

**REPORT and RESOLUTIONS
OF THE TWENTY-SECOND SESSION
OF THE COMCEC**

Istanbul, 21-24 November 2006

COMCEC Coordination Office
State Planning Organization
Ankara, November 2006

Address:
COMCEC Coordination Office
State Planning Organization
Necatibey Cad. 108
Ankara-TURKEY
Tel: 90-312-294 55 10
Fax: 90-312-294 55 77
Website: <http://www.dpt.gov.tr>
e-mail: [ftigli @ dpt.gov.tr](mailto:ftigli@dpt.gov.tr)
[aisler @ dpt.gov.tr](mailto:aisler@dpt.gov.tr)

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PART ONE

**RESOLUTIONS OF THE OIC FORMING
THE BASIS AND GUIDING ACTIVITIES
OF THE COMCEC**

I

RESOLUTION ADOPTED AT THE THIRD ISLAMIC SUMMIT CONFERENCE ESTABLISHING THE STANDING COMMITTEES OF THE OIC CHAIRED BY HEADS OF STATE

Resolution No. 13/3-P (IS)

The Third Islamic Summit Conference (Palestine and Al-Quds Session), meeting in Mecca Al-Mukarramah, Kingdom of Saudi Arabia, from 19th to 22nd Rabi-Al-Awal, 1401 H. (25-28 January, 1981);

Having listened to the proposals by His Majesty King HASSAN II, Chairman of Al-Quds Committee, that three committees will be established and chaired by the Kings and Presidents of the Islamic States,

Proceeding from a firm belief that joint Islamic action needs to be consolidated in the scientific and technological field, and in the economic and trade sphere,

Prompted by the desire to give information and culture a fresh impetus to help world public opinion understand the basic issues of the Islamic nations, particularly those of Al- Quds and Palestine, and to confront the tendentious campaign launched against Islam and Muslims,

DECIDES:

1. To establish three Standing Committees, the first for scientific and technological cooperation, the second for economic and trade cooperation, and the third for information and cultural affairs;
2. These Committees shall undertake to follow up implementation of the resolutions passed, or about to be passed, by the Islamic Conference in those fields; to study all possible means of strengthening cooperation among Muslim States in those fields, and to draw up programmes and submit proposals designed to increase the Islamic States' capacity in those fields;

3. Each Committee shall consist of the representatives of Islamic States, at ministerial level, and shall be chaired by the Head of State of an Islamic State;
4. Members of these Committees shall be elected *by* the Islamic Foreign Ministers' Conference for a renewable term of three years;
5. A Committee shall hold a meeting, if invited to do so by its Chairman or by a majority of its members; its meeting shall be valid if attended by a majority.

II

FINAL COMMUNIQUE OF THE FOURTH ISLAMIC SUMMIT CONFERENCE ENTRUSTING THE CHAIRMANSHIP OF THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION TO H.E. KENAN EVREN, PRESIDENT OF THE REPUBLIC OF TURKEY

Final Communique No. IS/4-84/E/DEC

"... The Conference decided to entrust H.E. Mr. Kenan EVREN, President of the Republic of Turkey, with the Chairmanship of the Permanent Committee on Economic and Commercial Cooperation..." (Page 18, para 40).

III
RESOLUTION NO. 30/10-E (IS) ON
ACTIVITIES UNDER THE AUSPICES OF THE
STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION (COMCEC)

The Tenth Session of the Islamic Summit Conference (Session of Knowledge and Morality for the Progress of Ummah) held in Putrajaya, Malaysia, from 20-21 Shaban 1424H (16-17 October 2003),

Recalling Resolution No. 31/9-E (IS) adopted by the Ninth Session of the Islamic Summit Conference;

Also recalling Resolution No. 2/6-E (IS) of the Sixth Session of the Islamic Summit Conference, held in Dakar, Republic of Senegal on 9-11 December 1991 on the activities of the COMCEC mandating it to formulate new Strategies for the enhancement of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States and to take appropriate action for its implementation;

Recalling resolution No. 8/7-E(IS) of the Seventh Session of the Islamic Summit Conference, held in Casablanca, Kingdom of Morocco, from 11 to 13 Rajab 1415H (13-15 December 1994) which endorsed the Strategy and the Plan of Action;

Recalling Resolution No. 30/30-E adopted by the Thirtieth Session of the Islamic Conference of Foreign Ministers;

Recalling the resolutions of the Ministerial level meetings in different areas of cooperation held under the auspices of the COMCEC;

Also recalling the resolutions adopted at the eighteenth previous sessions of the COMCEC initiating effective action in economic cooperation among the Member States, particularly in the area of trade;

Noting with appreciation the efforts of the General Secretariat, subsidiary organs, affiliated and specialized institutions of OIC, working in the field of economy and trade, to implement the resolutions of the COMCEC;

Noting with appreciation that the Strategy for Economic and Commercial Cooperation adopted by the COMCEC allows for cooperation among sub-groups of Member States and is based on the principles giving emphasis to private sector, economic liberalisation, integration with the world economy, sanctity of the economic, political, legal and constitutional structures of the Member States and their international obligations.

Also noting with appreciation that the revised Plan of Action is a general and flexible policy document open for improvement during its implementation in accordance with the provisions stipulated in its chapter on Follow-up and Implementation.

Recognizing the importance for the Member States of the new economic configurations emerging at the global level particularly from the creation of regional economic groupings, signing of the Uruguay Round Agreements, and creation of the World Trade Organization and its subsequent Agreements;

Appreciating that, starting with its Eleventh Session, COMCEC serves as a platform where the Ministers of Economy of the Member States could exchange views on current world economic issues and that the topics "Implications of the Uruguay Round of trade Negotiations and the Establishment of the World Trade Organization on the external trade of OIC Member States", "Privatization Experiences in Member States", "Implications of Regional Economic Groupings particularly the European Union on the Economies of Member States", "Intra-OIC Trade and Investment and Economic Stabilisation and Structural Reforms in Member States", "Human Resource Development for Sustained Economic Growth and Poverty Alleviation in the Member States of the OIC", "Strengthening of Small and Medium-Sized Enterprises Facing Globalisation and Liberalisation" "The Effects of Non-tariff Barriers on Foreign Trade of the Member Countries" and "Private Sector Investment in the Member States and the Role of IDB" were the themes for the 11th, 12th, 13th, 14th 15th, 16th 17th and 18th Sessions of the COMCEC, respectively;

Having taken note of the report of the Secretary General;

1. Stresses the need for COMCEC to continue to pay utmost attention to coordination and cooperation among Member States with regard to the

membership of new countries that wish to join the World Trade Organization, and to the clarification of positions on the new issues and agreements under consideration within the framework of the WTO with a view to strengthening the negotiating position of these countries at the forthcoming multilateral trade negotiations especially with respect to the built-in agenda and to the new ones.

2. **Expresses satisfaction** that the Islamic Development Bank has successfully carried out the mandate given by COMCEC to organise Coordination Meetings for Member States to consult among themselves and better prepare for the WTO Ministerial Meetings held in Singapore from 9 to 13 December 1996, in Geneva from 18-20 May 1998, in Seattle from 30 November to 03 December 1999, in Doha from 9-14 November, 2001 and in Cancun, Mexico from 10-14 September 2003 respectively with a view to assisting them to adopt a common stand regarding the issues raised in the Agenda of those meetings.

3. **Thanks** the ICDT and IDB for organising an expert group meeting before the Fifth WTO Ministerial Conference for the benefit of the Member States.

4. **Thanks** the IDB for organizing a brainstorming meeting for Geneva-based missions on 1-2 May 2003 and a consultative meeting on 27-28 July 2003 for capital-based officials in preparation for the 5th WTO Ministerial Conference.

5. **Appreciates** also the technical assistance programmes of the Islamic Development Bank to assist Member States which are either members of the WTO or in the process of accession to the Organization, and the role of the Bank in organizing for consultative meetings of Member States and the Seminars and Workshops it organizes for this purpose.

6. **Appreciates** the efforts of the Islamic Chamber of Commerce and Industry in organizing Private Sector Meetings as directed by the COMCEC for an effective implementation of the Plan of Action.

7. **Underlines** the crucial importance of the active participation of the private sector in economic cooperation among the Member States and appreciating the cooperation and productive support of IDB for all the events of ICCI, calls upon ICCI to pursue its efforts to further involve the private sector in the economic cooperation among Member States.

8. **Appreciates** the Islamic Republic of Iran for holding the 10th Private Sector Meeting on 4-6 October 2003 in Tehran in collaboration with ICCI and the Iran Chamber of Commerce, Industries and Mines.

9. **Notes** with appreciation that the Regulations for the Islamic Trade Fair which was prepared by the Islamic Centre for Development of Trade, had been adopted by the Eighteenth Session of the COMCEC.

10. **Expresses** its gratitude to the United Arab Emirates for hosting the Islamic Trade Fair in Sharjah from 21 to 26 December 2002 on the theme: Free Trade and Sustainable development, and expresses its appreciation for the commendable efforts made by the Islamic Centre for Development of Trade and the Chamber of Commerce and Industry, Sharjah for the success of the fair.

11. **Also welcomes** the offer of the Bahrain Chamber of Commerce to host the 11th Private Sector Meeting in 2004 and the offer of Senegal to host the 13th Private Sector Meeting in 2006. The offer to host the 12th Private Sector Meeting into 2005 is awaited.

12. **Further welcomes** the offer of the Republic of Guinea to host the 10th Islamic Trade Fair in 2004 and calls upon the Member States to actively participate in the event.

13. **Emphasizes** the need to urgently implement the revised Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States the OIC, in compliance with the principles and operational modalities of the Strategy and the procedures set forth in its chapter on Follow-up and Implementation.

14. **Stresses** the importance of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the Plan of Action and requests that measures be taken by the Member States to accelerate the implementation of these recommendations through appropriate mechanisms to be proposed by the COMCEC Coordination Office in collaboration with the OIC General Secretariat and the OIC institutions.

15. **Takes notes** of approval by the COMCEC of the Draft Project Profile Form prepared by the COMCEC Coordination Office in pursuance of the relevant

recommendation of the Experts Group Meeting on Accelerating the Implementation of the OIC Plan of Action and requests the Member States to make use of it whenever they wish to submit project proposals within the framework of the OIC Plan of Action.

16. **Takes notes** with appreciation also of the study by the COMCEC Coordination Office, in cooperation with the OIC General Secretariat, SESRTCIC, ICDT, IUT, IDB, ICCI and OISA in their capacity as focal points, elaborating on the content and the terms of their possible assignment, in pursuance of the relevant recommendation of the Experts Group Meeting assigning mandate to the relevant OIC institutions to study, apprise and provide the necessary financial and technical support to the cooperation projects to be proposed, which will be finalized for submission to the 19th Session of COMCEC.

17. **Requests** the Member States to communicate their views on the supplementary Mechanism for implementation of the OIC Plan of Action which was proposed and circulated by the COMCEC Coordination Office at their earliest convenience so that it can be submitted to the 19th Session of COMCEC.

18. **Requests** the Member States to take appropriate measures including necessary cooperation, coordination and consultation among themselves to make efforts with the required possible economic and technical support from the developed countries, international community and relevant international organizations and financial institutions to increase their food production capacity with a view to arriving at national food security as well as enhancing the purchasing power of their people.

19. **Invites** the Member States to host sectoral Expert Group Meetings in priority areas of cooperation in the Plan of Action.

20. **Welcomes** the offer of the Arab Republic of Egypt to host two sectoral Expert Group Meetings in the area of "Transport and Communications" and "Food, Agriculture and Rural Development" of the Plan of Action.

21. **Thanks** the Kingdom of Saudi Arabia for hosting the Third Islamic Conference of Ministers of Tourism on 6-9 October 2002 in Riyadh.

22. **Invites** IDB to continue its active support in ensuring effective and urgent implementation of the revised Plan of Action.
23. **Thanks** the Republic of Senegal for the hosting of Seminar-Workshop in cooperation with IDB to familiarize the African member states with the Plan of Action, and recommends that similar seminars be held in other regions and sub-regions of OIC.
24. Recognizes that the Exchange of Views organized during the annual sessions of the COMCEC would be utilized to coordinate the positions of the Member States vis-a-vis major world economic issues.
25. **Welcomes** the offer of the government of the Republic of Sudan to host sectoral Expert Group Meeting on "Energy and Mining" and "Human Resources Development."
26. **Thanks** the Republic of Gabon for having organised a sub-regional seminar for the OIC States of Central and East Africa on "the role of IDB in the promotion of the private sector" in cooperation with IDB and the other concerned institutions of the OIC.
27. **Thanks** Burkina Faso for hosting a regional workshop on Industry for East, West and Central African OIC member states in cooperation with the IDB and other related OIC institutions.
28. **Welcomes** the offer of the Islamic Republic of Iran to host sectoral Expert Group Meeting in the area of Health and Sanitary Issues to be followed by a Ministerial meeting on the same topic.
29. **Thanks** the Republic of Turkey for hosting the Experts Group of Meeting on Accelerating the implementation of the Plan of Action, which was held on 6-7 May 2001 in Istanbul.
30. **Welcomes** the offer of the Republic Tunisia to host an experts group meeting on "Promoting the Activities of Small and Medium-sized Enterprises" in the field of production and exports.

31. **Notes** with satisfaction that the Framework Agreement on Trade Preferential System entered into force upon its ratification by more than ten Member States as required under the Agreement, and welcomes the offer of the Republic of Turkey to host the first round of negotiations to be held under the Framework Agreement.

32. **Thanks** the Government of the Kingdom of Morocco for hosting of an Experts Group Meeting to prepare the Launching of the First Trade Negotiations Round within the Framework Agreement on the Trade Preferential System Among the OIC Member States held in Casablanca on 24-26 June, 2003 and the Islamic Centre for Development of Trade and the COMCEC Coordination Office for organizing it and preparing the necessary documents in this regard.

33. **Calls** upon the concerned Member States to actively take part in the first round of trade negotiation under the Framework Agreement on Trade Preferential System.

34. Welcomes the proposal made by the WTO during the meeting of policy dialogue between the WTO and the representatives of six major regional development banks, including IDB, which was held at the WTO Headquarters in Geneva, on 3 May 2003, that the regional development banks convene policy dialogues of trade and finance ministers at the regional level, to which the WTO and the World Bank may also be invited.

35. **Also welcomes** the resolutions of the 18th Session of the COMCEC which expresses the view that the above policy dialogue meeting of the OIC ministers responsible for trade and finance could be convened in conjunction with the sessions of the COMCEC.

36. **Welcomes** the offer of Indonesia to host an International Workshop on Employment and Manpower Exchange.

37. **Welcomes** the offer of Arab Republic of Egypt to host an OIC Ministerial Meeting to promote intra-OIC trade.

38. **Thanks** IDB for organizing a Workshop on "Private Sector Investment in the Member States and the Role of IDB" on 14-16 September 2002 in Istanbul

in collaboration with related OIC institutions; and also thanks the Republic of Turkey for hosting the Workshop.

39. **Welcomes** the decision taken by the 18th Session of the COMCEC that "Impact of Electronic Commerce and the use of Information Technology in the Promotion and Development of Intra-OIC Trade" be the theme for the exchange of views at the 19th Session of the COMCEC.

40. **Thanks** the Republic of Tunisia for hosting the workshop on "Impact of Electronic Commerce and the Use of Information Technology in the Promotion and Development of Intra-OIC Trade" on 10-12 June, 2003 in Tunis in collaboration with SESRTCIC, ICDT, IUT and other relevant OIC institutions as a preparation for the exchange of views session to be held during the 19th session of COMCEC.

41. **Notes with appreciation** that the 19th Session of the COMCEC will be held from 20-23 October, 2003 in Istanbul under the chairmanship of the President of the Republic of Turkey and calls upon the Member States to effectively and actively participate in the meeting.

42. **Takes notes** of the initiative of ICCI on forming a working group comprised of the General Secretariat, the COMCEC Coordination Office, IDB, ICCI, SESRTCIC and ICDT, as the focal point assuming the responsibilities of the monitoring mechanism to implement the recommendations of the private sector meetings.

43. **Requests** the Secretary General to follow up the implementation of this resolution and submit a report thereon to the Eleventh Session of the Islamic Summit Conference.

PART TWO

**LIST OF BASIC DOCUMENTS AND REPORT
OF THE TWENTY-SECOND SESSION
OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION
OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE**

I

**LIST OF BASIC DOCUMENTS CONSIDERED
AND/OR PRESENTED AT THE TWENTY-SECOND SESSION
OF THE COMCEC**

(Istanbul, 21-24 November 2006)

Original: English

**LIST OF BASIC DOCUMENTS CONSIDERED
AND/OR PRESENTED AT THE TWENTY-SECOND SESSION
OF THE COMCEC**

(Istanbul, 21-24 November 2006)

	<u>Document Code</u>
1. Agenda of the Twenty-second Session of the COMCEC	OIC/COMCEC/22-06/A
2. Report of the OIC General Secretariat on the Current Status of the OIC Ten-Year Programme of Action, 2006.....	OIC/COMCEC/22-06/D(5)
3. Follow-up of the Resolutions of the OIC Third Extraordinary Summit Draft Plan of Action by ICDT...	OIC/COMCEC/22-06/D(7)
4. Background Report on Economic and Commercial Cooperation by the OIC General Secretariat.....	OIC/COMCEC/22-06/D(1)
5. Review of the Agreements and the Statutes in the Field of COMCEC by SESRTCIC.....	OIC/COMCEC/22-06/D(2)
6. Annual Economic Report on the OIC Countries by SESRTCIC, 2006.....	OIC/COMCEC/22-06/D(3)
7. Report of the Twenty-second Meeting of the Follow-up Committee.....	OIC/COMCEC-FC/22-06/REP
8. Report by the OIC General Secretariat on the Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States.....	OIC/COMCEC/22-06/D(4)
9. Report of the Sessional Committee.....	OIC/COMCEC/22-06/Sc.Rep
10. Report by IDB on the Expansion of Intra-Trade Among OIC Member Countries.....	OIC/COMCEC/22-06/D(8)
11. ICDT's Annual Report on Trade Between the Member States of OIC 2006.....	OIC/COMCEC/22-06/D(9)
12. ICCI's Brief Report on Private Sector Meeting of Islamic Countries and Activities of ICCI.....	OIC/COMCEC/22-06/D(10)
13. Reports by ICDT on Trade Fairs of Islamic Countries...	OIC/COMCEC/22-06/D(1 1)
14. Activities on Establishing a TPSOIC Among the OIC Member Countries by TNC Secretariat.....	OIC/COMCEC/22-06/D(12)

Document Code

15. Report on IDB Group's WTO Related Technical Assistance to the OIC Member Countries by IDB.....OIC/COMCEC/22-06/D(13)
16. Report on the Issues Relating to the Activities of the WTO by ICDT.....OIC/COMCEC/22-06/D(14)
17. Action Plan for the OIC Cotton Producing Countries' Cooperation Development Strategy, (2007-2011) by OIC.....OIC/COMCEC/22-06/D(15)
18. Report on the Resolutions of the Workshop on "Capacity Building on Trade Facilitation and Investment" by IDB.....OIC/COMCEC/22-06/D(16)
19. Review of the Mechanism of the COMCEC Exchange of Views Session by SESRTCIC.....OIC/COMCEC/22-06/D(17)
20. Capacity Building on Trade Facilitation and Investment by UNIDO.....OIC/COMCEC/22-06/D(18)
21. Reports by the OIC General Secretariat on Matters Related to Economic Assistance to Some OIC Member Countries by OIC.....OIC/COMCEC/22-06/D(19)
22. Country Reports and/or Written Presentations on the "Capacity Building on Facilitation of Trade and Investment Among OIC Member Countries".....OIC/COMCEC/21-05/CR
 - Kingdom of Saudi Arabia,
 - Kyrgyz Republic,
 - Republic of Uganda,
 - Islamic Republic of Iran,
 - Great Socialist People's Libyan Arab Jamahiriya,
 - State of the United Arab Emirates,
 - Tajikistan,
 - Hashemite Kingdom of Jordan,
 - Malaysia,
 - Palestinian National Authority,
 - Republic of Cameroon,
 - Republic of Gambia,
 - Republic of Lebanon,
 - Republic of Maldives
 - Turkish Republic of Northern Cyprus

II

**REPORT
OF THE TWENTY-SECOND SESSION
OF THE STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE**

(Istanbul, 21-24 November 2006)

Original: English

**REPORT
OF THE TWENTY-SECOND SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION OF THE OIC
(Istanbul, 21-24 November 2006)**

1. The Twenty-second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, from 21 to 24 November 2006.
2. The Meeting of Senior Officials of COMCEC that preceded the Session on 21-22 November 2006 was held under the Chairmanship of H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey, to consider items of the Draft Agenda and prepare Draft Resolutions for consideration by the Ministerial Session.
3. The Session was attended by the representatives of the following Member States of the Organization of the Islamic Conference (OIC):
 1. Islamic State of Afghanistan
 2. Republic of Albania
 3. People's Democratic Republic of Algeria
 4. Republic of Azerbaijan
 5. Kingdom of Bahrain
 6. People's Republic of Bangladesh
 7. Brunei Darussalam
 8. Republic of Cameroon
 9. Republic of Chad
 10. Republic of Cote d'Ivoire
 11. Arab Republic of Egypt
 12. Republic of Gambia
 13. Republic of Guinea
 14. Republic of Indonesia
 15. Islamic Republic of Iran
 16. Republic of Iraq

17. Hashemite Kingdom of Jordan
 18. Republic of Kazakhstan
 19. State of Kuwait
 20. Kyrgyz Republic
 21. Republic of Lebanon
 22. Great Socialist People's Libyan Arab Jamahiriya
 23. Malaysia
 24. Republic of Maldives
 25. Republic of Mali
 26. Kingdom of Morocco
 27. Republic of Mozambique
 28. Federal Republic of Nigeria
 29. Sultanate of Oman
 30. Islamic Republic of Pakistan
 31. Palestinian National Authority
 32. State of Qatar
 33. Kingdom of Saudi Arabia
 34. Republic of Senegal
 35. Republic of Sierra Leone
 36. Republic of Sudan
 37. Syrian Arab Republic
 38. Republic of Tajikistan
 39. Republic of Tunisia
 40. Republic of Turkey
 41. Republic of Uganda
 42. State of the United Arab Emirates
 43. Republic of Uzbekistan
 44. Republic of Yemen
4. Bosnia-Herzegovina, the Turkish Republic of Northern Cyprus, and the Russian Federation participated in the Session as observers and the Republic of Macedonia as guest.
5. The OIC General Secretariat and the following subsidiary organs, specialized and affiliated OIC institutions attended the Session:

1. Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC)
 2. Islamic Center for Development of Trade (ICDT)
 3. Islamic Research Center for History, Culture and Art (IRCICA)
 4. Islamic University of Technology (IUT)
 5. Islamic Development Bank (IDB)
 6. Islamic Chamber of Commerce and Industry (ICG)
 7. Organization of the Islamic Ship-owners Association (OISA)
6. Representatives of the following international organizations attended the Session as well:
1. Association of National Development Finance Institutions (DFIs) in Member Countries of the Islamic Development Bank (IDB) (ADFIMI)
 2. Economic Cooperation Organization (ECO)
 3. Developing Eight (D-8)
 4. Federation of Consultants from Islamic Countries (FCIC)
 5. Federation of Islamic Countries' Contractors (FICC)
 6. Gulf Cooperation Council (GCC)
 7. The West African Economic and Monetary Union (WAEMU)
 8. United Nations Industrial Development Organization (UNIDO)

(A copy of the List of Participants of the Twenty-First Session of the COMCEC is attached as Annex 1).

Opening Session

7. The Opening Ceremony of the Twenty-second Session of COMCEC was held on 23 November 2006 under the chairmanship of H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC.

8. In his inaugural statement, H.E. Ahmet Necdet SEZER, while welcoming the delegates, emphasized the positive results of activities and projects within the framework of COMCEC, especially the efforts geared to enhancing trade. H.E. SEZER underlined that the intra-OIC trade has shown an

upward trend exceeding 14 % in 2004. H.E. President SEZER also invited all relevant member states to sign and ratify PRETAS. H.E. SEZER also emphasized the importance of capacity building in the facilitation of trade and investment towards transforming the savings to actual investments, improving investment climate and attracting foreign capital.

9. With reference to the current impasse in WTO negotiations, H.E. SEZER highlighted the importance of agriculture as a source of living for almost half of the humanity and underlined agricultural subsidies amounting approximately to 380 billion US Dollars as a highly debated issue and a source of concern for developing countries.

30. With regard to the economic and social difficulties and humanitarian grievances in Palestine, Lebanon and Iraq, he expressed his hope for a peaceful future in the region. H.E. Ahmet Necdet SEZER also drew the attention of the house to the unjust isolation faced by the Turkish Republic of Northern Cyprus. H.E. SEZER concluded his statement by thanking to all Member Countries, OIC General Secretariat and relevant OIC institutions for their contributions to the work of COMCEC and expressed his wishes of success for the 22nd Session of the COMCEC.

(A copy of the text of the Inaugural Statement of H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC is attached as Annex 2).

11. His Excellency Prof. Ekmeleddin IHSANOGLU, Secretary General of the OIC, made a statement at the Opening Session. He expressed his thanks and deep appreciation to H.E. Mr. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC, for his kind support and keen interest in the activities of the COMCEC and to the Government of the Republic of Turkey for regularly hosting the COMCEC Meetings every year since its inception. He also expressed his hope that this Session would significantly contribute to the economic and commercial cooperation among the OIC Member States.

12. He stated that the implementation of the Ten-Year Programme of Action would reinforce the implementation of the OIC Plan of Action and vice versa.

In this regard, the Secretary General emphasized the cotton initiative as an example of successful cooperation. H.E. the Secretary General stated that the adoption of the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) signified a new era in the efforts of OIC Member States to expand intra-OIC trade. In this connection, he also indicated that the OIC Ten-Year Programme of Action mandated COMCEC to promote measures for increasing intra-OIC trade to 20% by 2015. Finally, he concluded by emphasizing the need to sign OIC Agreements in the field of economic and commercial cooperation.

(A copy of the address of H.E Prof. Dr. Ekmeleddin İHSANOĞLU, Secretary General of the OIC is attached as Annex 3).

13. The Heads of Delegation of the State of Qatar, the Republic of Cameroon and the Islamic Republic of Iran made statements on behalf of the Arab, African, and Asian groups of Member States, respectively. Extending their thanks to the Republic of Turkey for the hospitality extended to the delegates on the occasion of the 22nd Session of the COMCEC, they stressed the importance of the signing and ratification of the Protocol on the Preferential Tariff Scheme that was adopted by the Special Session of the Trade Negotiating Committee and thereafter opened to the signature of the Member States by the 22nd Session of the COMCEC. They also stressed the role of the COMCEC in the development of the African Member States of the OIC. They stated that the OIC Community has sufficient financial and economic resources which, if mobilized through enhancing cooperation among themselves, could contribute to raising living standards within the Community. They also thanked OIC Secretary General H.E. Prof. Ekmeleddin İHSANOĞLU, OIC General Secretariat, COMCEC Coordination Office and relevant OIC institutions for their intense efforts for further enhancing cooperation among the Member Countries.

14. H.E. Dr. Ahmed Mohammed ALI, the President of the Islamic Development Bank, also addressed the Opening Session. H.E. ALI gave a summary of developments on the various activities of the IDB. The President informed the audience that IDB has maintained its long-term credit rating of AAA and short-term of A1+ for the fifth consecutive year.

(The text of the Statement of the President of IDB is attached as Annex 4).

15. H.E. Shaikh Saleh Bin Abdullah KAMEL, the President of the Islamic Chamber of Commerce and Industry (ICCI), also made a statement, in which he mentioned the new mechanisms introduced by ICCI to energize and enhance cooperation among private sectors in Islamic countries and indicated that over 30 percent of the 10-year plan of the Islamic Chamber and Industry had already been favorably realized.

(The text of the speech of the President of ICCI is attached as Annex 5).

16. Following the Opening Ceremony, H.E. Ahmet Necdet SEZER received the Heads of Delegation.

Ministerial Working Session

17. The Ministerial Working Session of the Twenty-second COMCEC was held on 23 November 2006, under the Chairmanship of H.E. Assoc. Prof. Abdiillatif ŞENER, Deputy Prime Minister and Minister of State of the Republic of Turkey.

