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COMCEC

Standing Committee for Economic and
Commercial Cooperation of the Organization
of the Islamic Conference

REPORT

TWENTY FOURTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

Antalya, 13-15 May 2008

COMCEC Coordination Office
State Planning Organization
Ankara, May 2008

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REPORT

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FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
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(Antalya, 13-15 May 2008)

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REPORT
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ORGANIZATION OF THE ISLAMIC CONFERENCE

(Antalya, 13-15 May 2008)

1. The Twenty Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Antalya on 13-15 May 2008.

2. Representatives of the following Member States of the Committee attended the Meeting:

- 1- Republic of Turkey : Chairman (Permanent)
- 2- Kingdom of Saudi Arabia : Vice Chairman (Permanent)
- 3- State of Palestine : Vice Chairman (Permanent)
- 4- Republic of Senegal : Chairman of the Current Summit
- 5- State of Kuwait : Vice Chairman (Representing the Arab Region)
- 6- Islamic Republic of Iran : Vice Chairman (Representing the Asian Region)
- 7- Republic of Cameroon : Vice Chairman (Representing the African Region)
- 8- Islamic Republic of Pakistan: Rapporteur
- 9- State of Qatar : Member of the Previous Bureau
- 10- Republic of Indonesia : Member of the Previous Bureau

3. Malaysia also participated in the Meeting as the Chairman of the Previous Summit.

4. Representatives of Iraq, Uganda, United Arab Emirates and Yemen also attended the Meeting as observers.

5. OIC Secretary General Prof. Ekmeleddin İHSANOĞLU attended the 24th Meeting of the Follow-up Committee for the first time in the history of the COMCEC.

6. In addition, Representatives of the General Secretariat and the following OIC subsidiary organs, specialized and affiliated institutions attended the Meeting:

- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)
- Islamic Center for Development of Trade (ICDT)
- Islamic Development Bank (IDB)
- Islamic Chamber of Commerce and Industry (ICCI)
- Islamic University of Technology (IUT)
- International Islamic Trade Financing Corporation (ITFC)
- Organization of the Islamic Ship-owners Association (OISA)
- Islamic Conference Youth Forum for Dialogue and Cooperation (ICYF-DC)

7. UNIDO Regional Office in Ankara has also attended the meeting.

(The list of participants is attached as Annex I.)

Opening Session (Agenda Item: 1)

8. Following a recitation from the Holy Qur'an, H.E. Nazım EKREN, Minister of State and Deputy Prime Minister of the Republic of Turkey, inaugurated the Meeting.

9. H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of COMCEC sent a message to the meeting, which was read out by Mr. Ferden ÇARIKÇI, Advisor to the President for Foreign Affairs. In his message, H.E. Abdullah GÜL emphasized the importance of economic cooperation among the OIC Member States and in his message drew attention to the latest developments in the world economy regarding the rising commodity prices which hit the least developed and developing countries most. H.E. GÜL stressed the need to cooperate in this field within the framework of COMCEC which is the responsible OIC Platform for economic and commercial cooperation

10. H.E. President GÜL underlined the fact that intra-OIC trade has reached the level of 16,3 % in 2006, and welcomed the new mechanisms developed within the COMCEC and IDB to further promote intra-OIC trade. President GÜL also underscored the importance of TPS-OIC in reaching the target of % 20 increase of intra-OIC trade by 2015 set by the OIC Ten-Year Program of Action. In this regard, H.E. GÜL called upon the member states who have not yet done so to sign and ratify the Framework Agreement, PRETAS, and Rules of Origin as soon as possible.

11. H.E. Abdullah GÜL highlighted the significance of fight against poverty in OIC countries and appreciated efforts for poverty alleviation. President GÜL also expressed his satisfaction with defining the 24th COMCEC theme for the Exchange of Views Session as "Improving Investment Climate in the OIC Member Countries".

12. H.E. Abdullah GÜL concluded his message with best wishes for the success of the Meeting.

(A copy of the text of the Message of H.E. President Abdullah GÜL is attached as Annex II.)

13. Following the message of H.E. President GÜL, H.E. Nazım EKREN addressed the Meeting.

14. Welcoming the delegates, H.E. Nazım EKREN, stressed the importance of the functions of the Follow-up Committee as described in following up the decisions taken by the previous COMCEC and preparing the agenda of the next one. In this framework, H.E. EKREN expressed his thanks to the Follow-up Committee members and OIC institutions for their invaluable contribution to the COMCEC activities. After giving a brief summary of the recent macro-economic outlook at the world level and within OIC community, he stressed the importance of economic cooperation among OIC members, one of the good examples of which is TPS-OIC. In this context, H.E. EKREN called upon the Member States concerned, to sign and ratify the PRETAS and Rules of Origin, for the operationalization of TPS-OIC by January 1, 2009.

15. H.E. Nazım EKREN stated that to secure sustainable increase in intra-OIC trade, foreign capital is considered to be of paramount importance. In this context, he emphasized that the theme of the Exchange of Views Session of the 24th COMCEC will be "Improving Investment Climate", which may constitute resourceful grounds for promoting foreign capital in OIC Member Countries.

16. H.E. EKREN also drew the attention of the participants to the recent hike in commodity prices. H.E. the Deputy Prime Minister stressed that rising food and oil

prices will severely impact on the Least Developed Countries the most and COMCEC should adopt a proactive approach by establishing a working group with a view to studying causes and possible effects of the rise in commodity prices and potential areas of cooperation.

(The text of the Statement of H.E. Nazım EKREN is attached as Annex III.)

17. H.E. Professor Ekmeleddin İHSANOĞLU, Secretary General of OIC, also made a statement at the meeting. In briefing on the results of the Dakar Summit, H.E. İHSANOĞLU urged the member states to forge a new partnership for the benefit and prosperity of Muslim World. He also stressed the importance to reduce the debt burden of member states, particularly African Countries. The Secretary General requested the member states to address the issue of poverty alleviation with a view to ensuring provision of basic needs.

18. H.E. İHSANOĞLU commended the COMCEC for its remarkable achievements in achieving higher level of development and prosperity of the Member States as well as fostering economic and trade relations among them. The COMCEC has outstandingly performed to steer the trade negotiations under the Framework Agreement on Trade Preferential System (TPSOIC) and the Protocol on Preferential Tariff Scheme (PRETAS). He also recommended the COMCEC to discuss the possibility of institutionalization of a mechanism for the settlement and resolving of disputes

19. H.E. İHSANOĞLU drew the attention of the Meeting to a new crisis: the global food shortage and the need for the OIC Member States and COMCEC to address the issue and the need to re-energize the COMCEC Processes and way of doing business. In addition, he recommended that the COMCEC Coordination Office could also envisage trade facilitation measures, such as capacity building and infrastructure, to enable Member States, particularly the LCD's to access larger international markets and benefit from greater trade, especially with OIC Member States.

(A copy of the text of the statement of H.E. Professor Ekmeleddin İHSANOĞLU is attached as Annex IV.)

20. The Meeting was then addressed by the Heads of Delegation of Kuwait, Iran, Cameroon, Indonesia, Qatar and Iraq. They expressed their thanks and appreciation to the President of the Republic of Turkey, the Government and people of Turkey for their continued support to economic and commercial cooperation among the Member States as well as for warm welcome accorded and excellent arrangements made at the Meeting. They also commended the leadership of the OIC Secretary General and the

role he is playing in strengthening economic and commercial cooperation among the Member States and in this connection they congratulated the Secretary General for the success of Dakar Summit, the adoption of the new charter and his re-election for a new mandate which creates the opportunity for a continuous reinforcing of the role of the organization in the service of Ummah. The heads of delegations also stressed the importance of poverty alleviation and food crisis that affects the Islamic World and underlined the importance of the COMCEC to address these problems. The Meeting was also addressed by the Head of Delegation of Uganda and the President of ICCI. The Head of Delegation of Uganda also informed the Meeting on the Business Forum to be held in Kampala, Uganda in the sidelines of 35th ICFM on 16-18 June 2008 which is an important opportunity for the private sector of the OIC member countries for conducting business and enhance cooperation. The President of ICCI briefed the Committee of the projects of the ICCI and called the private sector and the member states to participate and support the said projects.

Working Sessions

21. The working sessions of the Meeting were chaired by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey.

22. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, Mr. Syed Iftikhar Hussain SHAH and Head of Delegation of the Islamic Republic of Pakistan.

(A copy of the Agenda as adopted by the Committee is attached as Annex V.)

Review of the Implementation of the OIC 10-Year Program of Action Relating to Economic Cooperation (Agenda Item: 3)

23. The OIC General Secretariat presented the report on the Progress in the Implementation of the OIC 10-Year Program of Action. The OIC Institutions also made presentations on their plans and activities for the Implementation of the OIC 10-Year Program of Action.

(The report on the Review of the Implementation of the OIC Ten-Year Program of Action is attached as Annex VI.)

Background Information:

24. The OIC Ten-Year Program of Action was adopted by the OIC 3rd Extraordinary Summit Conference held in Makkah al-Mukarramah, in Kingdom of Saudi Arabia on 7-8 December 2005. All OIC subsidiary organs, specialized and affiliated institutions met in Jeddah on March 5, 2006 and March 4, 2007 respectively and examine ways and means for ensuring effective and timely implementation of the OIC Ten Year Program of Action. The meetings were also attended by the representatives of the three Standing Committees of the OIC, namely COMCEC, COMSTECH and COMIAC. The Coordination Meetings approved the Roadmap for implementation of the OIC Ten Year Program of Action.

25. The 11th Summit held in Dakar in 2008 and the 33rd and 34th Islamic Conferences of Foreign Ministers (ICFM) held in Baku, and Islamabad in 2006 and 2007 respectively emphasized that the Framework Agreement on the TPSOIC and the PRETAS would be the basis for reaching the target level of 20% intra-OIC trade by the year 2015.

26. The 22nd Follow-up Committee of COMCEC recommended that the review of the implementation of the OIC Ten-Year Program of Action be a permanent agenda item of COMCEC. The 23rd Session of the COMCEC established a Task Force to help reach the target level of 20% intra-OIC trade as set out by the OIC Ten Year Program of Action. The Task Force held its first meeting prior to the commencement of 24th Meeting of the Follow-up Committee of COMCEC on 12th May 2008 in Antalya, Turkey with the participation of COMCEC Coordination Office, the OIC General Secretariat, IDB Group, Islamic Centre for Development of Trade (ICDT), ICO, SESRIC and OISA.

Future Activities:

27. The General Secretariat of OIC in collaboration with the Islamic Centre for Development of Trade (ICDT) and the International Islamic Trade Finance Corporation (ITFC- IDB Group) will organize a forum on ways and means of energizing trade and investment in food industry to be held in Bamako (Mali) in October 2008.

Recommendations:

28. The Committee **noted with appreciation** the report submitted by the OIC General Secretariat on the implementation of the OIC Ten Year Programme of Action (TYPOA) and **welcomed** the resolution adopted by the 11th Session of the Islamic

Summit Conference held in Dakar, Senegal, on 13-14 March, 2008 on the implementation of the OIC Ten Year Programme of Action.

29. The Committee **underlined** the pivotal role of the OIC General Secretariat in coordinating the implementation of the TYPOA and appreciated the progress achieved so far through the actions taken by the OIC General Secretariat, Standing Committees, Subsidiary Organs and Specialized and Affiliated Institutions, and in the same context, expressed its appreciation to the Secretary General for his active leadership and contribution to the implementation of this programme;

30. The Committee **called upon** the Member States to contribute to the implementation of the TYPOA through their full political, moral and financial support and encouraged Member States to consider, in coordination with the OIC General Secretariat, aligning their various current initiatives, projects and programs, in areas where they have comparatively higher interest or capacity, with the objectives of the TYPOA;

31. The Committee **requested** the OIC General Secretariat to work on a more effective mechanism on implementation of the TYPOA and prepare a detailed report on the progress of the specific projects, programmes and steps taken within the context of the TYPOA since the Extraordinary Summit held in 2005 in Makkah Al-Mukarramah to the 24th Session of the COMCEC.

32. The Committee **welcomed** the launching of the Islamic Solidarity Fund for Development (ISFD) in Dakar, Senegal on 29-30 May 2007 following decision by the Board of Governors of the IDB, as an important step towards the operationalization of the mandate and vision of the TYPOA in alleviating poverty in the Member States.

33. The Committee **extended thanks** to the Member States which have announced contributions to the resources of the ISFD i.e. Saudi Arabia, Kuwait, Iran, Qatar, and Algeria as well as to the other countries that have made respective contributions with a total amount of \$1,611 billion, and **urged** all the Member States which have not contributed to the Fund yet to do so, to help provide \$ 10 billion by 2009 and at least US \$ 6.0 billion by 2008. The Committee **noted** that the Fund will start implementing its programmes this year.

34. The Committee **welcomed** the setting up of a Special Program for the Development of Africa (SPDA) as yet another fundamental step along the fulfillment of the mandates of the TYPOA, **expressed its appreciation** for role of the Islamic Development Bank in this regard and **thanked** the Government of the Republic of

Senegal for hosting the Ministerial Meeting on the SPDA, held in Dakar, on 22-23 January 2008.

35. The Committee **took note** of the relevant Resolution of the 11th Session of the Islamic Summit Conference which appreciated the IDB's pivotal role in financing development projects in Africa and invited the Chairman of the 11th Session of the Islamic Summit Conference, in collaboration with the OIC General Secretariat, the IDB and representatives of African OIC Member States, to ensure coordination with a view to demonstrating effective implementation of the IDB's Special Programme for the Development of Africa, in accordance with relevant resolutions of the Third Extraordinary Islamic Summit Conference held in Makkah Al-Mukarramah in December 2005 with the aim of garnering greater support and mobilizing more funds for the Islamic Solidarity Fund for Development.

36. The Committee **welcomed** the initiative of the Governments of Cameroon and Burkina Faso to organize sub-regional fora for Central and West Africa on the implementation of the Special Programme for the Development of Africa (SPDA) and invited the OIC Member States as well as its institutions and the OIC General Secretariat to extend their support to ensure the success of these meetings.

37. The Committee **recognized** the importance of the international food crisis in the economies of several member states, and **urged** the OIC General Secretariat and COMCEC to initiate action in dealing with this crisis.

38. The Committee **welcomed** the initiatives of the IDB including special development fund for Africa and requested the IDB to expedite the implementation of the programmes for poverty alleviation and address the emergency situations in the Islamic Countries like the current food crisis within the context of Islamic Solidarity Fund for Development.

39. The Committee **appealed** to the General Secretariat to organize new ministerial meetings on the issue of food security and agricultural development to assist OIC Member States to - inter alia - develop their own agricultural development strategies aiming at achieving food security.

40. The Committee **requested** the OIC General Secretariat in cooperation with IDB and other OIC institutions to study the impacts of food crisis in the member states and explore the possibility of implementing food security programmes in the OIC Member Countries.

41. The Committee further **requested** the OIC General Secretariat in cooperation with IDB and other OIC institutions to study the impact of high oil and commodity prices on the economies of Member States with a view to suggesting policy options for possible implementation at both individual and collective levels.

Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States (Agenda Item: 4)

i) Report of the OIC General Secretariat:

42. The OIC General Secretariat presented the report on the implementation of the OIC Plan of Action. At the presentation, various activities undertaken by the Member States and the OIC Institutions in implementation of COMCEC resolutions were highlighted.

(Background Report and Report on the Implementation of the OIC Plan of Action by the OIC General Secretariat is attached as Annex VII.)

Background Information:

43. The 23rd Session of the COMCEC took note of the Report prepared by the SESRIC considering the existing OIC agreements and statutes on economic, commercial and technical cooperation in terms of the needs of the Member States and urged the latter that have not yet signed and ratified these agreements to promptly finalize the necessary legal procedures in this regard and facilitate their early implementation.

44. The Session requested 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 fast-changing global environment.

45. The Session called 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 keep up the necessary assistance to Member States in this regard.

46. The Session recognized the importance of tourism as an area of cooperation among the OIC Member States and welcomed their commitment and interest in this respect as reflected in the convening of five ministerial meetings to this effect.

47. The Session requested the Conference of Tourism Ministers to consider the Plan of Action for appropriate decision and urged the OIC Member States to actively participate in the Sixth Islamic Conference of Tourism Ministers to be held in Damascus in 2008 and also to take steps required for interim implementation of the said plan.

48. The Session took note of the Strategic Plan for Tourism Development in OIC Member Countries finalized by the 2nd Expert Group Meeting and planned to be presented to the 6th Islamic Conference of Tourism Ministers to be held in Damascus in 2008 with a view to adopting it for submission to the 24th COMCEC for final approval. COMCEC also requested that the Republic of Turkey and the Syrian Arab Republic work closely for the preparation of the Conference while setting the stage for implementation of the Strategic Plan.

Future Activities:

49. The Sixth Islamic Conference of Tourism Ministers to be held on 29 June to 2 July 2008 in Damascus, Syria.

Recommendations:

50. The Committee **urged** the Member States to meaningfully participate in the Sixth Islamic Conference of Tourism Ministers to be held on 29 June to 2 July 2008 in Damascus, Syria.

51. The Committee **took note** the report of the OIC General Secretariat on the implementation of the Plan of Action and requested the General Secretariat in coordination with the other OIC institutions to develop recommendations in the problematic areas.

52. The Committee **requested** the member states who did not do so, to sign and ratify the agreements and statutes.

53. The Committee **requested** the OIC General Secretariat to combine for the next sessions the reports of Ten Year Programme of Action and the OIC Plan of Action for Economic and Commercial Cooperation among the OIC Member States.

54. The committee **also stressed** the importance of supporting financially the national and regional policies for agricultural development, through major investments in this sector including food security, irrigation, the provision of agricultural equipment, fertilizers and pesticides etc.

55. The Committee **urged** Member States to actively participate in the early implementation of the projects on the agenda of COMCEC, and **called upon** the coordinating OIC Institutions to expedite the formation of the project committees as envisaged in the Plan of Action.

56. The Committee **reaffirmed** the importance of the need to develop region-based projects by a group of Member States in a particular region to win the support of regional institutions accordingly and **stressed** the importance of ensuring active involvement of regional groupings, such as the Economic Cooperation Organization (ECO), the Gulf Cooperation Council (GCC), the Arab Maghreb Union (AMU) and the West African Economic and Monetary Union (WAEMU), in future EGMs.

57. The Committee **called 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.

58. The Committee **requested** the OIC General Secretariat to communicate with OISA to prepare a report regarding the obstacles faced in the area of transportation and logistics in the member states and also the policy recommendations in coordination with other OIC institutions to be presented to the 25th Session of the COMCEC.

ii) Report by the Sessional Committee:

Background Information:

59. The COMCEC prepared and adopted "The Strategy to Strengthen Economic Cooperation among OIC Member States" and "the Plan of Action to Strengthen Economic and Commercial Cooperation among the Member Countries of the OIC", which were later endorsed by the 7th Islamic Summit in 1994. The 7th Summit also mandated COMCEC with regard to their implementation and revision, when necessary.

60. Reviewing the status of implementation of the Plan of Action is a regular agenda item of the COMCEC sessions, as stipulated for in its Follow-up and Implementation Mechanism.

61. In accordance with the "Implementation and Follow-up Mechanism of the Plan of Action", four sectoral experts' group meetings (EGM) have been held so far to implement the Plan of Action, namely, (i) Sectoral EGM on "Money, Finance and

Capital Flows" in 1997, Turkey, (ii) "Foreign Trade" in 1997, Pakistan, (iii) "Technology and Technical Cooperation" in 1998, Turkey and (iv) "Implementation of the OIC Plan of Action in the Area of Tourism" in 2005, Tehran.

62. As an ongoing COMCEC Project, the First Conference on "Technical Cooperation Among The Industrial Property Offices in OIC Member States" was organized in Ankara from 14 to 16 December 2006 by the Turkish Patent Institute and ICPT in collaboration with IDB and World Intellectual Property Organization (WIPO) and the Second Conference was held in Casablanca from 11 to 13 July 2007. The Inter-Regional Workshop on Geographical Indications was held in Ankara, Republic of Turkey on 3-4 April 2008.

63. The 23rd Session of COMCEC welcomed the progress in some of the COMCEC projects considered by the 11th Sessional Committee noting that as far as some of the projects are concerned, there is either no implementation or no progress has been made due to lack of interest, etc, therefore it decided that such projects, as mentioned in the report of the 11th Sessional Committee Meeting, be dropped.

64. The 23rd Session of COMCEC and the 11th OIC Summit requested the coordinating OIC institutions and the owners of the projects to make necessary efforts for early implementation of these projects and also called on all the member states and OIC Institutions to propose new projects and programs to nurture the agenda of the COMCEC through the Sessional Committee.

65. Regarding the project on "Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner", there has been change in the project team. The new Project Leader is the Anadolu University-Civil Aviation Faculty, and the Project Team will consist of the Middle East Technical University, Istanbul Technical University, Erciyes University, and Turkish Aerospace Industry (TAI). Anadolu University is preparing the revised project profile together with the project team in consultation with the IDB. COMCEC Coordination Office and Undersecretariat of Treasury of the Republic of Turkey already expressed their support to the project revision.

Recommendations:

66. The Committee **renewed** its appeal to Member States to take measures required to ensure their greater involvement in the activities of the OIC subsidiary organs, affiliated and specialized institutions.

67. The Committee **requested** the coordinator OIC institutions and the owners of the project to make necessary efforts guaranteeing early implementation of the COMCEC projects and the committee also **called on** all the member states to propose new projects and programmes to enrich the agenda of the COMCEC through the Sessional Committee.

68. The Committee **welcomed** the progress made as far as the projects entitled "Technical Cooperation among the Patent Office of the OIC Member States, Cooperation in the Area of Technical Development: Medium Range Regional Turbofan Airliner and Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa". The Committee **appealed** to the concerned member states and OIC institutions to take appropriate measures for the early implementation of these projects.

69. The Committee **expressed** its thanks to the Government of the Republic of Korea, the World Tourism Organisation (UNWTO) and the ST-EP Foundation of UNWTO for their contributions to the financing of the feasibility study of the regional project on "Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa".

70. The committee **recommended** that duration of the project entitled "Technical Cooperation among the Patent Office of the OIC Member States", be extended for two more years for the completion of its planned activities.

71. The Committee **thanked** the IDB for actual and planned financial contributions for these COMCEC projects.

72. The Committee **requested** the member states to adopt a more proactive approach and call upon their focal points to contact project owners and coordinators respectively.

(The report of the 12th Sessional Committee Meeting is attached as Annex vni.)

Expansion of Intra-OIC Trade and Investment (Agenda Item: 5)

i) Report on Intra-OIC Trade

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

(The report of IDB and ICDT on the Expansion of Intra-OIC Trade is attached as Annexes FX and X.)

Background Information:

74. The 3rd Extraordinary Session of the Islamic Summit mandated the COMCEC to further increase the proportion of intra-OIC trade to 20% of the total trade volume of the OIC countries by the end of the 10-Year Program of Action, i.e. 2015.

75. As proposed by the COMCEC Coordination Office, the 23rd Follow up Committee agreed that, among others, the following will be the milestones and basis for reaching the above mentioned target:

- a) Early implementation of TPS-OIC
- b) Establishment of ITFC
- c) Enhancing production capacity and competitiveness of member countries
- d) Trade facilitation, improvement of investment climate in Member Countries and promotion of joint ventures.

76. The 23rd Session of COMCEC took note that the ITFC, the new autonomous trade financing entity of the IDB with an authorized capital of US\$3.0 billion and subscribed capital of US\$750 million.

77. ITFC officially commenced activities on 1st of Muharram 1429H (15 January 2008). The ITFC aims to increase the range of trade finance products available to importers and exporters in IDB member countries with the overarching objective of promoting intra-OIC trade. The main objectives of ITFC are to:

- Promote and facilitate the increase in intra-trade among OIC member countries;
- Assist, alone or in cooperation with other providers of funds, in the financing of trade, utilizing suitable financial instruments and mechanisms as deemed appropriate in each instance;
- Facilitate access of public and private sector entities in member countries to resources from both domestic and foreign capital markets;
- Stimulate the development of investment opportunities conducive to the flow of private and public capital, domestic and foreign, into investments in the member countries to enable them enhance their export capabilities;

- Be a leader in the development and diversification of financial instruments and products for trade financing, which are compatible with Islamic principles;
- Provide technical assistance and training to local banks in member countries in matters related to trade finance;
- Offer advisory services to member institutions and countries and their public and private sector enterprises on matters relevant to its objectives;
- Trade promotion with particular emphasis on support for Least Developed Member Countries (LDMCs), mainly in Sub Saharan Africa and Commonwealth of Independent States (CIS) countries.

78. From the start of trade financing operations in 1397H up till 1428H, total trade finance approvals under various IDB trade financing schemes amount to US \$ 29.13 billion. In 1428H, the total trade finance approvals amounted to US \$ 2.6 billion and out of this US \$ 2.0 billion was allocated for intra-OIC trade operations. Private sector trade financing accounted for 45 percent or US \$1.2 billion of the total in 1428H compared to 38 percent in 1427H. A total of US \$1.3 billion or 50 percent of the total funding for the financing was mobilized from financial markets in the form of syndication or co-financing in 1428H, which represented an increase of 20 percent compared to the previous year.

79. The 23rd Session of the COMCEC noted with satisfaction that the share of the OIC Member States in world trade has reached 8.5% of the total volume of world trade and that the intra-OIC trade has recorded positive results since the share of the intra-OIC trade in the overall trade of the OIC Member States has registered a positive evolution rising from 14.5% in 2004 to 15.5% in 2005. Intra - OIC trade has amounted to 16.3 percent in 2006.

80. The Committee took note, with appreciation, of the ICDT Plan of Action 2006-2016 and the steps already taken so far by ICDT in order to implement the OIC Ten-Year Programme of Action including the holding of a special Meeting of the Trade Promotion Organs of the OIC in Dakar, Republic of Senegal on 22nd November 2007 and the elaboration of a report on "the project of the free trade area among the OIC Member States".

81. The Session requested the Member States to keep on providing the ICDT with data relating to trade and investment statistics and regulations.

82. The 23rd Session of COMCEC welcomed the proposal to establish a Task Force to help reach the 20% intra-OIC trade target for set out by the OIC Ten Year Program of Action.

Recommendations:

83. The Committee **welcomed** the commencement of the activities of the ITFC and requested ITFC to give due emphasis to export financing in its prospective plans and activities. It was noted that the ITFC should also make use of services of local financial intermediaries in order for its services to be utilized extensively and should apply mark-up rates contributing to the competitiveness of those traders.

84. The Committee **called upon** the Member states to complete the ratification procedures regarding the Article of Agreement (AOA) of the ITFC as soon as possible to enable the corporation to commence its operation fully.

85. The Committee **welcomed** the offer of the ITFC in cooperation with CCO, SESRIC and TOBB to host an Expert Group Meeting in 1-2 July 2008 in Ankara, Turkey to finalize a comprehensive road map and strategy for reaching the target of increasing intra OIC trade to 20 percent by 2015.

86. The Committee **requested** the IDB to continue providing technical assistance for capacity building in Member States.

87. The Committee **took note with appreciation** of the ICDT's 2008 Annual Report on "trade among the Member States of the OIC" and noted with satisfaction that the share of the OIC Member States in World trade went up from 8.5% in 2005 to 9.5% in 2006 and that 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 upward evolution rising from 15.5% in 2005 to 16.3% in 2006.

88. The Committee **took also note** that ICDT's report underlined that the prices of basic food products increased drastically at world level in 2006-2007 and that some OIC Member States as net importers of foodstuffs are experiencing a severe food crisis.

89. The Committee **requested** Member States to keep updated on providing ICDT with data relating to trade and investment statistics and regulations and to convey to ICDT, in its capacity as Member of the Secretariat of the Trade Negotiating Committee of the TPS/OIC Agreement, available information on the difficulties encountered by exporters and in particular, non tariff barriers.

90. The Committee **welcomed** the activities made by the OIC institutions regarding the implementation of the OIC Ten Year Program of Action and initiatives of the COMCEC Coordination Office and **requested** the OIC institutions and CCO to hold task force meetings at the upcoming COMCEC and Follow-up Committee Meetings.

91. The Committee **entrusted** IDB and ICDT to follow-up the issue of the expansion of intra-OIC trade and report to the COMCEC and to other OIC fora.

(A copy of the report of First Meeting of the Task Force is attached as Annex XI.)

ii) Private Sector Meetings of Islamic Countries:

92. The Islamic Chamber of Commerce and Industry submitted its report on its numerous activities with regard to the private sector.

(The report by ICCI on Private Sector Meeting among the OIC Member Countries is attached as Annex XII.)

Background Information:

93. Following the directives of the COMCEC, the ICCI, in collaboration with other related OIC Institutions, lays the groundwork for the involvement of the private sectors of OIC Member Countries in the COMCEC activities. It was agreed at the 9th Session of the COMCEC that private sector meetings, including sectoral ones, be held in the run-up to the annual sessions of the COMCEC and, where necessary, during the Islamic Trade Fairs.

94. During the private sector meetings, representatives of private sectors and businessmen shall exchange information and carry out business transactions among themselves.

95. The ICCI has been organizing annual private sector meetings for more than ten years now, and continuously proceeding with efforts to improve their variety and deepness. The ICCI has been furnishing these meetings with several types of activities such as conferences, workshops and so on.

96. The 23rd Session of COMCEC took note of the efforts of the ICCI as the major representative of the private sector to broaden its base of activities for the greater benefit of this sector through its activities pertinent to economic empowerment, trade facilitation, capacity building and bridging the information gap.

97. The Session reiterated its support and called on member countries to cooperate and extend the support required to ICCI concerning issuance of certificates in the field of quality and ethical dealings versus the challenges of globalization.

98. The Session called upon all the OIC Institutions and National Chambers to extend full support to ICCI initiatives related to the development of the private sector and encourage their members to attend all the events organized by ICCI for the enhancement of intra OIC-trade, investment, economic cooperation and integration.

Future Activities:

99. 6th OIC Task Force Meeting on SMEs.

100. Workshops on Promotion of Export of Value-Added Fishery Products (Benin); Coffee Processing (Uganda); Hand-made Tiles (Pakistan); Small-scale Food Processing; Oilseed Processing for Small-Scale Producers (Pakistan); Marketing and Packaging of Agro-Products: The Case of Cassava and its Products (Nigeria); Forum and training workshop for Incubator Management Training in Islamic Countries (Turkey).

101. Fourth Forum for Businesswomen in Islamic Countries would be held in November in Damascus, Syria.

102. 12th Private Sector Meeting would be held in Kampala, Uganda on 16-18 June 2008.

103. 3rd Investment and Privatization Conference and 2nd Forum of Tourism in Islamic Countries to be held in Iran.

Recommendations:

104. The Committee **took note** of the efforts of the ICCI, as the principal representative of the private sector and expanding of its activities for their greater benefit, through organization of Private Sector Meetings; Businesswomen Forums; Capacity Development Workshops; Tourism; Privatization and Investment Conferences.

105. The Committee **called upon** all the OIC Institutions, National Chambers to extend full support to the initiatives of the ICCI, related to capacity building and the development of the private sector and to encourage their members to attend all the events organized by ICCI for enhancement of intra OIC-trade, investment, economic cooperation and integration.

