



CCO BRIEF ON TRADE

COMCEC COORDINATION OFFICE
October 2026

BRIEF ON TRADE COOPERATION

1. Introduction

Trade finance constitutes a fundamental pillar for the functioning and expansion of international trade by enabling firms to manage working capital constraints and mitigate payment and delivery risks across the trade cycle. The fact that international trade largely relies on credit and guarantee mechanisms rather than cash-in-advance transactions makes trade finance an indispensable element for integration into global value chains. In this regard, an effective trade finance system comprises institutional arrangements, financial instruments, and incentive mechanisms that enable exporters and importers to conduct international trade with minimal risk and efficient cash flow management. Accordingly, the development and effective implementation of trade finance instruments at the national level are critical for diversifying exports, supporting economic growth, and increasing employment and enhancing export competitiveness.

However, despite this critical role, a significant and growing trade finance gap persists at the global level. This gap is especially evident in regions such as Africa and Asia and tends to deepen further for SMEs, limiting firms' participation in international trade. In addition to market-related constraints such as increased risk perception among banks, insufficient collateral, and limited credit histories, capital and liquidity requirements imposed on banks also restrict the supply of trade finance. Moreover, geopolitical uncertainties, limited digitalization in financial processes, and high compliance costs arising from complex documentation further complicate the provision of trade finance, particularly in developing countries.

In this context, ensuring access to affordable and reliable sources of finance emerges as a key policy priority for many developing economies, particularly for the OIC Member Countries. Despite their considerable untapped export potential, OIC Member Countries continue to hold a lower-than-expected share in global trade due to limited access to finance and low levels of digitalization. In this regard, strengthening trade finance systems and improving access to financial instruments will contribute to enhancing export capacity, expanding trade volumes, and enabling member countries to more effectively realize their trade potential.

Considering the importance of the subject, the COMCEC Trade Working Group (TWG) has dedicated its 26th and 27th Meetings to “Developing Effective Trade Financing Tools for Increasing Export in the OIC Member Countries”.

2. Trade Cooperation under the COMCEC

a) The 26th and 27th Meetings of the Trade Working Group

Given the importance of the issue, the COMCEC Trade Working Group held its two consecutive Meetings in 2026. In this regard, 26th and 27th Meetings of the COMCEC TWG were held on 20 April 2026 and 14-15 September 2026, respectively, with the theme of “*Developing Effective Trade Financing Tools for Increasing Export in the OIC Member Countries*”.

The 26th Meeting of the TWG was held on 20 April 2026 and preliminary findings of the research report have been discussed. As a sequel of the 26th Meeting, the 27th Meeting of the COMCEC TWG was held on 14-15 September 2026 with the same theme. The final draft of the research report has been discussed during the Meeting. In both Meetings, the experiences and perspectives of the Member Countries and international institutions concerning developing effective trade financing tools were shared with the participants.

The research report providing a roadmap for the Member Countries to develop their effective trade financing tools was also elaborated in detail during the 27th Meeting. After fruitful discussions, 27th Meetings of the TWG has come up with a set of concrete policy recommendations to be submitted to the 42nd COMCEC Ministerial Session.

All the documents prepared for the Working Group Meetings are available on the COMCEC website (www.comcec.org).

b) Important Projects and Programmes

I. 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 flagship projects of the COMCEC for fostering intra-OIC trade.

The TPS-OIC is mainly based on three agreements, namely the Framework Agreement, the Protocol on Preferential Tariff Scheme (PRETAS), and the Rules of Origin. In order to join the System, member states need to fulfil 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 the effective 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 (TNC) Secretariat and completing the necessary internal legislative and administrative measures.

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.

The System has been effectuated as of July 1st, 2022. The 37th COMCEC Ministerial Session welcomed the effectuation of the System and requested the Participating States, which have not done so yet, to complete their internal procedures and called upon the Member Countries, which have not yet signed or ratified the TPS-OIC Agreements to do so at their earliest convenience. After the operationalization of the System, a series of TNC Meetings were realized in 2022 and 2023 for considering the status of implementation of the System.

On 4 December 2023, on the margin of 38th COMCEC Ministerial Session, Honourable Ministers and Heads of Delegations convened to deliberate on issues regarding the OIC trade agenda, particularly TPS-OIC. Furthermore, in line with the relevant resolution of 39th COMCEC Ministerial Session, Third Ministerial Meeting of TPS-OIC TNC was held on 9-10 June 2024 in İstanbul under the chairmanship of Ministry of Trade of the Republic of Türkiye for discussing the possibility of widening the scope of the System. As the outcome of this meeting, Istanbul Ministerial Declaration adopted. This Declaration took note the initial discussions on a draft document called “Negotiation Strategy and Work Plan for Potential Expansion of TPS-OIC” and tasked the relevant authorities to continue the engagement under the TNC.