18. At the beginning of the Session, in a special ceremony, the Islamic Development Bank and the Islamic Conference Youth Forum for Dialogue and Cooperation signed a MoU for Cooperation.

19. The Session adopted the Draft Agenda of the Twenty-second Session of the COMCEC.

(The Agenda of the Session is attached as Annex 6).

20. An Exchange of Views on "Capacity Building on Facilitation of Trade and Investment" was held under agenda item 10. H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey and the Chairman of the Senior Officials Meeting, made a brief presentation regarding the outcome of the deliberations of the senior officials on "Capacity Building on Facilitation of Trade and Investment".

(The text of presentation of H.E. Dr. Ahmet TIKTIK is attached as Annex 7).

21. In the Exchange of Views Session, the Heads of Delegation of the Kingdom of Saudi Arabia, the Kyrgyz Republic, Republic of Uganda, Islamic Republic of Iran, Great Socialist People's Libyan Arab Jamahiriya, State of the United Arab Emirates, Tajikistan, Hashemite Kingdom of Jordan, Malaysia, Palestinian National Authority, Republic of Cameroon, Republic of Gambia, Republic of Lebanon, Republic of Maldives and the Turkish Republic of Northern Cyprus made presentations on capacity building on facilitation of trade and investment in their respective countries.

(Country reports on the subject submitted in writing are available separately).

22. The Session then adopted Resolution OIC/COMCEC/22-06/RESÜ) and Resolution OIC/COMCEC/22-06/RES(2),

(Resolution OIC/COMCEC/22-06/RES(1) and Resolution OIC/COMCEC/22-06/RES(2) are attached as Annexes 8 and 9. Within the context of the Resolution (1);

- Recommendations of the Workshop on "Capacity Building on Facilitation of Trade and Investment" is attached as Annex 10).

23. The Session also adopted the Report OIC/COMCEC/22-06/Sc.Rep. of the 9th Sessional Committee, which was held on 20 November, 2006.

(The Report OIC/COMCEC/22-06/Sc.Rep. of the Sessional Committee is attached as Annex 11).

Closing Session

24. The Closing Session of the Twenty-second Session of the COMCEC was held on 24 November 2006 under the chairmanship of H.E. Assoc. Prof. Dr. Abdüliatif ŞENER, Minister of State and Deputy Prime Minister of the Republic of Turkey.

25. At the beginning of the Session, H.E. Syed Iftikhar Hussain SHAH, Ambassador of the Islamic Republic of Pakistan to Turkey and Rapporteur of

the COMCEC, presented the Resolutions adopted at the Ministerial Session. In his presentation, H.E. SHAH summarized the proceedings of the Session and highlighted important points of agreement contained in the resolutions.

26. H.E. Mr. Tori LIMANGANA, Assistant Secretary General for Economic Affairs read out a statement on behalf of His Excellency Prof. Ekmeleddin IHSANOGLU, OIC Secretary General. In his statement, H.E. the Secretary General referred to the successful conclusion of the First Round of Trade Negotiations conducted among the member states of the Trade Negotiating Committee (TNC) under the Framework Agreement on the Trade Preferential System among OIC Member States (TPS-OIC). H.E. the Secretary General stated that the commencement of the first meeting of the Second Round of Trade Negotiations of the Trade Negotiating Committee (TNC) signified a new initiative towards the efforts of OIC Member States to increase intra-OIC trade to the level of 20 percent in ten years as stipulated for in the OIC Ten-Year Programme of Action. H.E. Prof. IHSANOGLU concluded by strongly urging the Member States of OIC that had not yet done so to sign and ratify the OIC Agreements as soon as possible.

(The text of the Message by H.E. Prof. Dr. Ekmeleddin IHSANOGLU, is attached as Annex 12).

27. H.E. Mr. Ahmat Mahamat ZENE, Minister of the Social Action and the Family of the Republic of Chad made a statement on behalf of all participating Member States, in which he thanked H.E. Ahmet Necdet SEZER, the President of the Republic of Turkey, and H.E. Assoc. Prof. Abdülİatif ŞENER, Deputy Prime Minister and Minister of State of the Republic of Turkey, the OIC General Secretariat, and all parties concerned for their contribution to the work of the Session.

28. H.E. Assoc. Prof. Abdülİatif ŞENER, Deputy Prime Minister and Minister of State of the Republic of Turkey, also made a closing statement at the Session. H.E. Assoc. Prof. ŞENER emphasized the positive role of the allocation of significant resources to trade financing for the increase of intra OIC-trade in recent years. He stressed that apart from trade financing, some other measures need also to be taken such as the establishment of the trade preferential system and other trade facilitation measures. In this regard, H.E. ŞENER underlined the importance of the OIC Preferential Tariff Protocol

ŞENER underlined the importance of the OIC Preferential Tariff Protocol (PRETAS) and shared his hope that the PRETAS's signature and ratification process will be accelerated by the second round and that this important agreement will come into force as soon as possible.

29. H.E. Assoc. Prof. ŞENER also expressed his appreciation for the adoption of "the OIC Cotton Cooperation Action Plan" during the Session and thanked everyone who had contributed to the preparation of the Plan. He concluded his statement by conveying his feelings of deepest thanks to all delegations and OIC institutions, COMCEC Coordination Office, organizers and interpreters for their valuable contribution to the 22nd Session of the COMCEC.

(The text of the Closing Statement of H.E. Assoc. Prof. Abdiillatif ŞENER is attached as Annex 13).

30. A signing ceremony was held at the Closing Session. During this ceremony, the Heads of Delegation of the State of the United Arab Emirates, Republic of Cameroon and People's Republic of Bangladesh signed the Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS). The Heads of Delegation of State of the United Arab Emirates, Republic of Yemen and Republic of Gambia signed the Statute of Standards and Metrology Institute for the Islamic Countries (SMIIC).

ANNEXES

ANNEX

1

Original: English

**LIST OF PARTICIPANTS
OF THE TWENTY SECOND SESSION OF THE COMCEC
(Istanbul, 21 - 24 November 2006)**

A. MEMBER STATES OF THE OIC

ISLAMIC REPUBLIC OF AFGHANISTAN

- H.E. Dr. MOHAMMAD JALIL SHAMS
Minister of Economy
- Mr. ABDUL QUDUS KHALIL
Director, Ministry of Foreign Affairs

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

- H.E. SMAIL ALLAOUA
Ambassador of Algeria to Turkey
- Mr. ABDELHAMID BELAHDA
Sub-Director, Ministry of Commerce
- Mr. LARBI LATROUCHE
Consul General in Istanbul

REPUBLIC OF AZERBAIJAN

- Mr. NİYAZI SAFAROV
Deputy Minister of Economic Development
- Mr. PERVIZ GADIMOV
Consul of the General Consulate of Azerbaijan in Istanbul
- Mr. ELSEM MEMMEDZADE
Head of Section, ministry of Economic Development

KINGDOM OF BAHRAIN

- Mr. HASAN JASIM RABIAH
Head of International Affairs
Ministry of Finance
- Mr. FOUAD SALMAN AL-MAAWADA
First Secretary at International Organization Dept.
Ministry of Foreign Affairs
- Mr. SHAIKH FERAS A. AL KHALIFA
Senior Economist Ministry of Finance

PEOPLE'S REPUBLIC OF BANGLADESH

- H.E. Major General REZAQUL HAIDER
Ambassador of Bangladesh to Turkey

BRUNEI DARUSSALAM

- H.E. DATO PADUKA HAJI ADNAN BIN HAJI ZAINAL
Ambassador of Brunei Darussalam in Abu Dhabi
- Mr. MOHAMMED HAKASHAH BIN HAJI ABDUL SAMAD
Special Duties Officer, Ministry of Foreign Affairs and Trade

REPUBLIC OF CAMEROON

- H.E. Mrs. AMA TUTU NUMA
Secretary of State, Ministry of Commerce
- H.E. Dr. MOHAMADOU LABARANG
Ambassador of Cameroon in Saudi Arabia,
Permanent Representative by the OIC
- Mr. M. HAYATOU OUMAROU
Chargee de Mission, Prime Minister's Office
- Ms. MBAJON MARTHE CHANTAL
Chargee de Mission, Presidency of the Republic
- Mrs. BOUBAKARI T.MBUR ANNE
Sub-Director of OIC, Ministry of External Relations
- Mr. BOUBA AOUSSINE
Sub-Director for the Commercial Exchanges,
Ministry of Commerce
- Mr. MOHAMADOU LAWAL
Ministry of Economy and Finance

REPUBLIC OF CHAD

- H.E. AHMAT MAHAMAT ZENE
Minister of the Social Action and the Family
- Mr. OUMAR ABDERAMANE
Head of Division of Foreign Trade,
Ministry for the Trade and Handicrafts
- Mr. MOUSSA AHMAD TADJADINE
Division of Economic and Financial Relations,
Ministry of Foreign Affairs
African Integration and the International Co-operation

REPUBLIC OF COTE D'IVOIRE

- H.E. ADOM KACOU HOUADJA LEON
Deputy Minister
- H.E. HAMZA SALLAH
Ambassador to Kingdom of Saudi Arabia,
Permanent Representative to OIC
- Mr. M. LOWA BEUGRE ABRAHAM
Deputy Director of Trade Exchanges,
Ministry of Commerce

ARAB REPUBLIC OF EGYPT

- H.E. RASHEED MOHAMMED RASHEED
Minister of Trade and Industry
- Mr. SAYED ELBOUS
Advisor of Minister of Trade and Industry
- H.E. OMAR METWALLY
Ambassador of Egypt to Turkey
- Mr. YASER MOHAMED ATEF
Minister Plenipotentiary,
Consulate General in Istanbul
- Mr. MOHAMED SALAMA
Minister Plenipotentiary,
Consulate General in Istanbul
- Ms. ABEER KAMAL
Vice Consul Commercial,
Consulate General in Istanbul
- Mr. SHERIF SEIF

Third Secretary in Egyptian Embassy

REPUBLIC OF THE GAMBIA

- H.E. SUSAN WAFFA OGOO
Secretary of State (Minister) for Trade, Industry and Employment
- H.E. LAMIN KITI JABANG
Ambassador to Kingdom of Saudi Arabia
- Mr. A. K. SECKA
Deputy Permanent Secretary,
Department of State for Finance and Economic affairs

REPUBLIC OF GUINEA

- Mr. SENY CAMARA
Head of Section, Directorate of Commerce and Concurrence
Ministry of Trade
- Ms. BARRY AISSATOU SOW
Head of Section, Charge of OIC to Ministry of Foreign Affairs

REPUBLIC OF INDONESIA

- Mr. RIZAR INDOMO NAZAROEDIN
Director for Bilateral and Multilateral Cooperation
Investment Coordination Board
- Mr. TOTO WASPODO
Charge d'Affaires, Embassy Indonesia

- Mr. PURNOMO AHMAD CHANDRA
Deputy Director International Organization of Developing Countries
Ministry of Foreign Affairs
- Mr. MUHAMMAD SENANG SEMBIRING
Director for Trade and membership Affairs
Jakarta Stock Exchange
- Mr. WIBISONO
Chief Economic Analyst, Bank Indonesia
- Mr. KAHFI ZULKARNAEN
Senior Economic Analyst, Bank Indonesia
- Mr. HARRIMAWAN
Deputy Director, license AMPM
- Ms. ANDANTE WIDI ARUNDHATI
First Secretary for Economic Affairs,
Indonesian Embassy in Ankara
- Mr. ROCHMANA MAS WINATA
Head of Section for Trade and Department
Ministry of Trade
- Mr. PUDJIYANTO
Head of Section for Bilateral Cooperation,
Ministry of Trade
- Mr. ANDRE NORMAN AKB AR
OIC Desk Officer
Ministry of Foreign Affairs

ISLAMIC REPUBLIC OF IRAN

- H.E. Dr. DAVOOD DANESH GAF ARI
Minister of Economic Affairs and Finance
- H.E. GHOLAMREZA BAGHERII MOGHADDAM
Ambassador of Iran to Turkey
- Mr. MOHAMMED KHAZAEI
Deputy Minister of Economic Affairs and Finance and President of OIETAI
- Mr. GOOLMOHAMMED ILYASI
Parlamenter
- H.E. MOSTAFA SARMADI
Deputy Minister of Commerce for International Affairs
- Mr. SEYED KAMAL YASINI
Consul General in Istanbul
- Mr. ABOLGHASEM BAYYENAT
Senior Expert from Plenipotentiary Trade
Representative Office, Ministry of Commerce
- Mr. AKBAR GHAREMANI
Head of Department, Ministry of Economic Affairs and Finance

- Mr. MASUME HAGGANI
Expert, Ministry Economic Affairs and Finance
- Mr. HOSEIN ALIZADEH
Ministry of Foreign Affairs
- Mr. IBRAHIM HEIDARPOOR
Security

REPUBLIC OF IRAQ

- H.E. Dr. ABDULFALAH AL-SOUDANI
Minister of Trade
- H.E. SABAH J. OMRAN
Ambassador of Iraq to Turkey
- Mr. MUHANAD AHMED SALEH
Director General for Foreign Economic Relations,
Ministry of Trade
- Mr. ABDULHADI KADHUM A-HIMYARI
Director of Developing Private Sector Department
Ministry of Trade
- Mr. MAYTHEM WAHAB HASSAN
Superintendent in the COMCEC Section,
Ministry of Trade
- Ms. BAYDA KAREEM ABDULSADI
Personel Secretary,
Ministry of Trade
- Ms. HENA HABIB KADHIM
Assistant of the Secretary at the Minister's Office
- Mr. HANAA TABIR
Secretary of Minister

HASHEMITE KINGDOM OF JORDAN

- H.E. MUNTASER OKLAH
Secretary General, Ministry of Industry and Trade
- Mr. NIDAL AL-ABBADI
Foreign Trade Policy and Relations Department,
Ministry of Industry and Trade

REPUBLIC OF KAZAKHSTAN

- Mr. ABUTALIP AKHMETOV
Consul General in İstanbul
- Mr. GANI BEKENOV
Ass. Consul General in Istanbul

STATE OF KUWAIT

- H.E. BADER MISHARI AL-HUMAIDHI
Minister of Finance

- H.E. ABDULLAH AL-DUWAIKH
Ambassador of Kuwait to Turkey
- Mr. ISHAQ ABDELGANI ABDULKARIM
Director, International Economic Cooperation Department,
Ministry of Finance
- Mr. MISH'AL AL-ARDHI
Head of OIC Affairs Section
- Mr. RAED AL-THERBAN
Vice Consul at the Consulate General in Istanbul
- Mr. BARAAQ AL-MUBARAKI
Assistant Director of H.E. Minister's Office
- Mr. WALEED BADER ALQENALE
Controller, Minister's Office Department,
Ministry of Finance
- Mr. SAAD MOHAMMAD AL-RASHIDI
Economic Researcher,
Ministry of Finance
- Mr. SALEM AL-BATHER
Economic Researcher,
Ministry of Finance
- FAISAL AL-BAKR
Diplomatic Attache at the Consulate General in Istanbul

KYRGYZ REPUBLIC

- H.E. MEDETBEK KERIMKULOV
Minister of Trade, Industry and Tourism
- Mr. ERMEK MAMYRKALIEV
Secretary General of the Ministerial Apparatus and Advisor to the Minister

REPUBLIC OF LEBANON

- H.E. GEORGES SIAM
Ambassador of Lebanon to Turkey
- Mr. Dr. TANNOUS AOUN
Consul General in Istanbul
- Mr. MALEK ASSI
Head of External Trade Department,
Ministry of Economy and Trade
- Mr. HUSSEIN EL HADI
Advisor to the Minister of Economy and Trade

GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

- H.E. ALTAIB ALSSAFI
Secretary of People's General Committee for Economy, Trade and Investment (Minister)

- H.E. MOUHAMMED ALMANGOUSH
Secretary of Libya People's Bureau in Ankara
- Mr. JUMA MOHAMED RAHUMA
Head of International Organization Department,
General Directorate of Foreign Trade
People's General Committee for Economy, Trade and Investment
- Mr. ASSADK ALFITOURU
Consellor and Responsible of Centres and Establishment Economic Islamic in Islamic Department at
the Secretary of People's General Committee for Foreign Laisons and International Corporation
- Mr. MOHAMED ABDULKADIER
Manager, General Directorate of Customs
- Mr. HOUSAIN ALHAMROUNI
From Secretary of People's General Committee for Economy, Trade and Investment
- Mr. MOHAMED MAHMOUD AL-AYYAN
General Directorate Economy Relations,
People's General Committee
- Mr. KHALID MOHAMED AL-NAAS
General Directorate Islamic Relations,
The Standing Committee for Economic and Commercial Cooperation

MALAYSIA

- Dr. REBACCA FATIMA STA MARIA
Deputy Secretary General
Ministry of International Trade and Industry
- Ms. JALILAH BABA
Deputy Director General
Malaysian Industrial Development Authority (MIDA)
- Ms. ZAIREEN OMAR
Assistant Director
Ministry of International Trade and Industry
- MR. IDZHAM ABDUL HAMID
Trade Commissioner,
Malaysian External Trade Development Corporation (MATRADE)
- Ms. HANUM AMRAN
Charge d' Affaires, Embassy of Malaysia

REPUBLIC OF MALDIVES

- H.E. MOHAMED JALEEL
Minister of Economic Development and Trade
- Mr. MOHAMED HUSSELN MANIK
Managing Director, State Trading Organization
- Ms. ABDULLA THAWFEEQ
Deputy Director, International Trade Policy,
Ministry of Economic Development and Trade

REPUBLIC OF MALI

- H.E. NAKOUNTE DIAKITE
Ambassador of Mali in Riyadh
- Mr. AHIMIDI DAOUDA SAMAKE
Counselor, Embassy of Mali
- Ms. SANGARE NIAMOTO BA
Ministry of Economy and Finance

KINGDOM OF MOROCCO

- H.E. MUSTAPHA MECHAHOURI
Minister of Foreign Trade
- Mr. MOHAMED CHAKIB BENELMALIH
Economic Counsellor to Turkey in Ankara
- Ms. HANANE BENYSSEF
Counsellor Minister of Foreign Trade

REPUBLIC OF MOZAMBIQUE

- Ms. ANA MARIA RAQUEL ALBERTO
Permanent Secretary of Ministry of Industry and Trade
- Ms. CERINA BANU MUSSA
Director of International Relations,
Ministry of Industry and Trade
- Mrs. ODETE TSAMBA
Deputy Director Of Commerce
Ministry of Industry and Trade

FEDERAL REPUBLIC OF NIGERIA

- H.E. ADAMU AJUJI WAZIRI
Ambassador of Nigeria to Turkey
- Mr. AHMED D. MANZO
Minister at the Embassy of Nigeria in Riyadh

SULTANATE OF OMAN

- H.E. Dr. ABDULMALIK AL-HINAI
Undersecretary for Economic Affairs,
Ministry of National Economy
- H.E. MOHAMMED BIN NASSER AL-WOHAIBI
Ambassador of Oman to Turkey
- Mr. SULTAN RASHID AL-QATBI
First Secretary, Oman Embassy, Ankara
- Mr. AL - MOATASIM BIN HILAL AL-HOSNI
Economic Researcher, Ministry of National Economy

ISLAMIC REPUBLIC OF PAKISTAN

- Mr. NASIM QURESHI
Additional Secretary
Ministry of Commerce
- H.E. Lt. General (Retd.) SYED IFTIKHAR HUSSAIN SHAH
Ambassador of Pakistan to Turkey
- Mr. SHAUKAT ALI KHAN
Deputy Secretary, Ministry of Commerce
- Mr. MURAD ASHRAF JANJUA
Consul, Consulate General of Pakistan, Istanbul

STATE OF QATAR

- H.E. YOUSEF HUSSAIN KAMAL
Minister of Finance and Acting Minister of Economy and Commerce
- H.E. ABDUL RAZZAK AL ABDULGHANI
Ambassador of Qatar to Turkey
- Mr. SAOUD JASSEM AL-JUFERY
Director of Economic Affairs Department,
Ministry of Economy and Commerce
- Mr. AHMED SALEH AL-MOHANNADI
Head of Arab and Islamic Economic Affairs,
Economic Affairs Department,
Ministry of Economy and Commerce
- Mr. HASSAN ABDULLAH AL-MOHANNADI
Economic Specialist,
Ministry of Economy and Commerce
- Dr. MOHAMED ISHTEYE
Ministry of Economy and Commerce

PALESTINIAN NATIONAL AUTHORITY

- H.E. Dr. MOHAMMAD ISHTEYE
Advisor of President of Palestinian National Authority
- H.E. NABIL MAAROUF
Ambassador of Palestine to Turkey
- Mr. ABDELKARIM ALKHATIB
Economic Department, Palestine Embassy in Ankara

KINGDOM OF SAUDI ARABIA

- H.E. Dr. HASHIM BIN ABDULLAH BIN HASHIM YAMANI
Minister of Industry and Trade
- H.E. Dr. MOHAMED RAJA AL HUSSAINI
Ambassador of Custodian of the Two Holy Mosques to Turkey

- H.E. ABDULLAH AL HAMOUDI
Deputy Minister for Foreign Trade,
Ministry of Commerce and Industry
- Mr. ABDULLAH BIN ABDULWAHAB AL-NAFISAH
Director General of Foreign Trade,
Ministry of Commerce and Industry
- Mr. KHALID BIN ISMAIL AKBAR
Commercial Attache in Turkey
- Dr. MOHAMMED BIN ABDULRAHMAN AL SHAMMARI
International Economic Relations Department,
Ministry of Foreign Affairs
- Mr. NASSER BIN MOHAMMED AL MUTLAQ
Senior Specialist,
Ministry of Finance
- Mr. ABDULLAH BIN MOHAMMED AL-LAHEM
Economy Specialist at the Ministry of Finance
- Mr. LALAL BIN AHMAD AL-AMIR
Secretary of H.E. the Minister of Commerce and Industry
- Mr. BAKHEET MOHAMMED M. AL ZAHRANI
Office of Deputy Minister for Foreign Trade
Ministry of Commerce and Industry
- Mr. HUSAYN BIN EID AL RASHEED
Economy Specialist, Ministry of Commerce and Industry
- Mr. ABDULGADER ALMAZROA
Ministry of Foreign Affairs

REPUBLIC OF SENEGAL

- H.E. M. BABACAR CARLAOS MBAYE
Ambassador of Senegal to Turkey
- Mr. MBAGNICK NIANG
Director of Marketing and Sales

REPUBLIC OF SIERRA LEONE

- H.E. HAJA ALARI COLE
Ambassador of Sierra Leone to Iran
Accredited to the Republic of Turkey
- Mr. HAJA MEMUNATI M. KOROMA
Deputy Minister of Social Welfare and Children

REPUBLIC OF SUDAN

- H.E. SELMAN SULEIMAN ELSAFI
State Minister of Foreign Trade

- Mr. GAFFER ELRAYAH ALI
Director General of International Relations,
Ministry of Foreign Trade
- Mr. ABDELGADIR ABDALLA MOHAMED
Councillor, Sudan Embassy in Ankara

SYRIAN ARAB REPUBLIC

- H.E. Dr. AMER HUSNI LUTFI
Minister of Economy and Trade
- Ms. RIMA KADRI
Director of International Relations,
Ministry of Economy and Trade

REPUBLIC OF TAJIKISTAN

- H.E. ZAID SHEROVICH SAIDOV
Minister of Industry

REPUBLIC OF TUNISIA

- H.E. MONDHER ZENAIDI
Minister of Commerce and Handicrafts
- H.E. GHAZI JOMAA
Ambassador of Tunisia to Turkey
- Ms. BECHIRA LEJMI
Head of Division, Ministry of Trade and Handicrafts
- Mr. KHALED SALHI
Economic Counsellor, Embassy of Tunisia in Ankara

REPUBLIC OF TURKEY

- H.E. Assoc. Prof. Dr. ABDÜLLATİF ŞENER
Minister of State and Deputy Prime Minister
- Dr. AHMET TIKTIK
Undersecretary of State Planning Organization
- Mr. LÜTFİ ELVAN
Deputy Undersecretary of State Planning Organization
- Mr. ZEYNETTİN KASIMOĞLU
Deputy Secretary General of State Planning Organization
- Mr. MEHMET VEHBİ GÜNAN
Director General of Restructuring,
Ministry of Industry and Trade
- Mr. ASIM ARAR
Deputy Director General,
Ministry of Foreign Affairs

- Dr. TALAT ŞENTÜRK
Deputy Director General,
General Directorate of Agricultural Production and Development,
Ministry of Agriculture and Village Affairs
- Mr. ATILLA GÖKHAN KIZILARSLAN
Head of Department, Under secretariat of Foreign Trade

Mr. MEHMET ALİ ERKAN
Head of Department, Under secretariat of Foreign Trade
- Mr. ALİ MURAT BAŞÇERİ
Advisor for Foreign Affairs, President's Office
- Mr. HÜSEYİN ÜZÜLMEZ
Deputy President of Union of Chambers of Commerce & Exchange of Turkey
- Ms. ŞULE YILDIRIM
Head of Department, Export Promotion Center of Turkey
- Mr. VURAL ÇEKİNMEZ
Head of Section, Export Promotion Center of Turkey
- Mr. ALİ ÇEVİK
Expert, Under secretariat of Treasury
- Mr. AHMET M. YENER
Expert, Under secretariat of Foreign Trade
- Mr. ORHAN ÇAKIROĞLU
Expert, Under secretariat of Foreign Trade
- Ms. NURSEN COŞAR
Assistant Manager, Export Credit Bank
- Mr. CANER SANNAV
Deputy Expert, Under secretariat of Foreign Trade
- Mr. MURAT ALTUN
Inspector, Ministry of Industry and Trade
- Mr. HASAN DEMİRCİ
Expert, Union of Chambers of Commerce & Exchange of Turkey

Sessional Committee

- Assoc. Prof. Dr. YUSUF BALCI
President of Turkish Patent Institute
- Mr. MEHMET ÇAĞLAR
Deputy Director General, Ministry of Energy
- Mr. HAYRİ BEYGÜ SOLMAZ
Acting Manager of Technology Development Center,
Middle East Technical University (METU),
Small and Medium Industry Development Organization of Turkey
- Prof. Dr. YUSUF SUAT HASÇİÇEK
Director, TURKSAT

- Mr. TAMAY ÖZSOY
Head of Department, Turkish Patent Institute
- Ms. FUSÛN ATASOY
Head of Section, Turkish Patent Institute
- Doç. Dr. F. SANCAR OZANER
Advisor, The Scientific and Technical Research Council of Turkey
- Mr. MEHTİ EMER
Engineer, Ministry of Energy
- Mr. KADRİ YAVUZ ÖZBAY
Expert, Turkish Patent Institute
- Dr. TARIK ÖZKUL
Director, TURKSAT
- Dr. HALİT KAPLAN
Director, TURKSAT
- Mr. CEVDET COŞKUN AYDIN
Advisor, TURKSAT
- Mr. AYHAN DOĞAN
Advisor, TURKSAT
- Mr. SAHABETTİN KUTLU
Assistant Expert, TURKSAT
- Mr. YAŞAR KELEŞ
Assistant Expert, TURKSAT

REPUBLIC OF UGANDA

- H.E. FRED JACHAN OMACH
Minister of State for Finance, Planning and Economic Development (General Duties)
- Mr. J. C. OGOL
Senior Finance Officer/Counsel
- Mr. NURH BYARUFU
Counselor OIC Desk, Foreign Affairs
- Mr. YUSUF ATIKU ABDALLA
Senior Principal Economist, Bank of Uganda

STATE OF THE UNITED ARAB EMIRATES

- H.E. ABDALLAH AHMAD AL - SALIH
Deputy Minister, Ministry of Economy
- Mr. WALEED FALAH AL - MANSOURY
Director General of UAE Commission for Specifications & Standards
- Dr. KHALID AHMAD MUHAMMAD AL-MULLA
Minister Plenipotentiary at the Organizations &
International Conferences Administration

- Mr. OMAR AHMAD AL-MAHRAMY
Expert at the Ministry of Economy
- Mr. ESSA ABDULLA MASSOUD
Consul General in Istanbul
- Mr. SULTAN SAEED AL-MUHAIRI
Directorate of Customs

REPUBLIC OF UZBEKISTAN

- H.E. ULFAT KADYROV
Ambassador of Uzbekistan to Turkey
- Mr. NADIR HASHIMOV
Commercial Counsellor, Uzbekistan Embassy