106. The Committee **took note** of the 10-Year Work Plan of ICCI and its projects and requested the ICCI to prepare pre-feasibility of these projects proposals and submit them to the next Sessional Committee Meeting.

107. The Committee **commended** the efforts of ICCI for bridging the gap of information; by establishing a dedicated web platform for Businesswomen (www.oic-bin.net); ICCI-Data Bank for exporters and importers; and the revitalization of the OIC Networks.

108. The Committee **reiterated** its support in the implementation of the project on "Incubator Management Training in Islamic Countries" by ICCI and KOSGEB and calls for an early organization of the Training workshop and Forum.

109. The Committee **appreciated** the efforts of ICCI for the economic empowerment of the businesswomen and regularly organizing Businesswomen Forums and capacity development workshops. The Committee also took note of the offer of Syria for hosting the Fourth Forum.

110. The Committee **called upon** national financial institutions in OIC Member States to collaborate with the ICCI and IDB in formulating an effective mechanism for facilitating micro-credit facilities to women entrepreneurs by financing small projects of women.

Hi) Trade Fairs of Islamic Countries:

111. The ICDT submitted its report on Trade Fairs of Islamic Countries.

(The report by ICDT on Trade Fairs of Islamic Countries is attached as Annex XIII.)

Background Information:

112. Islamic Trade Fairs are held regularly every two years in one of the OIC member countries with a view to promoting intra-OIC trade. The ICDT has organized eleven trade fairs to date, and is keeping up efforts to improve their variety and deepness. The ICDT has been conducting, parallel to these meetings, several types of activities such as workshops and seminars, etc.

113. The 23rd Session of COMCEC requested the ICDT to hold more sector specific trade fairs and to use professional expertise in these activities.

114. The Session also requested the ICDT to prepare regularly progress reports on the Trade Fairs of Islamic Countries as well as the Tourism Fairs of OIC Member States and other specialized exhibitions and submit them to the COMCEC Sessions and related OIC fora.

115. The 11th Summit commended the ICDT for holding the 11th Trade Fair of Islamic Countries in Dakar, Republic of Senegal from 21 to 25 November 2007.

116. The 11th OIC Summit welcomed that the MUSIAD Trade Fair and Business Forum will be held concurrently with the 24th Session of the COMCEC in line with the relevant resolution of the 23rd COMCEC. The latter also called upon respective member countries to publicize this event at the national level for greater private sector involvement.

117. The Islamic Centre for Development of Trade (ICDT) organised under the auspices of the Ministry of Commerce of Senegal and in collaboration with the International Centre of Foreign Trade of Senegal (CICES), the 11th edition of the Trade Fair of OIC Countries, which was held from 21st to 25th November 2007 at the International Exchange Centre of Dakar in the Republic of Senegal under the theme "Intra-OIC Trade and Partnership for the Development of Africa". This event, placed under the high patronage of His Excellency Maître Abdoulaye WADE, President of the Republic of Senegal was attended by 32 OIC Member States as well as by the Muslim Communities in Non OIC Member Countries.

The trophies were awarded to the following countries:

- | | |
|--|----------------------------|
| • Kingdom of Saudi Arabia | First Prize |
| • Kingdom of Morocco | Second Prize |
| • Republic of Turkey and the State of Kuwait | Third Prize Equally placed |

Future Activities:

118. The ICDT will organize the 12th Trade Fair of OIC Countries in Cairo, Arab Republic of Egypt from 11th to 16th October 2009.

119. The ICDT will also organize the Second Tourism Fair of the OIC Member States in Beirut, Republic of Lebanon from 25 to 27 July 2008 and the 3rd Tourism Fair of the OIC Member States will be held in the Arab Republic of Egypt from 2nd to 4th June 2009.

120. The ICDT and Al-Harithy Company for Exhibitions Limited will organize the 13th Food/ Hotel/ Propac Arabia in Jeddah, Kingdom of Saudi Arabia, from 18th to 22nd May 2008.

121. The ICDT will organise a specialized exhibition and supply/demand workshop on the New Information and telecommunications technologies in the Member States of the Organization of the Islamic Conference in The State of United Arab Emirates (Sharjah) in December 2008.

Recommendations:

122. The Committee **expressed** its thanks and appreciation to the Republic of Senegal for hosting and to ICDT and the International Exchange Centre of Dakar for organising the 11th edition of the Trade Fair of Islamic Countries, held from 21st to 25th November 2007 at the International Exchange Centre of Dakar in the Republic of Senegal.

123. The Committee welcomed the offers of the State of United Arab Emirates and Islamic Republic of Iran to host the 14th Trade Fair of OIC countries.

124. The Committee entrusted the ICDT to initiate consultations with those countries and examine the possibility of introducing an amendment of the Regulations of the Fair in order to allow these two countries to host the 14th and the 15th edition of this Fair respectively in 2012 and 2013.

125. The Committee took note of the willingness of the Republic of Iraq to organise one of the forthcoming editions of the Trade Fair of the OIC Countries.

126. The Committee **took note** with appreciation that the Islamic Centre for Development of Trade makes every endeavour to organize a Tourism Fair of the OIC Member States (OICTOURISM) once every two years and **welcomed** in this connection the offers of the Arab Republic of Egypt, the Syrian Arab Republic and the Islamic Republic of Iran to host the Third, Fourth and Fifth Tourism Fairs in 2009, 2011 and 2013, respectively and **called upon** the Member States to actively participate in the Tourism Fairs.

127. The Committee **invited** the Islamic Republic of Iran to confirm the hosting of the Second Agri-Business Exhibition of the OIC Countries before the 24th Ministerial Session of the COMCEC in order to allow ICDT to organize this fair as scheduled and requests ICDT to follow up this matter.

128. The Committee **requested** ICDDT 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.

Progress in the Establishment of Trade Preferential System among the OIC Member States (TPS-OIC) (Agenda Item: 6)

129. The Secretariat of the TNC made a presentation on the developments in the trade negotiations under TPS-OIC.

Background Information:

130. The first round of trade negotiations has been completed with its special session during the 21st Session of the COMCEC. The Member States of the Trade Negotiating Committee (TNC) actively participated in the first round. Some regional economic groups representing OIC member states only, namely the Economic Cooperation Organization (ECO) and the Gulf Cooperation Council (GCC), also participated as observers in the said meetings.

131. At the end of the first round, the TNC concluded a tariff reduction modality in the Protocol on the Preferential Tariff Scheme for the TPS-OIC (PRETAS), which also covers para-tariff and non tariff barriers. The PRETAS sets specific tariff reduction targets in accordance with a timetable.

132. The 21st Session of the COMCEC approved the PRETAS and opened it for signing and ratification by the Member States. As of mid-May 2007, eleven TNC Member States, namely Bangladesh, Cameroon, Egypt, Guinea, Jordan, Malaysia, Pakistan, Senegal, Tunisia, Turkey and United Arab Emirates have signed and four member states namely Jordan, Malaysia, Syria and Pakistan have ratified the PRETAS.

133. The 21st Session of the COMCEC welcomed the decision of the TNC to launch the second round of trade negotiations in 2006. The Second Round was launched by the Ministers of Commerce of the Member States of the Trade Negotiating Committee on 24 November, 2006, in Istanbul. The Ministerial Declaration, adopted in the said meeting, set the target date of 1st of January, 2009 as the deadline for establishing the TPSOIC and making it operational. The 11th Summit, the 34th ICFM and the 23rd Session of COMCEC endorsed this target date.

134. The second round, which had been concluded by 4 TNC meetings, has finalized the TPSOIC Rules of Origin which were submitted for signature of the TNC Member States at the 2nd Meeting of the Ministers of Commerce of the Member States on September 12, 2007 in Ankara. Till now, the TPSOIC Rules of Origin were signed by 7 member countries namely Republic of Cameroon, Republic of Guinea, Hashemite Kingdom of Jordan, Malaysia, Republic of Tunisia, Republic of Turkey and the State of United Arab Emirates.

135. The 34th ICFM, the 23rd Session of COMCEC and the 11th OIC Summit adopted the Framework Agreement on TPSOIC and the PRETAS as the basis for reaching the 20% intra-OIC trade target set by the OIC Ten-Year Program of Action.

136. The 11 OIC Summit welcomed the offer of the Republic of Turkey to host a TNC meeting in the year 2008 to consider latest preparations undertaken by the TNC Member States prior to the implementation of the TPSOIC system and recommended a meeting of Ministers of Commerce of the TNC Member States be held in 2008 to review the work of TNC and evaluate the progress made towards a fully operational TPS-OIC.

Future Activities:

137. TNC Meeting will be held on 17-19 June 2008 in Ankara, Turkey to discuss the Progress in the Establishment of Trade Preferential System among the OIC Member States.

Recommendations:

138. The Committee **expressed its appreciation** to the COMCEC Coordination Office and the Islamic Centre for Development of Trade for the excellent performance of their role as the Secretariat of the Trade Negotiating Committee.

139. While reminding the target date of 1 January 2009 for the implementation of TPSOIC, in order to reach this target, the Committee **urged** the signatory member states to expedite the ratification procedure of the PRETAS and **also urged** the concerned member states to participate in the TPSOIC TNC Meeting to be held in Ankara, Turkey on 17-19 June 2008

140. The Committee **welcomed** the announcements by the representatives of the Islamic Republic of Iran, Kingdom of Saudi Arabia and State of Qatar that their governments are ready to sign PRETAS before or during the 24th Session of the COMCEC.

141. The Committee **called upon** the OIC General Secretariat, the COMCEC Coordination Office and ICDT to introduce TPSOIC System in sub-Saharan Africa, E.C.O region, and D-Eight, meetings by the presentations of TPS/OIC agreement and the PRETAS with a view to enlarging the membership of the Trade Negotiating Committee and expedite their accession as full Members.

142. The Committee **thanked** the Islamic Development Bank for contributing to the financing of the two rounds of the Trade Negotiations launched on November 24th, 2006.

Matters Relating to the World Trade Organization (WTO) (Agenda Item: 7)

143. IDB and ICDT submitted their respective monitoring reports on WTO matters.

(The reports by IDB and ICDT are attached as Annexes XIV and XV.)

Background Information:

144. Matters related to the World Trade Organization are a permanent agenda item of the COMCEC meetings, and the COMCEC has been encouraging its members to join the WTO in order to benefit from the international trade system on equitable and fair basis. At present, out of 57 OIC member states, 40 are WTO members and 11 are in the process of acceding to it.

145. Towards achieving this aim, the IDB and ICDT extend technical assistance to the OIC Member States by organizing various seminars, workshops and other activities.

146. The 23rd Session of COMCEC noted the resumption of the Doha Work Program negotiations and urged the OIC Member States to participate in them actively with a view to safeguarding the interests of their economies especially those relating to agriculture, including cotton, industrial products, and services.

147. The Session urged the Member States, who are already members of the WTO, to support the other OIC Member States seeking accession to the WTO in related fora and called on the IDB, the ICDT and other related OIC institutions to continue extending technical assistance to the Member States in the context of multilateral trade negotiations.

148. The Session also called on the IDB and the 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, it requested that the IDB and the ICDT coordinate the positions of Member States within the WTO for the objective of setting up a common platform of negotiations.

149. The 23rd Session of COMCEC entrusted IDB and ICDT to monitor matters relating to WTO activities and report to the annual sessions of the COMCEC and other fora concerned. Regarding the issue following events were realized since 23rd COMCEC Session by IDB:

- a) Specialized Training Workshop on Trade Negotiation Skills for Syrian officials, Damascus, Syria, 25-28 November 2007.
- b) Consultative meeting for Geneva-based OIC member country permanent missions, Geneva, 11 December, 2007.
- c) Seminar on Market Access Issues in Agriculture and Industrial Goods in French, Dakar, Senegal, 14-17 January 2008.
- d) Trade Policy Course in English, Kuala Lumpur, Malaysia, 21 January - 8 February 2008.
- e) Seminar on the latest developments in the Non-Agricultural Market Access Negotiations (NAMA) for Geneva-based officials, Geneva, 21-22 February 2008.

Future Activities:

150. IDB in collaboration with WIPO and ICDT will organize a seminar on the flexibility in the implementation of the Agreement on the Trade Related Intellectual Property Rights (TRIPs) in Casablanca from 9th to 12th June 2008.

IDB will organize the following activities during the year 2008

- 1- Seminar on "Negotiations on Non-Agricultural Market Access (NAMA)" for the capital-based trade/WTO officials to be held in Bahrain in June 2008.
- 2- Seminar on "the Development Aspects of the Doha Work Program: S & D & Implementation-related Issues" to be held in Tunisia in July 2008.
- 3- Trade Policy Course in Arabic.
- 4- Seminar on "Emergence of E-Commerce and its impact on economies of IDB Members".

- 5- Specialized Course on Trade Negotiations Skills for CIS Countries.
- 6- Consultative Meeting for Geneva-based Missions to be held in Geneva in December 2008.

Recommendations:

151. The Committee **took note with appreciation** of the Report submitted by the Islamic Centre for Development of Trade (ICDT) on the recent developments of the Doha Development Agenda Round and on the developments of the new acceding OIC Member States to WTO **and urged** the OIC Member States to participate actively in the ongoing negotiations by submitting a positive agenda for the issues of high interest for their economies especially those relating to African cotton producers, market access for agricultural and non agricultural products.

152. The Committee **commended** the IDB and ICDT for their earnest efforts in raising awareness among OIC Member States of the wide-ranging impact of the Uruguay Round agreements on their economies, and in reinforcing the capabilities of Member States, including its negotiating capabilities, preparing them fully for the negotiations in the context of the WTO, and calls on IDB and ICDT to carry on these efforts and requested the member states to actively participate in the activities.

153. The Committee **called on** IDB, ICDT and other related institutions to keep on extending their technical assistance to the Member States in the context of the multilateral trade negotiations.

154. The Committee **called on** IDB and ICDT to pool and coordinate their efforts to reinforce the 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, the Committee **requested** IDB and ICDT to coordinate the positions of Member States within the WTO with a view to setting up a common platform of negotiations.

155. The Committee **entrusted** IDB and ICDT to monitor matters relating to the WTO activities and report them to the annual sessions of the COMCEC and other concerned fora.

Cooperation Among the Stock Exchanges of the OIC Countries (Agenda Item: 8)

Background Information:

156. Upon the request of the 20th Session of the COMCEC, the Istanbul Stock Exchange (ISE) held a round-table meeting on the "Promotion of Cooperation among the Stock Exchanges of OIC Countries" in Istanbul on March 28-29th 2005, with the participation of stock exchanges from 11 OIC Member Countries and several OIC organs.

157. The Meeting decided to establish a platform called the "Islamic Stock Exchange Forum" and that cooperation among the stock exchanges of the OIC Member States is sustained within the context of that platform.

158. The Forum, which shall convene twice a year, one hosted by the ISE and the other by the stock exchange of a member state, shall be led by the ISE and seek financial support of the OIC/COMCEC and the IDB to research projects and so forth.

159. In line with the relevant resolutions of the 22nd Session of COMCEC, the 23rd Follow up Committee called upon the member states to inform their stock exchanges about the "OIC Member States Stock Exchange Forum" and to promote it, and invited them to join the Forum and the Committee.

160. The 23rd Session of COMCEC requested the OIC Member States Stock Exchange Forum to keep up its efforts for prospective results at its next meeting in 2008 and called upon the Member States to inform their stock exchanges about the "OIC Member States Stock Exchange Forum" and to promote it, and invites them to join the Forum and the Committees.

161. The Session also welcomed the offer of the Cairo & Alexandria Stock Exchanges of Egypt to host a staff training program covering capital market activities.

162. The Session took note of preparations being undertaken by SESRIC for Capacity Building Training Programs to the benefit of Capital Market Authorities and Central Banks in the Member Countries.

163. The Session requested the OIC General Secretariat, in collaboration with Istanbul Stock Exchange, the SESRIC, the ICDT and the IDB to follow-up on the developments of the subject and to report to the next Session of the COMCEC.

Future Activities:

164. The Second Round-table Meeting of the "OIC Member States Stock Exchange Forum" and the Working Committee Meetings will be held in the second half of 2008, prior to the 24th Session of COMCEC, in Istanbul, Turkey.

Recommendations:

165. The Committee **welcomed** the offer of Istanbul Stock Exchange of the Republic of Turkey to host the Second Round-table Meeting of the "OIC Member States Stock Exchange Forum" and the Working Committee Meetings in the second half of 2008 Session and **requested** all the member countries to encourage their stock exchanges to actively participate in this meeting.

166. The Committee **requested** that the OIC Member States Stock Exchange Forum keep up its efforts for prospective results at its next meeting in the second half of 2008 and also **requested** Istanbul Stock Exchange to follow-up, in collaboration with SESRIC, ICDT and IDB, the developments of the issue and report to the next Session of the COMCEC.

Poverty Alleviation in the OIC Member States (Agenda Item: 9)

-Review of the Implementation of the "Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)"

167. The OIC General Secretariat presented a Summary Report on Contribution of the OIC Member States, OIC General Secretariat and its concerned institutions for energizing trade and investment in Cotton and Textile Sector in Member States. The Chairman of the Steering Committee for the Implementation of the OIC Cotton Cooperation Programme, Mr. Mehmet Vehbi GÜNAN also made a presentation.

(The concept paper by the OIC General Secretariat and the Report of the First Meeting of the Steering Committee are attached as Annexes XVI and XVII.)

Background Information:

168. The issue of poverty alleviation in the less-developed and low-income OIC countries has remained on the agenda of various Islamic Summits and Foreign Ministers' Conferences with a view to reducing poverty in those countries by the end of next decade.

169. As a recent concrete step, Malaysia established a Capacity Building Program in the OIC Countries for Poverty Alleviation in less-developed and low-income OIC Countries. The first phase of the Program comprising of three pilot projects, was launched in March 2005 in Kuala Lumpur, and thereafter welcomed by the 21st Session of the COMCEC. Beneficiaries in the first phase were Indonesia, Bangladesh, Mauritania, and Sierra Leone.

170. The 33rd ICFM and the 21st Session of COMCEC called upon the Member States to lend all support to the Program in the spirit of progress and development of the OIC Countries.

171. The 21st Session of the COMCEC took note of the 8 capacity-building programs offered by Malaysia for implementation (2006-2008) in the area of trade, investment, SMEs, trade facilitation, development of women entrepreneurs, products and standards, and urged the Member Countries to participate in them.

172. The Third Extraordinary Session of the Islamic Summit underlined the importance of cooperation in the fields of poverty alleviation, capacity building, literacy, as well as eradication of diseases and epidemics such as AIDS, Malaria and Tuberculosis as well as the need to mobilize necessary resources to this end by establishing a special fund within the IDB. The Conference mandated the IDB Board of Governors to implement this proposal.

173. The Ten-Year Program of Action mandated the Islamic Development Bank to coordinate with the OIC General Secretariat in order to make necessary contacts with the World Health Organization and other relevant institutions to draw up a program for combating diseases and epidemics to be financed through the special fund planned to be set up within the IDB.

174. The Ten-Year Plan of Action commissions the IDB Board of Governors to take the necessary measures for ensuring a substantial increase in the Bank's authorized, subscribed, and paid-up capital, so as to enable it to strengthen its role in providing financial support and technical assistance to the OIC Member States, and to reinforce as well the Islamic Trade Finance Corporation recently established within the IDB.

175. Three OIC capacity building activities in the area of cotton so far are in place; namely the First EGM on Enhancing Production Efficiency and International Competitiveness in the Cotton Producing Member States, Jeddah, on 22-23 March 2005, the Forum on Energizing Trade and Investment in the Cotton Sector of the OIC Member States, Ouagadougou, on 18-19 April 2005, and the Second EGM on

Enhancing Production Efficiency and International Competitiveness in the Cotton Producing Member States, from 28 - 30 March 2006, in Izmir, Turkey.

176. The Second EGM agreed that the Revised Plan of Action for cooperation among the OIC Member States in the area of cotton, which was drafted by the First EGM and finalized at the Third EGM, was held from 9-12 October 2006, in Antalya, Turkey, and adopted by the 22nd Session of the COMCEC. Finally, the 34th ICFM endorsed the above mentioned Plan of Action.

177. The OIC Cotton Investment Forum was held successfully in Istanbul on 12-13 November 2007 with the participation of a large number of businessmen and sector representatives.

178. The 23rd Session of COMCEC and the 11th OIC Summit called upon the Member Countries to support the OIC Cotton Plan of Action and deepen cooperation in this critical sub-sector.

179. The Session requested the Member States concerned to nominate their focal points for the implementation of the Action Plan and to define web-admins operating the Cotton Forum web-side (www.oic.-cif.org) and endorsed the recommendations of the Cotton Investment Forum.

180. The Session also requested the OIC General Secretariat, in collaboration with the IDB, the SESRIC, the ICCI and the ICDT, to monitor the implementation of the Action Plan and report to the annual sessions of the COMCEC and the other OIC fora concerned.

181. The First Steering Committee for the implementation of the OIC Cotton Action Plan was held on 12 May 2008 in Antalya, Turkey with the participation of Burkina Faso, Pakistan and Turkey. OIC General Secretariat and related OIC institutions also attended the Meeting.

Future Activities

182. Nazilli Cotton Research Institute of Turkey will host the meeting of the center of excellence and representatives of the R & D centers in member countries in the second half of 2008. The exact dates will be communicated at the earliest.

183. IDB will host the 1st meeting of the Project Committee before the 24th Session of COMCEC. The venue and date of the meeting will be decided in due course.

Recommendations:

184. The Committee **took note** of the recommendations of the First Steering Committee for the implementation of the OIC Cotton Plan of Action and **expressed** its thanks to the Republic of Turkey for holding this meeting.

185. The Committee **requested** IDB to prepare project proposal format and circulate it through the OIC General Secretariat to the member states and related OIC institutions.

186. The committee **called upon** the member states and the concerned OIC institutions to submit concrete project proposals to the project committee for the implementation of OIC Cotton Plan of Action.

187. The Committee **requested** OIC General Secretariat to hold necessary contacts with Benin to confirm the dates and venue of the first Cotton Fair to be organized jointly with ICDT in 2009, along with the buyers and sellers workshop on cotton and textiles.

188. The Committee invited member countries, centers of excellence and focal points to extend appropriate support and cooperation to Nazilli Cotton Research Center for the success of the OIC Cotton Plan of Action.

189. The Committee **also requested** OIC General Secretariat to call on the OIC Cotton Producing Countries to organize the 2nd OIC Cotton Forum in 2009.

- **Capacity building programmes**

Proposal on Vocational Education and Training Action Program for the OIC Member Countries

190. SESRIC briefed the Committee on its initiative vis-à-vis Vocational Education and Training Action Program for the OIC Member Countries.

Background Information:

191. The Committee took note of the implementation of Vocational Education and Training Action Program for the OIC Member Countries submitted by SESRIC with a

view to improving the quality of vocational education and training in the public and private sectors in member countries.

192. The Committee also took note of the willingness and readiness of SESRIC to initiate, by simulating of the EU experience in this area, vocational training Programs such as OIC Exchange Projects for Professionals, OIC Placement Projects for Graduates and OIC Placement Projects for University Students and others.

Recommendations:

193. The Committee **requested** SESRIC to prepare a comprehensive report on the proposal and submit it to the 24th Session of the COMCEC for consideration by the Member States, noting that the proposed implementation procedures should not include a central budget but instead should be based on financing by the beneficiaries. The proposed system may include financial support for some of the LDC Member States by different OIC institutions.

194. The Committee **called upon** Member States and relevant OIC institutions to support preparations for the proposed Program, which aims at providing opportunities for individuals in different sectors, to help upgrade their knowledge and skills and thus contribute to the competitiveness of these sectors as well as to economic and social progress in their countries. In this connection, the vocational training activities offered by IDB, IUT and other OIC institutions may be incorporated within the proposed OIC Vocational Education and Training Program (OIC-VET), thereby, generating a common OIC platform in this area.

195. The Committee **took note** of the Turkish Export Promotion Center (IGEME)'s readiness to share its experience on training activities towards enhancing SME's international competitiveness.

**Preparation for the Exchange of Views on "Improving Investment Climate" to be organized during the Twenty-Fourth Session of the COMCEC
(Agenda Item: 10)**

196. IDB briefed the Committee on its preparation for the Workshop on "Improving Investment Climate" to be held in Jeddah, Kingdom of Saudi Arabia in end of July 2008.

Background Information:

197. At its 10th Session, the COMCEC agreed that it would also become a platform for the Member Countries where Ministers could exchange views on current world economic issues, in addition to regular items on their agenda. To this end, the COMCEC decided that a separate item be included in the agenda of the COMCEC at its subsequent sessions.

198. Ministers of the Member Countries have exchanged their views and discussed various topics since the 11th Session of the COMCEC. "Micro-Credit Financing and Poverty Alleviation in Member States" was the topic of the Exchange of Views at the 23rd Session of the COMCEC.

199. The 23rd Session of the COMCEC decided that "Improving Investment Climate in the OIC Member Countries" be the theme for the Exchange of Views at the 24th Session of the COMCEC, and requested the IDB, in collaboration with the SESRIC (the coordinating institution for the exchange of view sessions), the OIC General Secretariat, relevant OIC institutions and other related international organisations to organise a workshop on this topic prior to the Twenty Fourth Session of the COMCEC and to submit its report to the next COMCEC Session.

200. The 11 OIC Summit recognized that the Exchange of views organized during the annual sessions of COMCEC would be utilized to coordinate the positions of the member states vis-à-vis major world economic issues and welcomed the initiatives of COMCEC on a new mechanism for the preparation and implementation of the exchange of view sessions. It also welcomed the decision taken by the the 23rd Session of the COMCEC that "Improving Investment Climate in the OIC Member Countries" be the theme for the Exchange of Views at the 24th Session of the COMCEC.

Future Activities:

201. IDB will organise in collaboration with SESRIC a workshop on "Improving Investment Climate" in Jeddah, Saudi Arabia in end of July 2008 and submit to the 24th Session of the COMCEC the final report of the workshop, including recommendations and the expected cooperation projects, on the theme of the workshop.

Recommendations:

202. The Committee **welcomed** the new approach in selecting the theme of the exchange of views and in conducting that exchange of views, i.e. participation of experts of international repute as keynote speakers and recommended that this practice be continued in future exchange of views. The Committee **took note of** the following proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions.

Theme 1: E-government applications

Theme 2: The impact of rising commodity prices on the economies of OIC Countries

Theme 3: The impact of exchange rate policies and currency harmonization on intra-OIC trade

Draft Agenda of the Twenty Fourth Session of the COMCEC (Agenda Item: 11)

203. The Committee considered the proposed Draft Agenda of the Twenty Fourth Session of the COMCEC, which is to be held from 20 to 24 October 2008, in Istanbul.

Recommendations:

204. The Committee **welcomed** the proposals of the COMCEC Coordination Office for enriching scenario and format of the COMCEC Sessions.

205. The Committee **took note of** the proposal of "Arbitration Mechanism within the OIC" raised by the OIC General Secretariat and requested the ICCI in coordination with OIC General Secretariat and to study the issue and prepare a report to the 24th Session of the COMCEC.

206. The Committee decided to submit the Draft Agenda to the 24th Session of COMCEC.

(A copy of the Draft Agenda of the 24th Session of the COMCEC, as amended by the Committee, is attached as Annex XVIII.)

Any Other Business (Agenda Item: 12)

Halal Food Standard

207. Turkish Standards Institution (TSE) made a presentation on the outcomes of the 9th Meeting of Standardization Experts Group (SEG) held on 16-18 April 2008 in Ankara, Republic of Turkey.

Background Information

208. Proposal for Halal food standard was first brought to 32nd Islamic Conference for Foreign Minister in Sanaa, Republic of Yemen by the Malaysian Government in 2005. Today, especially in conducting international trade among OIC member countries and non member countries, there is a need for common understanding of what halal is or not. The aim of developing halal food standard is to provide the much needed international benchmark for halal food products certification for the common good of the Islamic communities all over the world even if in non Muslim countries. On the consumer side, there is a growing demand for halal food in international trade which should be perceived as a consumer right.

209. The 23rd Session of the COMCEC welcomed the offer of the Republic of Turkey to host 9th Meeting of OIC Standardization Expert Group in March 2008 with a task of studying and developing OIC Halal Food Standards.

210. The 9th meeting of SEG was held on 16-18 April, 2008 in Ankara, Turkey. The Meeting agreed to establish two committees. 1st committee would be responsible for preparing an OIC Halal Food Standard. SEG also established a 2nd committee for determining methodology for certification and accreditation procedures. Turkey was assigned as the Rapporteur for both committees. The Rapporteur will finalize the related documents before 10th meeting of SEG which will be held, in February 2009, in Jeddah.

Recommendations

211. The Committee **welcomed** the SEG's decision to prepare the OIC Halal Food Standard and methodology for certification and accreditation procedures by February, 2009 and called upon all the member countries to communicate their views on the draft documents which will be prepared by the working committees. An interim report on the issue will be submitted to the 24th Session of the COMCEC.

212. The Committee **urged** the member states who did not do so, to sign and ratify the Statute of Standards and Metrology Institute of the Islamic Countries (SMIIC) in earliest convenience which needs to be ratified by 10 member states for its implementation. Currently thirteen countries have signed and seven countries have ratified it.

213. The Committee **agreed** on discussing the Halal Food Standards as an independent agenda item at the 24th Session of the COMCEC.

214. The Committee **took note** of the support of Malaysia for the Halal Food Standards and Malaysia's wish to share its experiences.

Thanks and appreciation

215. Turkish Delegation informed the Meeting that 12th MUSIAD Trade Fair and Business Forum will be held concurrently with the 24th Session of the COMCEC.

216. The Committee **thanked and appreciated** the efforts of Republic of Turkey as host country, the Member States, OIC General Secretariat, COMCEC Coordination Office, IDB, SESRIC, ICDT, ICCI, IUT, OISA etc. and all other cooperating partners that have carried out the activities spelled out in the "Working Sessions" section of this Report or contributed to them.

Closing Session

217. At its closing session chaired by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the COMCEC Coordination Office to circulate the Report among Member States, and to submit it to the Twenty Fourth Session of the COMCEC.

218. The Head of Delegation of the Republic of Senegal, H.E. Mouhamadou DOUDOU LO, Ambassador of Senegal in Saudi Arabia proposed to send a message of thanks to H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of the COMCEC, which was unanimously approved by the Committee.

219. Mr. Abdullah Bin Abdulwahab AL-NAFISAH, Director General of Foreign Trade, Head of Delegation of the Kingdom of Saudi Arabia, made a statement on behalf of the delegates. Mr. AL-NAFISAH expressed his sincere thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Antalya. He also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

220. During the Closing Ceremony, Ambassador Nabika DIALLO read out the message of Prof. Ekmeleddin İHSANOĞLU Secretary General of the OIC. In his message Prof. İHSANOĞLU expressed his thanks to the Government of Turkey and particularly to the COMCEC Coordination Office for the excellent arrangements made for the Meeting and for the warm welcome and generous hospitality extended to all participants. The Secretary General of the OIC underlined the importance of this 24th Session of the Follow-up Committee of the COMCEC which is being held soon after the successful OIC Summit Conference held in Dakar, Senegal, 14 March, 2008 and which has adopted important decisions for the implementation of the OIC Ten-Year Programme of Action and defined ways and means to face these challenges. The Secretary General reiterated the support of the OIC to the activities of the COMCEC and his readiness to give full support to all activities which will contribute to the progress of the Islamic Ummah.