Moreover, the 40th COMCEC Ministerial Session welcomed the decisions of the Third Ministerial Meeting of TPS-OIC TNC and requested the continuation of technical review in 2025 to elaborate on the potential expansion of TPS-OIC with increased product coverage and new disciplines, and with a wider participation composition. The 40th Session of COMCEC also welcomed the convening of the Honorable Ministers and Vice-Ministers on 4 November 2024 on the margin of 40th Session of the COMCEC, where the Honorable Ministers and Vice Ministers deliberated on the issues regarding the TPS-OIC.

Recalling the relevant resolutions of the 40th Session of the COMCEC, the 41st Follow-up Committee Meeting of COMCEC welcomed the offer of the Republic of Türkiye to host two consecutive TNC Meetings, respectively; to elaborate on the potential expansion of TPS-OIC through increased product coverage and new disciplines with the all OIC Member Countries; and to discuss implementation issues with Participating Member States. These TNC Meetings, in coordination with the host authority, the Ministry of Trade of the Republic of Türkiye, was held successfully in Ankara on 1-2 October 2025.

The 41st Session of the COMCEC welcomed the decisions of the abovementioned TPS-OIC TNC meetings in particular with respect to initiating of preliminary discussions on challenges in implementation of PRETAS, possible expansion areas and objectives, legal considerations and institutional matters. The 41st Session of the COMCEC also expressed its appreciation to the Republic of Türkiye for volunteering to host the subsequent TNC meeting. In this regard, the TPS-OIC TNC Meeting was held virtually on 3-4 February 2026 in which the Committee requested the TNC Secretariat, in collaboration with the Republic of Türkiye and the Kingdom of Saudi Arabia as well as other interested Member Countries, to prepare and

circulate two sets of questionnaires by mid-March, 2026 with a view to collecting a broad range of views on the main pillars, scope and modalities of a possible expansion of the TPS-OIC and on implementation issues, and report thereon to the next TNC Meeting. In line with this resolution, the questionnaires were prepared and circulated to the Member Countries.

Moreover, the 42nd COMCEC Follow-up Committee welcomed the relevant resolutions of the aforementioned TNC Meeting, where the TNC also agreed to structure its future meetings in a thematic manner focusing sequentially on challenges in the implementation of PRETAS and the current TPS-OIC framework, possible expansion areas and objectives, and legal considerations and institutional matters.

Finally, a TNC Meeting was held virtually on 1 July 2026 in which the delegates discussed challenges in the implementation of PRETAS and the current TPS-OIC framework. The next TNC Meeting will be held virtually on 14 October 2026 in which the attendants discussed possible expansion areas and objectives. The results of the questionnaires on the expansion and implementation of the System were presented by the TNC Secretariat at the TNC Meeting held on 1 July 2026 and will be further discussed at the upcoming TNC Meeting on 14 October 2026.

II. OIC Arbitration Centre

Arbitration Centers are the main mechanisms for the settlement of disputes in international trade. Due to their positive impact on enhancing international trade, a number of regional and international arbitration centers have been established, with significant caseloads and a wide reach.

Cognizant of their critical importance, H.E. Recep Tayyip ERDOĞAN, the President of the Republic of Türkiye and the Chairman of the COMCEC, proposed the establishment of the OIC Arbitration Centre in İstanbul for the benefit of the OIC Member Countries in the 13th Islamic Summit held in 10-15 April 2016 in İstanbul, Türkiye. The Host Country Agreement regarding the establishment of the OIC Arbitration Centre was ratified by the Turkish Parliament and signed by the H.E. ERDOĞAN on 18 January 2020. With this, the OIC-Arbitration Centre (OIC-AC) was established in November 2021, in İstanbul as an affiliated institution of the Islamic Chamber of Commerce & Development (ICCD).

OIC-AC became operational and has started its activities in late 2022. Administrative staff were appointed to the Centre. Arbitration Rules of the Centre have been completed and approved by the Board of Directors. The Centre has engaged in promotional activities and signed Memoranda of Understanding with various stakeholders. Established to facilitate the settlement of commercial and investment disputes involving parties from OIC Member States and non-OIC States alike, the Centre promotes the use of alternative dispute resolution (ADR) mechanisms, advances knowledge and professional expertise through capacity building and stakeholder engagement while contributing to the development of dispute resolution law and practice within the OIC region.