REPUBLIC OF YEMEN

- H.E. Dr. KHALED RAJEH SHEIK
Minister of Industry and Trade
- H.E. HISHAM SHARAF ABDULRAHMAN
Deputy Minister of Planning and International Cooperation
- Mr. ABDULWALI ABDULLAH AL-AGEL
Advisor to Minister of Planning and International Cooperation
- H.E. NORIA ABDULLA AL-HAMAMI
Ambassador of Yemen to Turkey
- Mr. JELAL MOHAMED MOULA
Director General of Regional and International Organization,
Ministry of Planning and International Cooperation
- Mr. ABDULQADER AHMED AL-HARITHY
Director General of Commercial and Industrial Registration,
Ministry of Industry and Trade
- Mr. ABDULMALEK ABDULGHANI ALAGHBARI
Undersecretary at the Embassy of Yemen in Ankara
- Mr. BANDAR ABUDULLAH AL-ERYANI
Third Secretary, Ministry of Foreign Affairs

B. OBSERVERS

BOSNIA-HERZEGOVINA

- Mr. NUSRET CANCAR
Ambassador at Large to the Ministry of Foreign Affairs
- Mr. TINJAK HAMDO
Secretary of the Ministry of Foreign Trade and Economic Relation

RUSSIAN FEDERATION

- Mr. DOKU G. ZAVGAYEV
Deputy Minister of Foreign Affairs
- Mr. VENIAMIN V. POPOV
Ambassador at the Ministry of Foreign Affairs
- Mr. RINAT S. GUBAYDULLIN
Assistant to the Chairman of Budget Committee
(Russian Federation Assembly)
- Mr. D. K. ZYKOV
Russian Embassy in Ankara
- Mr. DENIS A. KLYUKIN
Second Secretary, Ministry of Foreign Affairs

TURKISH REPUBLIC OF NORTHERN CYPRUS

- H.E. ENVER ÖZTÜRK
Minister of Economy and Tourism
- Mr. GÜLTEKİN BOĞAÇHAN
Acting Undersecretary of Ministry of Economy and Tourism
- Ms. NERGİS AVCI
Expert, Ministry of Economy and Tourism
- Mr. HASAN SARICA
Coordinator, President's Office
- Mr. FERİDUN KEMAL FERİDUN
Director of Economic, Cultural and Social Affairs Department
Deputy Prime Ministry and Ministry of Foreign Affairs
- Mr. CANEV OKTAY
Head of Social Planning Department,
State Planning Organization, Prime Ministry

C. GUEST

REPUBLIC OF MACEDONIA

- Mr. ZORAN PETROV
Acting Minister of Foreign Affairs
- Mr. ILYAZ SABRIU
Deputy Undersecretary, Ministry of Foreign Affairs
- Mr. YANI BOGOEVSKI
Deputy Secretary General, Ministry of Foreign Affairs
- Mr. IGOR POPOV
Consul General in Istanbul

P. THE OIC GENERAL SECRETARIAT

- H.E. Prof. Dr. EKMELEDDİN İHSANOĞLU
Secretary General
- H.E. TORI LIMANGANA
Assistant Secretary General for Economic Affairs Department
- H.E. Ambassador THIerno NABIKA DIALLO
Advisor to the Secretary General for Economic Affairs
- H.E. CHEIKH OUMAR T. SOW
Director General for Economic Affairs Department
- Mr. ALBARAA TARABZOUNI
Professional Officer in Economic Affairs Department
- Mr. NAGHIJABBAROV
Professional Officer in Economic Affairs Department
- Mr. AMANUL HACQ
Assistant to H.E. the Secretary General

E. OIC SUBSIDIARY ORGANS

STATISTICAL, ECONOMIC AND SOCIALRESEARCH AND TRAINING CENTER FOR ISLAMIC COUNTRIES (SESRTCIC)

- Dr. SAVAŞ ALPAY
Director General
- Mr. Z. İLHAN UĞUREL
Advisor
- Dr. MEHMET BARCA
Advisor
- Mr. YAKUP KARACA
Senior Researcher
- Mr. NABIL DABOUR
Senior Researcher

ISLAMIC CENTER FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. ALLAL RACHDI
Director General
- Mr. EL HASSANE HZAINÉ
Director Studies of Training Department
- Mr. AYMEN KACEM
In Charge of Trade Promotion

ISLAMIC RESEARCH CENTER FOR HISTORY ART AND CULTURE (IRCICA)

- Mr. HALİT EREN
Director General

- Ms. ZEYNEP DURUKAL
Head, Corporate Research
- Mr. MUHAMMED TEMIMI
Head, Cultural Heritage
- Mr. ZELİH MARUF

ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)

- Prof. Dr. Md. FAZLI İLAHI
Vice - Chancellor

F. SPECIALIZED ORGANS OF THE OIC

ISLAMIC DEVELOPMENT BANK (IDB)

- H.E. Dr. AHMED MOHAMED ALI
President, IDB Group
- Dr. SELİM CAFER KARATAŞ
IDB Executive Director
- Mr. ABDUL AZIZ M. AL-KELAIBI
Director, Cooperation Office
- Mr. N. NAJIB HUSAIN
Deputy Director, Trade Finance & Promotion Department
- Mr. EL MANSOUR FETEN OULD BABAHI
Advisor, Office of the President
- Mr. AHMED ABDULWASIE
Operation Officer, Cooperation Office
- Mr. SALEH JELASSI
IDB, WTO Officer
- Mr. MUSTAFA WADI
Press Officer, Bank Secretariat

G. AFFILIATED ORGANS OF THE OIC

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- H.E. SHAIKH SALEH BIN ABDULLAH KAMEL
President, ICCI
- Ms. ATTIYA NAWAZISH ALI
Assistant Secretary General
- Ms. AALA DULIMY
Incharge Media

ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

- Mr. OSMAN EL-AMİN ELHAG
Director Cabinet

THE ASSOCIATION OF NATIONAL DEVELOPMENT FINANCING INSTITUTIONS (ADFIMI)

- Mr. NURİ BİRTEK
Secretary General

H. OTHER INTERNATIONAL INSTITUTIONS

GULF COOPERATION COUNCIL (GCC)

- Mr. MUHAMMED BIN ALI AL-RASHEED
Head of Department of International Organization and Regional Cooperation

ECONOMIC COOPERATION ORGANIZATION (ECO)

- Mr. MUSTAFA DEMİREZEN
Deputy Secretary General

FEDERATION OF CONSULTANTS FROM ISLAMIC COUNTRIES (FCIC)

- Mr. IZZAT SAJDI
President, Jordan
- Dr. YAHYAELSAIE
Vice President of Region, Egypt
- Mr. MONCEF BOUSSABAH
Vice President of Region, Tunisia
- Mr. PAPA AMADOU CISSE LO
Vice President of Region, Senegal
- Mr. LEVENT GELGİN
Vice President of Region, Turkey
- Mr. FAISAL AL SHAWAF
Vice President of Region, Saudi Arabia
- Mr. KHAJA MOINUDDIN
Vice President of Region, Pakistan
- Mr. SYED M. ADNAN ALHABSHI
Vice President of Region, Malaysia
- Dr. TOURADJ AMIRSOLEYMANI
Vice President of Region, Iran
- Mr. DATUK HJ. ZAKARIA HASHIM
Immediate Past President, Malaysia
- Ms. ELIFYONAT
Secretary General, FCIC

FEDERATION OF ISLAMIC COUNTRIES' CONTRACTORS (FICC)

- Mr. ABDERRAHIM LAHJOUI
President
- Mr. ABDELHAMID BENAMAR
Director General

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

- Mr. CELAL ARMANGİL
Director of UNIDO Centre for Regional Cooperation in Turkey
- Mr. LALITH GOONATILAKE
Officer in Charge TCB

DEVELOPING EIGHT (D- 8)

- H.E. Ambassador KIA TABATABAEE
Director
- Ms. AYŞE KESKİNKILIÇ
Foreign Trade Expert

WEST AFRICA ECONOMIC AND MONETARY UNION (WAEMU)

- Mr. ALAIN FAUSTIN BOCCO
Director of Commerce and Competition

J. COMCEC COORDINATION OFFICE

**General Directorate of Foreign Economic Relations,
State Planning Organization of the Republic of Turkey**

- Mr. FERRUH TIĞLI
Acting Director General,
Head of COMCEC Coordination Office
- Mr. BAŞAK KAYIRAN
Expert, Press Relations
- Mr. EBUBEKİR MEMİŞ
Expert, Coordinator for Organization
- Mr. METİN EKER
Expert, Coordinator for Drafting
- Mr. FATİH ÜNLÜ
Coordinator for Drafting
- Mr. NAZIM GÜMÜŞ
Coordinator for Protocol
- Mr. ALP TOLGA ŞİMŞEK
Expert, Drafting
- Mr. GÖKTEN DAMAR
Assistant Expert, Drafting

- Mr. ALİ İŞLER
Assistant Expert, Drafting
- Mr. SELÇUK KOÇ
Assistant Expert, Drafting
- Ms. SEMA HİMA
Coordinator of Documentation
- Ms. BİGE HAMURDAN
Assistant Coordinator of Registration Office
- Ms. BİLGE GÜLLÜ
Coordinator of Registration Office
- Ms. ŞERİFE MENĞİ
Executive Secretary
- Mr. SAKİR DİLSİZ
Assistant Coordinator of Documentation
- Mr. KEMAL ARSLAN
Coordinator of Meeting Rooms
- Ms. İLKNUR ARABACI
Executive Secretary

J. PROTOCOL SERVICES

- Mr. SADİ ALTINOK
Head of Department, Ministry of Foreign Affairs

**L. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS
OF THE STATE PLANNING ORGANIZATION**

- Mr. YAŞAR GÜLSOY
Head of Department
- Mr. MEVLÜT YAŞAR
Coordinator of Transport Relations
- Mr. NURETTİN AYDIN
Accommodation Relations
- Mr. TAYFUR YÜKSEL
Protocol Relations
- Mr. CAFER ERDOĞAN
Treasurer
- Mr. SEYİT AMBARKÜTÜK
Technician

ANNEX

2

Original: Turkish

**INAUGURAL ADDRESS OF H.E. AHMET NECDET SEZER,
PRESIDENT OF THE REPUBLIC OF TURKEY AND
CHAIRMAN OF COMCEC
AT THE OPENING SESSION
(Istanbul, 23 November 2006)**

Ministers,
Distinguished Secretary-General,
Distinguished Delegates,

I am pleased to be with you again on the occasion of the 22nd Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference. Welcome to Turkey; and I sincerely greet you all

The COMCEC Meeting of this year is the last COMCEC meeting during my term of office as President. COMCEC has laid the groundwork for the development of our economic and commercial relations 22 years ago. Our trade-enhancing efforts produced concrete results in this period with the help of COMCEC activities, and the volume of trade among OIC member states, which was around 10 %, has exceeded 14 %. I would like to thank all member states that substantially contributed to these efforts, and allocated considerable resources for the financing of trade among Islamic countries as well as in the first place to the Islamic Development Bank, the General Secretariat of OIC, and all related institutions for their contributions.

The Framework Agreement of Trade Preferential System For Islamic Countries entered into force, and the first round of trade negotiations has been successfully completed in this period as well. At the end of the first round, the Protocol on Preferential Tariff Scheme that forms a concrete step forward in the preferential trade among OIC member states, and foresees certain tariff reductions submitted for signature. So far the Protocol has been signed by 7 countries; one of them has ratified it. I would like to invite all member states

concerned to sign and ratify PRETAS so that this significant agreement will promptly enter into force, and the trade preferential system becomes operational. In this respect, the second round of trade negotiations that will begin tomorrow with the participation of the Ministers of the member states of the Trade Negotiating Committee will be an important step to this end.

Honorable Ministers,
Distinguished Delegates,

It is estimated that the global economy which has grown by 4, 9 % in 2005, will grow by 5, 1% in 2006. Also an increase in world trade of 8, 9 % is foreseeable in 2006 compared to 7, 4 % in 2005.

The OIC member states widely benefited from the growth in world economy. While the share of OIC member states in global economy was 4, 6 % in 2001, it exceeded 5 % in 2004. It is estimated that this increase is expected to continue in the coming period.

Despite these positive developments, the steady problem of foreign debt, international tensions, security issues, whirlwind financial crisis, and the practices of developed countries that create unfair competition in world trade impede the development of developing countries and of least-developed countries of which our countries are also a part.

Honorable Ministers,
Distinguished Delegates,

At this COMCEC Meeting, the ten- year Program of Action of the Organization of the Islamic Conference which will contribute to the economic and commercial cooperation among our countries, the trade preferential system, capacity building to alleviate poverty, measures to enhance trade and developments regarding World Trade Organization will be discussed.

It is accepted that there is a direct relation between economic growth through free trade mechanisms and welfare. The World Trade Organization, which assumes an important role in the liberalization of world trade, is now comprised of 150 members. Out of 57 members of the Organization of the Islamic Conference, 39 had acceded to the World Trade Organization; and 12

member countries of the Organization of the Islamic Conference are in the process to be a member.

Agriculture as a source of living for half of the world population, maintains its importance in bilateral and multilateral negotiations of the World Trade Organization. In this respect, annual agricultural subsidies of 380 billion USD given to the US and European Union producers is among the main issues that have been frequently discussed in the World Trade Organization and this had from time to time brought the negotiations to a deadlock.. This situation leads to unfair competition on world market, causes harm to farming producers in developing countries and least-developed countries; and due to excessive production, natural resources are rapidly depleting.

We hope that methods acceptable to all sides will be arrived at regarding this and similar problems with the contribution of OIC member states.

Honorable Ministers
Distinguished Delegates

At this Meeting, exchange of views will take place at the Ministerial level concerning "capacity-building on facilitation of trade and investment". It is estimated that the total off-shore capital flow in the world has reached approximately 6 billion USD in 2004. The direct foreign investment reached the record level of 1 trillion 400 billion USD in 2000, but afterwards it decreased significantly, and in 2005 the total direct foreign capital investment reached again 900 billion USD. At the same time international trade is steadily increasing. Trade constitutes approximately 30% of the total world production, it is estimated that this rate will amount to 50% by 2020.

Effective trade regulations require regular investments and provide significant resource accumulation for investments. Exchange of views regarding the facilitation of trade and investment that are directly related to each other will contribute to transferring savings in our countries into effective investments, to improving environment for investment and to building capacity to promote the flow of foreign capital into our countries.

Turkey as an important point of attraction for foreign capital is ready to share its knowledge and experiences with the OIC member states.

Honorable Ministers
Distinguished Delegates

It is our primary target to provide convenient working conditions for the private sector and to put into practice the projects on the agenda as soon as possible by constituting the infrastructure and the framework of regional cooperation on public level with COMCEC activities. Joint efforts and contributions of all OIC member states and related institutions in developing cooperation among member states and in upgrading the efficiency of COMCEC are important.

Members of the OIC have major differences regarding development levels and almost 30% of the population of OIC member states is in least-developed countries. Technical assistance is especially needed in the latter for the improvement of infrastructure and poverty alleviation, and in many areas from industry to agriculture. To this effect the Turkish Agency for Cooperation and Development has increased its technical assistance to OIC member states recently. I therefore invite the OIC member states to further extend their technical assistance to other member states.

Honorable Ministers
Distinguished Delegates,

Negotiations on Turkey's accession to EU are underway. The screening procedure was successfully completed, and in some Chapters, significant progress has been achieved. The deep-seated moral, historical, and cultural ties between Turkey and OIC Member States enrich our efforts to join the European Union. On the other hand, we hope that the membership of Turkey to EU will better provide opportunities to our relations with the Islamic countries.

Turkey believes that an effective regional cooperation is the key to international peace, stability and welfare. Turkey attaches importance to its relations with Islamic countries, and in this regard it will continue to support the Organization of the Islamic Conference and the COMCEC activities.

Honorable Ministers,
Distinguished Delegates,

I would like to refer in brief to some political issues of interest to the Organization of Islamic Conference.

The Organization of the Islamic Conference strongly calls for putting an end to all restrictions and isolations of Turkish Cypriots in all areas since 2004. The determined position of the Organization of the Islamic Conference was once again vigorously displayed at the Meeting of Foreign Ministers in Baku in June this year.

We expect from the member states to proceed with the implementation of decisions in order to promote respect for and credibility of the Organization of the Islamic Conference before the international community. We thank all member states that have taken strides in this direction.

Unfair punishment inflicted upon the Turkish Cypriots should be terminated since their will regarding peace and reconciliation had been reflected in the referendum held on 24 April 2004, and their positive attitude had been recorded in the report of Secretary General of the United Nations on 28 May 2004. Integration of the Turkish Cypriots with the world must not be held up and their fight for equality, which is internationally accepted, should be supported. Their relations with the world should be developed in all areas with particular emphasis on direct transport, trade, tourism, culture and sports .

Honorable Ministers
Distinguished Delegates,

We follow up with concern the developments in Iraq, our important neighbor for the balance of power in the Middle East where the security situation is worsening and sectarian violence is escalating.

We wish that a democratic, transparent, and well governed state of Iraq which safeguards its territorial integrity and political unity and lives in peace with its people and neighbors will be established. To this end, we will keep up our assistance to all ethnic and religious groups in order to institutionalize democracy in Iraq.

The Organization of the Islamic Conference also supports efforts towards the realization and protection of lasting peace and stability in Iraq and in our region. In this respect, we took note as a positive development the declaration calling for halting violence following the meeting of Iraqi leaders of Sunnite and Shiite groups in Mecca Mukarama on 19-20 October 2006 that took place on the initiative of OIC in the bid to stop inter-sectarian violence, one of the main obstacles to achieving stability in our neighborly Iraq. We hope that this meeting and the call for peace that followed it will get response by factions in Iraq, and will help curb violence in this country.

Another issue of concern in Iraq is the future status of Kirkuk. It is of our opinion that the referendum to be held at the end of 2007 to determine Kirkuk's status in accordance with the constitution will be disputable due to bringing in population to Kirkuk, and this will further aggravate the problem. We believe that the status of Kirkuk should be determined with a formulation that has no time pressure and on which all Iraqi groups will compromise instead of a compulsory referendum. We think that the UN will take a more active role in this connection.

Honorable Ministers,
Distinguished Delegates,

The year 2006 heralding high hopes for the reactivation of the Middle East Peace Process, witnessed, contrary to all expectations, negative developments. Following the election of the Palestinian Legislative Council held on 25 January 2006 and in the light of post-election developments, the executive authority of the Palestinian National Government has been limited, sufferings of the Palestinian People furthered, and ambiguity overran the peace process. The escalation of violence in Gaza Strip this summer spread to Lebanon where an all out war broke out. The war on Lebanon claimed lives and caused destruction on a large scale. It also resulted in the displacement of one fourth of the population.

Security Council resolution no 1701 adopted unanimously upon initiative of the international community and OIC member states as well as countries in the region, served to bring fighting to a stop.

At this point, I would like to express my deep sorrow on the heinous assassination of Pierre Cemayel, Minister of Industry of Lebanon.

I would also like to express my feelings of indignation at this attack on peace and stability in Lebanon and present my condolences to Pierre Cemayel's family as well as to the Lebanese people.

Honorable Ministers,
Distinguished Delegates,

Current developments indicate once again that problems in the Middle East are interrelated and at the heart there exists the Palestinian problem. At the same time it becomes clear that outstanding political problems cannot be settled militarily, and unilateral initiatives will not contribute to lasting security and stability.

Despite unstable conditions in the region, a more constructive approach that would put forward dialogue and compromise must be encouraged. In this respect it is necessary to launch a comprehensive initiative that will help revive Middle East peace process and that will deal with the root causes of regional problems.

Turkey supports the settlement of the Palestinian-Israeli conflict on the basis of United Nations resolutions and the Roadmap and in accordance with the principle of the two-states living side by side, within secure and recognized borders. In this regard, Turkey will keep up its constructive efforts.

Honorable Ministers,
Distinguished Delegates,

I wish your valuable contributions within the framework of the 22nd. Session of COMCEC will be useful for our states in the pursuit of common welfare and peace. I would like to express my best wishes to you all.

ANNEX

3

Original: English

**STATEMENT BY H.E. PROF. DR. EKMELEDDİN İHSANOĞLU
SECRETARY GENERAL OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE AT THE INAGURATION OF THE
22ND SESSION OF THE STANDING COMMITTEE FOR ECONOMIC
AND COMMERCIAL COOPERATION
(COMCEC)**

(Istanbul, 23 November 2006)

Bismillahi Arrahmani Arrahim

In the Name of Allah, Most Compassionate, Most Merciful

Your Excellency, Mr. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC,

Excellencies, Ministers,
Distinguished Delegates,
Ladies and Gentlemen,

Assalamu Aleykum Wa Rahmatullahi Wa Barakatuh.

It is a great pleasure for me to take part in the 22nd Session of the Standing Committee for Economic and Commercial Cooperation. Let me at the outset express my deep appreciation to His Excellency Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the Standing Committee for Economic and Commercial Cooperation (COMCEC), for his kind support and keen interest in the activities of the Organization of the Islamic Conference and the COMCEC in particular as well as to the government and people of the Republic of Turkey for sponsoring COMCEC and regularly hosting its Sessions every year in a professional manner. Thanks also go to the organizers for the traditional warm welcome and generous hospitality extended to all delegations since their arrival in this beautiful and historic city of Istanbul. The COMCEC under the wise leadership of His Excellency the President of the Republic of Turkey, has made important contributions to the strengthening of the economic and commercial cooperation amongst the OIC Member States.

Mr. Chairman,
Honorable Ministers,
Distinguished Delegates,

Today's Session of the COMCEC has a special significance since it is being held after the 3rd Extraordinary Session of the Islamic Summit Conference, held in Makkah Al Mukarramah, Kingdom of Saudi Arabia, in December 2005, at the invitation of His Majesty the Custodian of the Two Holy Mosques, King Abdullah Ibn Abdulaziz, Sovereign of the Kingdom of Saudi Arabia. The Makkah Al Mukarramah Extraordinary Summit mainly focused on the challenges facing the Islamic world and adopted a practical programme titled: "OIC Ten-Year Programme of Action". This programme provides an opportunity for the Islamic world to overcome these challenges.

The Extraordinary Summit of Makkah Al-Mukarramah invited the Member States to strengthen their economic and commercial cooperation with a view to accelerating their sustainable development, combating poverty, and meeting the challenges of the globalization. The Makkah Summit particularly underlined the necessity of enhancing commercial exchanges among the Member States and, in this context, decided to push up intra-OIC trade from 14% in 2005 to 20% by 2015.

The Programme, also aimed inter alia, to establish a special fund within the IDB for poverty alleviation. The Programme also decided to promote activities aimed at achieving economic and social development in African Countries and adopted to this end a special programme for the development of Africa. I would like to mention that this issue is one of our top priorities.

In this connection, I would like to convey my deep appreciation to the Government of Turkey and Malaysia for demonstrating solidarity with the Least Developed Countries (LCDs), particularly in Africa, and developing and enhancing excellent relation with them. I would like to commend the Turkish initiative, namely "African Development Strategy (ADS)" and the Malaysian initiative of Capacity Building Programme for Poverty Alleviation. These programmes aim at contributing to the economic development, particularly in

Africa, and reducing poverty in OIC least developed Member States, through developing trade and economic cooperation with them and capacity building in these countries.

Mr. Chairman,
Honorable Ministers,
Distinguished Delegates,

Recently, Turkey hosted, in close cooperation and financial support from the Islamic Development Bank (IDB), the Third Experts Group Meeting (EGM) on Cotton in Antalya, on 8-13 October 2006. In the same token the Second EGM Meeting on Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries was held in Izmir, Republic of Turkey, on 28-30 March 2006. These Meetings worked out an Action Plan to develop more practical ways and means to enhance cooperation among member states in the area of cotton producing and trade. I am confident that these efforts will bring closer cooperation between the cotton exporting and importing Member States with a view to reducing volatility of the international cotton price and eliminating its adverse effects on the producing countries. I call on Member States to give due consideration to the Action Plan for the OIC Cotton Producing Countries' Cooperation Development Strategy which is submitted for the consideration at the 22nd Session of the COMCEC.

I call on the Islamic Development Bank to take the lead for establishing special windows or funds for financing cotton sector in partnership with some member states and international or regional institutions. It would also be important to ensure that exporters, consultants and contractors from OIC member countries will have priority in providing supplies, equipments or services for such financings.

We were personally gratified with the successful conclusion of the First Round of Trade Negotiations conducted among the participating States under the Framework Agreement on the Trade Preferential System among OIC Member States (TPS-OIC). The First meeting of the Second Round of Trade Negotiations of the Trade Negotiations Committee (TNC), will be held on the sidelines of this COMCEC Session, in Istanbul, on 24-26 November 2006. I would like to avail this opportunity to express my profound gratitude to the

Republic of Turkey for successfully organizing these trade talks in Antalya and the IDB for contributing to the financing of this Round.

The adoption of the Protocol on the Preferential Tariff Scheme for TPS OIC (PRETAS) at the 21st Session of the COMCEC in November 2005 signified a new era in the efforts of the OIC Member States to expand intra-OIC trade.

I am happy to note that the protocol on the preferential Tariff scheme (PRETAS) to implement the TPS-OIC has been successfully concluded. However, I am concerned that only six of the 17 participating countries so far signed the PRETAS. I note that it has been almost a year since Trade Negotiators of the participating member countries concluded the PRETAS. But the requirement for a minimum number of ten participating countries to ratify the instrument has not yet been met. This is preventing the protocol from being implemented.

I would therefore appeal to the participating member countries which have not yet ratify the PRETAS to do so expeditiously. This is to enable the TPS-OIC to be implemented as soon as possible. The early implementation of the PRETAS is needed to boost intra - OIC trade and would act as a catalyst for non participating members to also take part in this preferential Tariff arrangement. In this context, I welcome the participation of the West African Economic and Momentary Union at the 22nd COMCEC sessions and the Second Round of Trade Preferential System among OIC member states. As we all know, the PRETAS can only bring economic benefits to the participating countries.

I believe that the launching of the Second Round of Trade Negotiations will immensely contribute to attain the 20 percent level of intra-OIC trade as stipulated by the OIC Ten-Year Programme of Action. I wish to express my thanks to the Government of Turkey for having kindly offered to host the second round of trade negotiations.

Moreover, there are several other Agreements and Statutes on economic matters, concluded with a view to promoting economic and commercial relations and exchanges among the Member States. Since my taking over as the Secretary General, I assigned great importance and priority to the signing and ratification of them, and during my contacts with the leaders of the Member

States, I always appealed to them to do so. Once again, I would like to reiterate the same to the Member States who have not yet signed and ratified these Agreements and Statutes, to do so at their earliest convenience.

As one of the priority areas of the OIC Plan of Action, tourism sector attracted great interest and commitment among the Member States in recent years. I would like to avail myself of this opportunity to express my thanks to the Government of the Republic of Azerbaijan for hosting the 5th Islamic Conference of Tourism Ministers in Baku on 11-12 September 2006, to the Kingdom of Saudi Arabia for hosting in collaboration with the IRCICA, first International Conference on Tourism and Traditional Crafts in Islamic Countries and associated activities, held in Riyadh, Kingdom of Saudi Arabia, on 7-14 November, 2006.

I would also like to express my appreciation to the Government of Turkey and ICDT for successful organization of the first Tourism Fair of the OIC Member States.

Mr. Chairman,
Honorable Ministers,
Distinguished Delegates,

My appreciation goes to the Islamic Development Bank (IDB) for its commendable role played in supporting the concrete projects which will contribute immensely to the economic development of the Member States. I would like also to extend my appreciation to other OIC subsidiary organs, specialized and affiliated institutions dealing with economic and commercial matters, namely the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), the Islamic Centre for Development of Trade (ICDT), the Islamic University of Technology (IUT), the Islamic Chamber of Commerce and Industry (ICO), the Organization of the Islamic Shipowners Association (OISA), the Federation of Consultants from OIC Member States and the Federation of Contractors from OIC Member States.

The OIC has embarked on a new era with the adoption of its Ten-Year Programme of Action at the Third Extraordinary Summit in December 2005. The effective implementation procedure of the various components of the Programme has brought our Organization to the attention of the key

international actors as well as earned recognition of its immense capabilities to contribute to world peace and prosperity. As the second largest intergovernmental organization, we have started and shall continue to work efficiently in order to adapt our Organization to the needs of the new millennium in parallel with the other international organizations of the same stature.

While concluding, I would like to express my conviction that the present Session of the COMCEC will produce effective and fruitful results. I wish the 22nd Session of the COMCEC a great success.