221. In his closing statement, H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to delegates for their valuable contributions and spirit of cooperation. H.E. Dr. TIKTIK, also thanked the OIC General Secretariat, and the subsidiary and affiliated institutions of the OIC for their valuable assistance. Referring to the debates and ensuing recommendations of the Follow-up Meeting, he expressed his satisfaction that a wide range of issues, topics of interests and activities had been covered that would add up to the effective implementation of the OIC Plan of Action and 10 Year Programme of Action. Finally, H.E. Dr. Ahmet TIKTIK wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Dr. Ahmet TIKTIK is attached as Annex XFX.)

ANNEXES

ANNEX

I

Original: English

**LIST OF PARTICIPANTS
OF THE TWENTY FOURTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Antalya, 13 - 15 May 2008)**

A. MEMBER COUNTRIES OF THE FOLLOW-UP COMMITTEE

REPUBLIC OF CAMEROON

H.E.Dr. MOHAMADOU LABARANG
Ambassador, Embassy of Cameroon in Saudi Arabia,
Permanent Representative to the OIC

Mr. BOUBA AOUSSINE
Deputy Director for the Commercial Exchanges, Ministry of Commerce

REPUBLIC OF INDONESIA

H.E. AWANG BAHRİN
Ambassador of Indonesia to Turkey.

Mr. ANUNG HERLIANTO
Senior Economist, Central Bank of Indonesia.

Ms. ANDANTE WIDI ARUNDHATI
First Secretary of Economic Affairs, Indonesian Embassy-Ankara

Mr. BASKARA PRADIPTA
Staff, Ministry of Foreign Affairs Indonesia

ISLAMIC REPUBLIC OF IRAN

Mr. KHANI OUSHANI SAEID
Deputy Director General, office of Loans International Organizations and Institutions
Ministry of Economy and Finance

Mr. ABBAS YAZDANI
Political Expert, Ministry of Foreign Affairs

STATE OF KUWAIT

Mr. ISHAQ ABDULKARIM
Director of International Economic CO-operation Department,
Ministry of Finance

Mr. SAAD AL-RASHIDI
Head of OIC Affairs Division,
Ministry of Finance

Ms. FATMA ALI
Economic Researcher,
Ministry of Finance

ISLAMIC REPUBLIC OF PAKISTAN

Mr. SYED IFTIKHAR HUSSAIN SHAH
Charge d'Affairs, Embassy of Pakistan, Ankara

Mr. KUNWAR WAHID KHURSHEED
Consul General of Pakistan, Istanbul

Mr. RIZWAN SAEED SHEIKH
Counsellor (OIC), Consulate General of Pakistan, Jeddah

STATE OF PALESTINE

Mr. ABDEL HAFEETH NOFAL
Minister Assistant, Ministry of National Economy
Mr. NASSER AL-SARAJ
Minister Assistant, Ministry of National Economy

STATE OF QATAR

Mr. SAOUD JASIM AL-JUFAIRI
Director of Economic Affairs Department, Ministry of Economy and Commerce

Mr. AHMED SALEH AL-MUHANNADI
Head of Arab and Islamic Economic Affairs, Ministry Of Economy

Mr. RASHID MOHAMMED AL-BREIDI
Economy Researcher, Ministry of Economy

KINGDOM OF SAUDI ARABIA

Mr. ABDULLAH BIN ABDULWAHAB AL-NAFISAH
Director General Foreign Trade

Mr. NASIR BIN MOHAMMED AL-MUTLAK
Head Expert, Ministry of Finance

Mr. YOUSEF BIN MOHAMMED AL-DUBEYI
First Secretary, Ministry of Foreign Affairs

Mr. ABDULLAH BIN MOHAMMED AL-LAHIM
Expert Economist, Ministry of Finance

Mr. HUSIN BIN EED AL-RASID
Expert Economist, Ministry of Trade

REPUBLIC OF SENEGAL

H.E. MOUHAMADOU DOUDOU LO
Ambassador of Senegal in Saudi Arabia

Mr. CHEIKH SAADBOUH SECK
Director of Foreign Trade, Senegal

REPUBLIC OF TURKEY

H.E. NAZIM EKREN
Minister of State and Deputy Prime Minister

Dr. AHMET TIKTIK
Undersecretary of State Planning Organization

Mr. MEHMET VEHBİ GÜNAN
General Director of Organization,
Ministry of Industry and Trade

Mr. OSMAN ASLAN
Assistant General Director,
Export Credit Bank of Turkey

Mr. EMRE SEZER
Acting General Secretary, TURKAK

Mr. AHMET KURTER
Deputy General Secretary, TSE

Mr. AHMET YILDIZ
Consul General of Turkey to Jeddah

Mr. MEHMET FERDEN ÇARIKÇI
Adviser of Foreign Affairs, President's Office

Mr. MEHMET DÜNDAR
Head of Department, Undersecretariat of Treasury

Mr. MEHMET EKİZ
Acting Head of Department, Turkish Patent Institute

Prof.Dr. MUSTAFA CAVCAR
Director, University of Anatolia

Mr. YÜKSEL KAVAKÇI
Director, Nazilli Cotton Research Institute

Mr. HASAN DEMİRCİ
Expert, Turkish Union of Chambers and Commodity Exchanges

Mrs. FATMA SARSU
Acting Head of Section, Ministry of Agriculture

Mr. TUNCAY SÖNMEZ
Expert, Ministry of Industry and Trade

Ms. NURSUN BEŞELİ
Head of Research and Development, Undersecretariat of Foreign Trade

Mr. ABDULLAH TAŞKIN
Expert, KOSGEB

Ms. ESRA HATİNOĞLU
Architect, Ministry of Industry and Trade

Ms. BANU ŞEKER
High Engineer, Ministry of Industry and Trade

Dr. ALİ RIZA KARAGÖZ
Expert, Ministry of Industry and Trade

Mr. İHSAN ÖVÜT
Director of International Relations, TSE

Mr. KADRİ YAVUZ ÖZBAY
Expert, Turkish Patent Institute

Mr. MUHAMMED SEYİD PEHLİVAN
Assistant Expert, Administration of Development Center,
E-Government Consultation Group

Mr. ZİYA DEMİRDÜZEN
Head of Department, Undersecretariat Foreign Trade

Mrs. AYŞE FERDAĞ TEKİN
Expert, Undersecretariat Foreign Trade

Mr. ALİ RİZA KAYAR
Assistant Expert, Undersecretariat of Treasury

Mr. RAMAZAN ALTINOK
Chairman, E-Government Consultation Group

Mr. EREN S. KILIÇOĞLU
International Relations Director, IMKB

B. OBSERVER

BURKINA FASO

Mr. WILFRIED YAMEOGO
Permanent Secretary for Cotton

REPUBLIC OF IRAQ

Dr. KAIS FAZA FAJIR
Director General

Mr. AHMED H. BAQIR
Commercial Counselor, Embassy of Iraq, Ankara

Dr. WATHEG TAHA MOHAMMED RASHEED
Head of Section

MALAYSIA

Mr. BADLI HISHAM ADAM
Counselor, Embassy of Malaysia, Ankara

Mr. MARIAM ABDUL LATIF
Vice President, Halal Industry Development Corporation

UGANDA

Mr. MARTINEZ ARAPTA MANGUSHO
Counsellor/Legal Adviser, Ministry of Foreign Affairs

Mr. BRIAN PHENOX MWANIKA
Third Secretary, Ministry of Foreign Affairs

Mr. MOHAMED MATOVU
National Chamber of Commerce & Industry

STATE OF UNITED ARAB EMIRATES

Mr. OMAR ALMEHARRAMI
Economics Expert at Ministry of Economy.

Mr. SULTAN MUBARAK ALSHAMISI
2nd Secretary at Conferences & Organizations
Administration of the Ministry of Foreign Affairs

REPUBLIC OF YEMEN

Mr. ABDULWALI AL-AQEL
Advisor to Minister of Planning and International Cooperation.

C . THE OIC GENERAL SECRETARIAT

H.E.Prof.Dr. EKMELEDDIN IHSANOGLU
Secretary General.

H.E.AMB. NABIKA DIALLO
Adviser to the Secretary General for Economic Affairs.

Mr. CHEIKH OUMAR T. SOW
Director General of the Economic Affairs Department.

Mr. OKER GÜRLER
Adviser to the Secretary General

Mr. FATİH OKE
Director in the Information Department

Mr. NAGHIJABBAROV
Professional Officer in the Economic Affairs Department

Mr. AL BARA TARABZOUNI
Professional Officer in the Economic Affairs Department

Mr. AMANUL HAQ
Professional Officer in the Cabinet

D. SUBSIDIARY ORGANS OF THE OIC

**THE STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING
CENTRE FOR ISLAMIC COUNTRIES (SESRIC)**

Dr. SAVAŞ ALPAY
Director General

Mr. NABIL DABOUR
Senior Researcher

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

Mr. EL HASSANE HZAINÉ
Director of Studies and Training Department

Mr. AMADOU CIRE SALL
Incharge of Trade and Information System

ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)

Prof. Dr. M. IMTIAZ HOSSAIN
Vice Chancellor

E. SPECIALIZED INSTITUTIONS OF THE OIC

THE ISLAMIC DEVELOPMENT BANK (IDB)

Mr. ABDEL AZIZ M. AL-KELAIBI
Director, Cooperation Office

Mr. TAREK FARHADI
ICIEC

Mr. AHMED ABDUL WASIE
Cooperation Office

F. AFFILIATED ORGANS OF THE OIC

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

H.E. SHAIKH SALEH KAMEL
President

Dr. MUSTAFA HODEIB
Secretary General

Ms. ATTIYA NAWAZISH ALI
Assistant Secretary General

Ms. ALAA A.G. FIRTAS
Assistant Secretary General for Media, Information

Dr. AHMED KHIDR
Assistant to the President

ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

Mr. MOHAMMAD ZAFER BHATTI
Director Finance

G. OTHER INTERNATIONAL INSTITUTES

**ISLAMIC CONFERENCE YOUTH FORUM FOR DIALOUGE AND COOPERATION
(ICYF-DC)**

Mr. ALİ SARIKAYA
Director of Islamic Conference,
Youth Forum for Dialogue and Cooperation

INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)

Mr. MOHAMED ABDEL KADER AL SAYED
Adviser to the CEO, ITFC

Mr. HARUN ÇELİK
Assistant Marketing Manager, ITFC

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

Mr. CELAL ARMANGİL
Director of UNIDO Center for Regional Cooperation in Turkey

**H. COMCEC COORDINATION OFFICE & THE TRADE NEGOTIATING
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**General Directorate of Foreign Economic Relations,
State Planning Organization of the Republic of Turkey**

Mr. FERRUH TIĞLI
Director General,
Head of COMCEC Coordination Office

Mr. EBUBEKİR MEMİŞ
Acting Head of Department

Mr. FATİH ÜNLÜ
Acting Head of Department

Mr. BAŞAK KAYIRAN
Expert, Press Relations

Mr. ORHAN ÖZTAŞKIN
Protocol Relations

Mr. MURAT DELİÇAY
Expert, Drafting

Mr. GÖKTEN DAMAR
Expert, Drafting

Mr. SELÇUK KOÇ
Expert, Drafting

Mr. KAĞAN AKDOĞAN
Assistant Expert, Drafting

Mr. İBRAHİM KUZU
Expert, Drafting

Mrs. MÜKERREM OZKILIÇ
Coordinator of Registration Office

Mrs. ŞERİFE MENĞİ
Executive Secretary

Mrs. SEHER KURUGÜL
Coordinator of Documentation

Mrs. BİLGE GÜLLÜ
Social Program

Mr. KEMAL ARSLAN
Coordinator of Meeting Rooms

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

Mr. YAŞAR GÜLSOY
Head of Department,
Undersecretariat of State Planning Organization

Mr. MEVLÜT YAŞAR
Coordinator for Transport Relations

Mr. MEHMET TUNCER
Accommodation Officer

Mr. ÖMER BIYIK
Technician

ANNEX

II

Original: Turkish

**MESSAGE OF H.E. ABDULLAH GÜL,
PRESIDENT OF THE REPUBLIC OF TURKEY AND
CHAIRMAN OF COMCEC**

**Twenty Fourth Meeting of the
Follow-up Committee of the COMCEC**

(Antalya, 14 May 2008)

Honorable Chairman,
Honorable Secretary General,
Distinguished Members of the Foliow-Up Committee,

We are truly happy to see all the representatives participating in the 24th Meeting of the Follow-Up Committee of the COMCEC (Committee for Economic and Commercial Cooperation) in our country.

In this meeting, you are here to deliberate on important economic and trade cooperation issues and enhance our cooperation among relevant fields. We are all aware of the fact that our cooperation endeavors and the projects we pursue are instrumental towards materializing our true potential. With this belief, we all need to strengthen our cooperation and do our best to implement the projects on COMCEC agenda as soon as possible.

Distinguished Delegates,

We need to consider our people's needs and the new developments of world economy while defining the methods and tools of economic cooperation and align our economies in the event of global economic fluctuations and shocks. We have been watching the developments in the world economy. The rise in oil and commodity prices has accelerated since the middle of 2007. Besides the discordance between supply and demand, other elements have also triggered this rise. Causing trouble to our people's daily life and disrupting industrial production, this rise has shown that taking collective action at global level, will be beneficial. It is necessary for COMCEC, which aims to promote economic and commercial cooperation among Islamic

countries, not to remain indifferent to such developments and rather advance cooperation in this respect.

Distinguished Delegates,

Economic and trade cooperation activities among Islamic countries have been developing. Trade volume among member countries had increased up to 16.3 % in 2006. In this respect, I would like to remind you that agricultural trade, which constitutes 7 % of world trade, is estimated approximately at 11.5 % in our member countries. For this reason, while the rise in oil and agricultural product prices is expected to enhance the trade volume of OIC member countries and intra-OIC trade, we also need to maximize effort to promote trade apart from oil and agricultural products among our countries. To this end, within the framework of OIC, I believe that the current and the prospective new mechanisms within the structure of COMCEC and Islamic Development Bank will be employed effectively.

On the other hand, the OIC Trade Preferential System (TPS-OIC) forges as an phenomenal tool to achieve the objective of increasing the intra-OIC trade up to 20 % by 2015 as assigned to COMCEC according to the "COMCEC Ten-year Plan of Action." I invite all countries concerned to sign and ratify the Framework Agreement, the Preferential Tariff Protocol and Rules of Origin at earliest convenience to make operational the Trade Preferential System at the beginning of 2009.

The recent assertive developments of intra-OIC trade, the establishment of Trade Preferential System and trade financing, as well as the steps taken to fight against poverty have shown that OIC community can actually have a critical bearing on economic development and welfare of member countries. I believe that we can score new successes thanks to this accumulation and self-confidence.

Distinguished Delegates,

We are all aware of the significance of investments in enhancing international trade and improving the investment climate in this connection. In fact, some member countries have already experienced improving the investment climate; besides, the OIC net trade surplus and the significant capital accumulation in our countries offer us new investment opportunities. The choice of "Improving Investment Climate" as the theme of the exchange of views session is very appropriate in this respect.

Mr. Chairman
Distinguished Delegates,

Unfortunately, poverty in Islamic countries still persists to a great extent. 22 of our members are of least developed country status. With regard to this, the Islamic Solidarity Fund for Development, established within the Islamic Development Bank, is a step forward towards increasing and activating assistance to economically hard-pressed brotherly countries. I hope that the most suitable method regarding the management of this fund will be determined as soon as possible and the activities regarding technical assistance and finance will accelerate. I believe that the Islamic Development Bank, which does its best to improve our countries' basic and social infrastructure, will use this fund successfully to provide least developed countries with assistance to step up their economic and social development.

Within this context, it is important for our countries to ameliorate production infrastructure continuously, education especially vocational training, innovations and new approaches. On the other hand, I believe that this fund will provide important opportunities for increasing the value added in trade which constitutes the livelihood of 40 % of our people, and converting the agricultural products into industrial products and marketing them. Moreover, advancing cooperation on cotton, still in effect, and implementing the Action plan effectively will substantially contribute to the efforts in the fight against poverty in some member countries.

Honorable Chairman,
Distinguished Delegates,

Unfortunately, deeply-rooted and intermingled conflicts continue to exist in the Islamic geography. In this context, I would like to draw your attention to the issues I have mentioned in my speech at the opening ceremony of the 23rd COMCEC Meeting held in Istanbul on the 16 of November 2007. Turkey will continue to constructively contribute to the resolution of these conflicts.

With these ideas in mind, I would like to greet all participants sincerely and wish them a successful meeting.

ANNEX

III

Original: Turkish

**OPENING STATEMENT
BY H.E. NAZIM EKREN
MINISTER OF STATE AND DEPUTY PRIME MINISTER
OF THE REPUBLIC OF TURKEY**

**Twenty Fourth Meeting of the
Follow-up Committee of the COMCEC
(Antalya, 14 May 2008)**

Honorable Secretary General,
Distinguished Members of the Follow-up Committee,
Distinguished Delegates,

I would like to express my pleasure for meeting with you again and hosting this elite gathering in Antalya on the occasion of the Twenty-Fourth Meeting of the Follow-up Committee of the COMCEC. I would also like to congratulate OIC Secretary-General, H.E. Ekmeleddin İhsanoğlu whose term of office was extended for another term at the 11th Islamic Summit, and wish him success.

Distinguished delegates,

As you know, the COMCEC Follow-up Committee regularly meets every May to follow up the implementation of decisions taken at the previous COMCEC Meeting and to evaluate preparations for the next COMCEC Meeting. Therefore, the COMCEC Follow-up Committee is entrusted with the critical role of enhancing cooperation among OIC member countries. As the Follow-up Committee proceeds with evaluating the process of implementing decisions taken at the COMCEC meetings, we need to identify problems encountered and carve out actions construed as overtures to be presented to the COMCEC Ministerial Meeting. Furthermore, in the light of developments of world economy, we need to strive for enriching and activating the COMCEC agenda. Accordingly, your active participation and support in your capacity as members of the Follow-up Committee, is of utmost importance. In this respect, I believe that the participation of the previous and upcoming Summit Chairpersons' representatives in COMCEC Follow-up Committee Meetings along with the current Summit Chairperson, by sharing their views and suggestions, will help contribute to our activities. Comprised of selected COMCEC members, the Follow-up Committee

has signaled notable contribution to COMCEC activities. I, hereby, would like to express my gratitude to its members for their manifestations regarding our cooperation activities.

Distinguished Delegates,

As you know, throughout its 24-year-history, COMCEC has initiated momentous projects in various fields, some of them were successfully implemented. However, we need to embark on painstaking endeavors to execute some more we have already initiated. Further, we have to enable our countries to finely attune to today's rapidly changing circumstances, and develop fast-track and solution-oriented economic cooperation to mitigate adverse effects caused by unfavorable events triggered by such circumstances.

For example, it is for the benefit of all member countries to make operational the TPS-OIC (Trade Preferential System Among the OIC Member Countries), constituting one of the most important projects of COMCEC. Therefore, as has been previously targeted, I invite all related countries to sign and ratify the Preferential Tariff Protocol and Rules of Origin towards the operationalization of the Trade Preferential System by 1st June 2009. I would also like to add that Turkey is about to endorse the mentioned agreements.

Honorable Delegates,

Over past years, key developments of world trade could be discerned. Especially last year, there have been substantial hikes in food and metal prices owed to increase in demand, drought, decrease in supply due to several factors and multiple speculations, with soaring production costs as a result of the rise in oil prices and the devaluation of the American dollar remaining among other factors for such increases.

The rise in commodity prices has adversely impacted on many countries, with food price hikes impacting most on economically hard-pressed countries. As you know, while the people in developed countries spend 10 % of their personal income on food consumption, this rate is set to climb up to 80 % in developing countries. Such problems once again reveal the fact that agriculture is essential not only for countries' development but also as a means of subsistence. COMCEC, which aims to promote economic and commercial cooperation among Islamic countries, should not be indifferent to this trend of modernization, but rather identify the problems in place and look for cooperation opportunities. For this reason, it is equally important to study

reasons for the rise in commodity prices and its possible effects as far as member countries were concerned by forming a group of experts at earliest convenience, and working on this prospective cooperation with the help of such United Nations Organizations as the FAO.

Distinguished Members of the Follow-up Committee,

Growth trends for past years had also continued during 2007 in our countries, and the average growth rate of OIC member countries in 2007 was put at 5.84 %. However, due to the deceleration in American economy, growth expectations relevant to world economy are dwindling and the inflation-related pressure is continuing as a result of anticipated hikes in commodity prices.

On the other hand, as a commendable development, foreign trade in the OIC member countries was previously developed to the better. While the volume of world trade has increased by 13 % amounting to 11.760 billion dollars when compared to the previous year, the total export rate of OIC member countries has increased by 21 %, reaching 25 billion dollars as compared to the previous year, and the total import rate has increased by 19.4% to amount to 946 billion dollars. In 2006, the intra-OIC trade had reached \$ 175 billion, that is increasing by 16.3 %. In the export marketing among OIC member countries, oil seized the biggest share i.e. by 38 %, followed by manufacturing industry (24 %) and food products (15.76 %).

On the other hand, foreign trade volume of Turkey has dramatically increased in recent years amounting to \$ 277 million. Turkey's total export to OIC member countries in 2007 was estimated at \$ 20.2 billion that is by 18.9 % of the aggregate export rate. Further, during the same year, the import rate from OIC member countries was 12.7 % with \$ 21.5 billion. I believe our cooperation efforts will help expand our trade volume further.

Distinguished Delegates,

Today, it is obvious that foreign trade has come to assume a tangible role in the development of countries. However, because of not possessing all resources required exclusively for development, it is necessary to draw from foreign sources. In this respect, countries seek to liberalize their imports and attract foreign investors. It is our common aspiration that COMCEC member countries can benefit from their potential optimally by trading with each other. Along with TPS-OIC, fulfilling our above mentioned objective, it is crucial to appropriately supply importers and exporters with

\$2.7 billion as a financial resource that the International Islamic Trade Financing Corporation within Islamic Development Bank had allocated for 2008.

As is known, the 20 % intra-OIC trade increase target by 2015 had been decided by the 3rd Extraordinary OIC Summit. The recent development of world economy indicates that as a result of the rise in oil and commodity prices, we could reach our target sooner. Yet, for us, what really matters is how to sustain trade increases. In order to pursue increase in intra-OIC trade, we need to increase the trade of products of manufacturing industry. We need to achieve this objective either by utilizing our individual potential or by benefiting from the opportunities the foreign capital offers.

In the 24th COMCEC meeting, the exchange of views session theme has been appointed as "Improving Investment Climate." The share of 57-member OIC in the approximately 1 trillion 300 billion dollars of foreign capital investment was only 118 billion dollars in 2006. For foreign capital investment to increase, it is necessary to develop human resources as well as basic infrastructure investments. For example, China, which drew 70 billion dollars of foreign capital, invests approximately 50 billion dollars in infrastructure. As OIC, it will be beneficial for us to advance our cooperation in the area of encouraging domestic and foreign investments and exchanging ideas on increasing foreign investment. The active participation of private sector to the activities to be conducted regarding improvement of investment climate should be maintained. Furthermore, we need to offer concrete and applicable propositions during the 24th COMCEC Meeting.

Honorable delegates,

With regard to fight against poverty, I believe the activities being implemented within the framework of OIC Cotton Plan of Action that was approved in the 22nd COMCEC Meeting is highly important for some countries, and similar projects in various fields will be initiated in the near future. I invite all the member countries concerned to participate actively in this important project. Besides, in the context of fight against poverty, I believe that following up the decisions taken regarding micro-credit last year will, in effect, be beneficial, and inviting key figures to Exchange of Views Sessions, as we did last year, will enrich the meetings.

Distinguished Delegates,

Concluding my remarks, I would like to thank all member countries for their contribution to COMCEC activities, OIC Secretary-General H.E. Ekmeleddin İhsanoğlu for his support from the very beginning and especially for attending this meeting, OIC General Secretariat and all the affiliated and related institutions, and wish that their contribution will increasingly continue. On behalf of the Turkish Government, I would like to point out that as we have done so far, we will keep up our support to every attempt which will contribute to development and welfare efforts of member countries and expand cooperation.

Hereby, I greet you all with respect and wish you a successful meeting.

ANNEX

IV

Original: English

**SPEECH OF
HIS EXCELLENCY PROF. EKMELEDDİN İHSANOĞLU
SECRETARY GENERAL OF THE
ORGANISATION OF THE ISLAMIC CONFERENCE
AT THE
24TH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC**

(Antalya, 14 May 2008)

Bismillahi arrahmani rahim

Mr. Chairman,
Excellencies,
Ladies and Gentlemen,

Assalam Alaikum wa-Rahmatullahi wa-Barakatuh

I am very pleased to take the floor on this auspicious occasion to express my profound gratitude to the Government and People of the Republic of Turkey for the generous hospitality and the excellent organization of this meeting as well as fine arrangements in this beautiful resort of Antalya. I would like to pay tribute to the constant support of the Government of the Republic of Turkey, in particular to the support of the State Planning Organization to the activities of the COMCEC, which has organized successfully twenty-four annual ministerial meeting.

The 11th Islamic Summit Conference of the OIC was just concluded with great success on 13-14 March, 2008, in Dakar, Republic of Senegal. The Conference adopted a New Charter for the OIC, which will re-energise the Organisation. It also adopted regular resolutions to assist Member States in the areas of economic affairs; but mostly, there was a common understanding that Muslim countries need to forge a new economic partnership for the benefit and prosperity of Ummah. The economies of the OIC Member States are rich with natural assets, financial capitals and human resources. These endowments are

excellent ingredients for a sustainable development recipe. However these three assets need to be synergised to be translated into real economic power.

Therefore the OIC Member States need to forge a new economic partnership in order to address the current challenges, such as, debt burden, poverty, food shortages, desertification, illiteracy, diseases and epidemics. This partnership should follow within the OIC, the South-South cooperation policy of encouraging economic and technical cooperation activities among the Member States as well as create avenues for joining efforts to move from being simple exporters of raw commodities to manufacturers of higher value-added products and technical know-how.

The Dakar Summit has also adopted an important Resolution to reduce the debt burden of Member States, particularly African countries. This priority area, which was initiated by the OIC Ten-Year Programme of Action (TYPOA) as the total amount of Debt owed by the OIC Member States culminated to US\$773.64 billion by 2006, with fifteen countries classified as heavily indebted poor countries (HIPC). Many OIC Member States allocates huge funds for debt servicing, which could have been spent for development and poverty alleviation. A solution to this debt crisis is, therefore, a prerequisite to poverty alleviation and sustainable growth in many of our LDCs. The freed resources from debt servicing can be directed at the social sectors (health and education), the sector of infrastructure and at enhancing the productive capacities of the LDCs.

Poverty has exasperated other problems in the Islamic world, such as, illiteracy, malnutrition, diseases and crimes. An estimated 285 million people or 26% of the population of the OIC Member States live in absolute poverty, lacking basic human needs such as food, health, education and shelter. This poverty situation is, therefore, alarming and need to be tackled from a new angle of lack of basic human needs, as suggested by the Chairman of the OIC Summit. In this context, I will do my utmost to have the OIC General Secretariat, act as a platform of policy dialogue and exchange of views for poverty alleviation.

The OIC Ten-Year Programme of Action, which is compatible with the UN Millennium Development Goals (MDGs) established a Fund within the IDB to address poverty reduction. So far, only 26% of the total amount of US\$ 10 billion has been pledged by the Member States to the Islamic Solidarity Fund for Development. I would

like to seize this occasion to urge all Member States and generous donors to contribute more to the Islamic Solidarity Fund for Development.

The Implementation of these resolutions and addressing the above-mentioned issues will be among the major priorities of the OIC General Secretariat for the coming years. Achieving these goals is not solely a test of our ability to deliver on our promises; it is above all a test of our moral convictions. In this regard, I will make every effort to explore endeavour to pursue this exalting assignment for the benefit of all OIC Member States and Muslim communities around the globe.

Ladies and Gentlemen,

I wish to take this opportunity to commend the COMCEC for its remarkable achievements. Achieving higher levels of development and prosperity of the Member States, as well as fostering economic and trade relations among them, remain the main pillars of the OIC economic agenda. Pursuant to this endeavor, the OIC Member States made serious efforts to develop the necessary institutional and multilateral legal framework within which the Member States could cooperate extensively by initiating, developing and implementing joint economic actions.

As a result of such efforts, the share of OIC in the world trade has increased, and reached the level of 9.5% in 2006 - with 10.5% for the world exports and 8.4% for the world imports. In addition, the intra-OIC trade in overall trade of the OIC Member States recorded positive results since the share rose from 14.5% in 2004 to 15.5% in 2005 and to 16.3% in 2006, i.e., an increase by 6.9% and 5.1% respectively. The OIC General Secretariat and concerned Institutions have significantly contributed to these successes and will undoubtedly be instrumental to reach the 20% target level of intra-OIC trade by 2015 as set by the OIC Ten-Year Program of Action.

Over the past year, the COMCEC Coordination Office has outstandingly performed to steer the Trade Negotiations under the "Framework Agreement on Trade Preferential System" (TPS-OIC) and the "Protocol on the Preferential Tariff Scheme" (PRETAS). With ratification of PRETAS by the Islamic Republic of Pakistan, the number of ratifying countries reached three. Seven other ratifications are needed to have this protocol enter into

force. To my satisfaction also, the Second Round of Trade Negotiations were successfully concluded with the adoption of the New Agreement on the "Rules of Origin" which was signed by seven Member States.

I would further like to appeal to all Member States to do their utmost to have these instruments ratified as soon as possible to enable the Ummah enter a new era of sustainable commercial and economic development. I invite all participating delegations and concerned OIC Institutions to support the OIC General Secretariat and the COMCEC Coordination Office to enable the Protocol to enter into force by the targeted date of January 1st 2009.

Multilateral institutional and legal framework needs to be further reinforced so as to create more brotherly and favorable environment for our businessmen in parallel to these increasing economic and trade relations amongst our nations, of which greatest share belongs to COMCEC. I believe in continuation of its unending efforts to foster these relations, COMCEC will also like to discuss the pros and cons of institutionalization of a mechanism for the settlement and resolving of disputes, likely to arise among parties to international trade exchanges and contracts, that is, the idea of creating an OIC dispute resolution system, an arbitration mechanism.

Mr. Chairman,

I also would like to draw your attention to another new crisis which has emerged and reached an alarming stage: the global food shortage. The rapidly escalating global food crisis threatens to hamper the OIC Member States' efforts towards economic development, in particular in their fight against poverty. The low-income groups of population are the most affected by the crisis, as the share of food in their total expenditures is much higher than that of wealthier groups. Fourteen OIC Member States are among the world's 37 countries in crisis, and are requiring external assistance in food supply. These countries need more support from other OIC Member States and the international community, to cope with the sharp global rise in food prices.