Since its establishment, all subsequent COMCEC Ministerial and Follow-up Meetings have called upon the Member Countries to encourage their relevant institutions to actively participate in the activities of the OIC-AC with a view to making use of services provided by the Centre. A panel named “*OIC Arbitration Centre: Global Alternative Dispute Resolution*” was organized on 10 June 2024 in Istanbul by OIC-AC on the sidelines of the The Third Ministerial Meeting of TPS-OIC TNC.

III. COMCEC SME Programme

Considering the vital role of SMEs for the OIC economies in terms of production, investment, employment and growth, COMCEC SME Program was launched during the 39th Ministerial Session of the COMCEC.

Within the scope of the program, based on a comprehensive research with a detailed survey, the thematic areas were identified including SME internationalization, strengthening partnerships among public, private and civil society, utilizing funds for networking among SMEs, exchanging big data between public and private sector, enhancing human resource capacities of SMEs by vocational education and training.

In order to support the development of SMEs and realize the objectives of the Program, projects of Member Countries and relevant OIC Institutions are supported under the COMCEC Project Funding. In this context, three projects are being implemented this year:

The Project on “Strengthening Institutional Capacity for BSO to Design Digital SME Support Programs in Tourism and Hospitality” has been implemented by the Jordan Enterprise Development Corporation (JEDCO) in partnership with Oman and ICCD. It aims to strengthen the capacity of BSOs in designing SME support programs in the tourism sector, with a focus on digital transformation. The project includes a study visit to Oman followed by a capacity building workshop in Jordan.

Pakistan is implementing the project titled “Identifying and Designing the Organizational Structure and Financing Model for a Multilateral and Sustainable OIC SME Networking Platform.” The Project has been implemented by the Small and Medium Enterprises Development Authority (SMEDA) of Pakistan in partnership with Türkiye, Senegal and Egypt. The Project aims to develop a sustainable organizational and financial model for an OIC wide SME networking platform. The project includes a comprehensive virtual consultation and a workshop in Islamabad.

The Project on “Empowering SME Development Agencies with Innovative Financing Solutions under the OIC-SMENET Framework” has been implemented by SESRIC in partnership with several OIC member countries. It aims to enhance institutional capacity on innovative SME financing models. The project includes an online training program followed by a technical workshop in Türkiye.

COMCEC Financial Support Instruments

A. 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 trade section. Projects also play important roles in realization of the policy recommendations formulated by the member countries during the TWG meetings.

In 2026, four following projects have been selected to be supported:

Bangladesh is implementing the project titled “Strengthening Digital Market Surveillance and Commodity Distribution in Bangladesh.” The Project is being implemented by the Ministry of Commerce in partnership with Türkiye. The main purpose of this Project is to strengthen the institutional capacity of the Trading Corporation of Bangladesh (TCB) through learning from advanced digital systems in Türkiye for commodity tracking, market surveillance and strategic distribution. Within the scope of the project, a study visit will be conducted to Türkiye, after that a training activity will be organized in Bangladesh.

Maldives is implementing the project titled “Strengthening Maldivian MSMEs Through Regional Cooperation and Exchange.” The Project is being implemented by the Ministry of Economic Development in partnership with Türkiye. The main purpose of this Project is to strengthen Maldivian MSMEs through capacity building, experience sharing and regional cooperation. Within the scope of the project, a Training of Trainers (ToT) program will be organized in Maldives with the contribution of experts from Türkiye.

Palestine is implementing the project titled “Digital and Institutional Capacity Enhancement of the Palestinian Garment and Textile Industries (PFGT).” The Project is being implemented by the Ministry of National Economy in partnership with Jordan. The main purpose of this Project is to strengthen the institutional and digital capacities of the PFGT by developing a pilot digital membership and reporting system and enhancing staff capabilities in digital tools and administrative processes. Within the scope of the project, a pilot digital system will be developed, followed by a training program for staff, a technical workshop to validate and refine the system and a seminar to present the finalized system and raise awareness among stakeholders will be performed.

The Project on “Enhancing the Capacity of the Metrology Department in Suriname” has been implemented by the Ministry of Economic Affairs, Entrepreneurship and Technological Innovation of Suriname in partnership with Türkiye and Guyana. The Project aims to strengthen the institutional, technical and operational capacity of the Metrology Department by aligning national metrology practices with regional and international standards. Under this project, a Peer-to-Peer Experience Sharing activity conducted, including literature review, stakeholder consultations, surveys, and field visits followed by the preparation of a comprehensive study report identifying best practices, gaps, and a roadmap for strengthening Suriname’s metrology system.



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