I thank you for your kind attention.

Wassalamu Alaikum Warahmatullah Wabarakatuh.

ANNEX

4

Original : Arabic

**TEXT OF THE STATEMENT
OF H.E. DR. AHMED MOHAMED ALI,
THE PRESIDENT OF THE ISLAMIC DEVELOPMENT BANK,
AT THE OPENING SESSION**

*In the name of Allah, the Beneficent the Merciful, and
prayer and peace be upon the noblest of all prophets and messengers,
and all his family and companions*

Your Excellency President Ahmet Necdet Sezer, President of the Republic of Turkey,
Chairman of the Standing Committee for Economic and Commercial Cooperation (COMCEC),
Your Excellency Prof. Ekmeleddin Ihsanoglu, Secretary-General of the Organization of the Islamic Conference,
Your Excellencies the Heads and Members of Delegations,
Brothers and sisters,

Assalamu Alaykum Warahmatullahi Wabarakatuh,

It is indeed a great honour to address your august assembly on this auspicious occasion on behalf of your institution, the Islamic Development Bank (IDB) to express my sincere gratitude and appreciation to the President, Government and people of the Republic of Turkey for the warm welcome and generous hospitality offered to the IDB delegation, for their support and backing of the works of your esteemed committee, and for the noble care which has contributed , with Allah's grace, in the success of the previous meetings of your august committee and the achievements made at the economic and commercial levels in favour of our Member Countries and all the peoples of our Muslim Ummah.

Our thanks goes also to the Secretariat of COMCEC for inviting the IDB to participate in this consequent meeting which we pray that Almighty God will crown with success.

Excellency Mr. President,

The brilliant proposals and apposite ideas included in your exhaustive speech before this significant forum will guide this meeting to reach constructive results and recommendations that will help strengthen the bonds of economic cooperation among the Member States.

I wish also to hail the exhaustive speech made by my dear brother Prof. Ekmeleddin Ihsanoglu, the Secretary-General of the Organization of the Islamic Conference, for its all-encompassing vision of the reality of joint Islamic action and the unprecedented challenges facing the process of cooperation among Member States. It is a matter of great pride and satisfaction that your institution, the IDB, is part of this blessed system providing support for its efforts to promote Islamic solidarity in all fields, on top of which is joint Islamic action.

Excellency Mr. President,
Excellencies,
Brothers and sisters,

The present session of your august committee is held amid successive changes and developments that surround our Islamic Ummah and have a direct impact on the economies of our Member States. This makes it necessary for us to reconsider the journey of our Member States' joint Islamic economic action, and to firmly establish the concept of economic cooperation and complementarity among them, which requires the joining of efforts at all levels and doubles the responsibility placed on your august committee in order to come up with a common conception about the appropriate measures and recommendations to accompany these developments.

The agenda of the present session is replete with numerous decisive and consequent issues aimed at energizing, promoting and advancing joint economic and commercial action. On top of these issues is the promotion and increase of trade among Member States in conformity with the resolutions of the Third Extraordinary Session of the Islamic Summit Conference held in Makkah al-

Mukarramah on 7-8 December 2005, which had as a result the adoption of the OIC Ten-Year Programme of Action.

Your institution, the Islamic Development Bank, is eager as it has always been to participate and contribute effectively and positively to this blessed process. The Bank has contributed since Phase I to the preparation of the Joint Plan of Action for the Promotion of Economic and Commercial Cooperation among Member States, including its contribution to the complementary mechanism for accelerating the implementation of the Plan of Action and all the recommendations made by your august committee regarding issues of concern to the Bank.

Excellency Mr. President,
Excellencies,
Brothers and sisters,

In line with the mandate of the Third Extraordinary Islamic Summit Conference within the framework of the Ten-Year Programme of Action to Meet the Challenges Facing the Muslim Ummah in the Twenty-First Century, with regard to support for the Islamic Development Bank, the IDB Board of Governors has adopted numerous important resolutions in this regard, including in particular the approval of increasing the Bank's authorized capital to 40 billion US dollars and the subscribed capital to around 21 billion US dollars. The Board also decided to establish the Poverty Alleviation Fund with resources amounting to 5 billion US dollars, and officially announced the establishment of the International Trade Finance Corporation (ITFC) with representatives of 43 IDB Member States signing the articles of association of the Institution with an authorized capital of 3 billion US dollars and a subscribed capital of 500 million US dollars. The establishment of this institution comes in response to the initiative of the Kingdom of Saudi Arabia relative to the promotion of commercial exchange among OIC Member States launched by the Custodian of the Two Holy Mosques King Abdullah Ibn Abdelaziz at the Tenth Islamic Summit Conference in Malaysia, in accordance with the proposal of the State of the United Arab Emirates made during the 29th Annual Meeting of the IDB Board of Governors held in Tehran (JumadaI1426H).

The new institution will carry out all the trade financing activities of the IDB Group under the same umbrella as the only body in charge of trade financing. This institution aims to:

- Promote and facilitate intra-OIC trade using Islamic Shari'a-compliant methods.
- Develop and diversify Shari'a-compliant financial methods and products in the area of trade financing.
- Facilitate Member States and institutions' access to world capital markets.
- Energize and develop investment opportunities, and strengthen Member States' capacities in the area of placement.
- Provide technical assistance and training to local banks in Member States in trade financing-related economic areas.
- Provide consultancy services to Member States and institutions regarding issues related to their fundamental objectives.

Excellency Mr. President,
Excellencies,
Brothers and sisters,

I would like to avail myself of this opportunity to shed light briefly on some IDB contributions in this regard and its achievements since 1975 through its various programmes and windows which have become a landmark in the process of joint Islamic action with God's grace and thanks to the support and backing of your august committee for the Bank's efforts which materialized in numerous initiatives including, for instance, the establishment of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) and other valuable initiatives, which illustrates the outstanding role and laudable efforts that your august committee has been making to strengthen the role of the Bank and advance it. The best witness of this is the international rating obtained by the Bank for the fifth consecutive year from Standard and Poor's, one of the renowned international credit risk rating agencies. The AAA rating has been confirmed for the long term and A1+ for the short term. This is the highest credit rating within the category of multilateral risk-free development banks. Besides, the IDB obtained recently, for the first time (on 31/6/2006), the highest credit rating from MOODY'S, another

international rating agency based in New York, one of the firmly established international agencies concerned with the rating of credit risks. The IDB obtained AAA for the long term and P-1 for the short term, which offers a new addition to the Bank's standing.

Aware of the importance of promoting trade among Member States and of resource mobilization, and for the purpose of financing trade operations, the Bank has adopted the amended guidelines for collective financing and *murabaha* financing over two phases. Also, there has been an increase in approved amounts and the components of the currency basket. In addition, it has now become possible to utilize the mobilized resources through these two formulas to finance the inputs from a variety of incoming sources. The amount of 24.12 billion US dollars has been credited between 1397 and 1426H within the framework of the Bank's four financing windows. For this purpose, about 1.72 billion US dollars has been credited for the year 1426H.

On the other hand, trade financing has been included as one of the six priorities which will enable the IDB Group to achieve its strategic goals during the coming five years. The cumulative total amount credited by the Bank until the end of 1426H for the financing of projects, technical assistance and trade operations amounted to 47.8 billion US dollars for the funding of 4980 operations, in addition to the amounts credited in the early months of the year 1427H. The cumulative financing total credited by the IDB Group amounted to date to about 49 billion US dollars.

Excellency Mr. President,
Excellencies,
Brothers and sisters,

As you know, your august committee's meeting is held in concomitance with the launching of the second round of trade negotiations for the establishment of the Trade Preferential System among OIC Member States. In this connection, it gives me great pleasure to inform you that the Bank has agreed to help finance this round as was the case in the first round. Expressing its appreciation to the Republic of Turkey for hosting the two sessions, the Bank urges and appeals to the States that have not done so to sign and ratify this Agreement to diligently

complete the necessary procedure for participation in this round for the good interest of the peoples of the Muslim Ummah. I call upon them also to enforce the provisions of the agreement at the earliest convenience. The Bank will continue to provide moral and financial support for the success of this round and other rounds in the future.

In line with the resolution adopted by your august committee in its 21st meeting, the Bank organized at its headquarters in Jeddah on 26-28 June 2006 a seminar on capacity-building in the facilitation of trade and investment with the participation of 15 Member States, the OIC General Secretariat, some relevant OIC institutions and experts from international organizations. The report and recommendations of the seminar put at your disposal in the three official languages of the Bank (Arabic, English and French) will be the subject of discussion during the working session on the exchange of views in this regard in this session of your august committee. The Bank, like the other institutions of the Organization, will participate in the implementation of the recommendations made in this regard and will ensure a close follow up on this implementation as a customary practice.

Excellency Mr. President,
Excellencies,
Brothers and sisters,

The Islamic Development Bank takes great pride in the close cooperation with your august committee. As you know, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) has been established upon the direction of your august assembly. This institution celebrates at the IDB Headquarters in Jeddah its tenth anniversary as it continues its steady endeavour to fulfil its mission of supporting the flow of Member States' exports and the attraction of investments.

The purpose of this institution was to contribute to the promotion of cooperation among Member States and the expansion of trade exchanges among them, and to encourage investment flow through insurance against risks. This institution has enjoyed continuous support from your august assembly since its creation ten years ago. Its activities have continued to grow since 1426H;

insurance obligations in the first half of 1427H reached 736 million US dollars. New insurance obligations have increased by 70% to reach 808 million US dollars, and the actual insurance turnover was raised by 83% to amount to 618 million US dollars; thus total insurance obligations have reached 2, 4 billion US dollars, whereas the actual total insurance turnover was put at 1, 4 billion US dollars.

The Institution is currently set to implement the Investment Promotion Technical Cooperation Program (ITAP) aimed at capacity-building of national investment promotion institutions in member states in cooperation with international institutions concerned such as the United Nations Industrial Development Organization (UNIDO), the World Bank Group-affiliated Multilateral Investment Guarantee Agency (MIGA) and the Malaysian Industrial Development Agency (MIDA's).

From this solemn rostrum I appeal to member states that have not yet done so to accede to the Institution at the earliest convenience. I also seize this opportunity to confirm that the Institution is looking forward to your sustained support and effective assistance in the bid to step up its role in boosting joint investment and intra-OIC trade.

As part of the Bank's efforts in support of the private sector, it has put in place windows of finance to extend financial facilities notably the Islamic Institution for Private Sector Development established six years ago in 1420H - 1999AD. The number of member countries that signed the Framework Agreement is now (50), (44) of which ratified it to become full-fledged members in the Institution. The Bank, as it expresses its thanks and appreciation to member countries for their unfailing support to this vigorous institution, is in the hope of all member countries acceding to it, in the nearest time possible, for the private sector to stand the propitious opportunity of benefiting from its services.

The institution business had favourably grown at an accelerated rate during 1426H, having credited an amount of almost 176 million US dollars to finance 26 operations, thus accounting for an estimated increase of 67% compared to the amount credited in 1425H, therefore the cumulative amount of finance offered by the Institution to the private sector in member states ever since its foundation has

reached approximately 407 million US dollars funding 68 projects. The Bank also, in collaboration with your esteemed Committee, had organized the OIC Economic Conference that synchronised with the 20th COMCEC Meeting (held from 23-27 November 2004) and adopted important recommendations certain to consolidate joint Islamic action. Furthermore, the Bank contributed to financing activities performed within the context of the OIC functions to this effect.

Excellency Mr. President,
Excellencies,
Brothers and Sisters,

Successive developments of world economy in recent years have resulted in changes in the nature and realm of international trade dealings especially after the establishment of the World Trade Organization in 1995 that laid down fundamentals and principles of a multilateral trading system based on a group of rules and regulations thus contributing to the creation of new opportunities and challenges to a good many of countries including of course developing countries. This normally drew the necessity of gearing expertise and resources while giving access to active institutions in various fields of specialization, given the fact that the new trading system was not exclusively bound for facilitation of trade exchange among member states through reduced customs tariff similar to the situation under the General Agreement on Trade and Tariff (GATT), but was rather extended to cover more complicated issues such the protection of intellectual property, trade in services, technical aspects and investment measures as well as local production standards and sanitary and phyto-sanitary aspects.

Considering limited human and financial resources of numerous developing countries including member states and their meagre potential in the face of challenges barring their effective participation in this system, and in concert with the decisions of your august Committee and conscious of the importance of this matter, the IDB launched a Program for the extension of technical assistance to OIC member states (1997) on WTO issues, with a view to upgrading their human and institutional capacities and involving several activities such as training courses, seminars, workshops and study preparation while offering direct technical assistance to member states. In this perspective, the Bank has organised nearly 40 events. It has also provided a consultative platform through which viewpoints can

be exchanged and stances coordinated as much as possible regarding issues at stake on the agenda of OIC Ministerial conferences.

Excellency the President,
Excellencies,
Brothers and Sisters,

Based on faith in the significance of the initiative Malaysia had launched for the elaboration of an integrated program designed to building, strengthening and promoting capacities in member states and which takes credit of assuming a substantial role in expediting growth rates in member states by enabling them to share and benefit from each other's experiences in this regard, the Bank has kick-started coordination with Malaysia and a number of member states to tailor and implement model projects in Sierra Leone, Bangladesh, Mauritania, and Indonesia. A committee to undertake supervision of this Program has been formed. It held two meetings; the second, on 8-9 October 2005, took place at the Jeddah-based IDB headquarters. Follow up with candidate member states identified to benefit from this Program will be made during its second phase with the aim of fulfilling all relevant requirements in Guinea, Jordan, the Maldives, and Yemen where such projects will be credited in 2007. There is also the prospect of adding more projects in member countries. Further the Bank has participated in and contributed to the financing of the Forum on Expanding Trade and Investment in Cotton Sector in OIC Member States held in Ouagadougou, Burkina Faso (18-19 April 2005) as well as Expert Meetings on Enhancing the Productive Efficiency and International Competitiveness of Cotton-Producing Member Countries of the OIC, the last of which was the Third Meeting held in Anatolia Turkey (9-12 October 2006).

Excellency Mr. President
Excellencies,
Brothers and Sisters,

Your Institution, the Islamic Development Bank (IDB), is boastful of the fruitful and ceaseless cooperation with your esteemed Committee, and will, with Allah's grace, relentlessly proceed with its unfailing dedication towards the realization of aspired goals and the promotion of economic and commercial

cooperation among member states, while working together to address challenges and difficulties holding up economic growth in our member states.

Finally I wish you will allow me once again to express my deep thanks and gratitude to Your Excellency and to the government of your cherished country for the warm reception and generous hospitality not to mention excellent arrangements as habitual of your performance on such events. Appreciation and thanks also go to their Excellencies the Ministers for their robust support and backing to the IDB activities, to the General Secretariat of the OIC and relevant institutions for their sincere support and productive cooperation with the Bank Group.

I appeal to Allah to guide our steps towards His Benevolence and Contend to the best interest and the good of our member states and the peoples of our Islamic Ummah at large. May Allah the Almighty help you deliver success in your efforts He Being the All-Hearer and the All-Knower.

ANNEX

5

Original: Arabic

**TEXT OF THE SPEECH OF
H.E. SHAIKH SALEH BIN ABDULLAH KAMEL,
THE PRESIDENT OF THE ISLAMIC CHAMBER OF COMMERCE
AND INDUSTRY, AT THE OPENING SESSION**

(Istanbul, 23 November 2006)

His Excellency Ahmet Necdet Sezer
President of the Republic of Turkey
And President of the OIC Standing Committee
For Economic and Commercial Cooperation
Excellencies,
Ladies and Gentlemen,
Brothers and Sisters,

Thanks be to Allah first and foremost for the blessing He the Almighty has conferred on our times and efforts since we last met to render this period fruitful and healthy ever since the prime upsurge had been kick started with the Preparatory Committee Meeting comprising the Ummah's intellectual celebrities and ulamah in preparation of the Extraordinary Islamic Summit in Mecca Al Mukaramah. It was with Allah's grace that the OIC ten-year Program of Action tailoring the broad lines of the plan of the ICCI has been brought to light.

Accordingly and promptly the ICCI submitted its detailed plan to the 33rd Session of the Islamic Conference of Ministers of Foreign Affairs (ICFM) held in Baku Azerbaijan in June 2006 and with Allah's grace it had been adopted and member states and institutions concerned were invited to lend it support, to back its objects and purposes and to strengthen its related mechanisms to help it face up to its challenges represented in reduced economic development rates, poverty, unemployment, low rate of trade exchange and finally dwindling economic cooperation among OIC member countries, however the defiant ten-year plan was designed to redressing such challenges by setting out goals and mechanisms.

The 16 goals of the ICCI can be categorized as ethical, practical and general and arranged in the following order:

- Focus on the significance of the ethical side of commercial dealing for the bright image of the Muslim merchant to reappear to inspire confidence and assurance.
- Focus on means and ways of developing trade and investment among Islamic countries, enhancing labor and tourist exchange, and fostering scientific cooperation in the field of research and development of human resources while establishing intra-OIC information and media links and with all Western countries.
- Under general goals: The Islamic Chamber seeks to emphatically direct its activities towards the reinforcement and activation of relations with other international organizations, the enhancement of cooperation in the field of banking and the contribution to the settlement of trade disputes through arbitration.

To achieve these goals with the Help of Allah the Almighty, the Chamber, in its plan, has dedicated 12 mechanisms intended to energize latent roles in Islamic transactions, to employ legitimate resources in their humanitarian channels in consolidation of the economy of OIC member countries, to finance infrastructure projects, to provide windows of opportunity for businessmen to get together as part of a networking system to enable them to avail themselves of facilities and services offered by the Islamic Chamber mechanisms.

With Allah's Help the Chamber put forward its plan, classified into goals, challenges and mechanisms, to 12 esteemed Islamic leaders who all, thanks to Allah, blessed, encouraged and supported it, which prompts me to satisfactorily proceed with its presentation to the rest of our leaders in Islamic countries.

Parallel to this honor I had the pleasure of meeting with my brothers and colleagues the businessmen that amounted to 20 in number to seek their interaction of which I was virtually assured and confident they will consider the plan as their own and of course the Chamber as theirs.

It is important thus that the ten-year plan of action in all its details must be lent support and backing officially and privately to help it to develop into the Ummah's plan

because originally speaking it has been drawn up to the best interest and good of the Islamic nation.

Excellency the President,
Dear Brothers,

Allow me to regard November of this year as a distinctive month in the history of the Islamic Chamber of Commerce and Industry invoking Allah Shall Bequeath blessings and good on all our days,

It was only recently that we have signed the articles of association of the Istekhlaf Bank after the principle of Allah's appointing man as His vicegerent on earth with multi-resourced capital where administration shares had contributed 1 billion US dollars, public investment shares 10 billion US dollars, allocated shares 100 billion US dollars then come the bonds whereby inshallah tens of billions of dollars will be collected to be pooled in investment areas instead of being kept in safes in order to promote investment and open Islamic securities markets.

- With Allah's Support and Grace an announcement will be made on the 28th of this month about the institution of the World Zakaat Organization by H.E. Abdullah Al Badawi Prime Minister of Malaysia with a view to utilizing the concept of Zakaat as a medium of reinforcing economy in OIC member countries to emerge as a contemporary entity derived from the provisions of Al Sharia'a:
- Al Fakeihya relating to the Zakat injunction to highlight its interdependent social role and economic developmental dimensions as well as its distribution among its banks in accordance with a contemporary outlook ranging from:
- The village or the district to the city then the State and under its supervision and control.
- The OIC Businessmen Union has been established to provide networking opportunities to businessmen and meanwhile maximum benefit from facilities and services rendered by the Islamic Chamber of Commerce and Industry.
- In perspective of achievements, the Open Visa Agreement has been approved in favor of the business community by 10 Islamic countries and the rest are yet

to follow suit, whereas detailed procedures are underway to initiate the implementation process.

Excellency the President,
Brothers and Sisters,

As much as I am delighted to attest to achievements substantiated so far with regard to 4 of the plan mechanisms:

The Zakaat World Organization
ElIstakhlafBank
Businessmen Union
Approval of the Open Visa Agreement

That indicates over 30% of the 10-year plan of the Islamic Chamber of Commerce and Industry has favorably materialized.

I can foresee more good yet to come thanks to your esteemed Committee meeting here in Istanbul on the Turkish land vibrant over ages with the spirit of giving and accomplishment.

I reaffirm to your Excellencies that we in the private sector unequivocally admit that had it not been for Allah's Help in the first place and the support of our governments in OIC member states and the encouragement and guidance of their distinguished leaders, we would have waited longer to achieve less. We are in fact two supportive partners in connection with the fate of our Ummah and the development of our region. We share co-responsibility for the happiness of the entire world. Our Prophet, Sala Allah Aleih wa salam, had been the embodiment of mercy to all peoples and our religion complements and concludes all divine religions, it is the constitution of right, good and prosperity.

Therefore let us all continue to change in an age where people recognize but the strong and exclusively respect life makers who are sympathetic and close-knit and who are after their own good and the good of humanity.

*Peace and Allah's Mercy and Blessings be upon you
Al Salam Aleikom wa Rahmat Allah Wa Barakatuh*

ANNEX

6

Original: English

**AGENDA
OF THE TWENTY-SECOND SESSION
OF THE COMCEC
(Istanbul, 21-24 November 2006)**

1. Opening Session
2. Adoption of the Agenda
3. Review of the Implementation of the OIC 10-year Program of Action relating to the Economic Cooperation
4. Reports
 - i. Background Report on Economic and Commercial Cooperation
 - ii. Annual Economic Report
 - iii. Report of the 22nd Meeting of the Follow-up Committee of COMCEC
 - iv. Implementation of the Plan of Action: Report by the Sessional Committee
5. Expansion of Intra-OIC Trade
 - i. Annual report on Intra-OIC Trade
 - ii. Private Sector Meetings of Islamic Countries
 - iii. Trade Fairs of Islamic Countries
6. Activities on Establishing a Trade Preferential System among the OIC Member States (TPS-OIC)
7. Matters Related to the World Trade Organization Activities
8. Cooperation among the Stock Exchanges of the OIC Countries
9. Capacity Building Program for Poverty Alleviation in OIC Member States
 - Third Expert Group Meeting on "Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries"
10. Exchange of Views on "Capacity Building on Facilitation of Trade and Investment"
11. Matters Related to Economic Assistance to Some Islamic Countries
12. Any Other Business (Date of the Twenty Third Session of the COMCEC)
13. Adoption of the Report and Resolutions of the Twenty Second Session of the COMCEC
14. Closing Session

ANNEX

7

Original: English

**TEXT OF PRESENTATION BY H.E. DR. AHMET TIKTIK
UNDERSECRETARY OF STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY
AND CHAIRMAN OF THE SENIOR OFFICIALS MEETING
ON THE OUTCOME OF THE EXCHANGE OF VIEWS ON
"CAPACITY BUILDING ON FACILITATION
OF TRADE AND INVESTMENT"**

(Istanbul, 23 November 2006)

Mr. Chairman,
Excellencies,
Distinguished Delegates,

I would like to submit to the august house a summary of the deliberations made by the senior officials on the theme of this year's Exchange of Views, namely, "Capacity Building on Facilitation of Trade and Investment".

During their deliberations, the Senior Officials made the following useful recommendations:

Member countries are;

1. Urged to deal with tariff and non-tariff barriers by acceding to Framework Agreement on TPSOIC and PRETAS;
2. Encouraged to consider adoption of common positions, whenever possible, in international trade and FDI related debates;
3. Called upon to enhance cooperation in multimodal transport, trade and transit facilitation, and to become a party to international conventions relating to transport and trade facilitation;
4. Encouraged to support professional associations, to simplify enterprise formation procedures, to modernize customs, to ensure the efficient use of Information and Communications Technologies (ICT) and e-commerce, and to develop insurance services.

Member countries are also;

5. Invited to facilitate the free movement of business community within the Islamic Countries by issuance of multiple visas;
6. Recommended to encourage closer links between firms, universities and research institutions, and to focus more on SMEs and establish for them a favourable policy and regulatory framework;
7. Called upon to strengthen the capacity and efficiency of stock markets and open them to foreign investors;
8. Urged to strengthen capacity enhancement programs in collaboration with OIC institutions and to undertake training and awareness-raising activities in cooperation with relevant international organizations such as WTO, UNCTAD, OECD, World Customs Organization (WCO) and United Nations Centre for Trade Facilitation and Electronic Business (UN-CEFACT).

In this regard, establishment of a task force for follow-up of above mentioned recommendations is also advised.

Excellencies,
Distinguished Delegates,

The points of agreement and recommendations which came out of the discussions of the senior officials are briefly incorporated into the Draft Resolution Number One, which is already made available to you in three languages.

This completes my presentation on the outcome of this year's Exchange of Views Session, held at the level of Senior Officials.

Thank you.

ANNEX

8

Original: English

**RESOLUTION (1)
OF THE TWENTY-SECOND SESSION
OF THE COMCEC**

(Istanbul, 21-24 November 2006)

The Twenty-second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), held in Istanbul from 21 to 24 November 2006,

Recalling the relevant Resolutions of the OIC Summit Conferences and the Islamic Conferences of Foreign Ministers;

Recalling the Strategy and Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States of the Organization of the Islamic Conference, approved by the Tenth Session of the COMCEC and endorsed by the Seventh Islamic Summit Conference;

Taking into consideration the resolutions adopted at the previous Sessions of the COMCEC and the recommendations made at the Twenty-Second Meeting of its Follow-up Committee;

Considering the Declaration of the Third Extraordinary Session of the Islamic Summit Conference held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia from 6 to 7 Dhul Qaidah 1426H (7-8 December 2005);

Welcoming the adoption of the OIC Ten-Year Programme of Action to address challenges facing the Muslim Ummah in the 21st Century;

Noting that the OIC Ten-Year Programme of Action provides the Islamic Ummah with a new forward-looking vision that enables the Islamic world to address the challenges of the Twenty-first Century by leveraging on the collective will and Joint Islamic Action;

Reaffirming the commitment to remove all obstacles to foster closer economic and commercial cooperation among OIC Member States;

Having considered the current international situation and its economic and financial repercussions on the OIC Member States;

Taking into consideration the Resolution adopted at the Tenth Session of the COMCEC calling for organizing exchange of views sessions at the annual COMCEC sessions on important world economic developments concerning Member States;

Taking cognizance of the need to follow-up on the outcome of the exchange of views sessions and coordinate the positions of Member States in relevant international fora in the areas covered at these sessions;

Reaffirming the commitment of Member States to the strengthening of the intra-OIC trade through mutual economic cooperation and progressive trade liberalization for the development of economic and commercial infrastructure; and **recalling** the related decisions of the COMCEC that the subject be on its agenda as a permanent item;

Recognizing, in this respect, the need for enhanced cooperation and coordination among OIC Member States to ensure an increase in their share of the world trade, and to reach the target of increasing intra-OIC trade to 20% by the end of 2015 as contained in OIC Ten Year Program of Action.

Expressing its satisfaction for the entry into force of the Framework Agreement on Trade Preferential System among the OIC Member Countries (TPSOIC) and opening of the Protocol on the Preferential Tariff Scheme for the TPSOIC (PRETAS) for signature of the Member States after the successful inclusion of the First Round of Trade Negotiations as well as intense efforts and preparations for the launching of the Second Round.

Noting background and progress reports, working papers and studies submitted by the OIC General Secretariat, the COMCEC Coordination Office, the Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC), the Islamic Center for Development of Trade (ICDT), the Islamic Development Bank (IDB) and the Islamic Chamber of Commerce and Industry (ICCI) on the agenda items.

Appreciating efforts made by the OIC General Secretariat and the OIC institutions working in the area of economic and commercial cooperation, namely, the SESRTCIC, ICDDT, IDB, ICCI, Islamic University of Technology (IUT) and the Organization of Islamic Ship-owners Association (OISA), and **appealing** to Member States to give them the needed support and assistance and to meet their financial obligations to these institutions so that they may continue to perform their functions effectively.

I. Review of the Implementation of the OIC Ten-Year Programme of Action Relating to Economic Cooperation (Agenda Item 3)

OIC General Secretariat presented the recent developments on the implementation of the OIC Ten-Year Program of Action relating to Economic Cooperation.