In this regard, let me draw your attention to a fact. If we look at the OIC Member States, we will see that some of them are endowed with natural resources like vast land,

ample water supply and favourable climatic conditions conducive to greater food production and we also have some others who are advanced in technology and have sufficient financial capability. Now if we join the efforts of these two groups of Member States, we ourselves would certainly be able to cope with this looming danger of food crisis. Therefore, I would like to urge upon the OIC Member States and COMCEC to address the issue in the line of joining efforts among the OIC family in order to avoid the larger economic and political implications of this growing crisis.

Finally, in light of the above, I would like to take this opportunity to address yet another important matter for the benefit of the Ummah. It is related to the re-energizing of the COMCEC processes and our way of doing business. Indeed this matter requires our most urgent attention to place the Committee on higher grounds. This will require a change in paradigm by focusing on additional avenues, which could be instrumental to increase the effectiveness of the COMCEC. Particularly, we need to explore other opportunities to increase the OIC commercial and economic cooperation.

In addition to legal instruments to enact trade preferential systems among the Member States, the COMCEC Coordination Office could also envisage trade facilitations measures, such as, capacity building, infrastructure, etc. to enable Member States, particularly, the LCDs to access larger international markets and benefit from greater trade, especially with the OIC Member States. I believe this matter will be on your agenda of the meeting and will receive greater attention from participating delegations.

I would like to assure you that we will spare no efforts to support your activities for the benefit and prosperity of the Islamic Ummah.

I wish you full success in your deliberations.

Wassalamu Alaykum wa-Rahmatullah wa-Barakatuh

ANNEX

V

Original: English

AGENDA
TWENTY FOURTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Antalya, 13-15 May 2008)

1. Opening Session
2. Adoption of the Agenda
3. Review of the Implementation of the OIC Ten-Year Program of Action Relating to Economic Cooperation
4. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States
 - Report of the OIC General Secretariat
 - Report of the Sessional Committee
5. Expansion of Intra-OIC Trade and Investment
 - Report on Intra-OIC Trade
 - Private Sector Meetings of Islamic Countries
 - Trade Fairs of Islamic Countries
6. Progress in the establishment of Trade Preferential System among the OIC Member States (TPS-OIC)
7. Matters Related to the World Trade Organization (WTO) Activities
8. Cooperation among the Stock Exchanges of the OIC Member Countries
9. Poverty Alleviation in the OIC Member States
 - Review of the Implementation of the "Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)".
 - Capacity building programs.
10. Preparation for the Exchange of Views on "Improving Investment Climate in the OIC Member Countries" to be organized during the Twenty-Fourth Session of the COMCEC
11. Draft Agenda of the 24th Session of the COMCEC
 - Simplifying and Streamlining COMCEC s Agenda
 - Structure and Format of the COMCEC Sessions and Follow-up Committee Meetings.
12. Any other business
13. Adoption of the Report

ANNEX

VI

**REPORT OF THE SECRETARY GENERAL ON
THE CURRENT STATUS OF THE IMPLEMENTATION OF THE
TEN-YEAR PROGRAMME OF ACTION**

(Antalya, 13-15 May 2008)

ABBREVIATIONS

COMCEC:	OIC Standing Committee for Economic and Commercial Cooperation	
COMIAC:	OIC Standing Committee for Information and Cultural Affairs	
COMSTECH:	OIC Standing Committee for Scientific and Technological Cooperation	
FAO:	Food and Agricultural Organization	
GCC:	Gulf Cooperation Council	
ICCI:	Islamic Chamber of Commerce and Industry	
ICCI:	Islamic Chamber of Commerce and Industry	
ICD:	Islamic Corporation for the Development of the Private Sector	
ICDT:	Islamic Centre for Development of Trade	
ICECS:	Islamic Commission for Economic, Cultural and Social Affairs	
ICFM:	Islamic Conference of Foreign Ministers	
ICIEC:	Islamic Cooperation for Insurance of Investment and Export Credit	
ICIEC:	Islamic Corporation or the Insurance of Investment and Export Credit	
IDB:	Islamic Development Bank	
IFA:	Islamic Fiqh Academy	
IF	AD:	International Fund for Agricultural Development
IMF:	International Monetary Fund	
IRCICA:	Islamic Research Centre for History, Culture and Art	
ISESCO:	Islamic Scientific, Educational and Cultural Organization	
ISF:	Islamic Solidarity Fund	
ITFC:	International Islamic Trade Finance Corporation	
IUT:	Islamic University of Technology	
LMDC:	Least Developed Member Countries	
OIC/POA:	OIC Ten-Year Programme of Action	
OIC:	Organization of the Islamic Conference	
OISA:	Organization of Islamic Shipowners Association	
PRETAS:	Preferential Tariff Scheme of TPS of OIC	
SESRTCIC:	Statistical, Economic and Social Research and Training Centre for Islamic Countries	
TPS-OIC:	Trade Preferential system of OIC	
UN:	United Nations	
UNIDO:	United Nations Industrial Development Organization	
WAEMU:	The West African Economic and Monetary Union	

INTRODUCTION

The Third Extraordinary Session of the Islamic Conference was convened by the Custodian of the Two Holy Mosques King Abdullah Bin Abdul Aziz on 7-8 December 2005 in Makkah to address the challenges faced by the Muslim World in the 21st Century and to identify the ways and means to tackle them with a renewed spirit based on the principles of Islamic solidarity.

The most outstanding outcome of the Summit was the adoption of a historic document in the name of "**OIC Ten-Year Programme of Action**" which provided a blueprint encompassing all spheres of concerns for the Muslim World, which required collective action on the part of the Ummah to meet the challenges of the 21st century.

DEVELOPMENTS SINCE MAKKAH SUMMIT

Following the Summit, the Secretary General decided that follow-up and implementation of the Ten-year Programme of Action should start immediately. In this regard the Secretary General assigned the responsibility to all the departments within the General Secretariat to brief on the areas falling within their purview to make recommendations on the implementation of the **POA**. Simultaneously, the Secretary General addressed letters to Member States' Foreign Ministers requesting them to provide their inputs and to send their views/comments on the implementation of the **POA** in the national and international context. As a further step the Secretary General invited the OIC organs submit proposals for the implementation and convened their meeting in Jeddah on 5 March 2006 and 4 March 2007 to work out ways and means for ensuring the implementation of the programme.

All organs of the OIC met on March 2006 and March 2007 successively, reviewed the provisions of the **POA**. The officials of the organs suggested the course of action to be adopted by the individual institutions in their areas for implementing the **POA**. The meeting was also attended by the three Standing Committees namely, COMSTECH, COMCEC and COMIAC.

It was decided during the meeting that the **POA** will become a permanent agenda item in future Summit Conferences, and Standing Committees meetings as a continuing process to review the progress.

With a view to ensuring effective implementation of the Programme, the Secretary General further took the following decision:

To convene an annual coordination meeting of all concerned OIC subsidiary organs and affiliated institutions for follow-up of the OIC Ten-Year Programme of Action.

To establish a Steering Committee chaired by the Secretary General in order to take decisions at the highest level and give necessary guidance for the implementation of the Programme.

To designate at the Cabinet of the Secretary General a Coordinator to liaise with Member States, OIC institutions and departments concerned within the OIC for continuous follow-up, coordination and reporting on the implementation of the Programme.

To put the issue concerning implementation of the OIC Ten-Year Programme of Action on top of the agenda items of all OIC Conferences, including OIC Summit Conferences, ICFM, Meetings of OIC Standing Committees (COMCEC, COMIAC and COMSTECH) and other meetings at all levels.

Having considered the progress report on the implementation of the OIC Ten-Year Programme of Action presented by the Secretary General, the 11th session of the Islamic Summit Conference held in Dakar, Senegal on 13-14 March 2008 resolved, among others, the following:

Expressed full support and appreciation to the Secretary General to continue with his ongoing efforts and laudable initiatives, to elevate the profile of the OIC in the international arena by engaging with all stakeholders including national governments and international organizations, particularly, the UN and its organs, the African Union, the League of Arab States, ASEAN, EU, OSCE, Council of Europe, in order to promote the General Secretariat as an effective partner in promoting international peace, security and development as has been highlighted in the TYPOA

and also to engage with them to devise and implement specific programs and projects within the priorities of the TYPOA,

Reaffirmed the commitment of the Member States in all areas to the visions and mandates of the TYPOA, as a blueprint document in preparing the Muslim World to meet the challenges of the 21st century in solidarity in action,

Underlined the pivotal role of the OIC General Secretariat in **coordinating** the implementation of the TYPOA and appreciates the progress achieved so far through the actions taken by the OIC General Secretariat, Subsidiary Organs and Specialized and Affiliated Institutions, and in the same context, **pays tribute** to the Secretary General for his leadership and distinct contribution in implementing this programme;

Welcomed the actions taken by the Secretary General to reform the Organization and to promote its role with a view to better prepare the Organization to fully assume its role in the implementation of the TYPOA, in line with the strong vision of the leaders of the Member States expressed in the TYPOA to meet the challenges of the 21st Century through reforming the OIC;

Called upon the Member States to contribute to the implementation of the TYPOA through their full political, moral and financial support and **encourages** Member States to consider, in coordination with the OIC General Secretariat, aligning their various current initiatives, projects and programs, in areas where they have comparatively higher interest or capacity, with the objectives of the TYPOA;

The Secretary General is pleased to submit this Progress Report on the Implementation of the OIC Ten-Year Programme of Action concerning development and economic cooperation to the 24* Follow-up Committee of the COMCEC.

DEVELOPMENT, SOCIO-ECONOMIC AND SCIENTIFIC ISSUES

I. Economic Cooperation

(39) POAII.1.1:

Call upon the Member States to sign and ratify all existing OIC trade and economic agreements, and to implement the provisions of the relevant OIC Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States.

Progress/Action:

The General Secretariat is exerting great deal of efforts to encourage Member States to sign and ratify TPS OIC and PRETAS. Although eleven member states have signed PRETAS, however, only Malaysia and Jordan have ratified it. It is worth mentioning that PRETAS will enter into force after signing and ratification by ten OIC Member States.

A Report, which reviews the OIC agreements and statutes in the field of economic, commercial and technical cooperation was prepared by the SESRTCIC and submitted to the 22nd Session of the COMCEC, 21-24 November 2006, for consideration.

(40) POAII.1.2:

Mandate COMCEC to promote measures to expand the scope of intra-OIC trade, and to consider the possibility of establishing a Free Trade Area between the Member States in order to achieve greater economic integration to raise it to a percentage of 20% of the overall trade volume during the period covered by the plan, and call on the Member States

to support its activities and to participate in those activities at the highest possible level with delegations possessing the necessary expertise.

Progress/Action:

The 23rd Session of the OIC Standing Committee for Economic and Commercial Cooperation, having considered the report of the Secretary General on the implementation of the OIC Ten Year Programme of Action, resolved the following.

Extends thanks to the Member States which have announced their contributions to the resources of the Islamic Solidarity Fund for Development, 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 to this Fund; and the state of Kuwait which contributed 300 million US Dollars and Islamic Republic of Iran, People's Democratic Republic of Algeria, State of Qatar and other countries for their contributions.

Welcomes the launching of the Islamic Solidarity Fund for Development in Dakar, Senegal on 29-30 May 2007 and urges all the Member States, which have not yet done so, to announce their generous financial contributions to this Fund.

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 within the framework of the OIC Ten-Year Programme of Action and the programme emanating from the Ouagadougou Declaration initiated by the IDB for Africa as well as the sectoral programmes on the expansion of trade and investments in the cotton sector in OIC African Member States.

Welcomes the offer of Burkina Faso and Cameroon to host one of these regional meetings separately in 2008 and invites Member States and OIC institutions and international,, regional institutions to extent full support to Burkina Faso and Cameroon for organizing these for a and invites African Member States to actively take part in these events.

Welcomes the establishment of a Task Force by COMCEC to help reach the 20% target for intra-OIC trade set out by the OIC Ten Year Program of Action.

Welcomes the establishment of the International Islamic Trade Finance Corporation (ITFC).

The ICDT's 2007 Annual Report on "trade between the Member States of the OIC Member States" noted with satisfaction that the share of the OIC Member States in World trade in 2005 reached 8.5% and that the intra-OIC trade recorded an increase by about 35% in value rising from \$100 (USD) billion to \$ 135 (USD) billion in 2005. Consequently, the share in percentage of intra-OIC trade in the overall global trade of the OIC Member States rose from 14.5% in 2004 to 15.5% in 2005.

Having considered the reports presented by the OIC General Secretariat, IDB, ICDT and ICCE on ways and means for achieving the objectives set by the Makkah Summit for the expansion of intra-OIC trade, the 23rd Session of the Follow-up Committee of the COMCEC made the following remarks and recommendations:

- The Trade negotiations started in 2004 under the Trade Preferential System among the OIC Countries (TPS-OIC) have been considered as an important instrument to achieve the intra-OIC trade goad of 20% as stipulated for the Road Map of the Ten-Year Programme of Action. The first round of negotiations has produced the Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS), A Trade Agreement with specific targets and a timetable

for tariff reductions. The second round was launched on 24 November 2006. The first was held in Istanbul on 24-26 November 2006, the second, third and fourth meetings of the second round of trade negotiations was held in Ankara from 27-30 March 2007, 19-22 June 2007 and 10-12 September 2007, respectively. The fourth session concluded the second round of negotiations for Member States of the TNC, which made progress on the Rules of Origins and Para-Tariff and Non-Tariff measures at the Second Meeting of the Ministries of Commerce.

- The 23rd Session of COMCEC and the 34th ICFM emphasized that the Framework Agreement on TPSOIC and the PRETAS provide the basis for reaching the 20% intra-OIC trade target set by the Ten-Year Programme of Action among the OIC Member States.
- The 23rd Session of COMCEC noted that the intra-OIC trade recorded positive results. The share of intra-OIC trade in the overall trade of the OIC Member States has recorded an increase from 14.5% to 15.5% in 2005.
- **The** ITFC, the new autonomous trade financing entity of the IDB with an authorized capital of US\$3.0 billion and subscribed capital of US\$750 million, will commence operations in 1429H, and carry on with the trade financing activity of the Bank with parallel focus on development and commercial objectives and **calls upon** Member States to support its establishment and business activities.
- 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.

Islamic Chamber of Commerce and Industry also submitted a list of future activities for 2008 which will contribute to the expansion of intra OIC Trade.

11th Islamic Trade Fair was held in Dakar, Republic of Senegal, in November 2007, under the theme "Inter-OIC Trade and Partnership for the Development of Africa". The Fair was very well organized by the Government of Senegal and the ICDT. The outcome of the Fair was very positive and will contribute to the success to the 11^{*} Session of the Islamic Summit Conference.

The ICDT also under took other activities in the framework of the OIC Ten-Year Programme of Action, as:

- 2nd Tourism Fair, scheduled to be held in Beirut, Lebanon in 2008;
- Setting up Business Center;
- Organization of the Virtual fair;
- Meeting of the Trade Promotion Organs (TPOs) of the OIC Member States.

Finally, the ICDT organized many other activities for the promotion of trade in OIC member States, including training, technical assistance, seminars and workshops. In this regard, the ICDT organized the Second Meeting of the Project Committee on the Regional Project "" Sustainable Tourism Development in a Network of Cross-Border and Protected Areas in West Africa, held in Baku, Azerbaijan, on 10 September 2006 and the First Conference on Technical Cooperation between the Industrial Property Offices in the OIC Member States, held in Ankara, Turkey, on 14-15 December 2006.

The consultative meeting of OIC institutions for the implementation of the OIC Ten-Year Programme of Action in March 2007 agreed to set up a Task force under the umbrella of the COMCEC comprising of OIC General Secretariat, COMCEC Coordination Office, IDB, ICDT, SESRTCIC, ICCI for studying ways and means of increasing the intra-OIC trade to 20% by 2015 as envisaged in the OIC Ten-Year Programme of Action. The meeting also agreed that

COMCEC Coordination Office will prepare the Terms of Reference of the Task Force in consultation with all relevant OIC institutions.

As proposed by the COMCEC Coordination Office, the meeting agreed that, among others, the following will be the milestone and basis for reaching the above-mentioned target:

- a) Early implementation of TPS-OIC;
- b) Establishment of ITFC;
- c) Enhancing production capacity and competitiveness of member countries;
- d) Trade facilitation, improvement of investment climate in Member Countries and promotion of joint ventures.

Additionally, the following activities will also be promoted:

Cooperation between OIC Member Countries with full participation of their private sector and OIC institutions will contribute to poverty alleviation through transfer of technology and increased value to commodities produced by our countries - A good example in this domain is the **cotton sector**.

In line with the Makkah Economic agenda the Secretary General of the OIC, Turkey, Burkina Faso, IDB, ICDT, SESRTCIC and ICCI undertook the preparation of an Action Plan for energizing Trade and investment in cotton sector in OIC Member countries.

This five-year Action Plan for strengthening economic and commercial cooperation between OIC Member States for enhancing production efficiency competitiveness and added value for cotton has been adopted by the 22nd Session of the COMCEC held in Istanbul, Turkey in November, 2006.

The Action Plan for the OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011) will enable OIC Member States to enhance the efficiency and effectiveness of the cotton sector against the challenges they face at the international level.

The Government of Turkey hosted a Forum on Trade and Investment on Cotton in Istanbul on 10-12 November, 2007. This Forum will provide the opportunity to develop trade relations, partnership in textile sector and research between OIC Member Countries for the benefit of all participants. OIC cotton-producing countries as well as textile industries, industrial companies producing agricultural machinery and/or fertilizers, etc., research centres are encouraged to take part actively in this Forum. Cotton-producing companies, cotton trading companies, textile industries, research centres and financial institutions from OIC Member States, as well as concerned institutions participated actively in this forum.

The 23rd session of the COMCEC Welcomed the holding of OIC Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector which was held in Istanbul, Turkey on 12-13 November 2007 with the contribution of OIC General Secretariat, IDB, ICCI, SESRTCIC, ICDT etc.

The Secretary General of the OIC has also initiated the process to develop food processing industries in OIC Member States with a view to giving more added values to locally-produced commodities. Contacts have been established in this context with the Republic of Mali to sponsor a Forum in this domain. Contributions from other OIC Member States and OIC institutions specially IDB, ICDT, SESRTCIC and ICCI will be sought for attaining these objectives.

With a view to increasing intra-OIC trade, following actions also need to be undertaken:

- **Encourage** technical cooperation and harmonization of rules and regulations of OIC Member States in the domain of maritime transport.
- **Encourage** investments in maritime transports in the OIC Member States with a view to providing efficiency and making national maritime transport companies more competitive in the international market.
- **Support** the Bakkah Shipping Company (BASCO) with a view to developing a sound and efficient system of transportation, communication and commerce to start a real permanent line between OIC countries' ports from Africa, Mediterranean, Red Sea, Gulf and Far East to expand the scope of intra-OIC trade. Bakkah Shipping Company has already started its operations from its Headquarters in Dubai, United Arab Emirates.

OIC Member States and OIC institutions are also working for the increase of trade in services between OIC Member Countries, in particular in the domain of tourism.

In this context, there is need to fully support regional projects, such as the project on Sustainable Development of Tourism within a Cross-border Network of Parks, Reserves and Sanctuaries across West Africa, which involves nine Member States. The 22nd and 23rd session of COMCEC reaffirmed their support to this regional project and appealed to Member States, OIC and international institutions to provide necessary political and financial support for the speedy and effective implementation of this regional programme.

The 34th ICFM reaffirmed the need to develop partnership among OIC Member States for the development of tourism and in this context reaffirmed the importance of the adoption of a strategic plan involving government and private sectors. This strategic plan will encourage entrepreneurship and convergence of views in conformity with the OIC Plan of Action and the OIC Ten-Year Programme of Action. This plan, prepared by the Government of Turkey, in cooperation with OIC Member States and OIC institutions. The COMCEC expressed appreciation for the preparation of the plan and referred it to the 6th ICMT to be held in the Arab Republic of Syria in 2008.

This strategic plan, when adopted, will serve as a basis and catalyst for the development of cooperation between OIC Member States in the domain of Tourism.

The International Congress on Tourism and Traditional Handicrafts and accompanying activities were inaugurated under the High patronage of the Custodian of the Two Holy Mosques, King Abdullah bin Abdul Aziz with the presence of the Secretary-General of the OIC. The Congress was jointly organized by IRCICA and the Saudi Supreme Commission for Tourism. The Congress tackled all aspects that have major connection between the tourism and handicraft sectors.

(41) POAII.1.3:

Promote endeavours for institutionalized and enhanced cooperation between OIC and regional and international institutions working in the economic and commercial fields.

Progress/Action:

The OIC General Secretariat and its relevant institutions are requested to organize a meeting with regional economic groupings within the OIC in order to enhance the intra-OIC trade.

The 23rd Annual Session of the COMCEC, having considered the report of the Secretary General on the subject matter, **reaffirmed** 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 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.

(42)POA II. 1.4:

Support OIC Member States in their efforts to accede to the World Trade Organization (WTO), and promote concerted positions between the Member States within the WTO.

Progress/Action:

The 23rd Session of the COMCEC, considered reports submitted by IDB and ICDT on the subject and resolved the following:

Calls on the IDB and the 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.

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.

(43)POAII.1.5:

Call upon the OIC Member States to facilitate the free movement of businessmen and investors across their borders.

Progress/Action:

The General Secretariat of the OIC and the Islamic Chamber of Commerce are working with Member States in a view of adopting appropriate measures to facilitate visa for businessmen of Member States.

Islamic Chamber of Commerce has also taken initiative in this regard and has obtained positive consent of 10 Member Countries

(44)POAII.1.6:

Support expanding electronic commerce among the OIC Member States and call on the Islamic Chamber of Commerce and Industry to strengthen its activities in the field of data and expertise exchanges between chambers of commerce of the Member States.

Progress/Action:

IDB, ICCI, ICDT and SESRTCIC will provide to Member States whenever necessary, technical assistance in order to work out national strategies as well as required regulations for developing electronic commerce.

SESRTCIC has already prepared a study related to this subject titled "Impact of E-commerce and Use of Information Technology on Promotion and Development of intra-OIC Trade". This document will be circulated to Member States and OIC institutions concerned for review and appropriate decision/action. Further work in this domain is being undertaken by OIC institution.

(45) POAII.1.7:

Call upon the Member States to coordinate their environmental policies and positions in international environmental fora so as to prevent any adverse effects of such policies on their economic development.

Progress/Action:

Second Islamic Conference of Ministers of Environment was held in Jeddah, Kingdom of Saudi Arabia on 13 - 15 December 2006. The Conference adopted the Jeddah Commitments for Sustainable Development which contained 12 commitments. The Conference accepted the generous offer made by the Kingdom of Saudi Arabia to establish and host An Environmental Information Centre and the Islamic Environmental Network. In addition, the Conference agreed to establish an Islamic Executive Bureau for Environment, in coordination between the ISESCO and the General Presidency of Meteorology and Environment Protection of the Kingdom of Saudi Arabia. The Executive Bureau will coordinate actions among Islamic States to follow-up the implementation, evaluation, improvement of the contents of the Jeddah Commitments.

A Third Session of the Islamic Conference of Ministers of Environment is scheduled to be held at ISESCO Permanent Headquarters in Rabat, the Kingdom of Morocco in June 2008. The ISESCO is mandated to cooperate with the OIC General Secretariat and the General Presidency of Meteorology and Environment Protection of the Kingdom of Saudi Arabia to organize the Conference.

On 3 - 14 December 2007, Indonesia hosted in Bali the UN Climate Change Conference. Member States of the OIC participated actively in the Conference. The Conference adopted Bali Action Plan which emphasizes on urgency to address climate change and calls for inter alia nationally appropriate mitigation actions by developing countries Parties

In order to avoid a gap between the end of the Kyoto Protocol's first commitment period (2012) and the entry into force of a new framework to be concluded by 2009, the Bali Action Plan shall follow up the Kyoto Protocol's first commitment to end of its period.

The Bali Action Plan establishes the process to work on the key building blocks of a future climate change regime, including adaptation, mitigation, and technology cooperation and financing the response to climate change. It sets out the methodology and detailed calendar of work for this process.

Prior to Bali Conference, the Government of Tunisia on 18-20 November 2007 hosted an International Solidarity Conference on Climate Change Strategies for Africa and Mediterranean Regions in Tunis. The Conference adopted Tunis Declaration. The Declaration inter alia calls for governments, international organizations, NGOs and research institutions to support African and Mediterranean countries in implementing adaptation and attenuation measures to counter climate change.

II. Supporting the Islamic Development Bank (IDB)

(46)POAII.2.1.

Establish a special fund within the IDB in order to help address and alleviate poverty, and provide job opportunities; and commission the IDB Board of Governors to establish this special fund, including mechanisms for its financing.

Progress/ Action:

The 31st Board of Governors of the IDB, held in Kuwait in May 2006 decided to establish the fund.

According to information received from IDB, the target amount is USD 10 billion to be collected over 3 years and saved as waqf.

Total amount announced in favour of the Fund until January 2008, according to information available in the OIC General Secretariat, was around two billion six hundred and two million US dollars.

Therefore, the total amount committed so far falls short of the ambitions of the Fund because most of the countries that have announced their contributions are the low income countries whose contributions are to symbolize Islamic Solidarity emphasized by the Makkah Al Mukarramah Summit in its resolution establishing the Fund.

The 11th session of the Islamic Summit Conference held in Dakar, Senegal on March 2008 having considered the reports presented by the OIC General Secretariat on the progress on the implementation of the OIC Ten-year Programme of Action resolved the following:

Welcomed the launching of the Islamic Solidarity Fund for Development (ISFD) in Dakar, Senegal on 29-30 May 2007 following decision by the Board of Governors of the IDB, as a major step of high importance within the implementation of the mandate and vision of the TYPOA in alleviating poverty in the Member States;

Extended thanks to the Member States which have announced contributions to the resources of the ISFD, with special appreciation to the Custodian of the Two Holy Mosques, King Abdullah Ibn Abdulaziz Al Saud of Saudi Arabia for his generous pledge of 1 billion US Dollars, to the state of Kuwait for its pledge of 300 million US Dollars, to the Islamic Republic of Iran for its pledge of 100 million US Dollars, the state of Qatar for its pledge of 50 million US Dollars, to Algeria for its pledge of 50 million Dollars, and to the other countries that have made respective contributions, and **urges** all the Member States which have not contributed to the Fund yet to do so, in order to achieve 10 billion US Dollars by 2009 and at least US\$6.0 billion by 2008 so that the Fund can implement its programmes.

(47) POA II.2.2:

Mandate the Islamic Development Bank to coordinate with the OIC General Secretariat in order to make the necessary contacts with the World Health Organization and other relevant institutions to draw up a programme for combating diseases and epidemics, to be financed through the special fund that will be created within the IDB.

Progress/Action:

The OIC and the IDB established an Inter Organization Technical Working Group (ITWG) to consider and coordinate actions and activities of the two institutions inter alia in the domain of health. The ITWG agreed to prepare the terms of reference for feasibility studies in the health sector. These studies will define the scope of the programme, mode of financing and management, and select a consultant for the same.

At the OIC-UN Coordination Meeting held in the ISESCO Headquarters, Rabat, the Kingdom of Morocco on 11 - 13 July 2006, the OIC, the IDB and the WHO met and discussed their common efforts to implement the OIC Ten-Year Programme of Action.

The OIC and Global Fund established linkages to coordinate their efforts to fight AIDS, Tuberculosis and Malaria in the Ummah. The OIC will use its good offices to encourage donors to support financially the Global Fund.

The First Islamic Meeting of the Ministers of Health was held in Kuala Lumpur on 12 - 15 June 2007. The Meeting adopted the Kuala Lumpur Declaration and 10 Resolutions. The KL Declaration inter alia urged the OIC Member States to intensify their cooperation with the World Health Organization and other international organizations to combat global health concerns including HIV/ AIDS, Tuberculosis, Malaria; strongly affirmed that polio eradication is an urgent priority for all OIC Member States; fully commit to mobilize political, religious and

financial support that is needed to achieve this historic goal and called upon all OIC member states to promote collective self-reliance in vaccine production (SRVP) and supply through strengthening National Regulatory Authorities and improving capacity for vaccine production and distribution in the OIC Member States; emphasized the importance of improvement in child health as a vital element in poverty alleviation and support cost-effective health programmes, such as immunization and infant as well as young children feeding practices.

An Interim Steering Committee to monitor the implementation of the decisions of the First Meeting of the Ministers of Health was established.

The OIC established contact with the U.S Department of Health and Human Services. The Secretary General met and discussed the health issues of the Ummah with the Secretary of the U.S Department of Health and Human Services in September 2007 and agreed to formalize their relations through signing of a Memorandum of Understanding. The OIC and U.S. Department of Health and Human Services realized that to elevate the dialogue on the health issues of the OIC, a series of high level strategic discussions would be needed in particular with health experts of the Centres for Disease Control and Prevention.

The Network of African Islamic Organization for Population and Development invited the OIC to participate in a National Conference on Strengthening the Gains of Immunization against Polio in Nigeria held in Ilorin, Nigeria on 28 January 2008. The Secretary General led the delegation of the OIC and addressed the National Conference.

The OIC General Secretariat upon request from the IDB pursued the issue of the Islamic Republic of Iran's prior commitment of US \$ 7 Million to fight malaria in Sudan and Senegal through its Ministry of Finance.

(48) POA II.2.3.

Commission the IDB Board of Governors to take necessary measures for ensuring a substantial increase in the Bank's authorized, subscribed, and paid-up capital, so as to enable it to strengthen its role in providing financial support and technical assistance to OIC Member States, and strengthen the Islamic Trade Finance Corporation recently established within the IDB.

Concerning the 4th General Increase in the Authorized Capital of the Islamic Development Bank the 31st meeting of the Board of Governors of the IDB decided to increase the authorised capital of IDB from 15 billion Islamic Dinars to 30 billion Islamic Dinars and the subscribed capital from 6.9 billion Islamic Dinars to 15 billion Islamic Dinars. The Board also determined terms and conditions for subscription by IDB Member States to the increase of the subscribed capital of the Bank.

Following the establishment of ITFC, the First General Assembly of the Board of Governors of the new Corporation was held in Jeddah in (Safar) February 2007 and the Corporation will commence business activities by (Muharram) January 2008. Currently, all the transition activities are progressing satisfactorily.

(49) POA II.2.4:

Urge the IDB to develop its mechanisms and programmes aimed at cooperation with the private sector and to consider streamlining and activating its decision-making process.

Progress/Action:

IDB is undertaking necessary action in this regard.

(50) POA II.2.5:

Urge the IDB and its institutions to promote investment opportunities and intra-OIC trade, and to conduct other feasibility studies to provide the necessary information to develop and promote joint ventures.

Progress/Action:

To promote investment opportunities and Intra-QIC trade a mechanism has been developed by ICCI by setting up an ICCI-Databank, which would provide comprehensive information about importers/exporters, traders, industries, commodities, agriculture and would also provide information about the investment opportunities in the Islamic world In this regard, ICCI is cooperating with the Special Unit for South-South Cooperation, UNDP.

