member Countries. In this regard, the 41st COMCEC Session requested the Secretariat of the OIC Exchange Forum to complete the technical preparations for the OIC Gold Exchange Project based on the block chain model in cooperation with the Central Banks of the interested Member Countries.

The detailed information regarding the activities of the Forum is available on www.oicexchanges.org

The COMCEC Capital Market Regulatory Forum: The COMCEC Capital Market Regulatory Forum was established in 2011 in line with the relevant resolutions of the 27th Session of the COMCEC. The Forum has held fourteen meetings so far. The 14th Meeting of the Forum was held virtually on October 15th, 2025.

Recalling the relevant resolutions of the COMCEC Ministerial Meetings, the 41st COMCEC Session requested the Secretariat of the COMCEC Capital Market Regulators Forum to expedite the necessary legal, administrative and technological preparations for the establishment of the COMCEC Real Estate Electronic Platform and invited the member countries that have not yet done so to identify their competent authorities and notify them to the Forum Secretariat for enhanced coordination.

In this context, the Forum launched the GEFAS online data platform for property-based and emerging financial instruments in 2022. This platform aims to enhance efficiency and transparency in the capital markets by providing investors with easier access to online information on real estate based investment products.

So far, due to the interest shown to the platform from numerous Forum Members, the stock market links of Azerbaijan, Bangladesh, Egypt, Indonesia, Iran, Kuwait, Lebanon, Malaysia, Maldives, Morocco, Pakistan, Palestine, Qatar, and Saudi Arabia have been integrated into the GEFAS platform.

The details regarding the Forum activities are available on the Forum website. (www.comceccmr.org)

OIC-COMCEC Central Banks Forum: In the 16th Meeting of the Central Banks and Monetary Authorities of the OIC Member States, the central banks of the OIC Member States decided to continue its activities as the “OIC-COMCEC Central Banks Forum”. The 34th COMCEC Session took note of the communique of the said meeting as well as the decision on the establishment of the “OIC-COMCEC Central Banks Forum”. Within this framework, the 7th Meeting of the Forum was organized on September 28th - 29th, 2025, in İstanbul.

The details regarding the Forum activities are available on the Forum website. (www.comceccentralbanks.org)