Background Information

1. The OIC Ten-Year Programme of Action was adopted by the 3rd Extraordinary Session of OIC held on 7-8 December 2005.
2. All organs of the OIC met on March 5, 2006 and reviewed extensively the provisions of the OIC Ten Year Programme of Action. The meeting was also attended by the representatives of the three Standing Committees of the OIC, namely COMCEC, COMSTECH and COMIAC. The coordination meeting approved the Roadmap for implementation of the OIC Ten Year Programme of Action.
3. The 22nd Follow-up Committee of COMCEC recommended that the review of the implementation of the OIC Ten-Year Programme of Action be a permanent agenda item of COMCEC.
4. The 33rd Islamic Conference of Foreign Ministers (ICFM) held in Baku, Republic of Azerbaijan, in June 2006 emphasized that the Framework Agreement on the TPOIC and the PRETAS would be the basis for reaching the target of 20% intra-OIC trade.

Resolutions

1. **Calls upon** Member States to provide full political, moral and financial support for the implementation of the OIC Ten-Year Programme of Action.

2. **Takes** note with appreciation of the steps already taken by the Secretary General including the convening of a coordination meeting of OIC institutions for the implementation of the OIC Ten-Year Programme of Action;
3. **Also takes note** of actions already taken by the OIC General Secretariat as well as by the OIC institutions concerned for the implementation of the Programme;
4. Extends thanks to the Member States which have announced their contributions to the resources of the Fund for Poverty Alleviation, with special appreciation to the Custodian of the Two Holy Mosques, King Abdullah Ibn Abdulaziz Al Saud of Saudi Arabia for the generous contribution of 1 billion US Dollars in favor of this Fund; and the state of Kuwait which has announced a contribution of 300 million US Dollars to the fund and urges all the Member States, which have not yet done so, to announce their generous financial contributions in favor of this Fund.
5. **Requests** the IDB, in cooperation with the OIC General Secretariat and SESRTRIC, to prepare a report to be submitted to the 31st Session of the Islamic Commission for Economic, Social and Cultural Affairs, on ways and means to synergize the OIC Program for Development in Africa, the IDB Ouagadougou Initiative for Africa and the NEPAD Program.
6. **Calls upon** the OIC General Secretariat, the IDB, ICDT, ICCI, SESTRCIC and the relevant sub-regional African organizations to organize at the earliest convenience in West and Central Africa, meetings for the presentation of national, regional or sub-regional projects to be considered in the framework of the OIC Ten-Year Programme of Action and the programme emanating from the Ouagadougou Declaration initiated by the IDB in favour of Africa as well as the sectoral programmes concerning the expansion of trade and investments in the cotton sector in OIC African Member States.
7. **Welcomes** the offer of Burkina Faso to host one of these regional meetings.
8. **Requests** the OIC General Secretariat, IDB, ICDT, SESTRCIC and ICCI to organize a forum on ways and means of energizing trade and investment in food industry in Africa within the OIC Ten-Year Programme of Action.

9. **Requests** the OIC institutions to continue with their coordinated efforts for ensuring speedy and effective implementation of the OIC Ten-Year Programme of Action.

10. **Calls upon** the OIC institutions to set up their Plan of Actions and Programmes, with a view to achieving the goals put by the OIC Ten-Year Programme of Action and entrusts them to report to the annual sessions of the COMCEC and other OIC fora concerned.

11. **Urges** all Member States to announce their contributions to the increase in the IDB's subscribed capital decided by the IDB Board of Governors.

12. **Appreciates** the signing of the Agreement on the establishment of the International Islamic Trade Finance Corporation (ITFC) by 46 Member States, and appeals to the signatory States to expeditiously ratify the Agreement so that it may become operational, and to hold the first meeting of the General Assembly as soon as possible.

II. Reports

(Agenda Item: 4)

(i) *Background Report on Economic and Commercial Cooperation* **(Agenda Item: 4.i)**

The General Secretariat of the OIC presented the report on recent developments and various activities undertaken by the Member States of OIC in the field of economic cooperation.

Background Information

1. The Fifth Islamic Conference of Tourism Ministers was held in Baku, the Republic of Azerbaijan, on 9-12 September 2006.

2. The International Conference on Tourism and Handicraft was organized on 7-13 November 2006 in Riyadh, Saudi Arabia, jointly by the Supreme Commission of Tourism of the Kingdom of Saudi Arabia and the Research Centre for Islamic History Art and Culture (IRCICA).

Future Activities

1. The 6th Islamic Conference of Tourism Ministers will be held in Damascus in 2008.
2. The Expert Group Meeting on Tourism Development for the preparation of a Strategic Plan for Tourism Development of OIC member countries will be held in Turkey in the first quarter of 2007.

Resolutions

1. **Takes note** of the Background Report by the OIC General Secretariat on the progress achieved by Member States and the OIC institutions working in the field of economic and commercial cooperation.
2. **Recognizes** the importance of tourism as an area of cooperation among the OIC Member States and welcomes the commitment and interest of the OIC Member States in this area as reflected in the convening of five ministerial meetings in the field.
3. Urges the OIC Member States to actively participate in the Sixth Islamic Conference of Tourism Ministers to be held in Damascus in 2008 and also urges the Expert Group Meeting on Tourism Development to be held in Turkey in 2007 to prepare a Strategic Plan for the Tourism Development of OIC member countries.
4. **Recognizes** the importance of the cotton sector for the economies of several member states, **approves** the Plan of Action for the Cotton Sector in the OIC member countries and **urges** the member states concerned to implement the Plan expeditiously.
5. **Takes note** of the Report prepared by the SESRTCIC considering the existing OIC Agreements and Statutes on Economic, Commercial and Technical Cooperation in terms of the needs of the Member States.
6. **Urges** the member countries that have not yet signed and ratified these agreements to accelerate the completion of the necessary legal procedures in this regard and facilitate their early implementation.
7. **Requests** the General Secretariat of the OIC to revise these agreements in collaboration with the related OIC institutions with a view to rendering them compatible with the new developments in a fastest-changing global environment.

(ii) Annual Economic Report on the OIC Member States (Agenda Item: 4.ii)

The SESRTCIC presented the report on recent economic developments regarding the OIC Countries.

Background Information

The Report of SESRTCIC draws the following salient conclusions:

- (i) The average economic performance of the OIC countries, as a group, remained below that of the developing countries reflecting greater vulnerability to the adverse external shocks such as the unpredictable fluctuations in international trade and the instability in financial flows.
- (ii) The considerable share of primary/products in the output and exports of these countries heightens the risk of their exposure to price fluctuations in world commodity markets and negatively affects their sustainable economic growth and long-term policy making.

Resolutions

1. **Emphasizes** that further efforts should be made to increase the productivity of land and water resources in agriculture and the transfer of sustainable agricultural technologies and know-how such as efficient irrigation systems and techniques.
2. **Also underlines** that further efforts should be made to pursue more coherent and practical development strategies based on sectoral diversification and structural reforms with the active participation of the private sector to maximise the complementarities between their economies and increase their intra-trade and investment.
3. **Entrusts** the SESRTCIC to continue to monitor the world economic developments and their implications for the OIC Member States and to report thereon to the annual sessions of the COMCEC with a set of policy recommendations.

(iii) Report of the Follow-up Committee (Agenda Item: 4.iii)

COMCEC Coordination Office submitted the report of the 22nd Follow-up Committee of COMCEC.

Background Information

1. The 22nd Meeting of the Follow-up Committee was held in Turkey on 23-25 May 2006 in İzmir.

Resolutions

1 **Takes note** of the Report of the Follow-up Committee of COMCEC held on 23-25 May 2006 and **endorses** the recommendations made by the Follow-up Committee at its 22nd Meeting.

(iv) Review of Implementation of the Plan of Action (Agenda Item: 4.iv)

OIC General Secretariat, COMCEC Coordination Office and ICCI presented the reports on the review of implementation of the Plan of Action and the report of the 9th Sessional Committee Meeting respectively.

Background Information

1. The Memorandum of Understanding between the Turkish Patent Institute and ICDT on the implementation of the project entitled "Technical Cooperation among Patent Offices in OIC Member Countries" was signed during the 22nd Follow-up Committee Meeting of COMCEC.

Future Activities

1. Turkish Patent Institute of Turkey and ICDT will organize a Conference on "Technical Cooperation Among the Industrial Property Offices in OIC Member States" in Ankara from 14th to 16th December 2006.

Resolutions

1. **Requests** the OIC General Secretariat to continue submitting to the Annual Sessions of the COMCEC a periodical review on the implementation of the Plan of Action.

2. **Appeals** to Member States to come forward with proposals for hosting sectoral or inter-sectoral Expert Group Meetings in the priority areas of the Plan of Action, where no EGM has so far been held, and **also requests** the Member States to volunteer to host those sectoral expert group meetings (EGM) in priority areas of cooperation in the Plan of Action where there were offers for hosting, however the organization of these meetings was delayed for a long time. These meetings are now also open to other Member States for hosting in accordance with the May 2006 deadline set by the previous COMCEC session and relevant recommendations of the 22nd Follow-up Session of COMCEC.
3. **Urges** Member States to actively participate in the early implementation of the projects on the agenda of COMCEC, and **calls upon** the coordinating OIC Institutions to expedite the formation of the project committees, as envisaged in the Plan of Action, as was the case in the Project on the Technical Cooperation Among the Patent Offices of the OIC Member States.
4. **Reaffirms** the importance of the need to develop region-based projects by a group of Member States in a particular region to get the support of the regional institutions accordingly and **stresses** the importance of ensuring the active involvement of regional groupings, such as the Economic Cooperation Organization (ECO), the Gulf Cooperation Council (GCC), and the Arab Maghreb Union (AMU) and West African Economic and Monetary Union (WAEMU), in future experts group meetings.
5. **Takes note** of the ICDDT's progress report on the regional project committee on "Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa" and **calls upon** Member States and OIC institutions to take an active part in this project.
6. **Also calls upon** the Member Countries and the OIC institutions concerned, working in the field of economic and commercial cooperation under the auspices of the COMCEC, to continue to extend the necessary assistance to Member States in this regard.

III. Expansion of Intra-OIC Trade (Agenda Item: 5)

(i) Reports by IDB and ICDT on the Expansion of Intra-OIC Trade (Agenda Item: 5.i)

The IDB and ICDT presented their respective reports on the expansion of intra-OIC trade.

Background Information

1. The IDB mobilized the needed resources through its operational plans under the four trade financing schemes, namely the Import Trade Financing (ITFO), the Export Financing Scheme (EFS), the Islamic Bank Portfolio (IBP), the Unit Investment Fund (UIF) and the two mechanisms (Two steps Murabaha and Syndication); and appreciates also the continuous efforts of IDB in this regard enabling it to finance an amount of 6.69 billion US Dollars in favour of intra-OIC trade from 1420H to 1426H (1999-2006) constituting 76% of its approved trade financing operations totaling an amount of 8.82 billion US Dollars.
2. IDB mobilized a total amount of 2.14 billion US Dollars through Two Step Murabaha (2SMF) and syndication mechanisms since 1420H (1999) with about 562 million US Dollars having been mobilized in 1426H (2005- 2006) alone under the two mechanisms.
3. IDB also made approvals amounting to 1.72 billion US Dollars in 1426H (2005-2006) and 24.12 billion US Dollars from 1397H to 1426H under the four trade financing schemes.
4. The Articles of Agreement (AoA) of the International Islamic Trade Finance Corporation (ITFC), as of today, has to date been signed by 46 member countries, the IDB and four financial institutions.

Resolutions

1. **Takes note** of the IDB's effort to set up the ITFC, the new autonomous trade financing entity of the IDB Group, which will have an authorized capital of 3.0 billion US Dollars and a subscribed capital of 500 million US Dollars and **calls upon** Member States to support its establishment and business activities.

2. **Calls upon** the Member States to complete the ratification procedures regarding the Articles of Agreement (AOA) of the ITFC as soon as possible to enable the corporation to commence its operation.
3. **Also takes note** of parallel efforts of IDB to increase intra-OIC trade through financing trade-related projects and technical assistance; and further **urges** Member States to support the program of ICIEC and other schemes of IDB designed to boost intra-OIC trade.
4. **Urges** Member States, who have not actively assisted in identifying viable trade operations for financing by the IDB, to actively support IDB in its efforts to increase intra OIC trade financing.
5. **Requests** the IDB to continue providing technical assistance for capacity building in the Member States.
6. **Takes note** of the ICDT's 2006 Annual Report on trade among the OIC Member States and **also notes** that the intra-OIC trade recorded positive results since the share of intra-OIC trade in the overall trade of the OIC Member States has recorded an increase from 13.5% in 2003 to 14.5% in 2004, and the volume of this trade reached approximately 103 billion US Dollars in 2004.
7. **Requests** the Member States to keep on providing the ICDT with data relating to trade and investment statistics and regulations.
8. **Entrusts** IDB and ICDT to follow-up on the issue of the expansion of intra-OIC trade and report to the COMCEC and to other OIC fora.
9. **Requests**, in pursuance of the relevant resolution of the 33rd ICFM, the SESRTCIC in collaboration with ICDT to study the reports and proposals of the Expert Group Meetings on Islamic Common Market and report its findings to the next Session of COMCEC.

***(ii) Private Sector Meetings among OIC Member States
(Agenda Item: 5.ii)***

The ICCI submitted its report on activities with regard to the private sector.

Background Information

1. The Islamic Chamber has prepared its 10 Year Work Plan in line with the OIC Ten-Year Programme of Action focusing primarily on strengthening economic cooperation among the OIC Countries by increasing exchange of trade and joint venture investment. In this context, it has initiated several projects which will be established through setting up companies.

2. In order to familiarize the private sector with the projects of the Islamic Chamber and to invite them to participate in these projects, the President of Islamic Chamber has initiated an extensive programme to take missions to various regions of the OIC countries, to meet with the private sector to actively involve them in these endeavors and at the same time to get the support of the governments.

Future Activities

1. The Following future activities will be held by the ICCI:
 - The 2nd Forum for Businesswomen in Islamic Countries in Malaysia, on 8-10 December 2006.
 - The First Forum on Tourism for Private Sector in the Kingdom of Saudi Arabia in 2007.
 - The 3rd International Conference on Investment and Privatization in OIC Countries in the Islamic Republic of Iran in 2007.
 - The 3rd Forum for the Businesswomen in Qatar in 2007.
 - The 6th OIC Task Force Meeting on SMEs in Maldives in 2007.
2. The 12th Private Sector Meeting, which was scheduled to be held in 2006 in Senegal has been postponed to 2007.

Resolutions

1. **Reiterates** the role of the ICCI as the sole representative of the private sector of the Member States within the OIC.
2. **Takes note** that the Work Programme of the Islamic Chamber was appreciated by the 33rd ICFM held in Baku in June 2006 and **calls upon** the Member States to encourage their Chambers of Commerce and the private sector to actively participate in the ICCI activities.
3. **Calls upon** the Member States to give due consideration to the activities and projects of the ICCI and **takes note** of the initiative for "Makkah Open Visa" for businessmen and the establishment of the Al-Khairat Foundation, for providing micro-financing to set up small and medium sized projects and also **calls upon** their private sector to consider participating in the share holding of the Istaklaf Bank and to join the Membership of the Business Owners Association.
4. **Requests** the ICCI to proceed with its initiative to stay in contact with the private sector, by visiting countries and encouraging them to play a more active role in the economic cooperation of the OIC member countries.
5. In addition to ICCI report, the Committee **notes** with satisfaction the holding of the Trade Fair and International Business Forum, concurrently with its current session, by Turkish Independent Businessmen and Industrialists' Association (MUSIAD) with the support of the OIC General Secretariat and the IDB and with the participation of 1.500 foreign businessmen mainly from Islamic Countries. Also **welcomes** the offer of the Republic of Turkey to host these events bi-annually as a sideline activity of COMCEC annual meetings.

*(Hi) Trade Fairs of Islamic Countries
(Agenda Item 5. iii)*

The ICDT submitted a Progress Report on the preparation of the forthcoming trade fair activities.

Background Information

1. The 10th Trade Fair of Islamic Countries was organised by the ICDT in Manama, the Kingdom of Bahrain from 5 to 9 February 2005 by the Kingdom of Bahrain and the ICDT, under the theme of "Role of the Private Sector in the Economic Integration among the Islamic Countries".
2. The First Agribusiness Exhibition of the OIC Countries was organised by the ICDT from 17 to 20 April 2005 at the "Palais des Expositions Pins Maritimes" in Algeria under the theme "The Agribusiness sector: partnership model among the Member States of the Organisation of the Islamic Conference".
3. The First Tourism Fair of the OIC Member States was jointly organized by ICDT, Turkish Association of Travel Agencies (TURSAB) and the Exhibition Centre of Istanbul (CNR) in Istanbul on 24-26 November 2005.
4. The Second Agri-Business Exhibition of the OIC countries will be organized in Iran in collaboration with ICDT in 2007.

Future Activities

1. The ICDT will organize the 11th, 12th and 13th Trade Fairs of Islamic Countries respectively in Dakar, Republic of Senegal on 21-25 November 2007, in the Republic of Iraq in 2008 and in the Republic of Guinea in 2010.
2. The ICDT will also organize the Second Tourism Fair of the OIC Member States in Beirut, Republic of Lebanon from 22 to 24 June 2007 and the 3rd Tourism Fair of the OIC Member States will be held in Egypt in 2009.

Resolutions

1. **Invites** the Republic of Iraq and the Republic of Guinea to confirm the hosting of the 12th and the 13th Trade Fairs of Islamic Countries before the 23rd COMCEC Follow-up Committee to be held in May in 2007 in order to allow ICDT to organize these fairs as planned.
- 2- **Urges** the OIC Member States to actively participate in the 11th Trade Fair of Islamic Countries to be held in Senegal on 21-25 November 2007.
3. **Urges** the OIC Member States to actively participate in the 2nd and 3rd Tourism Fairs of OIC Member States to be held in Lebanon and Egypt, respectively, and **welcomes** the offer of Syria to host the 4th Tourism Fair of OIC Member States.
4. **Requests** the ICDT to hold more sector specific trade fairs and to use professional expertise in these activities.
5. **Requests** ICDT to prepare regularly progress reports on the Trade Fairs of Islamic Countries as well as the Tourism Fairs of OIC Member States and the other specialized exhibitions and submit them to the COMCEC Sessions and related OIC fora.

IV. Report of the Trade Negotiating Committee (TNC) for Establishing Trade Preferential System (TPS) among the OIC Member States (Agenda Item: 6)

The Secretariat of the TNC briefed the Session on the preparations for the second round of TPSOIC negotiations.

Background Information

1. The First Round of Trade Negotiations under the Framework Agreement on Trade Preferential System among the Islamic Countries (TPSOIC) was concluded in 2005, and the Protocol on the Preferential Tariff Scheme for the TPSOIC (PRETAS) was prepared by the Trade Negotiating Committee. The PRETAS was adopted by the 21st Session of the COMCEC and opened for the signing/ratification of member states.
2. The 21st Session of the COMCEC decided to launch the second round of the trade negotiations under TPSOIC in 2006.

3. The 33rd ICFM welcomed the decision of the 21st Session of the COMCEC to launch the second round of trade negotiations in 2006 and urged Member States of the Trade Negotiating Committee to sign the PRETAS at their earliest convenience.

4. The 33rd ICFM also recommended that the ministers of commerce concerned of the Member States of the Trade Negotiating Committee inaugurate the second round of the trade negotiations in a special ministerial session in order to demonstrate the political will to establish the Trade Preferential System among the Member States of OIC, as well as to expedite the ratification process of the PRETAS and to design a road map for the second round.

Future Activities

1. The Republic of Turkey will host the Second Round of Trade Negotiations under TPSOIC to be held through consecutive meetings to be held in Istanbul from November 2006 to November 2007.

2. The second round of trade negotiations will be initiated by the ministers of commerce of the Member States participating in the Trade Negotiating Committee immediately after the 22nd Session of COMCEC on 24 November 2006 to be followed by the first session of the Negotiating Committee Meeting on 24-26 November 2006.

Resolutions

1. **Welcomes** the first meeting of the ministers of commerce of the Member States of the Trade Negotiating Committee on 24 November 2006 to inaugurate the Second Round of the Trade Negotiations in a special ministerial session to demonstrate the political will to establish the Trade Preferential System among the Member States of OIC, as well as expediting the ratification process of the PRETAS and designing a road map for the second round.

2. **Takes note** of the letter from the Chairman of the 10th Islamic Summit H.E. Abdullah Haji Ahmad BADAWI, Prime Minister of Malaysia to the General Secretariat dated 17 November 2006 urging the OIC Member states to sign and ratify the PRETAS as soon as possible.

3. **Calls on** the Member States to accede to the Framework Agreement on Trade Preferential System so as to take part in the trade negotiations and welcomes the increase to 18 of the members of the Trade Negotiating Committee.
4. **Emphasizes** that the Framework Agreement on TPSOIC and the PRETAS constitutes the basis for reaching the 20% intra-OIC trade target set by the OIC Ten-Year Programme of Action.
5. **Urges** the Member States, in order to expedite the establishment of the TPSOIC, to sign and ratify the Framework Agreement and PRETAS at their earliest convenience.
6. **Requests** the Trade Negotiating Committee to finalize the Second Round of the Trade Negotiations within the prescribed time frame of 12 months and submit its report to the 23rd COMCEC.
7. **Welcomes** the financial support extended by the IDB for the organization of the 2nd Round of Trade Negotiations for the establishment of TPSOIC.
8. **Takes note** of the concerns of the Islamic Republic of Iran regarding some articles of the PRETAS and proposes to the Islamic Republic of Iran that it may refer the matter to the OIC General Secretariat for legal opinion.

V. Matters Relating to WTO Activities (Agenda Item 7):

The IDB and ICDT submitted their monitoring reports on the World Trade Organization (WTO) activities.

Background Information

1. Most recently, the IDB organized a Seminar on the WTO-TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement and its Impact on Access to Medicines, in Dakar, Senegal from 10 to 12 July 2006.
2. The 11th Trade Policy Course was organized in the English language in Istanbul, Republic of Turkey from 19 June to 7 July 2006.
3. The IDB organized a workshop jointly with the WTO on the TRIPS Agreement for Arab Countries in Kuwait from 18 to 20 September.2006.

Future Activities

1. The IDB will organize a seminar in English on Trade and Transfer of Technology in Islamabad, Pakistan from 27 to 29 November 2006.
2. The IDB will organize the 12th Trade Policy Course in Arabic in Morocco, from 15 January to 2 February 2007.

Resolutions

1. **Notes** the current impasse in WTO negotiations and **urges** the OIC Member States, when the negotiations within the framework of WTO resume, to participate in them actively in a way that influences the processes on issues of high interest for their economies especially those relating to agriculture including cotton, industrial products, services as well as other issues.
2. **Urges** the Member States, who are already the members of the WTO, to support the other OIC Member States seeking accession to the WTO in related fora.
3. **Calls on** the IDB, ICDT and other related OIC institutions to continue extending technical assistance to the Member States in the context of the multilateral trade negotiations.
4. **Calls on** IDB and ICDT to pool and coordinate their efforts to reinforce human and institutional capacities of OIC Member States so as to facilitate their full integration into the multilateral trading system on equitable and fair basis. In this connection, **requests** the IDB and the ICDT to coordinate the positions of Member States within the WTO with a view to setting up a common platform of negotiations.
5. **Entrusts** the IDB and the ICDT to monitor matters relating to WTO activities and report them to the annual sessions of the COMCEC and other fora concerned.

VI. Cooperation among the Stock Exchanges of the OIC Member States (Agenda Item:8)

Background Information

1. The Round Table Meeting on "Promotion of Cooperation among the Stock Exchanges of the OIC Member States" was held in Istanbul on 28 - 29 March 2005.
2. The 21st Session of COMCEC noted the creation of a platform called "OIC Member States Stock Exchanges Forum" and the establishment of two Working Committees namely the "Technical Committee" and the "Information Technology Committee" as an outcome of this Round Table Meeting.

Resolutions

1. **Requests** the OIC Member States Stock Exchanges Forum to keep up its efforts for prospective results at its next meeting in 2007.
2. **Calls upon** the Member States to inform their stock exchanges about the "OIC Member States Stock Exchanges Forum" and promote it, and **invites** them to join the Forum and the Committees.
3. **Calls upon** the Member States to communicate with and encourage their stock exchanges to take an initiative and host the Second Round-table Meeting of the "OIC Member States' Stock Exchanges Forum" in 2007.
4. **Requests** the OIC General Secretariat, in collaboration with Istanbul Stock Exchange, the SESRTCIC, ICDT and IDB to follow-up on the developments on the subject and report to the next Session of the COMCEC.

VII. Capacity Building Programme for Poverty Alleviation in OIC Member States (Agenda Item 9)

Background Information

1. The Forum on Trade and Investment Expansion in the Cotton Sector in the Member States of the Organization of the Islamic Conference was organized in Ouagadougou, Burkina Faso from 18th to 19th April 2005.

2. The First Expert Group Meeting on Enhancing Production Efficiency and International Competitiveness in the OIC Cotton Producing Countries was held in Jeddah, Saudi Arabia on 8-9 October, 2005.
3. The Second Expert Group Meeting on Enhancing Production Efficiency and International Competitiveness in the OIC Cotton Producing Countries was held on 28-30 March 2006 in Izmir, Turkey.
4. The Fourth Senior Officials Meeting of the Steering Committee on the Capacity Building Programme for the OIC Countries was held in Bandar Seri Begawan, Brunei Darussalam, on 29-30 March 2006.
5. The Memorandum of Understanding was signed between the Government of Turkey and the Islamic Development Bank in May 2006 regarding cooperation pertaining to Turkey's African Development Strategy.
6. The Third Expert Group Meeting on Enhancing Production Efficiency and International Competitiveness in the OIC Cotton Producing Countries was held on 9-12 October 2006 in Antalya/Turkey. The meeting revised the Draft Action Plan and adopted it for submission to the COMCEC Session.

Future Activities

1. The Action Plan which has a 5-year time frame from 2007 through 2011. There will be a Mid-Term review of the Action Plan for OIC Cotton producing Countries' Cooperation Development Strategy in the year 2009.
2. Three centers of Excellence will be selected, one in Africa, one in Arab Countries, one in Asian Countries with a view to harmonizing and strengthening research for the development of the cotton sector.

Resolutions

1. **Takes Note** that Malaysia initiated a set of action-oriented programmes on poverty alleviation for OIC Member Countries, including;
 - Capacity building in the palm oil industry in Sierra Leone,
 - Capacity building in the processing and export of mango products in Guinea.

Sharing of expertise on trade facilitation and investment and human resource development.

2. **Takes note** of the reports submitted by IDB on capacity building for poverty alleviation as well as the reports submitted by the Government of Turkey and the OIC General Secretariat on the Third Experts Group Meeting on Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries and the Draft Five Year Action Plan adopted by the Meeting for submission to the COMCEC.
3. **Takes note also** of the activities envisaged by the Action Plan adopted at the Third Expert Group Meeting on cotton in particular.
4. **Endorses** the Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011) which was adopted at the Third Expert Group Meeting on Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries held in Antalya, Turkey on 9-12 October 2006.
5. **Urges** the participating OIC Member States to take active part in the timely implementation of the Action Plan.
6. **Requests** the Member States concerned to nominate their focal points for the implementation of the Action Plan.
7. **Expresses** its thanks to the Governments of Burkina Faso and Turkey, the OIC General Secretariat and the IDB for their contribution to the preparation of the OIC Five Year Cotton Programme.
8. **Invites** the General Secretariat of the OIC, IDB, ICDT, SESRTIC and ICCI to organize, in collaboration with international and regional organizations concerned, an investment forum comprising the OIC cotton producing countries, financial institutions, textile industries, and research centers with a view to working out concrete projects and proposals for the implementation of the OIC Five Year Cotton Programme.
9. **Welcomes** the offer of the Republic of Turkey to host the cotton investment forum.

10. **Also requests** the OIC General Secretariat in collaboration with the IDB, SESRTCIC, ICCI and ICDDT to monitor the implementation of Action Plan and report on them to the annual sessions of the COMCEC and other OIC fora concerned.

VIII. Exchange of Views on "Capacity Building on Trade Facilitation and Investment among the OIC Member Countries" (Agenda Item: 10)

The IDB submitted a report to the Session on the Workshop on Trade Facilitation and Investment among the OIC Member Countries organized in Jeddah, Saudi Arabia, on 26-28 June 2006 by the IDB in collaboration with the OIC General Secretariat.

The SESRTCIC also presented a report on the evaluation of the Exchange of Views Sessions of the COMCEC with a view to exploring a more efficient and result-oriented mechanism for these sessions.