III. Social solidarity in the face of natural disasters

(51)POA II.3. 1.:

Islam advocates solidarity with, and assistance to, all the needy without discrimination, which requires the Islamic States to develop and adopt a clear strategy on Islamic relief action and support the trend towards cooperation and coordination between individual relief efforts of Islamic States and Islamic civil society institutions on the one hand, and international civil society institutions and organizations on the other hand.

Progress/Action:

International Zakat Foundation has already been launched on 28th November 2006 by HE. Abdullah Ahmad Badawi, the Prime Minister of Malaysia. In addition, Islamic Chamber has contacted several Islamic Countries and have received the primary consent from some of them for the establishment of local Zakat organization branches..

(52)POA H.3.2.:

Help countries affected by these disasters to rebuild their buffer stocks.

Progress/Action:

Invite IDB, ICCI, ISF, IOC, relief organizations and aid agencies in Member States to coordinate action in achieving this objective.

The 33rd ICFM agreed to organize a Donor Conference in favour of the Republic of Niger. This Donor Conference was hosted by the State of Qatar in Doha on 11 - 13 June, 2007. Many OIC Member States, OIC institutions, countries and institutions as well as regional organizations from non-OIC Member States also participated in the Donor Conference.

So far, official pledges reached \$388 million for the campaign to help Niger secure sustainable food self-sufficiency. It was the first time that the OIC launched a Donors Conference and this first experience was very successful and could serve for other initiatives in favour of Member States affected by natural disasters.

IV. Supporting development and poverty alleviation in Africa

(53)POA II.4.1:

Promote activities aimed at achieving economic and social development in African countries, including supporting industrialization, energizing trade and investment, transferring technology, alleviating their debt burden and poverty, and eradicating diseases; welcome the New Economic Partnership for African Development (NEPAD), adopt to this end, a special programme for the development of Africa.

Progress/Action:

The Government of the Republic of Senegal, the OIC General Secretariat and the IDB organised in Dakar on 22-23 January 2008, under the high patronage of Maitre Abdoulaye Wade, President of the Republic of Senegal, a meeting of the Ministers of Economy, Finance and/or Planning of African OIC Member States of the Organisation of Islamic Conference. During this meeting, the IDB presented the broad lines of the new five-year program in favour of Africa and seek the participants' views on the program. The meeting was an opportunity for the Sub-Saharan African

Member States of the OIC and regional organisations to present their major strategic areas and key priorities in socio-economic development which might be considered by the IDB in the framework of the said program. The Ministers of Economy, Finance and Planning of African OIC Member States approved the IDB Special Program for Development of Africa (SPDA) with total fund in amount of US\$ 14 billions.

This program which was approved by the 11th Session of the Islamic Summit Conference held in Dakar, Republic of Senegal, in March 2008 will mainly address the following priority areas:

- Agriculture and food security
- Water and purification
- Energy
- Transportation infrastructure
- Increasing investments in the domain of water;
- The educational system and integration of youth in the job market
- Health and fighting transmissible diseases.

The 11th Session of the Islamic Summit held in Dakar, Republic of Senegal, 13-14 March 2008, fully aware of the pressing need for the OIC, its Member States and donor States to further contribute to the fight against poverty in Africa and to the development of this continent, adopted Resolution on debt relief in favour of African countries, which urges the members of the OIC, donor States to take measures for debt relief in favour of African countries, with proportions and deadlines taking into consideration the heavy burden this debt constitutes for African economies.

The 11th Session of the Islamic Summit also adopted Resolution on the Dakar-Port Sudan Railway Line and decided to set up a committee comprising the IDB, OIC and representative of the States to be crossed by the proposed railway line (i.e. Sudan, Chad, Niger, Nigeria, Mali, Burkina Faso, and Senegal) to start the project's implementation steps. Moreover, the Port-Sudan/Dakar railway line incorporated into the agenda of the coming meetings of the Ministerial Council. The Secretary General mandated to cooperate with the Committee and to report on progress achieved in this project.

The 11th session of the Islamic Summit Conference held in Dakar, Senegal on March 2008 having considered the reports presented by the OIC General Secretariat on the progress on the implementation of the OIC Ten-year Programme of Action resolved the following:

Welcomed the setting up of a Special Program for the Development of Africa (SPDA) as yet another fundamental step in the implementation of the mandates of the TYPOA, **expressed its appreciation** for the laudable efforts and crucial role of the Islamic Development Bank in this regard and **thanked** to the Government of the Republic of Senegal for hosting the Ministerial Meeting on the SPDA, held in Dakar, on 22-23 January 2008.

Applauded the IDB pivotal role in financing development projects in Africa and invites the Chairman of the 11th Session of the Islamic Summit Conference, in collaboration with the OIC General Secretariat and IDB and representatives of African OIC Member States to ensure coordination with a view of achieving effective implementation of the IDB Special Programme for the Development of Africa, in accordance with relevant resolutions of the Third Extraordinary Islamic Summit Conference held in Makkah Al-Mukarramah in December 2005 with the aim of garnering greater support and mobilizing more funds for the Islamic Solidarity Fund for Development.

Welcomed the initiative of the Governments of Cameroon and Burkina Faso to organize sub-regional for a for Central and West Africa on the implementation of Special programme for the Development of Africa (SPDA) and invited OIC, its institutions as well as its Member States to extend their support for the success of these meetings.

During the 12th Session of the OIC-UN Coordination Meeting held in Rabat, Morocco on 11-13 July 2006, the SESRTCIC, the FAO and the IDB agreed to jointly develop a programme of work towards the implementation of a series of training workshops/seminars and technical cooperation

activities on combating desertification and on water resources management aimed at poverty alleviation and hunger reduction in the OIC countries,

(54) POA II.4. 2:

Call upon the Member States to participate in international efforts to support programmes aimed at alleviating poverty and capacity-building in the Least Developed Member States of the OIC.

Malaysia, in its capacity as Chair of the 10th Islamic Summit Conference has initiated a programme of capacity-building for poverty alleviation in Least Developed OIC Member States. The first phase of the Program comprising of three pilot projects, was launched in March 2005 in Kuala Lumpur, and thereafter welcomed by the 21st Session of the COMCEC. Beneficiaries in the first phase were Indonesia, Bangladesh, Mauritania, and Sierra Leone.

The 4th Meeting of the Steering Committee for Capacity Building for Poverty Alleviation was held in Brunei Darussalam on 29 - 30 March 2006. Projects concerning capacity building in palm oil industry in Sierra Leone, fisheries in Bangladesh, development of small enterprises and micro credit in Tsunami-affected Banda Aceh and exploration of oil and mineral resources in Mauritania are under implementation. Second generation of projects are under preparation in favor of OIC Least Developed Member States.

(55) POA 2.4.3:

Urge donor Member States to cancel bilateral and multilateral debts to low income Member States.

Progress/Action:

The OIC General Secretariat has communicated the Programme of Action to all Member States for consideration.

The 11th Session of the Islamic Summit Conference held in Dakar, Senegal on 13-14 March, 2008 urged the OIC donor Member States to take measures for debt relief in favour of African countries, with proportions and deadlines taking into consideration the heavy burden this debt constitutes for African economies.

(56) POA 2.4.4:

Urge international specialized institutions and organizations to exert greater efforts to alleviate poverty in the Least-Developed Member States and assist Muslim societies, the refugees and displaced in the OIC Member States, and Muslim Minorities and Communities in non-OIC Member States; urge States to contribute to the World Fund for Solidarity and Combating Poverty.

Progress/Action:

The OIC experts level meeting for the implementation of the Brussels Programme of Action for LDCs held at the OIC Headquarters on 6-7 March 2006 is also a part of the implementation process of the provisions of the OIC 10-Year Programme of Action. Therefore, it is necessary to ensure an effective and speedy implementation of the recommendations adopted by this expert's level meeting. The expert group meeting has adopted important recommendations in this domain.

To ensure coordination for achieving objectives of the Millennium Development Goals, the Brussels Programme of Action for LDCs and the provisions of the OIC Ten Year Programme of Action relating to poverty alleviation.

CONCLUSIONS AND RECOMMENDATIONS

What are the next steps in ensuring the effective implementation of the OIC Ten-Year Programme of Action?

The Makkah Summit has summarized as follows the challenges facing the Muslim Ummah and the solutions to address them:

"More than ever before, we stand in dire need of a fresh vision to turn the tide and the Ummah, as Almighty Allah has rightfully ordained, into a guiding beacon and source of light that radiates forth science, knowledge, and morality for the benefit of all humanity.

If we are to succeed in achieving our desired objectives, then of necessity, we must show commitment and credibility in our Joint Islamic Action. Therefore, proceeding from a new vision of the Muslim world to address international challenges, as well as political, economic, social and cultural variables in a manner that safeguards the values and interests of the Ummah, we adopt and endorse the Ten-Year Programme of Action to face the Challenges of the Muslim Ummah in the Twenty-first Century".

The Islamic world abounds with human and material resources and at the same time it has a huge market. This market makes it rich in economic opportunities of all kinds a vast space for economic cooperation. We therefore have a strong basis for developing a strong economic group which will help harness more benefit from world globalization and address the challenges of the 21st Century.

For the first time in history, the OIC has adopted a comprehensive programme to achieve its noble goals in ensuring the development of Member States and lifting the living conditions of its populations. This is one of the best ways to fight terrorism and ensure harmony in our societies and communities. The implementation of this programme will require effective and coordinate actions at the level of Member States, as well as the OIC institutions.

In this connection, following actions are called for from Member States and OIC Institutions.

The 34th ICFM in its resolutions on the implementation of the OIC Ten-Year Programme of Action stated the following:

Calls upon Member States to provide full political, moral and financial support for the implementation of the OIC Ten-Year Programme of Action; **Encourages** Member States in coordination with OIC General Secretariat and OIC institutions to consider bringing their various existing initiatives, projects and programs, in areas where they have comparatively higher interest or capability, in line with the objectives of the OIC Ten Year Programme of Action and **Requests** the OIC Member States to submit regularly a semi-annual progress report on the implementation of the OIC Ten-Year Programme of Action to the OIC General Secretariat for consideration by the ICFM, the COMCEC, the COMSTECH, the COMIAC and the OIC Summits.

Calls upon the Member States to assess the needs to empower the General Secretariat with the necessary means and to build capacity at the General Secretariat in order to enable it to effectively implement and coordinate the implementation of all aspects of the Ten Year Program of Action.

It is necessary to improve the mechanism of activities related to the implementation of the OIC Ten-Year Programme of Action. It is necessary to prepare a comprehensive evaluation on the implementation of the OIC Ten-Year Programme of Action for the year 2015 and draw all the

lessons with a view to improving future action in this domain and prepare the ground for the next Ten-Year OIC Programme of Action.

The Secretary General has established a task force and a steering committee in the General Secretariat with a view to ensure effective and speedy implementation of the OIC 10-year Programme of Action. Some Member States have also taken concrete measures for the implementation of the Programme of Action. The Secretary General appeals to all Member States and OIC institutions to take the necessary measures and provide the necessary support for the implementation of the OIC 10-year Programme of Action with a view to prepare the Islamic Ummah to face the challenges of the 21st Century.

ANNEX

VII

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**BACKGROUND REPORT
BY THE
OIC GENERAL SECRETARIAT TO THE
TWENTY-FOURTH MEETING OF THE FOLLOW-UP COMMITTEE OF
THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION (COMCEC)**

(Antalya, 13-15 May 2008)

I- INTRODUCTION:

The Standing Committee for Economic and Commercial Cooperation (COMCEC) was established in 1981 by the Third Islamic Summit Conference held in Makkah Al-Mukarramah/Taif with the task of following up the implementation of all resolutions adopted by OIC in economic and commercial fields. A series of subsidiary, affiliated and specialized bodies were brought into being with a view to furthering economic cooperation among Member States.

The object of this Report is to provide updated background information on these initiatives under the following two major headings, namely the Development of Economic and Trade Cooperation, and the Status of the Signing and Ratification of Statutes and Agreements.

II- DEVELOPMENT OF ECONOMIC AND TRADE COOPERATION:

(a) Cooperation for the Promotion of Trade among OIC Member States.

At its first Session, COMCEC discussed and approved the proposals to draw up three multilateral financial schemes aimed at enhancing trade among Member States, namely, the Longer-term Trade Financing Scheme, the Islamic Corporation for the Insurance of Investment and Export Credit, and the Multilateral Islamic Clearing Union. Subsequently, other cooperation mechanisms were developed to enhance economic and trade cooperation among OIC Member States. The progress achieved in the establishment and operation of each of these schemes as well as other efforts to enhance intra-OIC trade is summarized below:

(i) Export Financing Scheme (EFS).

Following approval by COMCEC, the Longer-Term Trade Financing Scheme was approved by the Tenth IDB Annual Meeting, held in Amman, Jordan, in March 1986. The title of the Scheme has recently been changed to Export Financing Scheme (EFS).

Originally the scheme was conceived to finance exports from one Member State to another. However, in order to expand its scope and promote exports of Member States, in 1997, the Board of Executive Directors amended the scheme to allow for export to OECD Member States. By widening the scope of the scheme, it is expected that the market for exports from Member States will be much larger than previously.

Since its inception and by the end of 1427H (9 February 2007), the cumulative net approvals under the scheme amounted to US\$1.57 billion, the net approval in 1427H (2006/2007) being US\$378 million.

Member States are encouraged by COMCEC to adhere to this scheme in order to benefit from its financing and ensure more earnings from their exports.

(ii) Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC).

The objective of the ICIEC is to enlarge the scope of trade transactions and the flow of investment among Member Countries of the OIC. ICIEC provides: (i) export credit insurance and reinsurance to cover non-payment of export receivables resulting from commercial (buyer) or non-commercial (country) risks and (ii) investment insurance and reinsurance against country risk mainly the risk of exchange transfer restrictions, expropriation, war and civil disturbance and breach of contract. During the 30th Annual Meeting of the Board of Governors of the IDB Group in Putrajaya, Malaysia, in 23-24 June 2005, a resolution was adopted concerning amendment of the Articles of Agreement of the ICIEC to enable the ICIEC to insure investment flows originating from non-member countries to the member countries. With this new amendment, the ICIEC will play a more important role in fostering investment in its member countries.

ICIEC has been continuing to implement its marketing strategies through national and international promotional seminars, presentation seminars, follow-up visits to member countries and meetings with exporters and banks.

(Hi) Islamic Multilateral Clearing Union.

The IDB undertook a study of the project at the request of COMCEC. The 8th COMCEC Session, held in 1992, noted with appreciation the finalization by the IDB of the "Agreement on the Multilateral Islamic Clearing Union" and approved, in principle, the proposed Agreement and endorsed the recommendations of the Governors of the Central Banks and Monetary Authorities of Member States held in Cairo in 1990.

The Tenth COMCEC Session held in Istanbul, October 22-25, 1994, inter alia, invited Member States to consider working out clearing arrangements among themselves, provided that these agreements be flexible in the goods covered and that joining them be on a voluntary basis, provided also that clearing agreements be concluded among sub-groups of Member States willing to join, with the ultimate goal of setting up a multilateral Islamic Clearing Union.

(iv) Establishment of a Trade Information Network (TINIC).

The First COMCEC Session, held in 1984, adopted a resolution recommending the setting up of a Trade Information Network for Islamic Countries to facilitate the collection, treatment, analysis and propagation of trade information for the benefit of users. The Islamic Centre for the Development of Trade (ICDT) was requested to prepare a feasibility study on the modality of such a network, which was submitted to the Second COMCEC Session. A study group was set up to revise that study with a view to developing a "database system" on trade information relating to OIC Member States, ensuring an optimal utilization of means already existing in Member States.

The conception of ICDT's data bases is finalized; all the modules are completed and operational. It is practically identical to the OICIS-NET basic model accepted by the Islamic Development Bank. Information dissemination is carried out through the accessible usual means (mail, fax, Tijaris). It is also available on CD-ROM as well as through Internet or the communication system of the OICIS-NET, to be used as soon as it is operational. It is worth mentioning that ICDT is already provided internet site on the following address: www.icdt-oic.org .

The 21st COMCEC recommended to the Member States to make full use of the facility and requested the OIC Member States to provide ICDT with data relating to trade, investment statistics and regulations.

(v) Islamic Trade Fairs.

The Islamic Trade Fairs are playing very important roles in boosting intra-OIC trade by bringing together business firms, entrepreneurs and their products. The Islamic Trade Fairs are being organized regularly by the Islamic Centre for Development of Trade (ICDT) in collaboration with the relevant Ministry of the host governments and with the support of the Islamic Chamber of Commerce and Industry (ICCI). The implementation of the rules and regulations governing Islamic Trade Fair, which were prepared by ICDT and adopted by the 18th Session of the COMCEC, will streamline the holding of the Islamic Trade Fair.

So far eleven Islamic Trade fairs have been successfully organized. The 11th Islamic Trade Fair was held in Dakar, Republic of Senegal on 21-25 November 2007. The 12th Islamic Trade Fair will be hosted by the Arab Republic of Egypt in 2009.

(vi) Cooperation among the Private Sectors of the OIC Member Countries.

Development of the private sector in the Islamic world is one of the major objectives of the OIC. Within this framework, the 9th Session of the

COMCEC mandated the ICCI to organize annually the Private Sector Meetings. Since 1994, ICCI is regularly organizing these meetings in collaboration with the IDB and the local chambers. These meetings have been instrumental in providing a common platform to meet and discuss areas of mutual cooperation, to find new markets, new investment areas, and new trading partners.

Realizing the economic potential among the businesswomen and also to endorse the Millennium Development Goals on gender issues the ICCI has initiated a program in 2005 for the economic empowerment of businesswomen of the Islamic Countries. This has been done by holding Businesswomen Forums in Islamic Countries on annual basis. In 2007, ICCI organized the workshop on "Marketing and Packaging of Agro Products" from 25-29 August 2007 in Sudan, and organized the following event in order to encourage entrepreneurship and to bring businesswomen in the mainstream: the 3rd Businesswomen Forum, in January 2008, in Doha, State of Qatar, and the 4th Businesswomen Forum will be held in November 2008, in Damascus, Syria. The 12th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries will be held in June 2008, in Kampala, Uganda. Moreover, ICCI in collaboration with the Islamic Development Bank (IDB) has also launched a web portal of the OIC Business Women (www.oic-bin.net) to promote networking and create linkages among them.

The ICCI is also establishing the ICCI-DataBank, as a mechanism to bridge the gap of information, for Trade Facilitation and providing Trade Information. The objective is to provide comprehensive information about the strengths of OIC Member Countries, especially about industries, trade, agriculture and would also provide information about the investment opportunities in the Islamic world. To implement this project, UNDP's Special Unit for South-South Cooperation will be cooperating with the ICCI.

In addition to above, the ICCI has prepared a practical 10-Year Work Plan, under which the Projects that have made progress are:

- i. The International Zakat Foundation;
- ii. The International Islamic Company for Exploration of Investment Opportunities & Promotion of Intra-Trade.
- iii. The Business Owners Association (BOA);
- iv. The Open Visa Agreement; and
- v. The Al-Emmar Bank.

(vii) *Exchange of Views Sessions during the annual sessions of the COMCEC.*

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions. Since then Exchange of Views Sessions have been held on the following topics:

- (1) Implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization on the external trade of the OIC Member Countries: (11th COMCEC);
- (2) Privatization Experiences of the OIC Member Countries (12th COMCEC);
- (3) Implications of Regional Economic Groupings, especially the European Union for the Economies of Member Countries (13th COMCEC);
- (4) Intra-OIC Trade, Investments, Economic Stabilization and Structural Reforms in Member Countries (14th COMCEC);
- (5) Human Resources Development for Sustained Economic Growth and Progress in Member Countries (15th COMCEC);
- (6) Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization (16th COMCEC);
- (7) Effects of Non-Tariff Barriers on the Foreign Trade of Member States (17th COMCEC);
- (8) Private Sector Investment in the Member Countries and the Role of IDB (18th COMCEC);
- (9) Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of intra-OIC Trade (19th COMCEC);
- (10) Trade and Transportation Facilitation among the OIC Member States (20th COMCEC);
- (11) Role of Tourism in the Promotion of Economic Cooperation among OIC Member States (21st COMCEC);
- (12) "Capacity Building on Facilitation of Trade and Investment" (22nd COMCEC); and
- (13) Exchange of Views on "Micro-Credit Financing and Poverty Alleviation in Member States"(23rd COMCEC).

The 22nd Session of the COMCEC decided that the SESRIC should take full responsibility as the coordinating institution for the exchange of views sessions and requested the SESRIC, 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.

It was also decided at the 23rd Session of the COMCEC to designate "Improving Investment Climate" as the theme for the Exchange of Views at the Twenty-Fourth Session of the COMCEC and requested the IDB, in collaboration with the SESRIC, the OIC General Secretariat, relevant OIC institutions and other related international organizations to organize a workshop on this topic prior to the Twenty Fourth Session of the COMCEC and to submit its report to the next COMCEC Session

(viii) Framework Agreement on Trade Preferential System.

The entry into force of the Framework Agreement on Trade Preferential System among the OIC Member States has been a significant development in the efforts of OIC to expand intra-OIC trade. Upon its ratification by more than ten Member States, the COMCEC at its 18th Session resolved to set up the

Trade Negotiation Committee (TNC) consisting of the participating countries that have ratified the Agreement and declared trade concessions to be negotiated. The 19th session of COMCEC adopted the Ministerial Declaration launching the first round of trade negotiations among the Member States that have ratified the Framework Agreement. ICDT organized an Experts group meeting under the auspices of COMCEC on 24-26 June 2003 in Casablanca to prepare the ground work for the first round.

The first meeting of the First Round of the TNC constituted under the Agreement was held in Antalya on 6-9 April 2004. The TNC adopted at the meeting a negotiation strategy, which proposes product-by-product scheme for trade negotiation, guidelines and plan of action for market access as well as schedule of trade liberalization under the Agreement. This was followed up by two more meetings in Antalya (7-10 September, 2004 and 5-8 January, 2005). During these meetings the negotiation focused on setting up a modality for the trade negotiation within a specific time-frame and product coverage. The first round was concluded with the preparation of a "Draft Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS)" at its last meeting held in Antalya on 30 March - 2 April 2005. The Islamic Development Bank (IDB) extended financial support for the First Round of Trade Negotiations.

This Protocol was finalized at a special Session organized on the sidelines of the 21st Session of the COMCEC, on 23 November 2005 and adopted by the 21st Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC).

The Protocol shall enter into force on the 90th day of the date of receipt by the depository of instruments of ratification, acceptance or approval by at least 10 governments of the Participating States. So far, Egypt, Jordan, Syria, Tunisia, and Turkey signed the said Protocol at a special ceremony organized during the 21st Session of the COMCEC; followed by Malaysia in March 2006. Bangladesh, Cameroon and the UAE signed the Protocol at a special ceremony organized during the 22nd Session of COMCEC, followed by Pakistan in February 2007. Guinea also signed it during the 23rd Session of the COMCEC. With the adoption of the PRETAS, a significant phase will be reached in the efforts at the level of OIC to strengthen economic and commercial cooperation. The process of negotiation will hopefully be expanded ultimately to include all the OIC Member States through their ratification of the Framework Agreement and the PRETAS.

In pursuance of the related ICFM and COMCEC Resolutions, the Second Round of Trade Negotiations was launched by the Ministerial Session attended by the Ministers of Commerce and the Heads of Delegation of the Member States of TNC, on 24th November 2006. The First was held in Istanbul on 24-26 November 2006, the Second, Third and Fourth Meetings of the Second Round of Trade Negotiations were held in Ankara from 27-30 March 2007, 19-22 June 2007 and 10-12 September 2007, respectively. The Fourth Session concluded the Second Round of Negotiations among the Member States of the TNC, which made progress on the Rules of Origins and Para-Tariff and Non-

Tariff Measures at the Second Meeting of the Ministers of Commerce held in the Republic of Turkey on 12 September 2007.

The number of participating countries in the Trade Preferential System reached 22.

In addition, the OIC General Secretariat has contacted one regional organization: the West African Economic and Monetary Union (WAEMU) to accede to the Framework Agreement for Trade Preferential System and PRETAS. WAMEU participated in the 22nd Session of COMCEC to explore ways to further discuss the accession of its member states. Furthermore ICDT will organize a training seminar to facilitate the accession of WAEMU to the Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS) in collaboration with IDB, to be held on 2008, in Ouagadougou, Burkina Faso.

(b) Cooperation in the Area of Food Security and Agricultural Development.

The problem of food security remains unresolved in a number of OIC Member States, particularly in Africa. The General Secretariat, in cooperation with the IDB, the African Development Bank and the Government of Senegal, organized a symposium on Food Security in the Islamic countries in December 1991, in Dakar, Republic of Senegal, in conjunction with the Sixth Islamic Summit Conference. The Sixth Islamic Summit Conference, having considered the report of the Dakar Symposium, adopted a declaration on "the Food Security Decade" in OIC Member States, which, inter alia, made an appeal to Member States to extend additional resources to the relevant financial institutions so that they may increase their assistance to OIC African Member States for the speedy and effective implementation of their national strategy for food security.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The Declaration issued by this Conference emphasized the need to explore ways and means to increase agricultural production and decided to periodically review the situation of food security in all OIC Member States. The First International Food Festival of the OIC Member States will be held in the Islamic Republic of Iran in 2008.

Food items such as wheat, rice and maize products, as well as milk, oil, soybeans and others basic foods have experienced sharp price increases in the past months in a number of developing countries, despite policy measures taken by governments to mitigate the transmission of international price hikes into domestic food markets. Food represents about 10-20 percent of consumer spending in industrialized nations, but up to 60-80 percent in developing countries. The urban poor, together with food deficit farmers, are among the worst affected groups as they depend on the market to access food products.

Fourteen OIC Member States (Afghanistan, Bangladesh, Chad, Cote d'Ivoire, Ghana, Guinea, Guinea-Bissau, Iraq, Mauritania, Somalia, Sudan, Sierra Leone, Tajikistan and Uganda) are among the world's 37 countries in crisis requiring external assistance in food supply. These countries need more support from the international

community, including OIC Member States, to cope with the sharp global rise in food prices as rising prices of food items may cause political instability in countries since poorer households in developing countries spend up to 80 percent of their income on food. Therefore, there is an urgent need for the OIC to address this issue.

It is worth mentioning that since 1995 no ministerial meeting was held in the field of Food Security and Agricultural Development. The OIC General Secretariat is actively encouraging Member States to organize such ministerial meeting.

(c) Cooperation in the Area of Industry.

In pursuance of the decisions of the Third Ministerial Consultation on Industrial Cooperation held in 1987, a meeting of the "Task Force for the Promotion of joint Ventures" was convened by the IDB in Jeddah in November 1987, which considered in detail the mechanism for the promotion of joint ventures among Member countries as outlined by the Ministers.

The Ninth COMCEC Session held in Istanbul on 01 to 04 September 1993 invited Member States that had not yet done so, to examine recommendations of the Task Force on the proposed mechanism and communicate their views and comments thereon to the OIC General Secretariat so as to facilitate their consideration by the Fourth Ministerial Consultation, and appealed once more to member states to host the Fourth Ministerial Consultation in order to finalize the scheme, which is two decades old.

(d) Cooperation in the Area of Transport.

The First OIC Ministerial Meeting on Transport was held in Istanbul, September 7-10, 1987, concurrently with the Third COMCEC Session. The Ministers, expressing their conviction in transport as an important element of the development of commercial and economic cooperation among Islamic states, decided to cooperate in the development of road and maritime transport, railway and training in the field of transport.

The Eleventh Session of the COMCEC, held in Istanbul, from 5-8 November 1995 urged Member States and the OIC organs concerned to take measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Transport. The 20th Session of the COMCEC held in Istanbul on 23-27 November 2004 discussed the 'Trade and Transportation Facilitation among the OIC Member States' in its exchange of views session. It indicated the importance of modern information and telecommunications technologies in strengthening the climate of trade and investment and facilitating commerce and transport procedures between OIC Member States.

Prior to the 20th Session of the COMCEC, a workshop on the Trade and Transport Facilitation among the OIC Member States was organized by the Government of the Islamic Republic of Pakistan and the ICDT in collaboration with IDB, SESRTCIC, and ICCI, in Islamabad from 14-16 September, 2004. The Report and Recommendations of the said workshop was submitted to the 20th Session of the COMCEC for consideration during its Exchange of Views Session. The 20th

COMCEC took note with appreciation the recommendations of the said workshop which was mainly of the opinion that there was a need for a favorable legislative framework for trade and transport facilitation, in the domains of infrastructure, support services and financial support. The workshop recommendations included, inter alia, the following:

1. "To invite member countries to harmonize their national and regional legislatives procedures in conformity with the existing international regulations to facilitate trade and transport,"
2. "To call upon Member countries to take necessary steps to develop an adequate infrastructure for air, maritime road and railway transport and support services", and
3. "To call upon the member countries to use Information and Communication Technology (ICT) for facilitation of trade and transport."

The 22nd Session of COMCEC appealed to Member States to host the Second Meeting of Ministers of Transport.

(e) Cooperation in the Field of Telecommunications.

The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth COMCEC Session in Istanbul, Turkey, in September, 1988 and the Second Ministerial Meeting on Telecommunications was held in Bandung, Indonesia, from November 5-8, 1991. Reduction of telecommunication tariffs applicable to information organs was an important recommendation of the First Ministerial Meeting. An Experts group meeting on ways and means of reducing telecommunication tariffs applicable to information organs was held in Cairo on 28-29 September, 1993.

The Tenth COMCEC Session, held in Istanbul, from 22 to 25 October 1994 called upon Member States and the relevant OIC organs to take the measures needed for the implementation of the resolutions of the First and Second Ministerial Meetings on Telecommunications. The Government of the Islamic Republic of Iran hosted the Third OIC Ministerial Meeting on Post and Telecommunication in Tehran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and made specific recommendations on cooperation among the Member States in the field of posts and telecommunications.

The meeting decided to establish a Follow-up Committee to monitor the implementation of the Third OIC Ministerial Meeting on Post and Telecommunications. It also decided that expert group meetings, seminars and symposiums be held annually even if at regional level, including the private sector. It was also decided to hold the ministerial meeting on posts and telecommunications more frequently, once in every three years. The 22nd COMCEC Session appealed to Member States to host the Fourth Ministerial Meeting on Telecommunication.

(f) Cooperation in the Field of Energy.

The First Ministerial Meeting of the OIC Member States on Energy was held in Istanbul, Turkey, from 3 to 6 September, 1989 concurrently with the Fifth COMCEC Session. The Ministers recognizing that energy issues are important elements of cooperation among Member States, adopted a comprehensive resolution, recommending, inter alia, that Member States need to improve the performance of energy installations, speed up technology transfer among themselves in the energy sector, encourage research in new and renewable energy resources and establish inter-linked regional networks in the field of electricity.

The Tenth COMCEC Session held in Istanbul on 24 and 25 October, 1994 called upon Member States and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First OIC Ministerial Meeting and appealed to Member States to host the Second Ministerial Meeting on Energy.