Background Information

1. The 21st Session of the COMCEC decided that "Capacity Building on Facilitation of Trade and Investment" be the theme for the Exchange of Views at the 22nd Session of the COMCEC, and requested the IDB to organize a workshop on this topic in collaboration with the OIC General Secretariat and other international organizations, prior to the 22nd Session of the COMCEC and submit its report to the Session.
2. The IDB organized a workshop on this subject in collaboration with the General Secretariat of the OIC in Jeddah on 26-28 June, 2006 where a set of recommendations were adopted for submission to the 22nd Session of COMCEC.

Resolutions

1. **Takes note** of the recommendations of the workshop on "Capacity Building Facilitation of Trade and Investment for the OIC Member Countries". Some of these recommendations are briefly as follows:

Policies aimed at promoting the competitiveness of national production capacities should be multidimensional focusing at the firm level on (optimization of resources, growth orientation, organizational efficiency and

technological inputs) and at the market level on (type and size of regional markets, enhancing of export capacity). The role of governments is also emphasized through the implementation of coherent policies, the establishment of an export friendly environment and efficient public-private partnerships and good level of public procurement.

There is a need to support professional associations, simplify enterprise formation procedures, modernize customs, use efficiently Information and Communication Technologies (ICT), and utilize e-commerce and development of insurance services.

The OIC Member Countries should deal with tariff and non-tariff barriers by acceding to the Framework Agreement on TPSOIC and PRETAS.

The OIC Member Countries should consider adoption of common positions, whenever possible, in international trade and FDI related debates.

Member States and relevant OIC Institutions are also advised to;

Enhance cooperation in multimodal transport, trade and transit facilitation.

Facilitate free movement of business community within the Islamic Countries by issuing multiple visas.

Encourage closer links between firms, universities and research institutions.

Strengthen the capacity and efficiency of stock markets and opening them to foreign investors.

Strengthen capacity enhancing programs and undertake training and awareness-raising activities in cooperation with relevant international organizations such as the United Nations Centre for Trade Facilitation and Electronic Business (UN-CEFACT), World Trade Organization (WTO), World Customs Organization (WCO), United Nations Conference on Trade and Development (UNCTAD), Organization for Economic Cooperation and Development (OECD) etc.

Become a party to international conventions relating to transport and trade facilitation.

Establish a "Task Force" for follow-up of these recommendations.

2. **Calls upon** the OIC Member States to endeavor to implement recommendations of the workshop by showing a strong sustained high level political will and commitment.

3. **Takes note** of the relevant conclusions and proposals contained in the SESRTCIC paper on exploring a more efficient and result oriented mechanism for the Exchange of View Sessions, as follows:

Designation of a focal point institution for drawing accumulated experiences and institutional memory,

Selection of the theme through questionnaires and brainstorming sessions among the Member Countries,

Also selection of themes in line with and under the guidance of basic OIC documents regarding economic cooperation, i.e., the OIC Plan of Action, the OIC Ten Year Programme of Action, as well as internationally agreed documents such as Millennium Development Goals.

Ensuring the involvement of other international organizations which have the requisite expertise and technical background on the subject.

Undertaking of the timely circulation of well prepared reports and documents on each year's theme to the member countries prior to the COMCEC Sessions for their consideration.

Devising a follow-up mechanism for the recommendations of the Exchange of Views Sessions.

4. **Designates** the SESRTCIC to take full responsibility as the coordinator institution for the exchange of views sessions and **requests** the SESRTCIC, in collaboration with the IDB, to prepare a Terms of Reference (TOR) document on a new mechanism for the preparation and implementation of the exchange of views sessions and submit it, through the Follow-up Committee Meeting, to the next Session of the COMCEC for approval.

5. **Decides** to designate "Micro-Credit Financing and Poverty Alleviation in Member States" as the theme for the Exchange of Views at the Twenty Third Session of the COMCEC and **requests** the SESRTCIC, in collaboration with the IDB, the OIC General Secretariat, relevant OIC institutions and other related international

organizations to organize a workshop on this topic prior to the Twenty Third Session of the COMCEC and to submit its report to the next COMCEC Session.

6. **Takes note** of the following proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions.

External Aid and the Least Developed Member States,
Energizing Trade and Investment in Cotton Sector in OIC Member States,
Competitiveness.

7. **Encourages** the Member States to propose other themes for future exchange of views sessions of COMCEC.

8. **Thanks** the UNIDO for the presentation on the UNIDO's Trade Capacity Building Programmes and on the Cooperation Agreement between the IDB and the UNIDO on Investment and Trade Promotion and **invites** the UNIDO to submit concrete proposals for addressing trade and investment needs of Member States.

9. **Requests** the OIC General Secretariat, in close cooperation with the COMCEC Coordination Office, to develop cooperation programmes with UNIDO, in line with the OIC Ten-Year Programme of Action under OIC-UN Coordination, to benefit from the UNIDO programmes on Trade Capacity Building and Investment and Technology Promotion to enhance cooperation among the OIC member countries.

IX. Report of the Sessional Committee

1. **Takes note** of the Report of the Sessional Committee (OIC/COMCEC/SC-06/REP) and **approves** the recommendations contained therein.

2. **Renews its appeal** to Member States to take the measures needed for their greater involvement in the activities of the OIC subsidiary organs, affiliated, and specialized institutions.

3. **Requests** the Sessional Committee to consider dropping the projects where there has been no progress.

X. Organizational Matters

1. **Decides** that the Twenty Third Meeting of the Follow-up Committee be held from 22 to 24 May 2007 and the Twenty Third Session of the COMCEC be held from 13 to 16 November 2007, in Istanbul.
2. **Invites** Member States to send to the OIC General Secretariat, sufficiently in advance of the Twenty Third Session of the COMCEC, country reports reflecting their experiences on the subject matter for exchange of views.
3. **Requests** the Follow-up Committee, at its Twenty Third Meeting, to draw up the draft agenda of the Twenty Third Session of the COMCEC and recommend alternative themes on which exchange of views would take place during the subsequent COMCEC sessions.
4. **Requests** the OIC General Secretariat to communicate to the Member States on the dates and distribute relevant documents of the Twenty Third Session of the COMCEC and the Twenty Third Meeting of the Follow-up Committee through diplomatic channels, websites, e-mail, etc.
5. **Takes note** of the presentation made by the SESRTCIC regarding the Second OECD World Forum on Statistics, Knowledge and Policy focusing on Measuring and Fostering the Progress of Societies, which will be held on 27-30 June 2007 in Istanbul, and **urges** the OIC member countries to participate actively in this important event.
6. **Requests** the SESRTCIC, in accordance with its mandate, to take part in the organization of the Second OECD World Forum and the associated preparatory regional meetings in Africa and the Middle East by becoming a member of the organizational committee of the said Forum with a view to contributing to the organizational matters involved and preparing research papers and studies and participating in panels and round table discussions during the Forum. The SESRTCIC will also ensure effective participation of the OIC member countries in the Forum by securing financial contributions to travel tickets of the Forum participants from the Least Developed OIC Member Countries. In this connection, the IDB is also invited to contribute to such expenses.

XI. Thanks and appreciation

Expresses thanks and appreciation to the Member States, OIC Institutions and all the cooperating partners that have carried out the activities stated in these resolutions or have contributed to them.

ANNEX

9

Original: English

RESOLUTION (2)
ON MATTERS RELATED TO ECONOMIC ASSISTANCE
TO SOME COUNTRIES

(Istanbul, 21-24 November 2006)

Twenty-Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), which was held in Istanbul on 21-24 November 2006;

Requests the Member States to send detailed reports on the assistance to other OIC Member States to the OIC General Secretariat for compilation and submission to annual COMCEC Sessions in order to Follow-up the resolutions adopted under this set of resolution 2.

A. Economic Measures in Support of Palestine

Recalling the resolutions adopted by OIC Summits in support of the Palestinian people;

Recalling also the previous resolutions adopted by the Standing Committee at Ministerial Meetings and at meetings of the other committees;

Recalling further the resolutions adopted by the 33rd Islamic Conference of Foreign Ministers in support of the State of Palestine;

Condemning the repeated Israeli aggressions against the Palestinian people and occupation of Palestinian territories in violation of the resolutions of international legitimacy and agreements signed and recognized internationally and demanding the cessation of all forms of aggression and violation of Muslim and Christian holy places and also demanding the immediate cessation of financial siege on the Palestinian National Authority and also demanding the immediate withdrawal of the Israeli occupation forces from all the Palestinian territories as well as the cessation of aggressions against the

Palestinian people, and the insistence on imposing the separation-wall on the Palestine territories in spite of overwhelming international opposition;

Noting the role played by the Palestinian National Authority in all cities, hamlets and camps, including East Jerusalem in order to improve living conditions of the Palestinian people and build up national economy;

1. **Appeals** to the Quartet to send a peace-keeping force to secure the implementation of the Road-Map plan.

2. **Notes** with deep appreciation the assistance provided by some Member States and the OIC relevant institutions.

3. **Commends** efforts made by the Palestinian National Authority in Palestinian territory and camps in order to reconstruct what was destroyed by Israeli occupation as well as the Palestinian steadfastness in the face of Israeli aggression and **urges** Member States and other relevant parties to exert further efforts and provide greater assistance to build up, develop and strengthen national economy.

4. **Expresses** deep appreciation for the assistance provided by some Member States to the Palestinian people to build up their national economy and **urges** Member States and relevant OIC bodies to provide, as early as possible, the required and approved assistance to enable the Palestinian National Authority and the Palestinian people to build up national economy and consolidate national institutions as the infrastructure of these institutions was totally destroyed by the Israeli occupying forces.

5. **Reaffirms** the previous resolutions on providing all forms of support and assistance: economic, technical, material and moral to the Palestinian people and the Palestinian National Authority, recommending preference in import to Palestinian products while exempting them from customs duties and taxes.

6. **Urges** businessmen and investors of Member States to contribute to the implementation of economic, industrial, agricultural and housing projects in the Palestinian territory, with a view to building up national economy and enabling the Palestinian National Authority and national institutions to

implement their development programmes for the coming period in various economic, social and health fields.

7. **Appeals** to Member States to provide employment opportunities to the Palestinian labor force, given harsh conditions imposed by the Israeli occupation forces, with a view to enhancing the socio-economic status of the Palestinian people and eradicating unemployment.

8. **Urges** the Member States to conclude bilateral agreements with the Palestine Liberation Organization and its National Authority in the economic, commercial and social fields, with a view to enhancing the socio-economic status of the Palestinian people.

9. **Urges** all OIC Member States and affiliated institutions to provide urgent assistance to build up a strong and independent Palestinian national economy.

10. **Requests** the OIC Secretary General to pursue his efforts aimed at implementing the previous resolutions adopted in support of the State of Palestine and to submit a progress report thereon to the next COMCEC Session.

B. Assistance to Lebanon

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

Recalling resolution 13/10-EC(IS) adopted by the 10th Session of the OIC Summit;

Recalling resolution (8/33-E) adopted by the 33rd Session of the OIC Ministers of Foreign Affairs;

Also **recalling** Israeli hostilities against Lebanon and ensuing damage and loss of lives and properties, and their repercussions on political and economic conditions in Lebanon;

Lauding efforts exerted by the Lebanese Government to support security and stability, to exercise its authority, to reconstruct and to provide for the needs of Lebanese citizens living in areas previously occupied by Israel.

Taking into consideration the difficulties faced by Lebanese citizens living in the region once brought under Israeli occupation and in neighbouring areas;

Having regard to the Secretary General report in this connection:

1. **Expresses** its appreciation to Islamic and Arab countries for the assistance extended within the framework of the Donors' Conference (Paris 2) and calls upon them to keep up support to the efforts of the Lebanese government in this respect.
2. **Expresses** its appreciation for the assistance offered by OIC relevant bodies.
3. **Condemns** Israel's repeated aggressions against Lebanon; the latest of which took place last summer, as well as its persistent refusal to withdraw from parts of the Lebanese territory, including the Shaba'a Farms, and beyond the internationally recognized Lebanese borders.
4. **Condemns** Israel for refusing to hand over detailed maps of areas where landmines were planted in South and West Bekaa areas, a matter that exposes civilian life to extreme danger. Also **condemns** Israel for detaining Lebanese citizens in its prisons.
5. **Calls upon** the international community to support the UNIFIL forces in performing their mission; and **urges** Israel to strictly abide by Security Council Resolution No. 1701 and the relevant international resolutions.
6. **Emphasizes** its support to Lebanon in its sovereign right to exercise its political options within the framework of its constitutional procedures and institutions, bearing in mind Lebanon's right to maintain relations with sisterly and friendly countries on the basis of mutual respect for sovereignty, independence, its national interests, good neighborliness, equality and reciprocity.

7. **Considers** that unraveling the truth about the terrorist assassination crime that claimed the life of former Prime Minister Rafic Hariri and his colleagues, and penalizing the culprits, whoever and wherever they are, would certainly help reestablish security and stability in Lebanon and in the region, and **also considers** that the establishment of the respective Special International Court may help reach this objective.
8. **Reaffirms** its previous recommendations on the necessity to extend varied financial, humanitarian and in-kind assistance to Lebanon in the light of its economic and technical requirements and training needs and **reiterates** its **call** on OIC Member States and other international and regional organizations to urgently and actively move in contribution to the reconstruction of what had been destroyed by the Israeli occupation and in response to the invitation to hold a Donor Countries Conference for this purpose.
9. **Calls upon** Member States to extend exceptional facilities to give access -without barriers- into their markets of Lebanese products in order to reinforce Lebanon's economy considered to be the mainstay for its steadfastness in the face of Israeli aggression.
10. **Requests** the Secretary-General to follow up on this issue and to report on it to the next COMCEC Session.

C. Economic Assistance to the Republic of Albania

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 18/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

1. **Expresses deep appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Expresses** its strong support to the people of Albania gutted in major economic difficulties at the present phase of their transition towards market economy.

3. **Urges** OIC Member States, Islamic institutions and international organizations to grant generous economic assistance to Albania so that the Government of Albania may successfully implement its development programme.
4. **Requests** the Secretary General to follow up on this matter and report to the next COMCEC Session.

D. Economic Assistance to the Republic of Cote d'Ivoire

Recalling the related Resolution adopted at the 33rd Islamic Conference of Foreign Ministers (ICFM) in Baku, Azerbaijan in June 2006;

Considering particularly the decision to create a Special Fund to assist in the reconstruction efforts of the Republic of Cote d'Ivoire;

Considering also the role played by the Republic of Cote d'Ivoire, within the framework of the Organization of the Islamic Conference to establish peace and security in some member countries, and economic stability in the sub-region;

1. **Expresses** its support and solidarity to the people and government of Cote d'Ivoire;
2. **Requests** the OIC Secretary General to take appropriate measures required to urgently establish the Special Fund to bring about disarmament, demobilization and reintegration of ex-combatants in the socio-economic fabric as well as enhance post-reconstruction efforts in Cote d'Ivoire;
3. **Appeals** to the OIC member countries and the international community to provide the Republic of Cote d'Ivoire with substantial financial and economic support to enable it to redress current difficulties faced by the country;
4. **Requests** the OIC Secretary General to establish as soon as possible the Contact Group on Cote d'Ivoire, as enunciated in the above 33rd ICFM Resolution;

5. **Further requests** the OIC Secretary General to urgently visit the Republic of Cote d'Ivoire as stated in the above ICFM Resolution;
6. **Requests** the OIC Secretary General to follow up on the matter and to report thereon to the following COMCEC meeting.

E. Economic Measures in Support of Uganda

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 20/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

1. **Invites** Member States, Islamic institutions and international organizations to extend urgent financial and economic assistance to Uganda so that it would deal with the refugee problems and other related **consequences** as well as implement its economic, social and cultural programmes.
2. **Urges** Member States, Islamic institutions and organizations to extend urgent and substantial assistance to the people of Northern Uganda.
3. **Requests** the Secretary General to liaise with the Government of Uganda and to follow-up on this matter urgently.

F. Economic Measures in Support of The Islamic State of Afghanistan

Recalling earlier resolutions of the 10th Islamic Summit Conference (resolution 19/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Recalling further the final communique of the 9th Extraordinary Session of the Islamic Conference of Foreign Ministers held in Doha on October 10, 2001;

Noting the exceptionally grave situation in the Islamic State of Afghanistan;

1. **Recognizes** that the Islamic State of Afghanistan was on the verge of a dramatic human tragedy, thus its perilous humanitarian calamity calls for immediate emergency relief measures.
2. **Urges** the Member States and Islamic institutions to extend urgent and substantial assistance to the people of the Islamic State of Afghanistan.
3. **Commends** those Member States that have already provided assistance to the people of the Islamic State of Afghanistan.
4. **Expresses its deep appreciation** for the creation of a fund for the Afghan people at the 9th Extraordinary Session of the Islamic Conference of Foreign Ministers and recommends that this fund be established as soon as possible.
5. **Expresses its gratitude and appreciation** to the OIC Member States for their generous contribution to the newly formed OIC Fund for the Welfare of Afghan Refugees to return from neighbouring and other countries to their own country.
6. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

G. Economic Measures in Support of the Republic of Somalia

Recalling resolutions of the 10th Islamic Summit Conference (resolution 15/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

1. **Expresses appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Urges** OIC Member States to provide material and other assistance on emergency basis to Somalia.
3. **Commends** those Member States that have already provided aid and assistance to the people of Somalia.

4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

H. Economic Assistance to the Kyrgyz Republic

Recalling relevant Resolution of the 10th Islamic Summit Conference (resolution 22/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Expressing its understanding of the situation which has arisen in the Kyrgyz Republic after attainment of independence and sovereignty;

Taking into consideration the economic difficulties accompanying the transitional period to the free market economy;

1. **Expresses deep appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Appeals** to all Member States and Islamic financial institutions to contribute generously to the process of overcoming the economic difficulties experienced by the Kyrgyz Republic, either on bilateral basis or through multilateral and regional organizations, in order to enable the Kyrgyz Republic to fulfil its economic programme.
3. **Appeals also** to the Islamic Development Bank to increase its financial and technical assistance to the Kyrgyz Republic.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

I. Economic Measures in Support of the Republic of Azerbaijan

Recalling the resolutions adopted by the 10th Islamic Summit Conference (resolution 21/10-EC), the 33rd Islamic Conference of Foreign

Ministers and the 21st Session of the COMCEC expressing support and assistance to the Republic of Azerbaijan;

Referring to the relevant UN Security Council Resolutions;

1. **Strongly condemns** continuous aggression by the Republic of Armenia against the Republic of Azerbaijan resulting in the occupation of one fifth of its territory and leaving behind one million Azerbaijani refugees and displaced people.
2. **Reaffirms** its support of the sovereignty and territorial integrity of the Republic of Azerbaijan and full solidarity of OIC Member States with the government and people of Azerbaijan at this very critical time in the history of the country.
3. **Recognizes** the need to reinforce concrete solidarity of OIC Member States with the government and people of Azerbaijan.
4. **Welcomes and appreciates** the assistance extended by OIC Member States and relevant bodies, the United Nations institutions and international organizations.
5. **Appeals** to Member States and Islamic institutions to make available to the Government of Azerbaijan the much needed economic and humanitarian assistance with a view to alleviating the sufferings of the Azerbaijani people.
6. **Calls upon** the international organizations to continue to offer humanitarian and economic assistance to the Republic of Azerbaijan.
7. **Requests** the Secretary General to follow up on the matter and to submit a report thereon to the next COMCEC Session.

J. Economic Measures in Support of Bosnia-Herzegovina

Guided by the principles and objectives of the Charter of the Organization of the Islamic Conference emphasizing common goals and destiny of the peoples of the Islamic Ummah and their commitment to the consolidation of international peace and security;

Recalling previous resolutions adopted by the OIC in expression of its Members' full solidarity with the Government and people of Bosnia-Herzegovina;

Taking also into account the resolutions adopted by the Extraordinary Sessions of the Islamic Conference of Foreign Ministers on the situation in Bosnia-Herzegovina held in Istanbul and Jeddah and followed by the special Ministerial Meeting held in Islamabad as well as the 21st through 33rd Islamic Conferences of Foreign Ministers, 10th Islamic Summit Conference (resolution 14/10-EC), and 21st Session of the COMCEC;

Expressing its appreciation for the work of the Assistance Mobilization Group for Bosnia-Herzegovina, formed in 1995 during the Kuala Lumpur Meeting of the OIC Contact Group Ministers of Foreign Affairs and Defense for the provision of humanitarian and economic assistance in favor of concrete rehabilitation and reconstruction projects in Bosnia-Herzegovina;

1. **Expresses deep appreciation** for the assistance extended by Member States and OIC relevant bodies. It also **stresses** the importance of the continuation of activities undertaken by the OIC Assistance Mobilization Group and noted with appreciation the special programme of the Islamic Chamber of Commerce and Industry designed to assisting the private sector of Bosnia-Herzegovina.

2. **Welcomes** the contributions of OIC Member States at the Donor Conference for the Reconstruction of Bosnia-Herzegovina held in Brussels in April 1996 which prompts OIC Member States to pursue their efforts vis-à-vis the payment of financial contributions for the repatriation of refugees which was adopted at the OIC Conference held in Doha in May 2001 and **expresses its satisfaction** for the efforts exerted by the OIC Committee for the Reconstruction of Bosnia-Herzegovina.

3. **Appeals** to Member States, Islamic institutions and other donors to make generous donations and provide financial aid to step up the early implementation of the IDB programme aimed at providing humanitarian assistance to the Government and people of Bosnia-Herzegovina for the reconstruction of the country.

4. **Expresses its appreciation** for the assistance provided by the OIC Member States as well as for the commendable efforts of Islamic and other international humanitarian bodies in the area of providing relief and assistance to war victims in Bosnia-Herzegovina.
5. **Urges** the international community to take effective measures to ensure the rehabilitation and reconstruction of Bosnia-Herzegovina.
6. **Persistently demands** that the sovereignty, territorial integrity and political independence of Bosnia-Herzegovina be safeguarded and protected within its internationally recognized borders and **supports** the Government of Bosnia-Herzegovina in its intent to proceed on this sound basis en route to a just and lasting solution to help restore the confidence of its people so that they may continue to live as a multi-ethnic, multi-cultural and multi-religious society.
7. **Requests** the OIC Member States, at the same time members of the Peace Implementation Council in Bosnia-Herzegovina and its Coordination Committee, to direct the largest portion of international assistance to the reconstruction of Bosnia-Herzegovina and, in particular, the areas inhabited by Muslim Bosnians.
8. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

K. Assistance to the Republic of Guinea

Recalling earlier resolutions of the 10th Islamic Summit Conference (resolution 16/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Considering the role played by the Republic of Guinea within the framework of the Organization of the Islamic Conference to establish peace and to reinforce stability in some Member States;

Considering the presence of a massive number of refugees from Liberia and Sierra Leone which constitutes an appalling burden on the economy of the Republic of Guinea;

Being gravely concerned over repeated aggressions against the Republic of Guinea along its borders with Liberia and Sierra Leone, resulting in human losses, serious material damage and extensive displacement of the population within Guinea;

Considering the Declaration issued on 13 September 2000 by the UN Security Council, condemning these aggressions;

Considering the Final Communique of 13 September 2000 of the Coordination Meeting of Foreign Ministers of Member States of the Organization of the Islamic Conference condemning these aggressions and expressing its solidarity with the Republic of Guinea;

Considering the need for the Republic of Guinea to reconstruct its country, secure the survival of the displaced population and the return of the refugees to their respective countries;

Noting with satisfaction that a joint OIC/IDB mission visited areas affected by rebel attacks with a view to assessing the damage and destruction resulting from the attacks and to elaborate a reconstruction program;

1. **Expresses** its support to and solidarity with the people and the Government of Guinea.
2. **Invites** the international community and the OIC Member States to provide the Republic of Guinea with substantial financial and material assistance, so that it would deal with the difficulties triggered by the assaults against the Republic of Guinea and the presence of hundreds of thousands of refugees, the majority of whom are Muslims, on its territories.
3. **Appeals** to the Islamic Development Bank to increase its assistance, in the form of subventions or loans with favorable terms, to the Republic of Guinea, so that it may erect the social infrastructures needed for the displaced

population and the refugees, and get over the deleterious situation brought about by this massive human presence.

4. **Requests** the Secretary General to follow up on the matter and to report thereon to the following COMCEC Session.

L. Assistance to the Republic of Sierra Leone

Recalling relevant Resolutions adopted by the 10th Islamic Summit Conference (resolution 17/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

1. **Appeals** to Member States and Islamic institutions of the Organization of Islamic Conference of which Sierra Leone has always been an active member, whose people have experienced the most brutal acts of violence, to urgently extend substantial financial and material assistance to the war ravaged country to enable its people to rebuild the infrastructure and to undertake the much needed rehabilitation, reconstruction and resettlement of returnees and displaced inhabitants of about 1,5 million.

2. **Appeals** to those Member States which have not generously contributed to the OIC trust fund for the reconstruction and economic rehabilitation of Sierra Leone to kindly do so to accelerate the reconstruction efforts currently undertaken by the Government of the Republic of Sierra Leone.

3. **Requests** the Secretary General to use his good offices to accelerate the approval process of projects already identified for Sierra Leone.

4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

M. Assistance to the Kashmiri People

Recalling the relevant resolution of the 10th Islamic Summit Conference (resolution 23/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of COMCEC;

Noting that the people of Jammu and Kashmir in the Indian occupied Kashmir have sustained grave atrocities and repressive practices resulting in more economic hardships to be borne by the people;

1. **Recognizes** the need for immediate economic assistance to alleviate the sufferings of the innocent and displaced Kashmiris.
2. **Appeals** to all Member States and Islamic institutions, particularly the Islamic Solidarity Fund and the Islamic Development Bank to offer immediate assistance to the Kashmiri people.
3. **Also appeals** to all OIC Member States and Islamic institutions to grant scholarships to Kashmiri students in different universities and educational institutions in the OIC countries.
4. **Requests** the Secretary General to follow up on the matter and to report to the next COMCEC Session.

N. Economic Assistance to the Republic of Yemen

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 24/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Taking into consideration the economic difficulties faced by the Republic of Yemen, having emerged from the burdensome task of reunification and the massive losses incurred by the abortive secession attempt in June 1994 as well as the devastating floods that swept the country in 1996;

Appreciating efforts and success of the Government of Yemen in implementing the Comprehensive Programme of Administrative and Financial Reform;

Taking into consideration the heavy burden borne by the Yemeni Government to provide shelter for groups of refugees from neighboring African countries;

Recalling that Yemen is one of the least developed countries:

1. **Expresses** its appreciation for the efforts of the Yemeni Government to overcome its economic difficulties and to implement the Comprehensive Programme of Administrative and Financial Reform and the success achieved in this regard.
2. **Also expresses** its appreciation for the assistance extended by some Member States and the relevant organs of the Organization of the Islamic Conference.
3. **Renews its call** to Member States as well as to all regional and international organizations to extend all kinds of economic assistance to the Yemeni Government to support its efforts aimed at implementing the Comprehensive Programme of Administrative and Financial Reform and soothing the sufferings generated by floods and the heavy burden of sheltering large numbers of refugees from neighbouring African countries.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

O. Economic Assistance to Tajikistan

Recalling relevant resolutions of the 10th Islamic Summit Conference (resolution 27/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Taking into account the objectives and principles of the OIC Charter as well as members' commitment to consolidate international peace and security;

Deeply concerned over the critical situation in Tajikistan in the aftermath of six years of bloody civil war, which resulted in numerous deaths, injuries and the displacement of thousands of people as well as the devastation of its economic and social infrastructures;

Noting the return of about 200,000 Tajik refugees to their homeland which necessitates substantial financial and technical support;

Recalling the report of the World Food Programme which estimates that 25 per cent of the Tajikistan population are in dire need of food aid;

Noting with concern the marked spread of contagious diseases such as tuberculosis and diarrhea, victims of which are especially infants, children and women;

1. **Expresses deep appreciation** to the assistance extended by some Member States.
2. **Appeals** to all members and Islamic financial institutions to make their generous contributions to the process of overcoming the economic hardships experienced by Tajikistan either on bilateral basis or through multilateral and regional organizations to enable Tajikistan to implement its rehabilitation programmes.
3. **Urges** the Islamic Development Bank to increase its financial and technical assistance to Tajikistan.
4. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

P. Economic Assistance to Guinea Bissau

Recalling earlier resolutions of the 10th Islamic Summit Conference, the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Noting the political and social disorders that have recently erupted in Guinea Bissau and their consequences on the economic activities of the country, namely the loss of agricultural and export products, the mass displacement of the population and the devastation of the basic socio-economic infrastructure, such as schools, dispensaries, hospitals, markets, residential areas, etc;

1. **Urges** Member States and the International Community to provide Guinea Bissau with urgent aid to facilitate the reintegration of its people in active life.

2. **Appeals** to Member States and to OIC institutions to participate in the rehabilitation and economic revival programme of Guinea Bissau.
3. **Requests** the Secretary General to follow up on this matter and to report to the next COMCEC Session.

Q. Economic Assistance to Countries Affected by Drought and Natural Disasters

Recalling earlier resolutions of the 10th Islamic Summit Conference (resolution 10/10-EC), the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

Noting with concern the grave situation brought forth by drought and natural disasters, and their scathing effect on economic and social conditions especially as regards agricultural, economic and social infrastructures, as well as public services and utilities;

Noting with satisfaction efforts made by some Member States and the Islamic Development Bank which have extended and continue to extend technical and financial assistance as well as aid to Member States stricken by drought and natural disasters;

Fully aware that afflicted Member States, most of them belonging to the category of the Least Developed Countries, cannot by themselves, bear the exorbitant cost of anti-drought and anti-desertification campaign and the implementation of major related projects;

1. **Expresses its gratitude** to Member States, which provided and are still providing assistance and food aid to the Member States affected by drought and natural disasters.
2. **Expresses also its gratitude** to IDB for its continuing assistance to Member States afflicted by drought and natural disasters and encourages the Bank to keep up its assistance to this end.

3. **Appeals** to the international community also to extend assistance to Member States plagued by drought and natural disasters.
4. **Calls upon** the Member States and OIC Institutions to extend urgent assistance to OIC countries of Inter-governmental Authority for Development and the Campaign Against Drought (IGAAD) and Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) to enable them to deal with the difficult situation they were in and which has been threatening them for a long time.
5. **Notes with appreciation** the meeting of donor countries and national and regional financial institutions held by Kuwait at the IDB Headquarters in June, 1998 to consider appropriate mechanisms for financing the new programmes.
6. **Welcomes** the contribution of 30 million US\$ by the State of Kuwait in the form of development soft loans as well as the 20 million US\$ contributed by the Islamic Development Bank for the new programme.
7. **Also notes with appreciation** that the Kingdom of Saudi Arabia has embarked on the implementation of its new programme for the control of drought and desertification in the Sahelian African States.
8. **Also expresses** its appreciation to the Great People's Socialist Libyan Jamahiriyyah for the support and assistance it provides to Islamic States to help improve their infrastructure, mollify the ills of abject poverty, drought and natural disasters and ameliorate health, social and cultural conditions through donations, soft loans and in kind assistance.
9. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

**R. Assistance to Sahelian African States Afflicted by
Desertification, Drought and Locust Invasion**

Having taken cognizance of resolution (27/7-IS) of the 7th Islamic Summit on Islamic Solidarity with the Peoples of the Sahel;

Taking into account the need for the urgent implementation of the OIC/CILSS/IDB Programme for the Sahel, which could be compromised if not implemented as soon as possible;

Recalling resolutions of the 10th Islamic Summit Conference, the 33rd Islamic Conference of Foreign Ministers and the 21st Session of the COMCEC;

1. **Expresses** deep appreciation for the assistance extended by some Member States and OIC relevant bodies.
2. **Appeals** to all Member States and Islamic institutions to extend urgently special assistance to enable Sahelian African States to make up for the lack of cereal crops and poor grazing land as a result of scarce rain falls and locust invasion.
3. **Expresses** its appreciation of the efforts made by the OIC General Secretariat, CILSS and the IDB vis-à-vis the elaboration and finalization of the OIC/CILSS/IDB Programme for the Sahel.
4. **Reaffirms** the necessity of giving priority to the rapid implementation of the Special OIC/CILSS/IDB Programme for the Sahel.
5. **Appeals** urgently to Member States to contribute generously and substantially to the funding of the OIC/CILSS/IDB Programme in favour of the Sahel populations to crystallize the OIC Member States solidarity with these populations, alleviate their sufferings and ensure sustained development for the Sahel region.
6. **Notes** with appreciation the meeting of donor countries and national and regional financial institutions in Kuwait in June 1998 to consider the appropriate mechanisms for financing the new programme.
7. **Welcomes** the 30 million US \$ contribution made by Kuwait in the form of development soft loans as well as the 20 million US \$ provided by the Islamic Development Bank for the new programme.

8. **Also notes** with appreciation the initiation by the Kingdom of Saudi Arabia of the third phase of its program in favour of the Sahelian African States to combat drought and desertification.
9. **Urges** the Member States to announce their contributions to the new programme in favour of the Sahelian African States.
10. **Requests** the OIC General Secretariat to follow up on this matter and to report to the next COMCEC Session.

S. Economic Assistance to the Republic of Mozambique

Noting with satisfaction that the Mozambique Presidential and Legislative elections held on 1-2 December, 2004, was carried out peacefully and in a transparent manner, which created conditions to reinforce the democratic process and to proceed with the implementation of economic and social programmes,

Appreciating efforts being made by the Government of Mozambique concerning the implementation programme for eradication of poverty as well as for economic development;

1. **Appeals** to the Islamic Development Bank, all Islamic Institutions and the international community in general to continue rendering their assistance in order to ensure the socio-economic development of Mozambique.
2. **Urges** the developed countries to write off the external debt of Mozambique in the light of its current efforts to eradicate poverty.
3. **Calls upon** all Member States to continue their support to the implementation of the programme of reconstruction of Mozambique.
4. **Expresses deep appreciation** for the assistance extended by some Member States and relevant OIC institutions.
5. **Urges** the international community to render assistance for setting up national, sub-regional, regional and international disaster prevention, preparedness and management mechanisms, including early warning systems.

6. **Requests** the Secretary General to follow up on the implementation of this resolution and to submit a report thereon to the next Session of the COMCEC.

T. Economic Assistance to the Republic of Sudan

Recalling the resolutions adopted by the Islamic Summit Conference and the Foreign Ministers meetings in earlier sessions on the support of Sudan

1. **Expresses deep concern** over the sufferings of the war-ravaged Sudan the influx of refugees and the displaced as a corollary of disputes, natural disasters, drought, desertification and floods;

2. **Appraises** positive developments in the Republic of Sudan that favorably led to the conclusion of the Comprehensive Peace Accord in January 2005. **Also welcomes** the formation of the national unity government and the signing of the Abuja Peace Agreement in Darfur and **appeals** to the rest of the factions which have not done so to speedily accede to the Peace Agreement. **Also welcomes** the conclusion of the Asmara Accord to bring to an end the problem of East Sudan and **asserts** its assistance to Sudan to help it build peace and development for the sake of its unity and stability.

3. **Lauds** the positive response by the Islamic Development Bank to the Urgent Assistance Programme, already initiated, and **calls upon** the other states and institutions to extend urgent assistance to support the programme with a view to obliterating the traces of war, drought, desertification and natural disasters and redressing their implications on infrastructure and social and economic structures;

4. **Requests** the Secretary-General to follow up on this matter and to report to the upcoming COMCEC Session.

U. Draft Resolution on the urgent economic assistance for Chad

Considers the massive presence of refugees on the Chadian territories on the one hand, and the continued situation of the displaced Chadian population who are living under drastically deplorable conditions on the other hand;

Takes note of the principles and objectives of the OIC Charter and the commitment of the member states to the strengthening of international peace and security.

1. **Invites** Member States, Islamic institutions and the international organizations to extend urgent financial and economic assistance to Chad in order to face the multiple problems of refugees and the displaced who are living on its territory and to implement its socio-economic programs.
2. **Appeals** to Member States, Islamic institutions and humanitarian organizations to provide the necessary assistance to the population of East Chad.
3. **Requests** the Secretary General to ensure the implementation of this Resolution and to report to the next COMCEC Session.

ANNEX

10

Original: English

REPORT AND RECOMMENDATIONS OF THE WORKSHOP ON "CAPACITY BUILDING FOR FACILITATION OF TRADE AND INVESTMENT FOR THE OIC MEMBER COUNTRIES"

A. BACKGROUND:

In its twenty-first session that was held in Istanbul from 22-25 December 2005, The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) decided that "Capacity Building on Facilitation of Trade and Investment" be the theme for the exchange of views at the twenty-second session of the COMCEC to be held from 21-24 November 2006. The Islamic Development Bank (EDB) was mandated to organize a Workshop on this subject, in collaboration with the OIC General Secretariat, and any other international organization prior to the 22nd session of the COMCEC, and report to it the recommendations of the Workshop.

B. OBJECTIVES:

The main objectives of the Workshop were:

1. Creating awareness among the OIC member countries about the importance of capacity building for facilitation of trade and investment.
2. Providing an opportunity to the participating OIC member countries to share experiences, and learn about the best practices.
3. Assessing the capacity building needs of the OIC member countries, identifying the critical areas, and discussing the possible ways and means of enhancing their capacity.
4. Providing the OIC member countries with a set of recommendations for concrete steps to be taken at the national, regional, and OIC levels.

The representatives of the following member states of the Organization of the Islamic Conference (OIC) attended the Workshop: -

- Kingdom of Saudi Arabia
- Republic of Turkey
- Malaysia
- Republic of Tunisia
- Kyrgyz Republic
- People's Republic of Bangladesh
- Islamic Republic of Pakistan
- Arab Republic of Egypt
- United Arab Emirates
- Republic of Indonesia
- Hashemite Kingdom of Jordan
- Republic of Tajikistan

State of Kuwait
Republic of Kazakhstan
Republic of Azerbaijan

The representatives of the following OIC institutions attended the Workshop and presented papers on different topics: -

- The Islamic Development Bank Group (IDB)
- The Organization of the Islamic Conference (OIC) General Secretariat
- The Standing Committee for Economic and Commercial Co-operation (COMCEC) Coordination Office
- The Islamic Centre For Development Of Trade (TCDT)
- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- The Islamic Chamber of Commerce and Industry (ICCI)
- The Islamic University of Technology (TUT)

The Representatives of the following International Organizations also participated in the Workshop as resource persons: -

- The World Customs Organization (WCO)
- The United Nations Economic Commission for Europe (UNECE)
- The United Nations Conference on Trade and Development (UNCTAD)

C. OPENING SESSION:

After the recitation of verses from the Holy Koran, Mr. Homaid Al Oufaiyb, representative of OIC, read out the message addressed to participants by H.E. Prof. Dr. Ekmelddin Ihsanoglu, Secretary General of the Organization of the Islamic Conference (OIC).

In his message, H.E. Prof. Dr. Ekmelddin Ihsanoglu, thanked the IDB for organizing this important workshop. He hailed the pivotal role played by COMCEC in augmenting trade and economic ties among the OIC member countries and also the crucial role played by the IDB in the development of trade exchanges and joint investment projects among the member countries. Trade offered one of the key instruments for establishing solid economic and social relations and was a significant source of economic development and transfer of knowledge and skills. It was in line with that basic recognition that the Third Extraordinary Session of the Islamic Summit, held in Makkah in December 2005, mandated COMCEC to take measures to raise the intra-OIC trade. The workshop offered an opportune occasion for Member states to exchange views and experiences and identify optimal ways for capacity building to facilitate trade and investment among them. He expressed his hope that the workshop would come out with concrete recommendations to increase trade exchanges and investment opportunities among OIC member countries.

In his opening statement, H.E. Ambassador Dr. Assad Omer, Permanent Representative of Afghanistan to the United Nations Office in Geneva and other International Organizations, stressed the importance of building the capacity to produce goods and exchange them in the market. He said that it was necessary to acquire the ability to exchange goods and services in the domestic market or across the borders. After outlining the deficiencies shared by most of the OIC member countries, he urged them to build their capacity in order to participate in the global trading system with a view to enhancing the competitiveness of their economy. He added that as the development process was becoming more and more knowledge-based, building trade-related capacity was necessary to better understand the issues involved and to design adequate responses on how to acquire the ability to participate in trading system with success. He said that the ultimate goal of the meeting was to help the OIC member states not only in enhancing trade among themselves but also in participating in international trade so that all countries could benefit regardless of their size, wealth, or political importance. In conclusion, he emphasized that the international trade-related rule making process had and would have important impact not only on the development process but also on trade-related capacity of all OIC Member Countries.

In his inaugural statement, H.E. Dr. Ahmed Mohamed Ali, President, IDB Group, welcomed the participants to this important Workshop. He stated that the IDB is organizing this Workshop in fulfillment of the mandate entrusted to it at the 21st Session of COMCEC held in 22-25 November 2005 in Istanbul. The IDB was honored to host this event, which comes within the framework of its efforts, among other things, to promote and enhance the capacity building of the OIC member countries in trade and investment facilitation. He further highlighted the role played by the IDB in providing technical assistance and capacity building on WTO-related matter to the OIC member countries and the contribution it made in the development of human and institutional capacity.

The global economy in the current phase of globalization and liberalization of international trade was facing great challenges. Developing countries, including OIC member countries, needed to enhance their competitiveness in order to share the benefits of liberalized market access opportunities and effectively compete in the globalized economy. Therefore, facilitation of trade and investment was an important factor in enabling our member countries to achieve economic growth and address poverty challenges. Capacity building in OIC member countries, especially the less developed, in trade and investment, would contribute significantly to the creation of an enabling environment to attract FDI and increase their productive capacity.

D. PROCEEDINGS OF THE WORKSHOPS:

The three-day workshop was chaired by H.E. Dr. Asad Omer, Ambassador and Permanent Representative of Afghanistan to the UN and other International Organizations in Geneva in its first two days. The sessions held during the last day of the workshop were chaired by H.E. Mukhtar Djumaliiev, Ambassador and Permanent Representative of the Kyrgyz Republic to the UN and other International Organizations in Geneva.

Following are summaries of the papers submitted by the International Experts and Representatives of the OIC Institutions:

INTERNATIONAL EXPERTS

- ***The Concept and Need for Capacity Building as a Tool for Development for Facilitation of Trade and Investment, by H.E Ambassador Amina Chawahir Mohammad, Permanent Representative to WTO, Republic of Kenya***

The paper primarily discusses, at the conceptual level, the importance of trade facilitation in the changing global trade environment and the challenges it poses to the developing countries.

The introductory part addresses the need for capacity building for facilitation of trade and investment and how it can affect the economies of the developing countries in general and the OIC members in particular. In terms of limitations, the paper highlights that the biggest handicap to enjoying the full benefits of trade is the inability to use the opportunities made possible by market openings coupled with limited special and differential treatment (S&D) provisions for developing countries. The constraints faced whether in terms of under-developed or non-existent trade infrastructure or in terms of a trade information gap render meaningless any concessions that may have been painstakingly negotiated. In that context, the paper argues that the significance of capacity building as a tool for facilitation of trade and investment and promotion of development must be understood.

Further on the paper views that trade facilitation has long been recognized by countries as critical for increasing competitiveness, promoting trade and enhancing the benefits of globalization. From the perspective of developing countries, embarking on a serious exercise of trade facilitation signals to the rest of world that a given country is open and ready for business. It also makes it possible for enterprises in a country to conduct business internally and externally more efficiently, effectively and transparently, thus contributing to creating wealth and promoting development.

As for the areas of concern for the developing countries, the paper spells out certain selected dimensions of facilitation of trade and how multilateral, bilateral and regional efforts could help in coping with the demands and requirements of trade facilitation.

The concluding part of the paper draws attention to the ongoing negotiations at the WTO on trade facilitation and the need for technical assistance and capacity building for the developing countries.

- ***Capacity building as a tool to enhance production, by H.E Ambassador Assad Omer, Permanent Representative to the UN and Other International Organizations, Afghanistan.***

The paper examines the production dimensions of facilitation of trade and investment. It categorizes the production-related aspects into a range of issues.

Firstly it addresses issues related to productive capacity and how historically creating new products, new processes, organizational practices and learning opportunities have

proved to be very important. Various contours of production have been highlighted in this part of the paper.

The second item in the paper relates to technological capacity. It underlines the critical importance of technology in the production processes. The need to broaden the concept of technology as a means to fostering economic development has also been emphasized.

The paper goes on to then focus on the need for building national capacity in OIC member countries. It builds on an inventory of problems which are faced by OIC members and provides concrete practical suggestions to the OIC members in order to enhance their productive capacities and for facilitation of trade.

- *Institutional dimensions of capacity building and infrastructural requirements for Facilitation of Trade and Investment*, by **Mr. Khalil Hamdani**, Officer in Charge, **Division on Investment, Technology and Enterprise Development, UNCTAD.**

The paper focuses on the need to develop institutional and infrastructural frameworks in the developing countries in order to make their production capacity competitive and investment regimes more attractive.

The earlier part of the paper deals extensively on issues related to capacity constraints, and suggests ways and means to tackle them.

The latter part of the paper discusses in detail the investment policy framework. It deals with issues pertaining to investment guarantees and incentives. It reviews the global trends of FDI and suggests ways to make FDI more attractive. The paper provides guidance in terms of the potential sectors for FDI and illustrates the benefits of investment in infrastructure.

The paper provides an insight into the relationship between Industrial policy and how it could be used to attract investment. It goes on to emphasize the importance of regional cooperation as a strategy to compete in world markets.

Lastly, the paper reviews the role of technology flows and international support for developing countries through the donor support programmes in various facets of institutional and infrastructural development.

- *Financial aspects of capacity building*, by **Mr. Mika Vepsäläinen**, Secretary to **UN/CEFACT, UNECE.**

The paper studies some of the important effects that trade facilitation can have on trade flows, government revenue and foreign direct investment. The focus is on the financial aspects of trade facilitation.

The paper starts with identifying the issues and the gains of trade facilitation. It spells out in detail the gains accruing to governments and the private sector through, efficiency improvements, automation, and port efficiency and harmonized and simplified customs procedures.

The analysis in the paper draws on a number of sources including empirical data and country experiences. It identifies the sources of financing trade facilitation, and how trade facilitation by itself becomes a way to save on resources through reduction in the cost of doing business.

The paper discusses how extra costs prove to be a trade and non-trade barrier. The element of savings on time spent on logistics, the paper argues, renders businesses non-competitive. The last part of the paper makes some practical recommendations with a view to improving trade facilitative measures.

- ***Human resources as a pillar of capacity building, by Mr. Yoshiro Baba, Technical Officer, Capacity Building Directorate, World Customs Organization.***

The paper discusses and lays down in detail the role of the World Customs Organization in terms of its efforts in developing human resources for facilitation of trade. It provides an insight into the instruments the WCO in collaboration with its Members has designed and developed for smoother and speedier customs clearance.

The paper emphasizes issues of integrity and reviews extensively the measures which aim at weeding out corruption through international instruments.

The paper also provides an in-depth insight into the Human Resource Strategy in general and the efforts of the WCO to build human resources as a tool for trade facilitation.

The paper deals with the training part of the WCO's efforts in developing and updating capacity building standards and tools. It spells out the methodology designed and adopted by the WCO in carrying out the training programmes for customs-related subjects.

The paper concludes with giving a number of elements as thoughts for discussion as possible approach to capacity building on trade facilitation.

- ***Sources of Capacity Building: National, Regional, International and Inter-agency Levels, by Mr. Mika Vepsäläinen.***

This paper reviews the sources of capacity building at national, regional, international and inter-agency levels. The paper discusses in detail the sources which national governments could tap for eliciting support for their capacity building programmes on trade facilitation.

The paper provides guidance and identifies certain international and regional initiatives, as potential and on-the-ground support programmes... Since trade facilitation programmes involve a multitude of government agencies, it does complicate the business of such programmes, especially the integration of the inter-agency mechanisms to put into practice successfully such support programmes... However, the paper provides an insight on such constraints and the efforts of various national, regional and international endeavors to cope up with these issues. The paper

provides various examples of current o international, regional and national projects for facilitation of trade.

The last part of the paper identifies various problems which national capacity building programmes face. It also gives practical recommendations as to how to approach the problem of capacity building on facilitation of trade. Support programs and some of the current practical activities carried out by the UNECE are also highlighted in the last part of the paper.

OIC INSTITUTIONS

- **The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) - Member of the Islamic Development Bank Group (By Mr. Sadiq Raza Muhamed)**

The representative of ICIEC while presenting his paper on the newly launched Investment Promotion and Technical Assistance Programme (ITAP), informed the participants that this programme is an initiative by the Islamic Development Bank Group to foster and support the development efforts of its 56 member countries through an integrated program of foreign investment promotion and technical assistance. In line with the greater emphasis placed by the IDB on the development of the Private Sector, the main objective of the programme is to improve FDI flows into member countries. This will be achieved through programs aimed at improving the investment climate of member countries, enabling additional information flows on investment opportunities in member countries as well as capacity building of investment promotion agencies and relevant government departments. ITAP programs include funding feasibility studies on the investment potential of specific sectors of member countries, the preparation of bankable project documents for viable sectors, capacity building conferences for IP As, as well as the development of an interactive website containing up-to-date information on investment opportunities in member countries.

In strategic partnerships with organizations such as MIGA, UNIDO and WAIPA, the programme will identify the specific needs of individual member countries in order to improve and invigorate foreign direct investment into member countries.

The IDB Group has a wealth of knowledge in the developmental challenges of its fifty six member countries. The group offers a number of services in the many stages of the investment process, funding (ICD and Bank Operations) to insurance (ICIEC) to developmental impact evaluation. ITAP aims to combine this expertise with that of our international partners to provide constructive advice and assistance to the specific needs of individual member countries.

- **Trade Finance & Promotion Department, IDB Group (By Mr. Nik Nagip Husain)**

IDB has been active in promoting the trade flows among its member countries through a variety of trade finance and promotion programs. IDB trade finance facilities uses Shariah compatible modes of financing such as Murabaha and

Installment Sale. The facilities finance cross border transaction with priorities in financing the intra-trade among its member countries. IDB can finance the import needs of all economic entities in its member countries such as the government, state-owned enterprises, large private companies and small-medium-enterprises. For small-medium-enterprises, the mechanism will be through the line of financing extended to the local banks.

The core programs of IDB trade facilities are Import Trade Financing Operations (ITFO), Export Financing Scheme (EFS), BADEA Export Financing Scheme (BEFS), and Trade Cooperation and Promotion Program (TCPP). The first three programs are relating to trade finance whereas the last one is relating to trade promotion. The new trade entity called International Islamic Trade Finance Corporation (ITFC), established during the last Board of Governors' meeting in Kuwait in May 2006, under the umbrella IDB Group will soon take over all of IDB trade related activities.

The total amount approved by the Bank since its inception till the end of 1426H stands at US\$ 24.4 billion, comprising US\$ 19.2 billion under ITFO; US\$ 1.4 billion under EFS & BADEA; and US\$ 3.8 billion under other windows. Seventy five percent of this total approval was for intra-trade financing.

To meet the strategic objective of increasing the intra-trade among its member countries, IDB give incentives in form of lower spread and longer repayment period for the imports from member countries. Other than this, the above IDB trade financing program have also been an instrument to facilitate trade flows by serving the following purposes: adding value to letters of credit of member countries' bank, reduction in transactional costs, correspondent banking network, market knowledge, structured trade financing, and fund mobilization.

However, the Bank recognizes that the amount that it has provided and to be provided in future cannot satisfy all the requirement of the importing entities in the member countries. The average approval of US\$ 1.7 billion in the last five years represents only a small portion of total annual trade of OIC/IDB countries, estimated at US\$ 1,500 billion. This means that IDB cannot be the sole institution responsible for enhanced trade flows among member countries. IDB's role in increasing the intra-trade is clearly only as a catalyst. Member countries for instance have to enhance their trade especially export capabilities. In addition, to increase the intra-trade further, member countries need also to deal with the issues of tariff and non tariff barriers.

At the end, IDB does not pretend that it will be able to solve all problems facing the intra-trade or provide financing for all intra trade transactions. However, given its position as a development institution owned by 55 OIC countries, it could have an important role to play from being a financing provider to fund mobiliser. Nevertheless, the increase of intra-trade will only be successful if the member countries themselves are making conscious efforts to promote trade among them.

- **The Standing Committee for Economic and Commercial Co-operation (COMCEC) Coordination Office (By Mr. Metin Gençkol)**

The COMCEC representative said that the subject of capacity building for facilitation of trade and investment was undoubtedly critical in terms of the economic cooperation among the OIC countries. Most of the OIC countries were developing and less developed countries with low or very low capacity to facilitate trade and investment.

He emphasized that the OIC countries were in urgent need to facilitate trade and investment among themselves, as the current levels of trade exchanges among them were not even close to the desired or potential level of cooperation. Cooperation in this area necessitated the need to build and increase the awareness of the member countries. Increasing bilateral and multilateral trade and investment between them would lead to economic development, which in turn would increase their competitiveness.

Moreover, there was a need to build political commitment of the OIC countries to design policies towards facilitating trade and investment. It was his opinion that these were two most important prerequisites to facilitating trade and investment.

He proposed that the COMCEC increase the importance given to the trade and investment facilitation in its capacity building programs. The issue of poverty alleviation in less developed and low-income OIC countries remained on the agenda of various Islamic Summit and Foreign Ministers Conferences with a view to eradicating the poverty in them by the end of the next decade.

- **The Islamic Centre For Development Of Trade (ICDT) (By Mr. Amadou Cire Sail)**

The simplification and harmonisation of international trade procedures" covering the "activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade" was an important prerequisite for trade facilitation He said the Doha Round talks on trade facilitation covered freedom of transit, fees and formalities related to importing and exporting and transparency of trade regulations - which was essentially related to border procedures such as customs and port procedures, and transport formalities. He went on to say that steady increases in trade volumes and complexity in recent years had significantly changed the operating environment for the international trading community. They also highlighted the negative impact of inefficient border procedures on governments, businesses and ultimately on the customer and the economy as a whole. Governments faced smuggling, fraud and national security problems, which resulted in the drain of the public coffers, while businesses paid the price of slow and unpredictable goods delivery, costly customs procedures, and even lost business opportunities. And all these costs ultimately made goods more expensive for the consumer. These "hidden" costs of trade were so high - as much as 15% of the value of the goods traded in some cases - as some studies had shown for many countries. The welfare benefits from more efficient customs

procedures could be as high as those from reducing tariffs. This was a problem for all trading nations, and finding ways to make the whole process of trading simpler and smoother - trade facilitation - was a key element of the Doha Development Agenda (DDA) for multilateral trade negotiations at the World Trade Organization. Trade facilitation was particularly important for OIC Member States, as studies showed they stand to gain the most from more efficient trade procedures, although achieving it may be more challenging for these economies than for the developed world. But even modest reductions in the cost of trade transactions would have a positive impact on trade for both the developed and the developing world.

- **The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) (By Mr. Nabil Dabour)**

Aside from the vast geographical dispersion, the group of OIC countries was very diversified in terms of its population, economic structures, political systems, economic development, resource endowments, international relations and developmental priorities.

Such a mixed set-up had in fact a large bearing on their various economic cooperation efforts so far made within the framework of the OIC where a little progress in the form of tangible end-results was recorded in actuality, particularly in the area of intra-OIC trade and investment.

In this context, apart from production structure problems, many OIC countries, particularly the least-developed ones, faced serious institutional, technological and human resource constraints. The lack of adequate trade and investment infrastructures, such as direct and well-developed transportation, telecommunication and information networks, still impeded the flows of trade and investment among those countries and between them and the rest of the world.

These and other related problems could not be overcome without undertaking major efforts to improve what was referred to as "capacity building" for economic development in general and for trade and investment promotion in particular.

Given this state of affairs, the paper attempted to assess the recent record and performance of trade and investment in the OIC countries and highlighted the major obstacles that still hindered their efforts to increase their levels of trade and investment at both the national and intra-OIC levels. It mainly aimed at highlighting the role of capacity building in enhancing trade and investment in those countries.

Section two of the paper presented a recent profile of trade in the OIC countries. After a review of the overall structure of production and trade, it analysed the performance and direction of trade in those countries with emphasis on intra-OIC trade.

Similarly, section three presented a recent profile of investment, both domestic and foreign, in the OIC countries. It examined the current standing of intra-OIC

investment in terms of FDI flows into and out of the member countries as well as the latter's performance and potential in this regard.

Section four shed light on the overall OIC economic cooperation activities and highlighted the impediments to and the role of capacity building in enhancing intra-OIC trade and investment. Lastly, section five presented some concluding remarks and suggested a set of policy recommendations on the subject.