(g) Cooperation in the Field of Infrastructure and Public Works.

The First Meeting of OIC Ministers of Infrastructure and Public Works was held from 6 to 9 October, 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh COMCEC Session. The Ministerial Meeting, inter alia, urged Member States to enhance cooperation in this field and requested that a separate section of the budget be devoted to public works and infrastructure among the priority sectors of the "Plan of Action to Strengthen Economic Cooperation among Member States". It also recommended the development of existing potentialities and projects within the OIC System in this field.

The Tenth COMCEC Session, held in Istanbul, Turkey, from 22 to 25 October 1994 having taken note of the Resolutions adopted at the First Ministerial Meeting on Infrastructure and Public Works, held in Istanbul from 6 to 9 October, 1991 called upon all concerned to take the measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Infrastructure and Public Works. It also took note of the proposals made by Indonesia pertaining to cooperation in the area of urban infrastructure and rural development.

(h) Cooperation in the Field of Labor and Social Security.

The Second Experts Group Meeting on Labor and Social Security, held in Kuala Lumpur, Malaysia in October, 1984 set up two Working Groups - one for finalizing the "Draft Bilateral Agreement on Social Security" and the other for the "Draft Model Bilateral Agreement on Labor and Manpower Exchange". The Working Group on Social Security met in Amman, Jordan, in 1985 and finalized the Draft Agreement. The Meeting of the Second Working Group on Labor and Manpower Exchange was held in Istanbul, Turkey from 27 to 29 May 1989. It also finalized the Draft Agreement.

The General Secretariat, in forwarding the Reports of the Working Group on Labor and Manpower Exchange along with the Draft Agreement to Member States informed them that the two Draft Agreements would be submitted to the Third Expert Group Meeting on Labor and Social Security for their consideration.

(i) Cooperation in the Field of Tourism.

The Seventh Islamic Summit held in Casablanca in 1994 stressed on the importance of Intra-OIC cooperation in the field of tourism, which was stated to represent "a central vector for economic development and for increasing cultural exchange and bringing peoples closer". To facilitate progress towards this end the Summit requested the concerned OIC institutions to make an exhaustive study on the tourism potential of the Islamic world.

Expressing the conviction that tourism forms a main pivot in economic development, cultural exchange and rapprochement between nations, the 23rd Islamic Conference of Foreign Ministers (ICFM) held in Conakry in 1995 requested the Secretary General to organize an Expert Group Meeting on Tourism within the framework of the COMCEC and the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States.

The First Islamic Conference of Ministers of Tourism was held in Isfahan on 2-4 October, 2000. The Conference was hosted by the Government of the Islamic Republic of Iran. 31 Member States took part in the Conference. The Conference adopted a resolution on tourism. It also adopted the Isfahan Declaration. The Second Islamic Conference of Ministers of Tourism was held in Kuala Lumpur on 5-6 September, 2002. The Third Islamic Conference of Ministers of Tourism which was held in Riyadh on 7-9 October 2002. The Conference adopted a Resolution on Tourism Development and Riyadh Declaration. The Fourth Islamic Conference of Tourism Ministers was held on 28-30 March, 2005 in Dakar, Senegal. The Conference adopted the Resolution on Tourism Development and the Dakar Declaration.

The Fifth Islamic Conference of Tourism Ministers was held in Baku, Republic of Azerbaijan, from 9-12 September 2006. The Conference praised the Governments of the Republic of Indonesia, Malaysia and the Islamic Republic of Iran for their significant role as focal point in collaboration with the appropriate OIC institutions, for Tourism facilitation, Tourism marketing and research, and Tourism training, respectively. The Conference reaffirmed the importance of preparing a strategic plan for the development of tourism in partnership involving public and private sectors. The conference mandated the Secretary General to follow-up on the implementation of resolutions adopted at the conference.

In this context, the Conference welcomed the project on Sustainable Development of Tourism within a Cross-border Network of Park Reserves and Sanctuaries across West Africa, which involves nine Member States. The Conference reaffirmed its support to this regional project and appeal for Member States, the OIC and international institutions to provide necessary political and financial support for the speedy and effective implementation of this regional programme. The 3rd Coordination Meeting on the said project was held in Casablanca, Morocco, on 24th March 2008.

The development of the tourism sector in the OIC Member States is closely linked also to the realizing of the objectives of the OIC Ten-Year Programme of Action. Indeed, tourism cooperation activities have recently assumed greater

importance on the agenda of the OIC. The last Fifth Session was held in Baku, Republic of Azerbaijan, in September 2006. The Sixth Session of the ICTM will be held in Damascus, Syrian Arab Republic in 2008.

The Second OIC Experts Group Meeting on Tourism Development, which was held in Istanbul, Republic of Turkey on 9-11 May 2007, has adopted a Strategic Plan for Development of Tourism in the OIC Member States. The strategic targets of action are increasing the public awareness in the OIC countries about the existing tourism attractions, resources and facilities in the Islamic world with a view to encouraging tourist visits to other Islamic countries by providing full information to potential visitors. It also encourages the private sector to present combined tour packages covering the group countries, by evaluating the possibilities of implementing financial incentives as well as legal and administrative improvements, and encourages and facilitates joint tourism ventures and other investments in the member countries by the private sector in the expansion and upgrading of the existing tourist capacities. Implementation of this Strategic Plan will contribute to Intra-OIC Tourism Development and will achieve positive results in this sector.

Organizing tourism fairs in the member countries is one of the most significant tools for the promotion and marketing of various tourism products and related services. In this connection, the first OIC Tourism Fair organized in Istanbul in 2005, had very significant results in the area of cooperation among the member countries.

The Republic of Azerbaijan as the current Chairman of the 5th Session of the ICTM, organized the International Scientific Conference on the Role of Tourism in the Economies of OIC Countries in Baku, in June 2007. In addition, it also organized a "Forum for Silk Road Tour Operators" in Sheki, Azerbaijan, on 14-15 April 2008. Moreover, the Islamic University of Technology (IUT), in cooperation with the Republic of Azerbaijan organized a Seminar on Development of E-Tourism Technologies in Islamic Countries in Dhaka, Bangladesh, on 01-03 April 2008. In addition, the Kingdom of Saudi Arabia also organized the First Islamic Tourism Forum in Jeddah, on 30 October -1 November 2007, in collaboration with ICO.

Fully aware of the importance of tourism in their national development, the Member States have intensified their efforts to develop this sector and strengthen cooperation in this field. The 2nd Tourism Fair for the OIC Member States will be held in Beirut, Republic of Lebanon, on 25-27 July, 2008. The Sixth Session of the Islamic Conference of Tourism Ministers (ICTM) will be held in Damascus, Syrian Arab Republic on 29 June - 02 July, 2008.

(j) Technical Cooperation among OIC Member States.

The First Ministerial Meeting on Technical Cooperation was held concurrently with the Sixth Session of COMCEC in Istanbul, Turkey, October 7-10, 1990. Five National Focal Points Meetings for Technical Cooperation among Member States were subsequently held in Istanbul between 1990 and 1994. The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening this cooperation. The meetings stressed the need to promote the administrative and financial capabilities of national focal points

on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

The Twenty-First ICFM and Ninth COMCEC recommended that Member States strengthen their technical cooperation with special emphasis on training in the economic, cultural and social fields as well as on the training of instructors.

The Tenth COMCEC held in Istanbul from 22 to 25 October 1994, *inter alia*, noted that the Meetings of Focal Points for Technical Cooperation were being held annually on a regular basis in Istanbul and appreciated the support extended by Turkey and OIC institutions such as the IDB, SESRIC, ICDT and IUT. It also called upon Member States and the OIC organs to implement the resolutions of the First Ministerial Meeting on Technical Cooperation held in Istanbul from 7 to 10 October 1990.

The Republic of Turkey hosted the Expert Group Meeting on Technological and Technical Cooperation in Istanbul from May 6-8, 1998. The project proposals emerging from the Expert Group Meeting and the ones subsequently submitted by the Islamic Republic of Iran were transmitted to all Member States for necessary action. The responses received from some interested Member States have been transmitted to the government of the Republic of Turkey with a view to setting up the project committee in accordance with the Follow-up and Implementation Mechanism of the Plan of Action.

The IDB has a very effective programme for financing technical cooperation among the OIC Member States. The IDB will report on this matter during the COMCEC Sessions.

III- STATUS OF THE SIGNING AND RATIFICATION OF STATUTES AND AGREEMENTS:

The 10th Islamic Summit Conference, the 33rd Islamic Conference of Foreign Ministers and the 22nd Session of COMCEC urged the Member States that have not yet done so to sign or ratify at an early date the various OIC agreements and statutes in the field of economic and trade cooperation, which are aimed at creating an enabling conditions in which such cooperation could flourish. An updated summary of the situation regarding the signing and ratification of the following OIC Agreements and Statutes is given below as well as in tabular form in Annex.

(a) General Agreement on Economic, Technical and Commercial Cooperation.

The General Agreement on Economic, Technical and Commercial Cooperation was approved by the Eighteenth ICFM in 1397H (1977). The Agreement aims at encouraging capital transfer and investment, exchange of data, experience, technical and technological skills among Member States and at facilitating the implementation of a fair and non-discriminatory treatment among these countries while giving special attention to the least developed Member States. Up to now the agreement has been signed by 43 countries and ratified by 31. It became effective from 28 April 1981.

(b) Agreement on the Promotion, Protection and Guarantee of Investments.

The Agreement on Promotion, Protection and Guarantee of Investments among Member States was adopted by the Twelfth ICFM in 1401H (1981). The Agreement lays down the basic principles for the promotion of capital transfer among Member States and protects their investments against commercial risks while guaranteeing the transfer of capital and its proceeds abroad. Up to now, the agreement has been signed by 31 Member States and ratified by 25. After having been ratified by more than 10 countries, the agreement came into force in February 1988.

(c) Framework Agreement on Trade Preferential System.

The Framework Agreement on Trade Preferential System was approved by the Sixth COMCEC in October 1990. Thirty-one (31) Member States have so far signed the Framework Agreement. Twenty-two (22) Member States have ratified the Agreement. The Agreement, having the required number of ratifications, has now entered into force.

(d) Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS).

The Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS) was adopted by the 21st Session of COMCEC held in Istanbul on 22-25 November 2005 as the outcome of the 1st Round of trade negotiations. Eleven (11) Member States have so far signed the Protocol on Preferential Tariff Scheme as of October 2007. However, only 3 Member States have ratified the Protocol: Malaysia, Hashemite Kingdom of Jordan and the Islamic Republic of Pakistan.

(e) The Trade Preferential System TPS-OIC Rules of Origin.

The Rules of Origin was adopted by the 2nd Meeting of the Ministers of Commerce of the Member State of the TNC in September 2007. Only Seven Member States have so far signed the Rules of Origin. However, no Member State has ratified the Rules of Origin so far.

(f) Statute of the Islamic Civil Aviation Council.

The Statute of the Islamic Civil Aviation Council has been signed by 17 Member States and ratified by 12 only.

(g) Statute of the Islamic States Telecommunications Union.

The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 16 and ratified by 12 Member States. The Statute has not yet entered into force for lack of required number of ratification.

(h) Statute of the Standards and Metrology Institute for the Islamic Countries.

The 14th COMCEC adopted the Statute and invited Member States that are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. Thirteen (13) Member States have so far signed the SMIIC and it is ratified by six 7 Member States.

It may be noted that the Report of the Secretary General submitted to the 28th Session of the Islamic Commission for Economic, Cultural and Social Affairs contained a section on status of signing and ratification of the statutes and agreements in line with the previous practice. However, this matter was not considered by the Commission and the agenda item on this subject was transferred to the legal matters under the rationalization of OIC agenda items and resolutions and accordingly it was subsumed under the similar subject considered by the Senior Officials Meeting held on 8 May, 2005 under legal matters.

IV- ACTIVITIES OF THE OIC SUBSIDIARY ORGANS, SPECIALISED AND AFFILIATED INSTITUTIONS:

The following five (5) OIC Subsidiary Organs, Specialized and Affiliated Institutions working in the field of economic and commercial cooperation among Member States: Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC), Islamic Centre for Development of Trade (ICDT), Islamic Development Bank (IDB), Islamic Chamber of Commerce and Industry (ICO) and Organization of the Islamic Ship-owners' Association (OISA) are expected to submit their individual reports to the 24th Meeting of the Follow-up Committee of the COMCEC, which will provide detailed information on their activities.

V- MATTERS RELATED TO WTO ACTIVITIES:

This subject was discussed at the 21st COMCEC. The 21st COMCEC, welcoming the full membership of the Kingdom of Saudi Arabia to the WTO, which was approved by the WTO on 11 November 2005, urged the OIC Member States to participate actively in the 6th Ministerial Conference of WTO (Hong Kong, 13-18 December 2005) by submitting a positive agenda for the issues of high interest for and implication on their economies, especially, those relating the Agriculture including cotton, industrial products, services as well as the other issues. IDB and ICDT submitted their reports on this subject to the 23rd Session of COMCEC.

Mostly recently, the IDB organized a series of seminars/courses, such as, - A seminar on Accession Negotiations for Arab Countries, Damascus, Syria on 1-4 April 2007; A Workshop jointly with the WIPO on Intellectual Property and Transfer of Technology for Arab countries, in Riyadh, on 4-6 June 2007; The 13th Trade Policy course in French Language in Libeville, Gabon, from 4 to 22 June 2007; An Intensive Course on Trade Negotiation Skills for Arab Countries was organized in Sana'a, Republic of Yemen from 11 to 15 August 2007; A Seminar on WTO Rules, in Istanbul, Turkey, from 4 to 6 September 2007; and A Seminar on "Negotiations on

Agriculture" was organized for all Member Countries at IDB headquarters, Jeddah, Saudi Arabia, from 29 to 31 October, 2007.

VI- COOPERATION AMONG THE STOCK EXCHANGES OF THE OIC MEMBER COUNTRIES:

The Ninth Islamic Summit Conference dealt, for the first time, with this subject under the Agenda item entitled "Establishment of an International Islamic Stock Exchange Union" by adopting Resolution 39/9-E(IS) on the subject. The resolution, noting the non-existence of a specialized institution under the aegis of OIC concerned with coordination, monitoring and development the stock markets of the Member States, invited Member States to set up a comprehensive database on their respective stock exchanges and investment regimes and to explore the possibility of concluding regional agreements establishing links among their stock exchanges. It also requested the Secretary General to direct the appropriate OIC institutions to undertake necessary studies immediately on mechanism for a possible establishment of an Islamic Stock Exchanges Union and a Clearing House.

The Secretary General issued necessary directives. SESRIC prepared a study on the subject titled "Possible Methods for Establishing the Islamic Stock Exchange and Clearing Union", which was circulated to the Member States. The 18th Session of COMCEC (Istanbul, 22-25 October 2002) considered the study prepared by SESRIC as well as another study on the same subject by ICDT. It entrusted SESRIC and ICDT to continue to follow up and study jointly the subject and submit a joint report to the 19th Session of COMCEC, which, examining the joint report, stressed the importance of the matter for enhancing business opportunities in the OIC countries, suggested a step-by-step approach for the proposed alliance among OIC stock exchanges and clearing houses; and entrusted SESRIC and ICDT to undertake necessary studies on creating such a mechanism.

Earlier, the 29th Islamic Conference of Foreign Ministers reiterating the earlier resolution requested SESRIC and ICDT to undertake such a study with the proviso that such studies would not lead "to creation of any new bodies but the activation of existing mechanism in such fields." The 30th ICFM reiterated the earlier resolutions and changed the title of the resolution from "Establishment of an International Islamic Stock Exchange Union" to "Promotion of Cooperation among the Stock Exchanges in the OIC Countries". The Tenth Islamic Summit Conference and the 31st Islamic Conference of Foreign Ministers adopted similar resolutions.

The Istanbul Stock Exchange of the Republic of Turkey held a round table meeting on "Promotion of Cooperation among the Stock Exchanges of the OIC Member States" in Istanbul on March 28-29, 2005.

The 32nd ICFM urged Member States to continue to take the necessary steps to mobilize internal resources in the form of stocks and shares and to facilitate the optimal utilization of such resources in profitable investment projects both in public and private sectors.

Noting with appreciation the creation of a platform for cooperation among the OIC stock exchanges called "Islamic Stock Exchange Forum" as an outcome of the aforesaid Round Table Meeting, the 32nd ICFM requested SESRIC and ICDT to undertake necessary studies on creating a mechanism for cooperation among the OIC Member States in the areas of financial markets and clearing of stocks and bonds without such studies leading to the creation of any new bodies but the activation of existing mechanisms in such fields.

The results of the above-mentioned round table meeting were also discussed at the 21st Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC), held in Istanbul in November 2005. The 21st Session of the COMCEC called upon the stock exchanges of Member States to pool their efforts in terms of cooperation, in this regard in the "Islamic Stock Exchanges Forum", and invited them to actively join the Forum. It also requested the Istanbul Stock Exchange to follow-up, in collaboration with the SESRIC, ICDT and IDB, the developments on the subject and report to the next Session of the COMCEC.

VII- CAPACITY BUILDING FOR POVERTY ALLEVIATION IN OIC MEMBER STATES:

The 28th Session of the Islamic Commission considered for the first the matter time which was initiated by Malaysia in its capacity as the Chairman of the 10th Islamic Summit to develop a programme for capacity building among the low-income and Least Developed Countries of OIC focusing on concrete measures to give effect to the resolutions adopted by OIC in the area of poverty alleviation.

Welcoming the initiative of Malaysia to establish a Capacity Building Programme aiming at poverty alleviation in less developed and low income OIC countries, the 32nd ICFM thanked Malaysia for hosting a series of senior officials meetings of the "Steering Committee to Establish a Capacity Building Programme for OIC Countries" to consider the Programme's contents and its appropriate mechanism.

It also highlighted the role of the IDB in facilitating the implementation of the Programme and called upon the Member States to extend all support to the Programme in the spirit of progress and development of the Islamic Ummah.

This programme (CBP40ICC) was initiated by the Government of Malaysia, in its capacity as the Chairman of the 10th Islamic Summit Conference, for the least developed and low income OIC Member States to alleviate poverty problem in less developed and low income OIC Member States.

The objective of this Programme is to assist in formulating appropriate projects to strengthen capacity building to enhance human resources development, institutional, organizational, management skills, including the development of infrastructures. It is proposed that such capacity building could cover a range of activities including health, education, agriculture, science and technology, and information and communication technology (ICT) which has the potential to generate income and employment.

All OIC Member States are eligible to participate in the CBP40ICC either as a recipient or contributor country. Members of the OIC are welcome to offer proposals for projects to be implemented. All projects under this Programme will primarily be undertaken in the recipient countries.

It is a framework Programme bringing together the relevant OIC Member States, private sector of the OIC countries and existing institutions such as the Islamic Development Bank (IDB) in order to exploit the potentials of targeted countries to bring about a win-win solution for all parties.

Malaysia coordinates closely with the IDB in formulating the details of the Programme, including identifying participating countries and doable projects. The IDB plays an active role in the following manner:

- i) Identify viable projects which have the potential to generate income and employment in the targeted countries; and
- ii) Working with governments, facilitate the undertaking of these projects including addressing the issue of funding.

This Programme does not entail the establishment of a new Fund, as its thrust is to utilize existing resources and institutions. It aims to complement existing programmes and projects undertaken by the OIC Member States relating to capacity building for poverty alleviation. Close consultation and coordination among all involved parties at all levels is required to avoid duplication of efforts in this area.

An interim Steering Committee has been established comprising Senior Officials from Brunei Darussalam, Islamic Republic of Iran, Republic of Indonesia, Hashemite Kingdom of Jordan, Malaysia, Republic of Turkey, State of Kuwait, State of Qatar, Islamic Republic of Pakistan, Kingdom of Saudi Arabia, Sultanate of Oman, the United Arab Emirates, Kingdom of Morocco, Arab Republic of Egypt, Republic of Yemen, and the Republic of Senegal.

Under the first phase of this programme (2005-2006), four pilot projects were identified as follows:

- Capacity Building for the Development of Fisheries Sector in Bangladesh;
- Capacity Building in Planning, Negotiating and Management for Exploitation of Oil and Mineral Resources in Mauritania;
- Capacity Building in Palm Oil Industry, and Animal Farming Technology in Sierra Leone;
- Capacity Building in small enterprise and micro-finance development under Shariah Banking Scheme for the Tsunami survivors in Nanggroe Aceh Darussalam in Indonesia.

The Fourth Meeting of the Steering Committee was held in Bandar Seri Begawan, Brunei Darussalam on 29-30 March 2006. The Meeting reviewed the status

of implementation of the four ongoing pilot projects (in Bangladesh, Indonesia, Mauritania and Sierra Leone) and encouraged the parties concerned to work towards their successful implementation.

The Meeting also reviewed the status and steps taken by the IDB in the preparation of projects for the Second Phase of the CPB40ICC. The Committee agreed to consider four projects for implementation in the Second Phase as recommended by the IDB namely, Guinea (mango processing), Jordan (wind energy/improving investment environment), Maldives (fisheries), and Yemen (Economic Policy Formulation), without prejudice to the other projects identified earlier at the Third Steering Committee Meeting, namely, Burkina Faso, Comoros, Palestine, Senegal and Somalia. The Meeting also agreed to consider the request from Senegal to develop their industrial sector.

The Meeting also stressed the importance of involving the private sector in the Capacity Building Programme as envisaged in the original concept of the Programme. To this end, it urged that information on the Programme as well as identified Projects be disseminated to all OIC Member States as well as the relevant OIC institutions such as, Islamic Solidarity Fund (ISF), Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and Islamic Chamber of Commerce and Industry (ICO) as well as national chambers of commerce and industries, trade and professional associations.

Malaysia briefed the Committee on the financial commitment of Malaysia, amounting to more than US\$ 3 million, for the ongoing Pilot projects under Phase One of the Programme.

The OIC also briefed the Meeting on the status of the implementation of the OIC Ten Year Programme of Action, adopted at the 3rd Extraordinary Summit held in Makkah Al Mukarramah in December 2005. The OIC Ten-Year Programme of Action called upon the Member States to participate in international efforts to support programmes aimed at alleviating poverty and capacity-building in the Least-Developed Member States of the OIC. The OIC General Secretariat is closely following this issue, of great importance to the Member States.

The 21st Session of the COMCEC took note of the 8 capacity-building programs offered by Malaysia for implementation (2006-2008) in the area of trade, investment, SMEs, trade facilitation, development of women entrepreneurs, products and standards, and urged the Member Countries to participate in them.

The 22nd Session of the COMCEC requested the OIC General Secretariat, in collaboration with IDB, to monitor matters regarding the Capacity Building Program in the OIC Countries and to report to the annual sessions of the COMCEC and other OIC for a concerned.

VIII- COOPERATION IN ENERGIZING TRADE AND INVESTMENT IN COTTON:

The 31st ICFM adopted a resolution on the Inequity of International Cotton Trade and its Impact on the Poorest Producer Countries. The Ministers called upon

concerned OIC institutions to explore all possibilities to foster the establishment of a cotton processing infrastructure in the concerned countries. The OIC Ten-Year Programme of Action of 2005 also emphasized that special attention needs to be given to Africa, as this continent is the most affected by poverty, diseases, illiteracy, famine, and debt burden.

COMCEC also commended the initiative of the Secretary General to contact the Heads of State and Government during his visit to some West African Member States, in March 2005. During this tour, it was agreed, inter alia, to energize the development of food and cotton industries in these countries through the promotion of joint ventures among the Member States.

In this connection, the OIC General Secretariat, the Government of Burkina Faso, the IDB and the ICDT, organized a Forum on "Energizing Trade and Investment in the Cotton Sector of OIC Member States" in April 2005. The IDB organized also the First and Second Expert Group Meeting on "Enhancing Production Efficiency and International Competitiveness in Cotton Producing Member States" in Jeddah, Kingdom of Saudi Arabia in March 2005; and in Izmir, Turkey, in March 2006, respectively. To implement the decisions of the above EGMs, and to enhance the efficiency in the cotton production and competitiveness of this product in the international market, there was a need to adopt an action plan in the cotton sector and implement the plan urgently particularly in the areas of capacity building.

The Third EGM on "Enhancing Production Efficiency and International Competitiveness" held in Antalya, Turkey, in October 2006, adopted the Action Plan for the OIC Cotton Producing Countries and the Cooperation Development Strategy (2007-2011). This Plan aims to strengthen trade, investment and technology transfer in cotton producing member states, particularly, in Africa. The priority areas of the Cotton Action Plan are: enhancing productivity and production techniques; strengthening member countries of structural capacities and organizations; developing the field of processing and marketing; trade and international competitiveness; and arranging finances for the activities.

In implementing the Five-Year OIC Plan of Action on Cotton, the Republic of Turkey hosted the Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector among the OIC Member Countries in Istanbul, on 12-13 November 2007. The Forum identified the Centers of Excellence in the area of Research in Cotton and Textile in Nigeria, Senegal, Pakistan, Turkey, Egypt and Syria. A Steering Committee for the Cotton Program is established. A Project Committee will be established under the authority of the Steering Committee, and this Committee will review the programs and projects submitted by Member States, Research Center, OIC Institutions, and regional organizations in the domain of cotton, textile and related activities.

IX- IMPLEMENTATION OF THE OIC TEN-YEAR PROGRAMME OF ACTION IN THE FIELD OF ECONOMY:

The Third Extraordinary Session of the Islamic Summit Conference was convened by the Custodian of the Two Holy Mosques His Majesty King Abdullah Bin Abdul Aziz from 7-8 December 2005 in Makkah Al Mukarramah to address the

challenges faced by the Muslim world in the 21st century and to identify the ways and means to tackle them with a renewed spirit based on the principles of Islamic solidarity.

The outcome of the Summit was a major achievement for the Muslim world as it adopted a document of historical significance, namely, the OIC Ten-Year Programme of Action which provided a blueprint encompassing all spheres of concerns for the Muslim world which required collective action on part of the Ummah.

Following the Summit, the Secretary General decided that follow up and implementation of the OIC Ten-Year Programme of Action should start immediately. In this regard, the Secretary General assigned the responsibility to all the departments within the General Secretariat to prepare, on their respective areas, recommendations on the implementation of the OIC Ten-Year Programme of Action. Simultaneously, the Secretary General addressed letters to the Member States' Foreign Ministers requesting them to provide their inputs and to send their views/comments on the implementation of the OIC Ten-Year Programme of Action in the national and international context. As a further step, the Secretary General invited the OIC Subsidiary Organs, Specialized and Affiliated Institutions to propose their inputs for its implementation and discuss the issue in a meeting to be convened on March 5, 2005 in Jeddah.

All organs of the OIC met on March 5, 2006 and extensively reviewed the provisions of the OIC Ten-Year Programme of Action. The officials of the organs suggested the course of action to be adopted by the individual institutions in their areas for implementing the OIC Ten-Year Programme of Action. The meeting was also attended by the three Standing Committees of the OIC, namely COMSTECH, COMCEC and COMIAC. The Coordination Meeting approved the Framework for the implementation of the OIC Ten-Year Programme of Action.

The OIC Ten-Year Programme of Action (POA) formulates measures and action in the field of economics under the following sub-headings of the main heading of the Development, Socio-Economic and Scientific Issues:

1. Economic Cooperation,
2. Support for the Islamic Development Bank (IDB),
3. Social Solidarity in the face of Natural Disasters, and
4. Support for Development and Poverty Alleviation in Africa.

A Coordinator General of the Implementation of the Ten-Year Programme of Action was designated by the Secretary General and the Coordinator regularly reports to the Member States on the implementation of the Ten-Year Programme of Action during all important Ministerial Meetings of the OIC.

X- CONCLUSION AND GENERAL OBSERVATIONS:

The details as elaborated above, relating to the implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States, show that progress in the various priority areas have been uneven. While ministerial meetings have been held in nine out of ten priority areas, there have been a series of more than one such meetings in some areas, such as food, industry,

telecommunications and, in particular, tourism. In fact, in recent years, parallel to changing global conditions, the OIC Member States have shown great interest for development of the tourism sector. While many expert group meetings under the OIC Plan of Action in various sectors could not be held, Tourism Ministers met five times since their first meeting in Isfahan on 2-4 October 2000. The private sector involvement in various OIC activities has also increased considerably.

The 17th COMCEC Session stressed the importance of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the Plan of Action (Document: OIC/COMCEC/EGM-PA/01/REP.) and called for their implementation.

The OIC Ten-Year Programme of Action reviewed in the previous section, emphasized the importance of the implementation of all the existing OIC trade and economic agreements, as well as the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States. In this regard, it called the Member States to sign and ratify all these agreements and to implement the relevant provisions of the OIC Plan of Action.

It also mandated COMCEC to promote measures to expand the scope of intra-OIC trade, and to consider the possibility of establishing a Free Trade Area between the Member States in order to achieve greater economic integration to raise it to a level of 20% of the overall trade volume during the period covered by the plan (2005-2015), and called on the Member States to support its activities and to participate in those activities at the highest possible level with delegations possessing the necessary expertise.

During the 11th Session of the Islamic Summit Conference, one of the significant milestones was a common understanding that there is urgent need for New Economic Partnership among OIC Member States. Also, the Summit adopted the amended OIC Charter, which marks the launch of a new era in the OIC's history and create revenues for the Organization to take more active role in the economic development of its Member States.

Original: English

**REVIEW OF THE
IMPLEMENTATION OF THE PLAN OF ACTION TO
STRENGTHEN ECONOMIC AND COMMERCIAL
COOPERATION AMONG OIC MEMBER STATES**

**24TH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE STANDING COMMITTEE FOR
ECONOMIC AND COMMERCIAL COOPERATION (COMCEC)**

**Antalya, Republic of Turkey
(08-10 Jamadiul Awal 1429)
(13 - 15 May 2008)**

I. Introduction:

The 23rd Session of COMCEC requested the General Secretariat (in paragraph 36 (iii) of Resolution No. 1] to continue to submit to the annual sessions of the COMCEC a periodical review of the implementation of the Plan of Action. This review is submitted in pursuance of the resolution.

II. Background Information on the Plan of Action:

The Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States was adopted by the Third Islamic Summit Conference meeting held in Makkah Al Mukarramah, Kingdom of Saudi Arabia, on 25-28 January 1981. The Sixth Islamic Summit entrusted the COMCEC to draw up a new strategy for the Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States, taking into consideration the changes that took place in the world since the adoption of the Plan of Action in 1981. Accordingly, a revised Plan was approved by the Tenth Session of the COMCEC (22-25 October 1994). This document together with the Strategy approved earlier by the COMCEC was endorsed by the Seventh Islamic Summit Conference (Casablanca, 13-15 December 1994) in its Resolution 8/7-E(IS). The 1994 Plan identified the sectoral objectives and programmes of action in the following fields:

- Food, Agriculture and Rural Development;
- Industry;
- Energy and Mining;
- Foreign Trade;
- Transport and Communications;
- Tourism;
- Money, Banking and Capital Flows;
- Technology and Technical Cooperation;
- Human Resource Development; and
- Environment.