- **The Islamic Chamber of Commerce and Industry (ICCI) (By Mr. Syed Azhar Ibn Hassan)**

The representative of ICCI .in his presentation, highlighted the importance of trade as a tool for economic development. Trade currently represented 30 percent of world GDP and it was estimated to grow to 50 percent by 2020. The process of facilitating trade had been beneficial in all types of environment and could save billions of dollars both for the private and public sectors as revealed from the experiences of developed countries.

At the moment, the OIC countries were facing many trade challenges that needed our attention:

- a. **Trade Financing** was on the top of the list, because trade could not take place without enough financing. Therefore, it was recommended that trade facilitation be supported by the development of trade finance regulations, and institutions that increase the availability of trade financing instruments, including documentary credit systems, electronic payment systems, and export credit insurance guarantees.
- b. **Free movement** facilities for the business community within the Islamic countries should be facilitated by issuing multiple visas, so that genuine businessmen may travel easily from one country to another.

But implementing any system, it should be recognized that there was always a cost connected to the change of status quo, and this cost would be borne both by the government and funding organizations, and by the companies. Therefore it was important to include the business community at an early stage in the development process of trade facilitation in order to create legitimacy and ownership, so as to make the process as smooth and effective as possible.

Furthermore, there was a need for regional approaches and strategic partnerships to complement national measures. A regional approach could be an efficient means of coordinating actions, setting priorities, reviewing progress, mobilizing resources, allocating funds, and monitoring contribution levels, with regard to solving common problems.

In order to attract foreign investments, which had become synonymous with employment, technology transfer and exports growth, Islamic countries had to liberalize their investments regulations and make necessary steps to facilitate trade.

This would open up their economies and provide opportunities to the private sector to enhance investment.

It was appropriate that a comprehensive approach should be evolved in the long term, and, in the medium term actions needed to be prioritized in a rationale way.

- **The Islamic University of Technology (IUT) (By Mr. A.B.M. Zahrul Kabir)**

In his presentation, the representative of the IUT pointed that trade and investment were the principal mechanisms through which global market forces like competition, human resource development, technology transfer, and technological innovation, generated growth in developing and developed countries. Trade expansion was particularly important for countries where local demand was too weak to support rapid expansion of production, employment and incomes. Participation in the rules-based global trading system was claimed to bring additional benefits like social stability (a factor in conflict prevention), good governance, legal and institutional reforms, creating conducive environment for mobilizing private finance and generating economic growth. He went on to analyze the internal obstacles facing the developing countries, which mainly derived from:

- Governments' lack of ability to participate in the international system and negotiate for better treatment;
- Governments' lack of ability to formulate and carry out appropriate national policies to provide a favorable economic environment for investment, production and trade;
- Firms' lack of ability to produce and sell international standard quality goods and services as well as lack of access to information and services that would make them more competitive.

These limitations should in fact be the focus of capacity building efforts. Technical and financial assistance from donor countries, if required, could be sought to remove the obstacles.

It was inconceivable to develop capacity for trade and investment without giving proper consideration to the development of human resources. The success of capacity building efforts was hinged to the quality of the people involved in those efforts.

Developing people with so many different types of skills was a huge task. It needed the involvement of all stakeholders.

OIC member states should explore this kind of innovative sources of financing to fund infrastructural and capacity building projects of the needy Member States.

E. RECOMMENDATIONS:

Participants in the Workshop reached the following conclusions:

a. Policy Recommendations:

1. Capacity building initiatives success requires sustained high-level political will and commitment.
2. Trade Facilitation (TF) initiatives must be compatible with other social and economic objectives of national policy.
3. TF initiatives must be complemented by a holistic approach including human resource management and development (HRM & HRD).

b. Enhancement of Production Capacity:

4. Policies aimed at increasing the competitiveness of national production capacities should be multi-dimensional focusing both on the firm level (Optimization of resources, growth orientation, organizational efficiency and technological inputs) and the market level (type and size of regional markets, enhancing export capacity). The role of the government through the implementation of coherent policies, creation of an export-friendly environment, identification of market segments, creating public-private partnerships and public procurement (an important tool to stimulate the production), is also to be emphasized.
5. In order to enhance production capacity, small and medium sized enterprises (SMEs) should be recognized as the main locus for productive activities and should be given the leading role in exploiting new export opportunities.
6. In order to enhance production capacity, a coherent policy framework (taxation, liberalization, Free Trade Areas (FTA) and Regional Trade Agreements (RTA)) should be established. The framework should include adjustment time-related flexibilities, import and export schemes, training centers, technology upgrading centers and testing labs.
7. In order to strengthen the supply-side capacity, there is a need to support professional associations, simplify enterprise creation (licensing), implement legal codes and establish arbitral centers. Other important measures include customs modernization, ICT use, e-commerce and development of insurance services.
8. Measures aimed at enhancing the production capacity in Land-Locked Developing Countries (LLDCs) should take into account the higher costs for trade in goods and services.
9. In order to ensure the effectiveness of international support programmes aimed at building productive capacity, the following guidelines should be followed:
 - a. Comprehensive national capacity building strategies, with corresponding donor support programmes.
 - b. Consortium of partners to finance ICT development.
 - c. Enterprise Challenge Fund, to support private sector initiatives that contribute to SME and entrepreneurship development.

- d. Develop S&T centers of excellence.
- e. Funding of education and health programmes.
- f. Expanded Aid-for-trade.

c. Institutions and Infrastructure Development:

10. At the national level, there is a need to spell out clearly and identify objectives and needs for capacity building as they would provide a useful guidance to the international donor community and potential investors, both foreign and local, to offer support.
11. Building the capacity to facilitate trade and investment requires the active involvement of representatives of all stakeholders including commercial business, government agencies and academia, with a view to ensuring enhanced cooperation and coherence among them [multi-stakeholder consortium].
12. As OIC member countries are at different levels of capability and resources, support response will vary and accordingly capacity building projects need to be tailored to country-specific needs. One-size-fits-all solutions will not be adequate and should be avoided.
13. A comprehensive approach to the trade-related capacity building requirements of OIC countries is considered to be the only way to ensure that they can increase their participation in international trade. Therefore, adequate resources should be made available to supporting infrastructure, in particular in the education and health fields.
14. Capacity building should not only focus on issues related to market access such as physical infrastructure and streamlining of trade policies, but should also focus on building the capacity to produce and ensure compliance of products with international markets based on international standards and related guidelines, as appropriate.
15. At the vertical policy level, capacity building measures should target individual industries, group of industries or individual firms. This will support competitiveness.
16. Cooperation in multimodal transport, trade and transit facilitation can yield important benefits for all countries of the region. This could also contribute to building trust and confidence in the region.
17. OIC Member Countries should deal with tariff and non-tariff barriers by acceding to the Framework Agreement on Trade Preferential System among the OIC Member Countries (TPS-OIC) and the Protocol on the Preferential Tariff Scheme of the TPS-OIC (PRETAS).
18. To gainfully participate in global trade and enhance their share of trade opportunities created by a liberalized trade environment, OIC countries need to develop their competitiveness through putting in place the necessary legislative reforms, creation of new administrative structures, development of sound regulatory bodies and enhancing the skills and knowledge of trade and customs officials, business community, SMEs etc.

d. Human Resource Management and Development:

19. Accurate diagnosis of capacity building needs and the development of country-specific responses would assist greatly in the allocation of adequate human and financial resources to capacity building initiatives.
20. Seek the technical assistance required for capacity building at the global, the OIC, regional and national levels, in cooperation with the relevant international and regional organizations.
21. Free movement for the business community within the Islamic countries can be facilitated by issuing multiple visas, so that genuine businessmen and technical experts may travel easily from one country to another.
22. The OIC Member Countries are called upon to activate and further enhance their cooperation and coordination with international organizations and donor communities, especially in developing human resources.

e. Creating a conducive environment for attracting FDI:

23. The COMCEC may acknowledge the importance of a favorable investment climate. Efforts should be undertaken by the relevant OIC institutions to signal to the international community, in particular foreign investors the conducive investment climate in OIC Member Countries.
24. At policy level, there is a need to integrate policies for finance, education, health, technology, competition, environment, employment and entrepreneurship. This requires coordination and stakeholders' participation during policy development and implementation.
25. The industrial policy should make use of economic zones, where appropriate. Similarly, a systematic approach in promoting sectors to attract investment should be established.
26. FDI can act as a catalyst for export expansion only if the capacities of domestic producers are simultaneously expanded. Thus, there is a need to:
 - a. Promote the competitiveness of domestic firms, particularly SMEs
 - b. Encourage closer links between firms and universities and research institutions
 - c. Improve training, technical education and human resources development
27. Trade Financing is extremely crucial for trade facilitation because trade can not take place without adequate financing. Therefore, it is recommended that trade facilitation be supported by the development of trade finance regulations, and institutions that increase the availability of trade financing instruments, including documentary credit systems, electronic payment systems, and export credit insurance guarantees by a liberalized trade environment, OIC countries need to develop their competitiveness through putting in place the necessary legislative reforms, creation of new administrative structures, development of sound regulatory bodies and enhancing the skills and knowledge of trade and customs officials, business community, SMEs etc.
28. The OIC Member Countries should take the necessary measures with a view to Strengthening the capacity and efficiency of stock markets and opening them to foreign investors through minimizing transaction costs, promoting quality listings, establishing effective regulatory and supervisory frameworks and ensuring an acceptable level of transparency and disclosure standards.

29. The OIC Member Countries should consider investment opportunities within the OIC community, in particular in the less advanced countries.
30. The ICCI should help identify barriers to trade and investment facilitation.

f. General Recommendations:

31. OIC countries should contribute to the Aid for Trade discussion in the WTO by identifying their priority needs and submitting proposals.
32. The OIC Member Countries should consider common positions, whenever possible, in international trade and FDI-related debates and should encourage closer South-South cooperation and coordination, *inter-alia* through utilizing the wealth of expertise available in more advanced OIC Member Countries.
33. The COMCEC should consider measures to undertake training and awareness-raising activities in cooperation with organizations dealing with trade facilitation matters, such as UN-CEFACT, WTO, WCO, UNCTAD, OECD ..etc.
34. The COMCEC may consider establishing a "task force" to oversee the implementation of the recommendations emanating from the Workshop on "Capacity Building on Facilitation of Trade and Investment", Jeddah, 26-28 June 2006.
35. The COMCEC should call on the OIC Member States to become party to international conventions relating to transport and trade facilitation, especially those worked out under the auspices of UNCTAD, UN-CEFACT, WCO, IMO, ICAO and UNCITRAL.

ANNEX

11

Original: English

**REPORT OF THE 9th SESSIONAL COMMITTEE OF COMCEC
(Istanbul, 20 November 2006)**

1. The 9th Sessional Committee of the COMCEC was held on 20 November 2006, prior to the 22nd Session of COMCEC (21-24 November 2006).
2. The Meeting was chaired by Mr. Ferruh TIGLI Acting Head of the COMCEC Coordination Office.
3. In addition to the OIC General Secretariat and the COMCEC Coordination Office (CCO), the following OIC Institutions attended the Meeting;

Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)

Islamic Centre for Development of Trade (ICDT)

Islamic Development Bank (IDB)

- Islamic Chamber of Commerce and Industry (ICO)

Some of the Turkish Institutions which are the owners of the proposed projects also attended the Meeting.

At the outset, The General Secretariat of OIC briefed the Committee on the recent developments regarding the holding of the 3rd EGM on the Cotton issue and the holding of the 3rd EGM on Tourism to be held in Turkey in 2007. Thereafter, the Plan of Action of the Cotton producing Countries Cooperation Development Strategy for 2007-2011, was circulated.

4. The Meeting adopted the following agenda items for consideration:
 - a) Review of the Proposed Cooperation Projects of COMCEC,
 - b) Review of the implementation of the OIC Ten-Year Program of Action adopted by the 3rd Extraordinary Session of OIC held on 7-8 December 2005,
 - c) Any Other Business

Under Agenda Item 1:

5. The COMCEC Coordination Office (CCO) gave a presentation on the recent developments regarding the Project Proposals. Thereafter, the owners and the coordinators of the Project Proposals discussed recent developments of their projects.

6. The Committee took the following decisions according to the Projects:

- For the Project entitled, (Technical Cooperation Among Patent Offices in the OIC Member States), The Committee **welcomed** the signing of the MOU between the ICDT and The Patent Office of the Republic of Turkey and **took** note of the third session of the Project Committee which was held in Geneva on September 27, 2006 on the sidelines of the General Assembly, of WIPO. The Committee **also welcomed** the start-up of implementation of the project by the conference to be organized among the Patent Offices of the OIC Member States in Ankara, Turkey, on 14-16 December 2006. The Patent Office informed that 25 member states and WIPO had confirmed their participation in the said conference. The committee also **called upon** all Member States to actively participate in the said event. For the early implementation of the project, the coordinator (ICDT) and the owner of the project were asked to cooperate with the IDB, which, in principle, is interested in considering its participation in co-financing the Project.

For the Project entitled "Networking of Incubators among OIC Member States", the Committee was informed by ICCI and Small and Medium Industry Development Organization of Turkey (KOSGEB) that they had made certain changes in the project in order to make it more in line with the present status of incubators in the member countries. The committee was also informed that the name of the project has been amended to be called Incubator Management Training Among OIC Member States. Furthermore, contacts were being made with interested parties from some of the member countries and the project committee would be meeting in December 2006 or in January 2007. The Committee **urged** the ICCI and KOSGEB to finalize the Project Document and **called** upon

them to circulate the project proposal to the member states, IDB and any other interested financial institutions. The committee also **called on** the ICCI and KOSGEB to find ways and means to reach the focal points in those countries that have capacity in that area, as soon as possible, and report the developments to the CCO.

For the Project entitled "Cooperation in the Area of Technical Development: Medium Range Regional Turbofan Airliner" proposed by TUSAŞ Aerospace Industries of Turkey (TAI), the COMCEC Coordination Office informed the Committee that TAI had sent the detailed project document to IDB to seek its support. After considering the document, IDB, with some conditions, would finance certain aspects of the project. Moreover in line with the request of the 8¹ Sessional Committee, the project proposal was translated into Arabic and sent to the OIC General Secretariat for its circulation to the interested Member States. However, no member state had shown interest. The Committee expressed its hope that by the 23rd Session of COMCEC in 2007 some member states may show interest in this project. If there is no interested country then the Sessional Committee will consider canceling the project.

For the Project entitled "Low Cost Imaging Based Mapping System Applications for Monitoring of Natural and Anthropogenic Changes in OIC Member Countries' Coasts", the owner, the Scientific and Technical Research Council of Turkey (TÜBİTAK) informed the Committee that it had contacted IUT and prepared the action plan and agreed on the budget of the project. IUT, in its capacity as the coordinator of the project, would send the complete set of documents to IDB which had already shown interest to initiate the process.

For the Project entitled "World Gold Markets and Cooperation Prospects among Islamic Countries", the Committee was informed by SESRTCIC, in its capacity as the coordinator of the Project, that the project proposal was circulated to the member states. The committee noted that Istanbul Gold Exchange (the owner of the Project) has already prepared an action plan to focus on some Member States which have gold market to win their interest in the project. The committee **urged** the member states to take part in the

project for its realization and **also requested** SESRTCIC to determine the focal points in those countries which have potential in gold market and report the developments to the CCO.

For the project entitled "Setting up of Regional Companies Specialized in the Organization of Trade Fairs and Exhibitions", ICDT requested the deletion of this project from the list as the member countries have set up their own national companies for Fairs and Exhibitions.

As regards the project entitled "Setting up of Permanent Exhibition Halls and Organizing a Permanent Virtual Goods Exhibition on the Internet Web Site of the ICDT", the ICDT requested the committee to delete the project as this activity has already been undertaken by it as part of its routine activity.

For the Project entitled "Establishment of Energy Technology Network (en-tech-net) among the Member States", the Committee was informed that the Project owner, General Directorate of Electrical Power Resource Survey and Development Administration (EIE), prepared the project profile in accordance with COMCEC format. The Committee **designated** the IUT as the coordinator of the project. Moreover, the committee **requested** the coordinator and the owner of the project to circulate the proposal to the member states and make necessary efforts to win their interest.

For the Project entitled TURKSAT Satellite Communication and Cable TV Operation AS of Turkey (TURKSAT) two projects namely "Satellite Control and Monitoring Centre (SATCMC)" and "Low Earth Orbit Satellite" have been presented. TURKSAT briefly informed the Committee that it has already reviewed the project proposal and sent it to the ICCI for its consideration. The ICCI informed that it was studying the project and will keep the CCO and TURKSAT informed by the end of 2006. TURKSAT also stated that it contacted focal points in some member states to seek their interest in the project. The committee **requested** ICCI to consider being the coordinator of this project.

- For the Project entitled, "Creation of a Network of Cross-border Parks on Tourism and Reserves in West Africa", proposed in the Expert Group Meeting on the implementation of the OIC Plan of Action in the area of Tourism in Tehran on 11-14 July 2005, the joint coordinators of the project are the ICDT and SESRTCIC. In this context, ICDT informed that the first project committee meeting was held in Casablanca in July 2006. During this meeting, a MOU was signed between the contracting parties outlining the action plan for the project. The second project committee meeting was held in Baku-Azerbaijan on 10th September 2006, which approved the reports on the action plan of the project.

7. The Committee was informed by CCO that the Hashemite Kingdom of Jordan had already sent a project proposal entitled "The Antiquities Information System (AIS)" via the General Secretariat of the OIC. The Committee agreed to include this project in the COMCEC project list and designated IRCICA as the Coordinator.

8. After the presentations delivered regarding all the projects, the Committee expressed its concern on the slow progress of implementation of the majority of projects, despite concerted efforts of both the sponsors and the Coordinators. It was noted that this was due to the lack of interest on the part of the member states. The Committee therefore requested the member states, through their Senior Officials, to adopt a more proactive approach and call upon their focal points to contact the owners and coordinators of projects respectively, at earliest convenience, so as to get them implemented. The Committee also sought the approval of the Senior Officials to delete the projects to which no country has shown interest by the 23rd Session of COMCEC.

Under Agenda Item 2:

The OIC General Secretariat gave a brief on the demarches pursued in this respect. The Committee also took note of the efforts made by the OIC Institutions towards the implementation of the OIC Ten Year Program of Action. Furthermore, the Committee noted that this being a separate agenda

item of the Senior Officials, the OIC Institutions would deliver their presentations as regards efforts they have exerted for the implementation of the 10 year Program of Action.

Under Agenda Item 3:

The Committee then concluded with a word of thanks.

LIST OF THE PROJECT PROPOSALS

Serial No	Project Proposals/Ideas	Proposing State/ Institution	Interested Country	Coordinator
1.	Technical Cooperation Among Patent Offices in the OIC Member States	Turkey	Kazakhstan, Syria, Morocco, Bangladesh, Pakistan and Yemen	ICDT
2.	Incubator Management Training Among OIC Member States	Turkey		ICCI
3.	Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner.	Turkey	Kazakhstan	
4.	Low Cost Imaging-Based Mapping System Applications for Monitoring of Natural and Anthropogenic Changes in OIC Member Countries Coasts	Turkey	Bangladesh/ Turkey	IUT
5.	World Gold Markets and Cooperation Prospects among Islamic Countries	Turkey		SESRTCIC
6.	Setting up of Regional Companies Specialized in the Organization of Trade Fairs and Exhibitions.	ICDT	Burkino Faso	ICDT
7.	Setting up of Permanent Exhibition Halls and Organizing a Permanent Virtual Goods Exhibition on the Internet Web Site of ICDT.	ICDT		ICDT
8.	Establishment of Energy Technology Network (en-tech-net)	Turkey		IUT
9.	Satellite Control and Monitoring Centre (SATCMC)	Turkey	Turkey	
10.	Low Earth Orbit Satellite	Turkey	Turkey	
11.	Creation of a Network of Cross-border Parks and Reserves in West Africa	Guinea	Gambia, Guinea Bissau, Mali, Mauritania, Senegal, Sierra Leone	ICDT/SESRTCIC
12.	Technical Cooperation in the Field of Heritage Preservation	Jordan		IRCICA

ANNEX

12

Original : English

**THE TEXT OF THE MESSAGE BY
H.E. PROF. EKMELEDDİN İHSANOĞLU
SECRETARY GENERAL OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE AT THE CLOSING CEREMONY**

(Istanbul, 24 November 2006)

*Bismillahi Arrahmani Arrahim
In the Name of Allah, Most Compassionate, Most Merciful*

H.E. Dr. Abdullatif Sener, Deputy Prime Minister and Minister of State of the Republic of Turkey,
Excellencies, Ministers,
Distinguished Delegates,
Ladies and Gentlemen,

Assalamu Aleykum Wa Rahmatullahi Wa Barakatuh.

As we are now ending this 22nd Session of the COMCEC, I would like to seize this opportunity to thank all the Ministers, Heads of delegation and the delegates for their sincere efforts to arrive at a number of important decisions.

Mr. Chairman,

During this Session, we have taken important decisions concerning the process of implementation of the OIC Ten-Year Programme of Action for the development of economic and commercial cooperation among Member States.

It is a source of great pleasure for all of us that, in one year, the trade negotiations were successfully concluded with the preparation of the "Draft Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS)". We have observed with great satisfaction that six member countries signed this important

document. We are also pleased to know that other member countries also expressed their intention to sign this Protocol as soon as possible.

All these developments further contribute to the positive atmosphere before us and increase our hopes for achieving a greater trade and economic cooperation among our brotherly nations. In this connection, I would like to state that all the OIC Member States should participate in this Scheme as soon as possible. As a result, the whole OIC family will be able to commence discussing the means and modalities of establishing a Free Trade Area among themselves in the near future. It is one of the main goals of the COMCEC and the OIC Ten-Year Programme of Action. Therefore, I extend again my appeal to the Member States that have not yet signed and ratified this Framework Agreement and the PRETAS, to do so at an early date.

We were personally gratified with the successful conclusion of the First Round of Trade Negotiations conducted among the participating States under the Framework Agreement on the Trade Preferential System among OIC Member States (TPS-OIC). The First meeting of the Second Round of Trade Negotiations of the Trade Negotiations Committee (TNC), will start today, in Istanbul. I would like to avail this opportunity to express my profound gratitude to the Republic of Turkey for successfully organizing these trade talks and the IDB for contributing to the financing of this Round. I wish to express my thanks to the Government of Turkey for hosting the second round of trade negotiations.

With the start of the Second Trade Negotiations, we have taken giant strides in the long and arduous process of strengthening economic and commercial cooperation among the Member States, and will increase intra-OIC trade to the level of 20 percent in ten years as stipulated by the OIC Ten-Year Programme of Action.

Before I conclude, I wish to express, once again, my thanks and appreciation to H.E. Ahmet Necdet Sezer, President of the Republic of Turkey and Chairman of COMCEC for the valuable efforts he exerts and for the wisdom with which he directed our deliberations into successful conclusions during the COMCEC sessions.

I also wish to thank H.E. Dr. Abdullatif Sener, Deputy Prime Minister and Minister of State, for his smooth conduct of this session, on behalf of the President of the Republic of Turkey and for having led it to such a satisfactory conclusion.

I would also like to convey my deep sense of gratitude and appreciation to the honorable Ministers, Excellencies, and Distinguished Delegates who have contributed with sacrifices to the success for this Session.

I also express my appreciation and congratulations to the COMCEC Coordination Office, for their precious efforts in meticulously organizing the work of the Session, as well as to the OIC subsidiary organs, specialized and affiliated institutions for their hard work and support towards the success of the COMCEC activities. I cannot fail to thank the interpreters the translators and all those who have contributed to the success of our conference.

I also would like to assure you all that the OIC General Secretariat will not spare any efforts in following up and implementing all COMCEC resolutions.

At the end, I pray to Allah, the Almighty, to help us and guide our steps to achieve the prosperity and welfare of the Islamic Ummah. I wish you all a safe journey back to your respective homes.

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

ANNEX

13

Original :Turkish

**TEXT OF THE CLOSING STATEMENT OF
H.E. ASSOC. PROF. ABDÜLLATİF ŞENER,
DEPUTY PRIME MINISTER AND
MINISTER OF STATE OF THE REPUBLIC OF TURKEY
(Istanbul, 24 November 2006)**

Honorable Ministers,
Distinguished Delegates,

I would like to start by expressing my satisfaction at the successful conclusion of the full agenda of the 22nd Session of the COMCEC. The COMCEC has an important potential with its population of 1,350,000,000, an area covering 32,000,000 km , and important economic and social resources.

We have discussed the necessary measures to put this potential in motion at the 22nd COMCEC Session. Regarding the articles of the agenda, the success achieved by the development of trade among Islamic countries is particularly satisfactory. In 2003, the intra-OIC trade increased from 13.5% to 14.5% in 2004, and this upward trend continues.

An important factor in this trend has been the allocation of significant resources to the financing of trade between OIC member countries. In this respect, the IDB has provided 6.7 billion dollars for trade financing between the years 2001 and 2006. "The International Islamic Trade Financing Corporation Founding Agreement" has been signed by 46 countries in a short time. It is expected that this institution will become operational in 2007. At this juncture, I would like to reiterate our thanks to the IDB for its significant contribution in this field.

As is well known, the increase of intra-OIC trade to 20% until 2015 is one of the basic goals of the "OIC Ten-year Program". I trust that we shall not meet any problems in our endeavor provided that we take the needed measures.

I would like to stress that the boost to intra-OIC trade realized through the support of the aforementioned financing opportunities will require serious measures other than financing to ensure sustainability. I would like to underline here the

importance of the OIC Preferential Tariff Protocol PRETAS. The second round of the Preferential Trade talks will be initiated today with the participation the trade ministers of the Trade Negotiating Committee member countries. I hope that the PRETAS signature and ratification process will be accelerated at the end of this round and that this important agreement will be implemented as soon as possible. The great interest of member states in these negotiations reinforces our positive expectations.

In this context, the continuity of private sector investments, the development and modernization of production systems, ensuring product variety, the creation of administrative and financial infrastructure, quality and certification are important factors. I am confident that the goal we intend to reach concerning intra-OIC trade will result in the development of new fields of trade among our countries and create openings to new markets parallel to a general increase in trade.

Honorable Ministers,
Distinguished Delegates,

The OIC Cotton Cooperation Action Plan was also adopted and its implementation was initiated. With respect to this product, the plan foresees cooperation in many fields such as trade, quality control, research and development, enhanced productivity and quality, capacity building and establishment of ginning facilities.

OIC Member Countries have a share of 28% in world cotton production and 24% in cotton consumption. OIC countries realized 36% of world cotton exports, while their share in cotton imports is 27%. Cotton constitutes the most important input for the textile sector in many member countries, a vital export item in countries where the sector is not yet developed, and a significant instrument in alleviating poverty. I would like to thank everyone who has contributor to the preparation of the Plan and hope that "the OIC Cotton Cooperation Action Plan" will be beneficial to our brotherly countries.

Honorable Ministers,
Distinguished Delegates,

The demand for informatic products and services has increased in recent years at a rate unparalleled with other disciplines. The information technology sector constitutes a large market by itself and has become an inevitable prerequisite of competition due to its increased impact on production and services. It is well known

that these technologies greatly reduce administrative expenditures and accelerate processes.

It is well known that transportation problems, differences in banking insurance and trade procedures, corruption and bureaucratic obstacles are among the difficulties encountered in trade. These are responsible for approximately 7% to 10% of losses in world trade. I firmly believe that information technologies will considerably contribute to the solution of problems in the fields of harmonization of trade procedures, development of standards, facilitation of visa formalities, acceleration of customs formalities and accreditation.

Honorable Ministers,
Distinguished Delegates,

I would like to reiterate that Turkey will continue to support cooperation with the Islamic countries to which we are bound by common history, moral and cultural heritage and sincere brotherly feelings.

In conclusion, I would like to convey my deepest thanks to all the delegates, representatives, members of the press, the General Secretariat of the OIC, the Ankara Center, The Islamic Development Bank, the Casablanca Center, the Islamic Trade and Industry Chamber and other institutions of the Islamic Conference for their valuable contribution.

Furthermore, I would like to thank the staff of the COMCEC Coordination Office, the organizational staff, the interpreters and the translators for their dedicated work.

I hope that you have had a pleasant stay in Turkey, and hope to meet again next year at the 23rd Session of the COMCEC and wish all of you a safe trip home.