The COMCEC Follow-up Committee at its eleventh meeting considered the technical and organizational issues of holding an inter-sectoral meeting and recommended that, instead of holding one inter-sectoral meeting to initiate the implementation of the Plan of Action, a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time. The Eleventh COMCEC accepted the

recommendation and invited the member states to host both sectoral and inter-sectoral meetings.

III. Mechanism for the Implementation of the Plan:

As per the provision of the "Follow-up and Implementation Mechanism" which forms integral part of the Plan of Action, the process of implementation of specific cooperation projects in each of the ten priority sectors is to commence through holding of sectoral Expert Group Meetings. The mandate given to the Expert Group Meetings in each sector/area of the Plan is to review the requirements for action and make proposals. The Expert Group Meetings are to be held to identify specific cooperation projects. Subsequently, "project committees" are to be formed with interested Member States under the chairmanship of the country originally proposing the project(s). The responsibility of implementing any project remains with the concerned project committee(s).

IV. Implementation of the Plan:

Since adoption of the revised Plan all meetings of the COMCEC, Islamic Summit Conferences and the Islamic Conferences of Foreign Ministers appealed to the Member States to host sectoral Expert Group Meetings (EGM) to identify specific cooperation projects.

The Government of the Republic of Turkey hosted the Expert Group Meeting on Money, Finance and Capital Flows in Istanbul from 1-3 September 1997. The Government of the Islamic Republic of Pakistan organized the Expert Group Meeting on Foreign Trade Facilitation of the OIC Member States in Karachi from 24-25 October 1997. The Government of the Republic of Turkey organized the Expert Group Meeting on Technology and Technical Cooperation in Istanbul from 6-8 May 1998.

A number of cooperation projects and project ideas emerged from these meetings. The reports of the Expert Group Meetings, along with the project proposals, were transmitted to all Member States with the request to indicate their interest in writing to the General Secretariat. Those Member States which submitted project ideas, have been requested to provide the necessary details on their project proposals in the prescribed Projects Profile Forms. Member States that have indicated interest in the project ideas proposed by the OIC institutions have been requested to submit these as their proposals so that the same can be circulated to all Member States.

Despite the efforts made, the slow progress in implementation of the OIC Plan of Action became a source of concern for the COMCEC. The 15th Session of the COMCEC adopted a resolution expressing concern over the "slow progress of the implementation of the Plan of Action" and recommended to the Follow-up Committee at its next meeting to "suggest best possible remedies to alleviate the situation". Accordingly, the Follow-up Committee at its 16th Meeting held in Istanbul on 9-11 May 2000 deliberated on the possible ways and means to accelerate the implementation of the Plan and forwarded a number of recommendations to the 16th Session of COMCEC.

The COMCEC further agreed that the Sessional Committee of the COMCEC was the appropriate body to supervise the activities of the concerned OIC institutions and to coordinate their activities in fulfilling their mandate regarding the implementation of the Plan of Action. Accordingly, it adopted the necessary modifications in the Statute and the Rules of Procedure of COMCEC.

The Sessional Committee with its new responsibility under the modified Statute and the Rules of Procedure (as approved by the 19th COMCEC) already initiated its work having held so far nine meetings, reports of which had been submitted to COMCEC as well as circulated to the Member States.

The 19th COMCEC appealed to the Member States that were the proponents of projects to expedite the formation of the project committees as envisaged in the Plan of Action with a view to implementing the projects proposed at the sectoral experts group meetings. The Sessional Committee also agreed to review all the projects proposed by the sectoral EGMs. Accordingly, the General Secretariat circulated the aforementioned project proposals to all Member States with the request to indicate their interest on them. Additionally, the sponsors of the projects were requested to fill in the project profile forms and to send their responses to the General Secretariat. In the interest of avoiding any further delay in making progress in the implementation of the Plan of Action, Member States sponsoring projects were requested to communicate their responses by 15 May 2004 with the stipulation (as directed by COMCEC) that, should there be no response from a sponsor within the deadline, it would be assumed that the sponsor was no longer interested in the project and it would be removed from the list of projects. This was followed up by a reminder (addressed to the Permanent Representatives of the Member States sponsoring projects) on 30 August 2004.

At the 6th Sessional Committee Meeting held during the 28th Session of the Islamic Commission for Economic, Cultural and Social Affairs in Jeddah on 4 May 2005, some OIC institutions were assigned as coordinator for the implementation of the six priority projects. The 21st Meeting of the Follow-up Committee of the COMCEC, held in Istanbul on 10-12 May 2005 approved the recommendations of the 6th Sessional Committee including the designation of the some of the subsidiary organs and affiliated institutions of the OIC to coordinate the work needed for the implementation of the six project proposals made by the Republic of Turkey, and called necessary action to be taken towards this end.

The 9th Sessional Committee Meeting held in Istanbul on 20 November 2006, prior to the 22nd Session of the COMCEC, reviewed the progress achieved with respect to the already proposed cooperation projects and also considered the additional projects. 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.

The 10th Sessional Committee Meeting held in Ankara on 28 May 2007, ahead of the 23rd Follow-up of the COMCEC, reviewed the progress achieved with respect to the already proposed cooperation projects. After the presentations delivered regarding all the projects, the Committee expressed its concern on the slow progress of the 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 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.

The 11 Sessional Committee Meeting held in Istanbul on 13 November 2007, prior to the 23rd Session of the COMCEC, reviewed the progress achieved with respect to the already proposed cooperation projects. The Committee expressed its satisfaction on the progress achieved for projects number 1, 2 and 7. For the remaining projects, the Committee requested the Member States, through their Senior Officials, to adopt a more proactive approach and call upon their focal points to contact project owners and coordinators respectively. The Committee also sought the approval of the Senior Officials to cancel, projects in which no country has shown interest. (The Project List is attached as **Annexure**)

V. Follow-up on the Decisions of the 23rd Session of COMCEC:

The appeal addressed by the 23rd Session of COMCEC to Member States who have not yet done so to sign and ratify the various Agreements and Statutes prepared under the auspices of the OIC to help intensify economic cooperation among Member States has been transmitted to all concerned by the General Secretariat. The signing and ratification of Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) is of particular concern to COMCEC. So far, Egypt, Jordan, Malaysia, Syria, Tunis, Turkey, Bangladesh, Cameroon, Pakistan, the UAE and Guinea have signed the PRETAS. Only Malaysia, Jordan and Pakistan have ratified the Agreement. Ratifications by ten Member States are needed to enable PRETAS to enter into force.

The 2nd Round of Negotiations was launched by the Ministerial Session on 24 November 2006. The 1st Meeting of the Second Round of the Trade Negotiating Committee was held in Istanbul, on 24-26 November, 2006. The 2nd, 3rd and the 4th Meetings of the Second Round of Trade Negotiating Committee were held in Ankara on 27-30 March 2007, 19-22 June 2007, and 10-12 September 2007, respectively. The Meetings made significant progress on the Draft Protocol on the Preferential Tariff Scheme. The Second Round of Negotiations concluded by reaching the agreement on the Rules of Origin, which now is signed by seven member states, and a significant progress has also been achieved in the negotiations of Para-Tariff and Non-Tariff measures.

The 22nd Session of COMCEC requested the Member States that have already offered to host sectoral experts group meetings to expedite the convening of the said meetings. It also appealed 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. The COMCEC also welcomed the offers of some Member States to host various Ministerial meetings, sectoral experts group meetings, regional seminars and workshops. The General Secretariat is in contact with these Member States with a view to making necessary arrangements for holding these meetings and seminars/workshops.

The Fifth Session of the Islamic Conference of Tourism Ministers (ICTM) was held in Baku, Republic of Azerbaijan, on 11-12 September 2006. It welcomed the project on Sustainable Development of Tourism within a Cross-border Network of Park Reserves and Sanctuaries across West Africa, which involves nine member states. The Conference reaffirmed its support to this regional project and appealed to member states, OIC and international institutions to provide necessary political and financial support for the speedy and effective implementation of this regional programme.

The Conference reaffirmed the need to develop partnership between OIC Member States for the development of tourism and in this context reaffirms the importance of the

preparation of a strategic plan involving government and private sectors. This strategic plan will encourage entrepreneurial-ship and convergence of views in conformity with the OIC plan of Action and the OIC Ten Year Programme of Action. The conference further underlined the need to ensure human resources development in the area of tourism and hospitality management.

The Conference thanked the Republic of Turkey for hosting an Expert Group Meeting on Tourism Development in Istanbul, on 9-11 May 2007, to prepare the Strategic Plan for Tourism Development in OIC. The Conference requested COMCEC in coordination with the OIC General Secretariat and other concerned institutions to undertake necessary measures for the implementation of this strategic plan which should be in harmony with the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among Member States and the OIC Ten-Year Programme of Action. The following items, among others, are discussed in the plan: Tourism Research and Training; Tourism Marketing and Promotion; Tourism Facilitation; Enhancement of Air Transport Service among Member States. The Conference underlined the need to strengthen the capacity of the General Secretariat to ensure effective follow-up and implementation of all decisions of the ICTM and other fora related to tourism and to contribute effectively in the preparation of the Strategic Plan. In this context, the Conference thanked the Republic of Azerbaijan for hosting, as current Chair of the Islamic Conference of Tourism Ministers (ICTM), a Scientific Conference on the Role of Tourism In the Economies of OIC Countries, held on 21-22 June 2007 in Baku, Azerbaijan.

The 23rd COMCEC reiterated the need to involve the private sector in developing cooperation projects for consideration by the expert group meetings to be held under the various priority areas identified in the Plan of Action. In this regard, the Islamic Chamber of Commerce and Industry (ICO) as an affiliated institution of the OIC continued its efforts in organizing private sector meetings as directed by the COMCEC for an effective implementation of the Plan of Action. So far, 12 private sector meetings have been convened in various OIC countries, the 11th was held in Manama, Kingdom of Bahrain, from 5-7 February 2005. The 12th Private Sector Meeting was held in Senegal on 21-23 November 2007. The Eleventh Islamic Trade Fair was held in Senegal on 21-25 November 2007 in cooperation with the Islamic Centre for Development of Trade (ICDT) and the Islamic Chamber of Commerce and Industry (ICCI).

VI. Conclusion and Recommendations:

The lack of specific quantitative and temporal targets and objectives constitutes one of the basic problems relating to the slow progress in the implementation of the OIC Plan of Action. Setting a time framework, within which planned actions are expected to be taken and concluded, is a basic condition for effective planning and follow-up. All international action plans and programmes have a time dimension.

On the other hand, while many expert group meetings under the OIC Plan of Action in various sectors could not be held, even when offers to host them have been announced, Tourism Ministers met five times since their first meeting in Isfahan from 2-4 October 2000, thanks to the interest and commitment of Member States governments.

When any idea or a project is owned and sponsored by the Member States or the OIC organs and institutions, it is implemented. In fact, several projects on the COMCEC agenda have been realized because they were assigned to various OIC organs and institutions. Based on such observations, some OIC institutions were now assigned as 'coordinator' for the

implementation of some projects on the agenda of COMCEC. The activities regarding such projects will be reported to the following COMCEC sessions for necessary action.

Benefiting from the experience of sub-regional and regional economic cooperation schemes involving the OIC member countries is also a very important modality for implementation of the OIC Plan of Action. Therefore, organizing annual meetings between the OIC and existing sub-regional and regional groupings such as ECO, GCC, ECOWAS, WAEMU, etc. will produce significant impact in this respect.

Finally, there is also a need to accelerate the process of signing and ratification of the various agreements and statutes finalized under the aegis of OIC in the economic and commercial fields as these would provide the necessary framework for economic and commercial cooperation among the Member States.

ANNEXTURE**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.	Satellite Control and Monitoring Centre (SATCMC)	Turkey	Turkey	
6.	Low Earth Orbit Satellite	Turkey	Turkey	
7.	Creation of a Network of Cross-border Parks and Reserves in West Africa.	Guinea	Gambia, Guinea Bissau, Mali, Mauritania, Senegal, Sierra Leone.	ICDT/ SESRIC
8.	Technical Cooperation in the Field of Heritage preservation.	Jordan		IRCICA

ANNEX

VIII

Original: English

REPORT OF THE 12* SESSIONAL COMMITTEE OF COMCEC

(Antalya, 12 May 2008)

1. The 12th Sessional Committee of the COMCEC was held on May 12th, 2008, prior to the 24th COMCEC Follow-up Committee Meeting.
2. The Meeting was chaired by Mr. Ferruh TİĞLİ, 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 (SESRIC)
 - Islamic Centre for Development of Trade (ICDT)
 - Islamic Development Bank (IDB)
 - Islamic Chamber of Commerce and Industry (ICCI)
 - Islamic University of Technology (IUT)

Some of the Turkish Institutions, which are the owners of the proposed cooperation projects of the COMCEC, attended the Meeting.

The Meeting agreed on the following agenda items for consideration:

1. Review of the Proposed Cooperation Projects of COMCEC.
2. The new project proposals by ICCI on the setting up of two Funds, one for Research and Technology and the other for Investment.
3. Review of the Draft Agenda of the 24th Session of COMCEC.
4. Any Other Business

Under Agenda Item 1:

4. The COMCEC Coordination Office (CCO) made a presentation on recent developments regarding the Project Proposals. Thereafter, Project Proposals' coordinators and owners discussed the said developments.

5. The Committee made the following recommendations on the Projects;

Regarding the Project entitled "Technical Cooperation Among Patent Offices in OIC Member States", Representatives of the Turkish Patent Institute (TPI) and ICDT presented the latest developments of this project since the last meeting of the Sessional Committee. Within the framework of their programme of activity to strengthen the Institutional Capacity Building which was adopted by the 2nd Conference on "Technical Cooperation among Industrial Property Offices in the OIC Member States" held in Casablanca from 11th to 13th July 2007, the TPI and ICDT, together with the World Intellectual Property Organisation (WIPO) and the Islamic Development Bank Group, have jointly organized an inter-regional workshop on Geographical Indications on 3-4 April 2008 in Ankara, Republic of Turkey.

The main purpose of this Workshop was to equip participants with the scope of protection credited by geographical indications alongside detailed international agreements providing for protection measures, examples of applications in model countries, introduction of non-governmental organizations working on geographical indications, and putting in place of discussion platforms among national officials in the OIC Member States who are responsible for registering and administering geographical indications. The Workshop also allowed participants to seek answers to their queries on GIs and share their experiences with participating professionals from relevant international organisations, including WIPO and the Institut National de l'Origine de la Qualite (INAO) of France. Participants from Bangladesh, Benin, Guinea, Morocco, Mozambique, Uzbekistan, Uganda, Sudan, Senegal, Turkey and Yemen attended the said Workshop.

In addition, the ICDT informed the Committee that it will set up, in close collaboration with the Morocco Patent Institution (OMPIC), a Portal designated for Intellectual Property Information (PI) in the OIC Member States.

- This Portal will provide access to the general information on the IP in the OIC Member States, in terms of laws, inquiry forms, procedures and search engines in connection with brands at first stage and later on, to be extended to other fields of the IP.
- It will also contain an extranet as platform for discussions and information exchange between the staff of the Industrial Property Offices.
- Assistance will be extended to the LDCs to enable them to have access to the Extranet and participate in the information-disseminating process within the portal.

The TPI and ICDT informed the meeting that the duration of this project shall be extended in the bid to finalize the remaining activities included in the business plan adopted by the 2nd Conference on "Technical Cooperation among the Industrial Property Offices in the OIC Member States". The Committee welcomed the progress made as far as this project was concerned. The Committee recommended that the duration of the project be extended for two more years pending the completion of its planned activities.

Concerning the Project entitled "Incubator Management Training among OIC Member States", the Representatives of the Small and Medium Industry Development Organization of Turkey (KOSGEB) and the ICCI (the Coordinator of the Project), informed the Committee that due to unforeseen circumstances, the workshop which was to be held in April 2008 had been postponed to a later date to take place during the second half of 2008 prior to the 24th Session of COMCEC and the Incubators Management Forum in 2009. The Committee was also informed that necessary support was lacking with regard to the role of member countries in the said project. It was therefore agreed that the OIC General Secretariat, KOSGEB and ICCI will exert more effort in favor of advancing this project in the member countries concerned.

With respect to the Project entitled "Cooperation in the Area of Technical Development: Medium Range Regional Turboprop Airliner", the Representative of the Anadolu University (the new project team leader) reported that it has already submitted to IDB the changes made in the project team and the tasks entrusted to its staff. The Representative of the CCO stated that the latter and the Turkish Treasury (IDB Governor) had already turned in their support letter to the IDB regarding the given change. The Committee had supported and requested that

CCO and the Turkish Treasury re-send the same letters to the Department of the Cooperation Office of IDB at the earliest. The Committee designated SESRIC as the Coordinator of this project. The Committee also agreed that this project and another one belonging to the same strand, and which are being conducted within the framework of COMSTECH, shall be coordinated by the OIC General Secretariat to prevent any duplication.

With reference to Project entitled "Low Cost Imaging-Based Mapping System Applications for Monitoring of Natural and Anthropogenic Changes in OIC Member Countries' Coasts", the IUT Representative made it clear to the Committee that the project needs to be modified due to technological changes. The Committee requested that the owner of the project, TÜBİTAK, host Bangladeshi authorities concerned and the IUT (3-5 focal points of the project) at its headquarters to discuss the details of the project and to inform the COMCEC Coordination Office at the earliest.

As regards Projects entitled "Satellite Control and Monitoring Centre" (SATCMC) and "Low Earth Orbit Satellite" proposed by the Satellite Communication and Cable TV Operation of Turkey (TURKSAT), the Committee recommended that these projects be kept on the Project List for consideration by the 24th Session of COMCEC.

As for the Project entitled "Sustainable Development in a Network of Cross-Border Parks and Protected Areas in West Africa", the Committee was informed by ICDT that the Steering Committee of this project has held so far seven meetings consecutively in Dakar (March 2005), Bamako (May 2006), Casablanca (July 2006), Baku (September 2006), Accra (October 2007), Carthage De Indias (November 2007) Casablanca (March 2008).

The aim of the last meeting was to take stock of the progress achieved in the implementation of the project and to update the Future Activity Programme 2008/2009. This meeting was attended by: Guinea, Mauritania, Mali, Senegal, the Regional Coordinator of the Project, the OIC General Secretariat, the World Tourism Organisation (UNWTO), and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC).

The previous meetings approved the terms of reference for the feasibility study of the 4-component project already presented for financing and recommended their submission to the IDB. The Minister of Tourism and Handicrafts of the Republic of

Guinea, in his capacity as the Coordinator of this Project, has paid a visit to the Governor of IDB in December 2006. Following this visit, the IDB requested countries engaged in the Project to respectively submit separate financial applications through its governor within the IDB Board of Directors. Five countries have applied so far. The Committee also noted that the OIC General Secretariat had sent a verbal note to IDB requesting that further financial contribution be provided for the implementation of the said project.

The Committee was informed that the Korean Agency for International Development has graciously channeled a financial contribution worth US \$ 425,000 to undertake the feasibility study of this project plus the UNWTO ST-EP Foundation's US \$ 50,000.

Respecting the Project entitled "Technical Cooperation in the Field of Heritage Preservation" proposed by Jordan, the OIC General Secretariat will be in contact with Jordan and the JJRCICA (the Coordinator of the Project) to keep the Committee informed whether or not they are still interested to keep the project on the list.

6. After the presentations, the Committee expressed its satisfaction vis-à-vis the progress achieved in projects number 1, 3 and 7.

7. Regarding the remaining projects, the Committee **requested** the member states to adopt a more proactive approach and call upon their focal points to contact project owners and coordinators respectively, at earliest convenience, so as to have these projects implemented. The Committee also sought approval to drop projects in which no country has shown interest.

8. The Committee recommended that interested member states be involved in future meetings of the Sessional Committee.

9. In addition, in line with the relevant resolution of the 11th OIC Summit, the Committee took note of the Dakar/Port-Sudan Railway Line Project.

Under Agenda Item 2:

10. The Representative of the ICCI informed that HE Saleh Kamel, Chairman of the ICG, had initiated proposals on setting up two funds, namely The Fund for Research and Technology and The Fund for Investment. The Committee was notified that the ICCI

Chairman is currently holding meetings with the Heads of State to seek their support and thereafter requisite studies were to be prepared. Meanwhile, regarding the Project on Investment, the Committee was informed about the FORAS Investment Company which had been established in several member countries, supported by feasibility studies, business plans and investment maps. The Committee welcomed the efforts of the ICCI Chairman in taking concrete steps towards promoting economic cooperation through establishing companies in the member countries.

Under Agenda Item 3:

11. Under this agenda item, the COMCEC Coordination Office informed the Committee about the idea behind the new formulation of the draft agenda of the 24th Session of COMCEC. The Committee agreed to submit the new version of the draft agenda to the 24th Follow-up Committee for consideration.

Under Agenda Item 4:

12. Under the agenda item of any other business, the OIC General Secretariat briefed the Committee on the 12th Private Sector Forum to be organized jointly by the Uganda Chamber of Commerce and the ICCI from 16-18 June 2008 in Kampala, Uganda. The Sessional Committee was also informed about the Forum on Agro-Industry to be organized by Mali in 2008. The Sessional Committee took note of the above-mentioned Forums. The Committee further took note of the recommendations of the Steering Committee First Meeting on the implementation of the OIC Cotton Plan of Action.

13. The Committee then concluded its work 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	SESRIC
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.	Satellite Control and Monitoring Centre (SATCMC)	Turkey	Turkey	
6.	Low Earth Orbit Satellite	Turkey	Turkey	
7.	Creation of a Network of Cross-border Parks and Reserves in West Africa	Guinea	Gambia, Guinea Bissau, Mali, Mauritania, Senegal, Sierra Leone	ICDT/SESRT CIC
8.	Technical Cooperation in the Field of Heritage Preservation	Jordan		IRCICA

ANNEX

IX

Report by IDB Group (ITFC) **on Expansion of Intra-OIC Trade**

(COMCEC Meeting, 13-15 May, 2008, Antalya, Turkey)

IDB Group and the promotion of intra OIC trade

1. The Islamic Development Bank (IDB) Group adopted the promotion and facilitation of intra OIC trade as vital part of its *Strategic Framework*, which is under implementation and also considers it an integral element of its Vision 1440H. The IDB also continues to build on its commitment to facilitate and promote intra-OIC trade in line with the targets set under the Makkah Declaration of 2005 - *OIC Ten Year Programme of Action*;
2. The IDB is a pioneer among the Multilateral Development Institutions (MDIs) in considering trade as an integral part of the development process. This view is now increasingly being adopted by other development intuitions;
3. The unique feature of IDB's trade financing is the Islamic Shariah compliance of all its finance products, the IDB was not only the pioneer in this regard but it continues to lead the way through the development of new Shariah compatible trade finance products;
4. One of the significant initiatives undertaken by the IDB Group towards the promotion of intra-OIC trade is the establishment of the International Islamic Trade Finance Corporation (ITFC) as a dedicated entity within the IDB Group to handle all trade promotion and facilitation activities;
5. ITFC which officially commenced activities on the 1st of Muharam 1429H (15 January 2008), has an Authorised Capital of US\$3 billion and a Subscribed Capital of US\$ 750 million. The IDB Group is the main shareholder of the ITFC and it has its headquarters in Jeddah, Saudi Arabia. The corporation's first branch will be opened in Dubai, U.A.E. with plans for more branch offices in IDB member countries to follow;
6. The ITFC will build on the over 30 years of experience the IDB has gained in the areas of trade facilitation and promotion. The ITFC hopes to increase and develop the range of trade finance products available to importers and exporters in IDB member countries, with a particular emphasis on the promotion of intra-OIC trade. The new entity is expected to meet the following underlying objectives:
 - Promote and facilitate increased intra-trade among member countries;
 - Assist, alone or in cooperation with other providers of funds, in the financing of trade, utilizing such financial instruments and mechanisms as the entity deems appropriate in each instance;
 - Facilitate access of member countries and enterprises, whether public or private, to private and public capital, domestic and foreign, including access to capital markets;

- Stimulate the development of investment opportunities conducive to the flow of private and public capital, domestic and foreign, into investments in the member countries to enable them enhance their export capabilities;
 - Be a leader in the development and diversification of financial instruments and products for trade financing, with due regard to compatibility with principles of Islamic *Shariah*;
 - Provide technical assistance and training to local banks in member countries in trade finance related areas;
 - Offer advisory services to member institutions and countries and their public and private enterprises on matters relevant to its objectives;
 - Trade promotion with particular emphasis on support for Least Developed Member Countries (LDMCs), mainly in Sub Saharan Africa and Commonwealth of Independent States (CIS) countries;
7. In the area of trade promotion, the ITFC is building strategic alliances with key players in world trade, including the World Trade Organization (WTO) and its affiliate the International Trade Centre (ITC). In February 2008, ITFC signed a Memorandum of Understanding (MoU) with ITC which focuses on
- **Capacity Building** for public and private sector entities and SMEs in OIC member countries;
 - Facilitate the access to ITC **database and market analysis information** by ITFC;
 - Provide **trade support services**;
 - Provide support and facilitation services on ITFC **trade promotion** activities in member countries;
 - Undertake feasibility studies aimed at **intra-OIC trade growth** on a case by case basis.
8. The IDB is also working on hosting an Experts Group Meeting on the *COMCEC Task Force* that will explore ways and means of helping the realization the targets to grow intra-OIC trade to the 20% level by 2015. A report on this subject will be available in time for the next COMCEC Meeting in November 2008.

IDB Group Trade Finance Approvals

9. From inception in 1397H to date, total trade finance approvals under the four financing schemes amount to US\$29.13 billion as follows:
- | | | |
|------|--|------------------|
| i. | Import Trade Financing Operations (ITFO) | US\$23.5 billion |
| ii. | Export Financing Scheme (EFS) | US\$1.67 billion |
| iii. | Islamic Banks Portfolio (IBP) | US\$3.04 billion |
| iv. | Unit Investment Fund (UIF) | US\$921 million. |

With the establishment of and commencement of business activities by ITFC, all IDB Group trade financing is now undertaken under a single umbrella.

10. The net amount approved under these programmes between 1424H and 1428H was US\$11.4 billion as detailed hereunder:

Table 1: Total net trade financing approvals

US\$ million					
YEAR	ITFO	EFS	IBP	UIF	TOTAL
1424H	1265	122	171	102	1,660
1425H	1,842	247	308	166	2,563
1426H	1,159	160	333	123	1,775
1427H	2,111	378	203	90	2,782
1428H	2,603	-	-	15	2,618
TOTAL	8,980	907	1,015	496	11,398

11. In 1428H, total trade finance approvals amounted to US\$2.6 billion. As part of the transition to ITFC, no financing was undertaken under the other programmes (EFS, IBP and UIF) which had to give way to the consolidated approach under ITFC;
12. Private sector trade financing comprised 45 percent or US\$1.2 billion of the total in 1428H compared to 38 percent in 1427H;
13. A total of US\$1.3 billion or 50 percent of the total funding for the financing was mobilized from financial markets in the form of syndication or co-financing in 1428H, this represented an increase of 20 percent compared to the previous year.

Intra trade financing

14. The enhancement of intra OIC trade has been one of the strategic objectives of the IDB's trade activities since the inception of the trade finance programme and will continue to be with the ITFC. This was given a boost by the OIC Ten Year Plan of Action issued in as part of its Makkah Declaration in December 2005, whereby a specific target of 20 percent of total trade was set for intra-OIC trade;
15. The following table illustrates the intra-OIC trade financing percentage of the total ITFO approvals of the IDB from 1420H to 1428H:

Table 2: Intra trade financing under ITFO

YEAR	Total approvals	US\$ million	
		Intra trade	Percentage
Up to 1420H	11,616	8,503	73
1421H	987	772	78
1422H	1,224	898	74
1423H	1,301	914	71
1424H	1,647	1,026	63
1425H	1,975	1,326	67
1426H	1,159	870	75
1427H	2,110	1,700	80
1428H	2,603	2,003	77

16. In 1428H the IDB approved financing worth US\$2.0 billion for intra-OIC trade operations, representing 77 percent of the totals ITFO approvals for 1428H;
17. The ITFC continues to take the lead in promoting intra-OIC trade through its financing activities by providing concessionary pricing and tenors for intra-OIC trade operations it finances;
18. The effects of this strategy is evidenced by the high percentage of approvals for intra-OIC trade operations.

ANNEX

X

Original: French

**ICDT'S ANNUAL REPORT ON
TRADE AMONG THE OIC MEMBER STATES
2008
OVERVIEW**

1/ MAIN TRENDS OF THE ECONOMY AND WORLD TRADE IN 2006:

The year 2006 was marked by a sustainable growth of the world economy and a strong growth of trade. According to the WTO data, the growth of the gross domestic product (GDP) reached 3.7%, i.e. the second best result since 2000. This increase in the world economy is partly due to the strong economic recovery in Europe, which was not expected to be as such.

The world vigorous macro-economic situation in 2006 has provided a favourable expansion framework to international trade. In 2006, the Commodity world exports increased by 8%.

In the Middle East, trade was highly influenced by the evolution of the oil markets. According to estimates, commodity exports of the region increased by 19% and imports by 14%.

Among the areas that have recorded exceptional performances, we may quote the Commonwealth of Independent States (CEI), which recorded in 2006 the most dynamic growth both with regard to exports and imports. Thanks to the steadfastness of the fuels and metal prices in the world markets, the exports of the area have increased reaching 422 billion US dollars and imports stagnated at 278 billion US dollars.

Africa's commodity exports increased by 21%, recording thus a higher figure than for its imports which rose by 16%. Even though the growth of its exports may be attributed to a large extent to the rise in oil exports, it should be underlined that non oil exporters of the continent have also increased their exports by 16%.

In Southern America, Central America and the Caribbean, commodity trade was very dynamic due to an increase in metal and commodities prices, which was beneficial to the exports of Suriname, Jamaica and above all Chile and Peru, which jumped by 40%.

In Asia, China has experienced once again a strong expansion of its exports in comparison with its imports recording thus imports an exceptional trade surplus.

1- WORLD COMMODITY TRADE:

The commodity exports growth was estimated at 8% in 2006, i.e. 2% higher than in 2005.

Expressed in US dollars, the Commodity World Exports were highly influenced in 2006 by price fluctuations, which showed very high differences according to sectors. According to the price indexes of commodity prices of the IMF, the world export prices

of ores and non ferrous metals have increased by 56%, those of fuels by 21% and food products and agricultural raw materials by 10%.

The value of the world exports in US dollars increased by 15.4% in 2006 against 13% in 2005, reaching thus **11,760 billion US dollars**.

The breakdown of the value of the World Commodity exports per products group in 2006 is as follows: fuels (1,771 billion US dollars), office and telecommunications equipment (1,451 billion US dollars), other machines (1,448 billion US dollars), car industry products (1,015 billion US dollars), agricultural products (945 billion US dollars), other chemicals (937 billion US dollars), other semi-manufactured products (795 billion US dollars), steel and iron (374 billion US dollars), pharmaceuticals products (311 billion US dollars), clothing (311 billion US dollars), non ferrous metals (306 billion US dollars), scientific and control instruments "High Technology" (240 billion US dollars), textiles (219 billion US dollars), ores and minerals (201 billion US dollars).

The agricultural products exports increased by 11% in 2006 against 8% in 2005. As regard food products, which account for 80% of agricultural products, the increase was estimated at 10%. This growth is partly due to an increase in crops prices (21%), bad harvests in the main producer countries, to an increase in the demand of emerging economies and to the use of the agricultural products for energy purposes as well.

With respect to manufactured goods, the world exports of these products have recorded an increase by 13% in 2006. The relatively high share of energy products combined with the continuous growth of demand, partly explains the highest growth rate recorded by the iron and steel sector (18%) of manufactured goods group. On the other hand, textiles recorded once again in 2006, the lowest growth rate (7%) of manufactured goods exports.

The exports of transport equipment and machinery, main component of manufactured goods at the rate of 53%, have progressed by 14%. Europe, being the first exporter of this product category (44% of the world exports) has shown an increase in its exports by 12%; Asia, which accounts for 36% of the world exports and North America have experienced an increase respectively by 16% and 13%.

The office and telecommunications equipment, which accounts for 18% of the exports of manufactured goods, increased by 13% in 2006. The European Union, first exporter of this sector has shown an increase in its exports by 12%. The second position behind the European Union is held by China, which accounted for 20% of the world exports.

The exports of transport equipment increased by 13%, i.e. a twofold higher increase than the 6% rise recorded in 2005. Supported by the increase in commodities, the purchase of car industry products in the Commonwealth of Independent States (CEI) in Southern and Central America and in Africa increased, respectively by 63%, 29% and 20% in 2006. The European Union recorded alone 53% of the world exports and 44% of the world imports.

With respect to textiles, the world trade in textiles and clothing increased by 10%. The Clothing Industry, which accounts for about 60% of the trade of the whole sector, has recorded far better results than textiles with a 12% increase against 7% for textiles. Despite the quotas imposed by the European Union and the United States, China has

once again gained a 12% share of the world market of clothing and accounts henceforth for 31% of the world exports.

2. WORLD TRADE IN SERVICES:

The exports of commercial services increased by 11% in 2006 reaching **2,710 billion US\$**, i.e. a similar progression to the one recorded last year.

With respect to the three big categories of commercial services (transport, travels and other commercial services), it is the latter, which recorded the highest growth rate. In 2006, the category of other commercial services increased by 13% against 9% and 7% respectively, for travels and transports services.

The exports of other "commercial services" reached 1,380 billion US dollars in 2006. This category recorded a strong growth during the last few years, its value having doubled since 2000. In 2006, the EU numbering 25 members was the main supplier of other commercial services accounting for 50% of the world exports reaching a value of 684 billion US dollars and the United States hold the second position with 212 billion US dollars.

With respect to telecommunications services, Kuwait has become an important supplier of this category of services, since its exports have reached 3.4 billion US dollars in 2006. The country specialised in the mobile communications services and it has recorded a quick growth since 2004. In 2006, it ensured the connexion of about 27 million mobile subscribers in the neighbouring countries of the Middle East and Sub-Saharan Africa.

As for computer and information services, India ensures about 70% of the exports of this category of services in Asia. In 2006, China has become the main outsourcing software sites in Japan.

Other economies of the OIC Member States are exerting themselves to promote their externalisation potential of computer services, especially, Pakistan, Morocco, Indonesia, Tunisia and Malaysia which is nowadays considered after India and China as the 3rd externalisation site of computer services.

11/ EVOLUTION OF THE WORLD ECONOMY IN 2007:

The growth of production and trade slackened in 2007. The drop in demand in developed countries caused a decrease of the world economic growth from 3.7% in 2006 to 3.4% in 2007, i.e. roughly the average rate recorded over the last ten years.

A detailed breakdown per region shows that the United States of America have recorded the lowest annual growth rate of the GDP (2.2%) that has ever been reached since 2000. In Japan, the growth of the GDP was estimated at (2.1%) in 2007.

In Europe the growth of the GDP reached 2.8% a quite better growth than in the United States and Japan. Boosted by the high increase in exports receipts and the increase in investments, the economic growth in Russia was estimated at 8%, being thus, the highest annual rate ever recorded since 2000.

In Southern and Central America, in Africa and in the Middle East, the growth of the GDP was respectively 6.3 and 5.5% in 2007. The most densely populated emerging

countries -China and India- have again recorded exceptional growth rates in 2007, respectively by 11.4% and 9.1%.

- WORLD TRADE IN 2007:

The world commodity exports structure estimated in US dollars has been highly influenced by the evolution of commodities and the foreign exchange rate in 2007. The evolution of prices was very different according to sectors and regions in 2007.

According to the price indexes of commodities of the International Monetary Fund (IMF), the prices of the world exports of fuels, foodstuff and beverages have highly increased in 2007. If we compare the annual averages, prices have increased by 18% for metals, 15% for foodstuff and beverages, 10% for fuels and 5% only for agricultural raw materials.

In 2007, the value in US dollars of the world exports of goods increased by 15% reaching 13,600 billion US dollars; almost the two thirds of this increase have possibly resulted from inflation. The exports of commercial services rose by 18% reaching 3,300 billion US dollars, i.e. a noticeably quicker increase than in 2006 and slightly higher than that of commodity trade.

III/ EVOLUTION OF THE OIC MEMBER STATES' FOREIGN TRADE:

The total exports of the OIC Member States reached at 1,190.5 billion US dollars, i.e. 10.5% of the world exports in 2006, i.e. an increase by 21.43% in comparison with 2005 and the imports amounted to 946 billion US dollars, i.e. 8.4% of the world imports, i.e. an increase by 19.4% in comparison with 2005. This positive evolution of trade of the OIC Member States in the world trade is mainly the result of a price increase in fuels and other raw materials recorded between 2005 and 2006.

1. COMMODITY TRADE:

The Foreign trade of the OIC Member States recorded a net progression in 2006, chiefly thanks to an increase in exports of fuels and other extractive industries, coupled with marked recovery of prices.

1-1. The geographical distribution of the global commodity trade:

The distribution of the OIC Member States' world trade in 2006 was as follows:

Exports: The GCC Countries accounted for 35.4% of the world exports of Member States, Asian Countries with 34.74%; the Middle East Countries with 12.5%, the Maghreb Countries with 10% and finally Sub-Saharan Africa with 7.3% of the world exports of the OIC Member States.

Imports: Asian countries imports represented 35.5% of the world imports of Member States, followed by the GCC 25% and the Middle East Countries with 23% for each region, and finally, the Maghreb and Sub-Sahara African Countries with 8% of the world imports of Member States for each region.

1-2. Product structure of the global commodity trade:

The analysis of available data on the foreign trade of OIC Member States, have enabled us to make the following conclusions:

Exports:

- Increase by 10.42% in the exports share of miscellaneous manufactured products, which went up from 19.09% in 2005 to 21.08% in 2006;
- Increase by 2.12% in the exports share of non edible raw materials, which went up from 2.83% in 2005 to 2.89% in 2006.
- Increase in the exports share of fuels by 0.48%, which went up from 55.82% in 2005 to 56.09% in 2006 following a rise in the exports value of these products, due to a price increase during the same period;
- Drop in the export share of food products by 4%, which fell from 4.98 in 2005 to 4.78% in 2006;
- Drop in the exports share of chemicals by 6.23%, which went from 4.17% in 2005 to 3.91% in 2006;
- Decrease by 14.18% in the share of machinery and transport equipment, which went down from 13.11% in 2005 to 11.25% in 2006;

Imports:

- An increase by 6.88% in the OIC imports share of miscellaneous manufactured goods which went up from 29% in 2005 to 31% in 2006;
- An increase by 6.77% in the share of the OIC fuels imports which went up from 10.92% in 2005 to 11.66% in 2006;
- A drop by 3.52% in the OIC imports share of other raw materials which fell from 3.97% in 2005 to 3.83% in 2006;
- Decrease by 4.40% in the OIC imports share of machinery and equipment, which went down from 36.51% in 2005 to 34.90% in 2006;
- Drop by 4.78% in the OIC Imports share of food products, which went down from 9.41% in 2005 to 8.96% in 2006;
- Decrease by 5.32% in the OIC Member States' imports share of chemicals, which went down from 10.15% in 2005 to 9.61% in 2006.

2. *TRADE IN SERVICES:*

In 2006, the total services exports of the OIC Member States reached 113.67 billion US dollars, i.e. an increase by 18.66% in comparison with 2005. These exports represent 4% of the world services exports. Besides, imports amount to 118.65 billion US dollars in 2006, i.e. an increase by 11.24% in comparison with 2005 and the global deficit reached 4.98 billion US dollars. The services imports of the OIC Members States accounted for 4.5% of the world services imports in 2006.

Exports:

Among the main OIC Member States services exporters, we may quote **Turkey**, totalling 23.52 billion US dollars, i.e. 20.69% of Member States' total exports, **Malaysia** 21.15 billion US dollars, i.e. 18.61% of Member States' total exports, **Egypt** 15.83 billion US dollars, i.e. 13.93% of Member States' total exports, **Lebanon** 12.25 billion US dollars,

i.e. 10.78% of Member States' total exports, **Morocco** 9.28 billion US dollars, i.e. 8.17% of Member States' total exports, **Saudi Arabia** 6.23 billion US dollars, i.e. 5.49% of Member States' total exports, **Kuwait** 6 billion US dollars, i.e. 5.29% of Member States' total exports and **Tunisia** 4 billion US dollars, i.e. 3.56% of Member States' total exports.

These eight countries totalled alone 86.52% of total services exports of Member States in 2006.

Imports:

The main services importers are: Malaysia, which totalled 23 billion US dollars of services imports, i.e. 19.42% of Member States' total imports, then **Saudi Arabia** with 18 billion US dollars, i.e. 15.22% of Member States' total imports, Turkey 10.47 billion US dollars, i.e. 8.83% of Member States' total imports, **Egypt** 10.13 billion US dollars, i.e. 8.54%, **Lebanon** with 8.75 billion US dollars, i.e. 7.38%, **Kuwait** 8.6 billion US dollars, i.e. 7.25%, **Kazakhstan** 8.58 billion US dollars, i.e. 7.23% and **Pakistan** with 8 billion US dollars, i.e. 6.82%. These eight countries totalled 83.68% of total Member States' imports in 2006.

2-1. The geographical distribution of services exports in 2006:

Exports:

The geographical distribution of services exports of the OIC Member States is generally concentrated in the Middle East and Asia.

The geographical distribution is as follows:

- > The first services exporting region is **the Middle East**, which accounted for 49.14% of total services supply of the OIC Member States, i.e. 55.85 billion US dollars;
- > The second exporting region is **Asia**, with 25.81% of the total services supply of the OIC Member States, i.e. 29.33 billion US dollars;
- > The third exporting region is the GCC with 12.41% of the total services supply of the OIC Member States, i.e. 14.10 billion US dollars;
- > the **Maghreb**, with 12% of the total services supply of the OIC Member States, i.e. 13.73 billion US dollars;
- > And finally **Sub Saharan Africa** holds the fifth position with 0.56% of total services exports of the OIC Member States, i.e. 640 billion US dollars.

Imports:

The geographical distribution of services imports of the OIC Member States is dominated by Asia and the Middle East.

The geographical distribution is as follows:

- > The first services importing area is **Asia**, which imported 46.75 billion US dollars, i.e. 39.40% of Member States' imports;
- > The second importing area is the **Middle East**, which imported 34.74 billion US dollars, i.e. 29.28% of Member States' imports;
- > The third importing area is the GCC, which imported 27.82 billion US dollars, i.e. 23.45% of Member States' imports;

- > the Fourth importing area is the **Maghreb** with 8.2 billion US dollars, i.e. 6.91% of Member States' imports;
- > And finally **Sub Saharan Africa** holds the fourth position accounting for 1.14 billion US dollars, i.e. 0.97% of Member States' imports.

2-2. Product structure of trade in services:

On the basis of the breakdown by item of the services balance of the OIC Member States in 2006, we can make the following observations:

Exports: tourism and travels hold a privileged position in the total services exports of Member States, with a 42.57% share, i.e. 48.38 billion US dollars. Transport holds the 2nd position accounting for 20.30% of the total services exports' corresponding to 23 billion US dollars, the third position is held by private transfers of migrant workers, which account for 18.28% of services total exports of the OIC Member States, i.e. 20.78 billion US doUars.

Imports: except for "other services", (including the financial services and telecommunications and professional services to enterprises, "computer systems services etc"), which recorded a share of 27.34% of the total services imports of Member States, i.e. 32.44 billion US dollars, we notice that the private transfers hold an important position accounting for 28% of the total services imports of Member States, i.e.. 33.32 billion US dollars followed by transport accounting for 28% i.e. US\$ 33.29 billion followed by tourism and travels holding the 4th position with 16.52% of Member States total services imports, i.e. 19.60 billion US dollars.

IV/INTRA-OIC TRADE EVOLUTION IN 2006:

The increase in fuels prices, combined with an increase in the exports volumes of these products of some OIC Member States, were determinant factors; which had a great impact on the evolution of intra-OIC trade in 2006.

Intra-OIC global trade (intra-OIC exports+intra-OIC imports) recorded an increase in value by 23% in 2006 going up from US\$ 271 biUion US doUars in 2005 to 333 biUion US doUars in 2006. Therefore, intra-OIC net trade amounted to US\$ 175 biUion US doUars. Consequently, the share in percentage of intra-OIC trade in the overaU trade of the OIC Member States rose from 15.5% in 2005 to 16.3% in 2006, i.e. an increase by 5%.

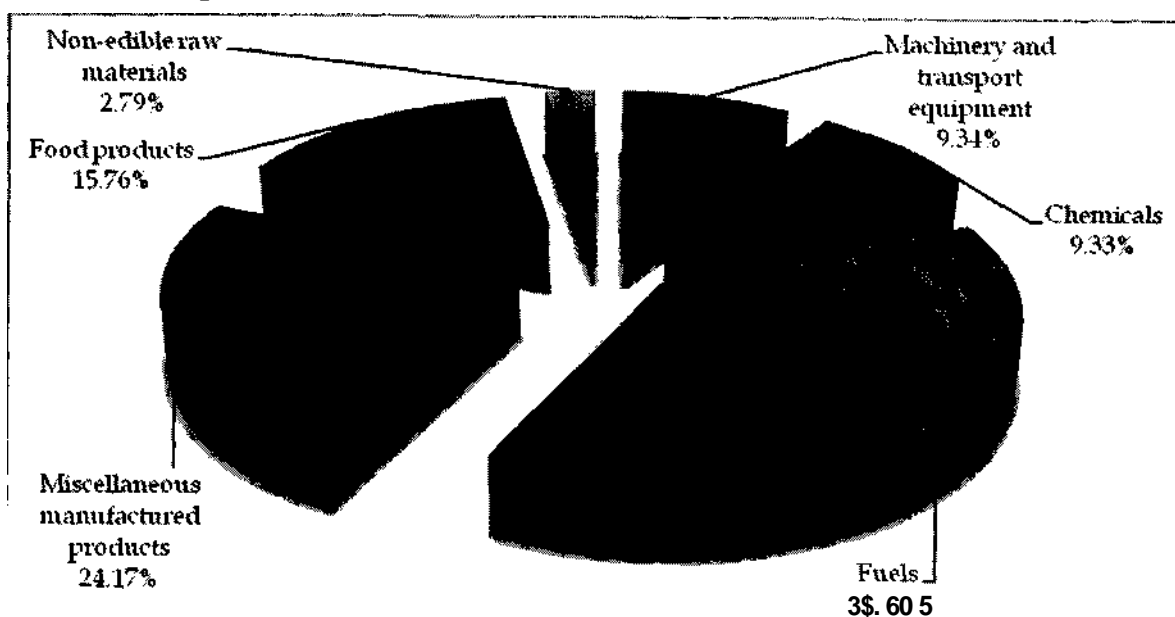
The exports share of intra-OIC trade in the overall exports of the OIC Member States has recorded a steady status estimated at about 14% between 2005 and 2006 and we have noticed a progression by about 4.5% in the intra-OIC imports share of Member States going up from 17% in 2005 to 18% in 2006.

Besides, the value of intra-OIC exports has recorded an upward trend; in so much as they went up from 134.3 biUion US dollars in 2005 to 162.44 biUion US doUars in 2006, i.e. an increase by 21%, while the value of intra-OIC imports rose from 137 biUion US doUars in 2005 to 171 biUion US dollars in 2006, i.e. a 25% rise. The difference between exports and imports is mainly due to the fact that exports are accounted for on FOB basis and imports on CIF basis (including the insurance and transports fees)

3-1. Product structure of intra-OIC Trade:

Intra-OIC trade structure shows the predominance of fuels trade accounting for more than 35.95% in 2006 on average.

- Intra-OIC exports structure:

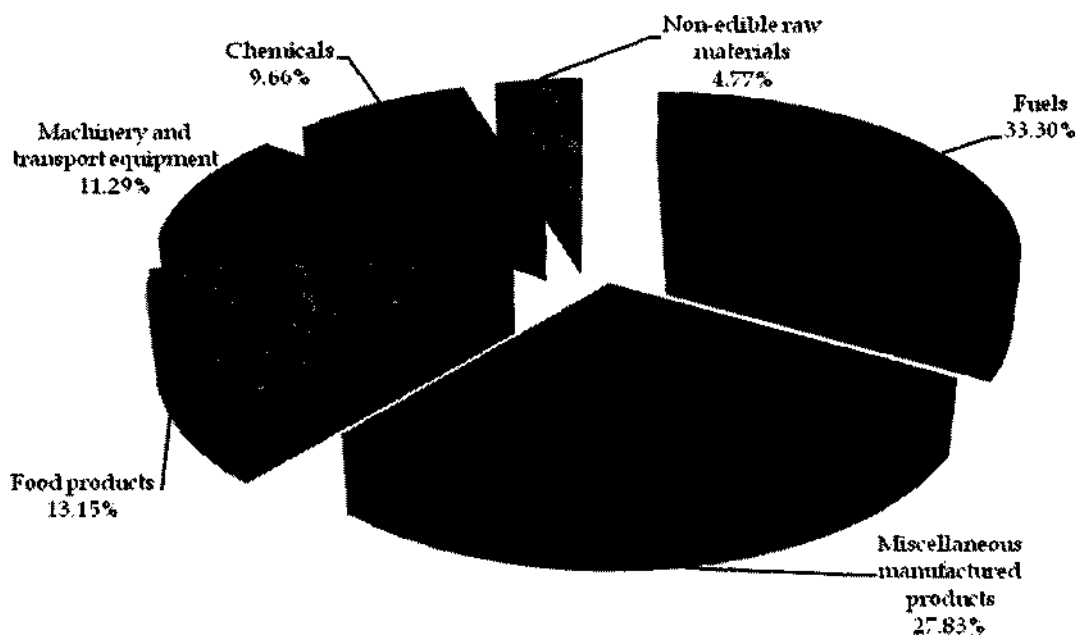


Intra-OIC exports are mainly composed of primary products at the level of 57.16% (essentially of fuels accounting for 38.61%), i.e. 92.85 US\$ billion in 2006 against 73.44 US\$ billion in 2005, (i.e. an increase in value by 26.42%) and **42.84%** of manufactured goods, i.e. 69.59 billion US dollars in 2006 against US\$ 58.2 billion in 2005, i.e. an increase in value by 19.57%.

The trends of intra-OIC exports in 2006 are as follows:

- Increase by 10.71% in the share of intra-OIC exports of non edible raw materials, which went down from 2.52% in 2005 to 2.79% in 2006.
- Increase by 7.43% in the intra-OIC exports share of food products between 2005 and 2006 which went up from 14.67% in 2005 to 15.76% in 2006;
- Slight increase by 0.86% in the intra-OIC exports share of chemicals between 2005 and 2006, which rose from 9.25% in 2005 to 9.33% in 2006;
- Steadiness in intra-OIC exports share of fuels between 2005 and 2006; which remained at 38.6% in 2006;
- Decrease by 3.78% in the intra-OIC exports share of miscellaneous manufactured products, which fell from 25.12% in 2005 to 24.17% in 2006;
- Decrease by 5% in the intra-OIC exports share of machinery and transport equipment between 2005 and 2006, which went down from 9.84% in 2005 to 9.34% in 2006;

- Intra-OIC imports structure:



In 2006, the intra-OIC imports were predominantly made up by primary products at the rate of 51.22%, i.e. 87.54 billion US dollars, of which mineral fuels account alone for 65% of the sub total, followed closely by manufactured products at the rate of 48.78%, i.e. 83.36 billion US dollars.

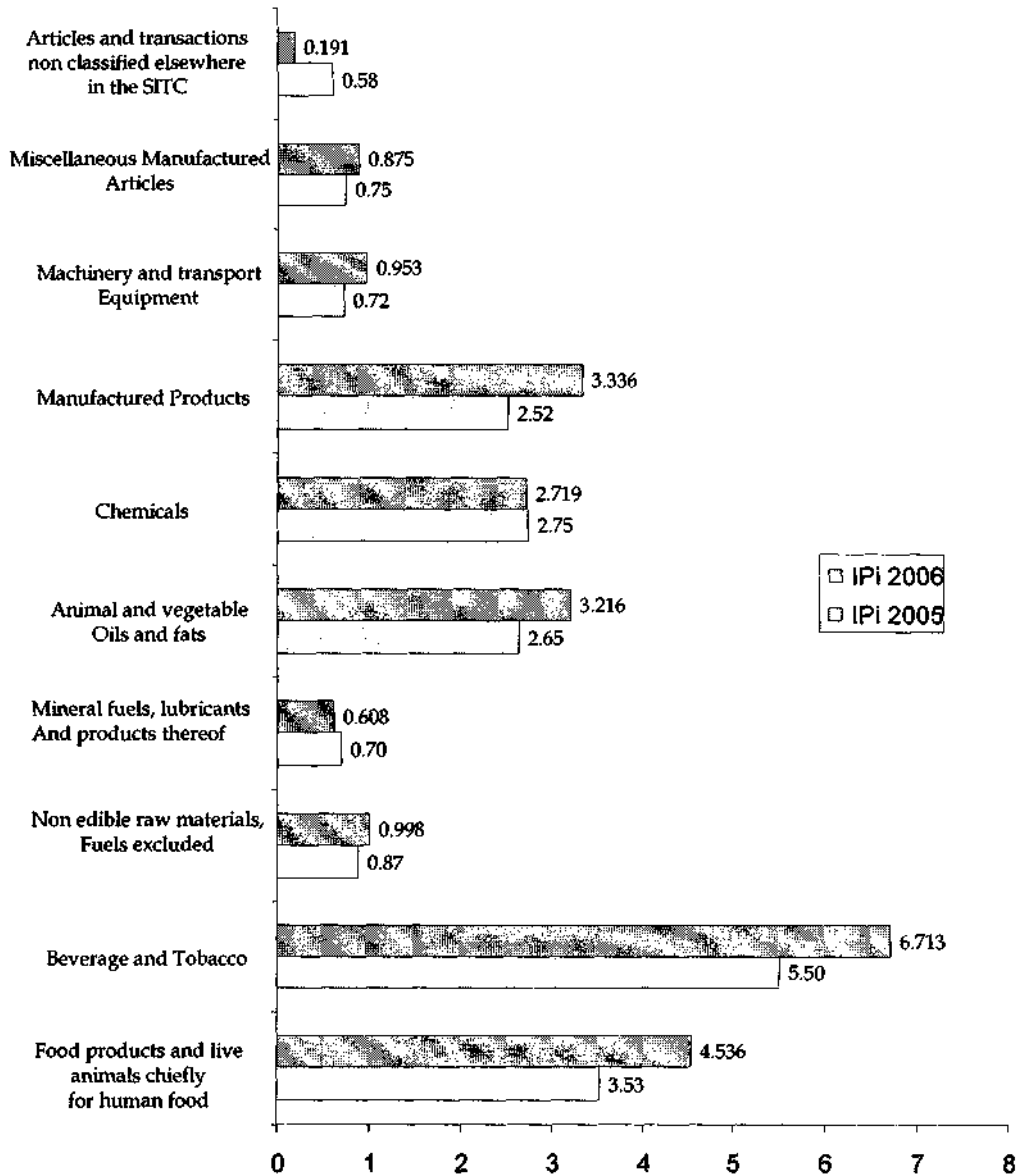
The following trends were noticed at the level of intra-OIC imports:

- Increase by 4% in the share of intra-OIC imports of fuels, which went up from 32.01% in 2005 to 33.3% in 2006;
- Rise by 2% in the share of intra-OIC imports of food products, which went up from 12.88% in 2005 to 13.15% in 2006.
- Slight decrease by 0.6% in the intra-OIC imports share of miscellaneous manufactured products, which went down from 28.02% in 2005 to 27.83% in 2006;
- Slight drop in the share of intra-OIC imports of non edible raw materials by 1.8% between 2005 and 2006, which went down from 4.86% in 2005 to 4.77% in 2006.
- Decrease in the share of intra-OIC imports of chemicals by 5.7% in 2005, which fell from 10.24% in 2005 to 9.66% in 2006;
- Decrease in the share of intra-OIC imports of machinery and transport equipment by 5.8%, which fell from 11.99% in 2005 to 11.29% in 2006.

REGIONAL PREFERENCE INDEX (RPI) PER PRODUCT:

Assessment results of the RPI per products (Section O to 9 of the SITC) are presented in the following graph:

Regional Preference Index per Product for the Years 2005-2006



3-2. Geographical distribution of intra-OIC trade

Ten OIC Member States accounted for 72.76% of intra-OIC exports and for 16% of intra-OIC imports. These are by order of importance:

Saudi Arabia, United Arab Emirates, Turkey, Malaysia, Indonesia, Iran, Kuwait, Pakistan, Egypt and Syria.

- > The share of these ten countries in intra-OIC exports was estimated at 72.76% in 2006 against 71.95% in 2004; i.e. an increase by 1.12%. The exports value of this country group reached more than 118.20 billion US dollars in 2006.
- > The share of these ten countries in intra-OIC imports switched from 56.21% in 2004 to 61.03% in 2006, i.e. an increase by 8.57%. Besides, the imports value of this country group was estimated at 104.3 billion US Dollars in 2006.

Besides, we have noticed Ten OIC Member States accounted for 77.87% of intra-OIC exports of manufactured products with a value of 54.19 billion US dollars in 2006. These countries are by order of importance: Turkey (17%), Malaysia (10.86%), Indonesia (9.86%), Saudi Arabia (9.23%), Kuwait (7.95%), Iran (7.81%), United Arab Emirates (4.34%), Pakistan (3.88%), Egypt (3.59%) and Bahrain (3.34%).

INTEGRATION DEGREE OF INTRA-OIC TRADE:

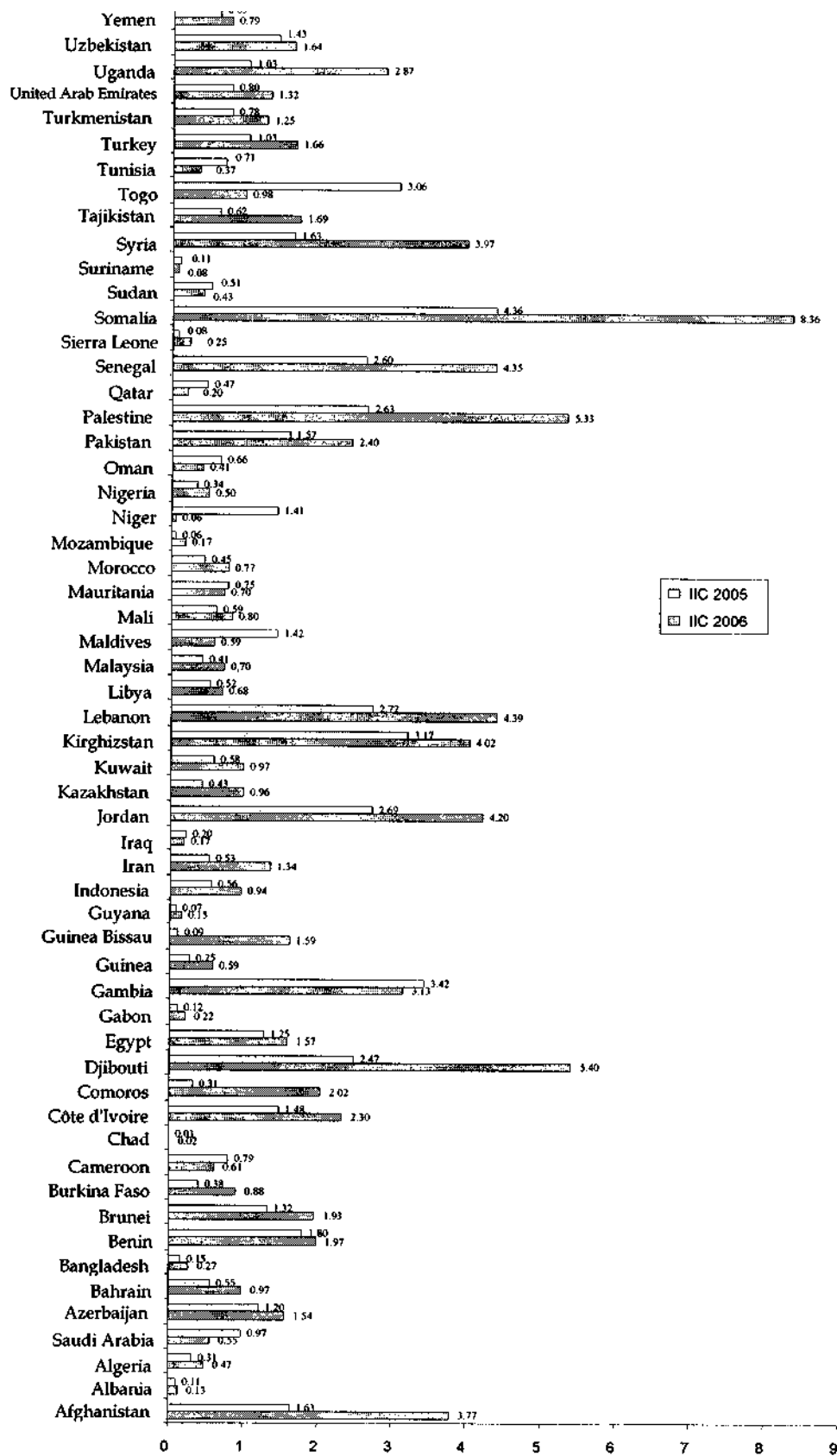
The share of intra-OIC exports in the global exports of Member States experienced a slight drop by 0.42% falling from 13.70% in 2005 to 13.65% in 2006. Twenty eight countries (28) have an integration degree of their intra-OIC exports higher than the OIC average (14%).

The most integrated ten Member States at the level of intra-OIC exports are: Somalia, which accounted for 91.87% of its exports with the OIC Member States, Djibouti with 73.18%, Lebanon with 73%, Tajikistan with 46.34%, Jordan with 45.28%, Senegal with 44.33%, Kyrgyzstan with 42.37%; Togo with 41%, Syria with 40% and Benin with 38.13%.

On the other hand, the intra-OIC import share in the global imports of Member States recorded an increase by about 4.45% rising from 17.3% in 2005 to 18.07% in 2006. Thirty four (34) Member States have an integration degree higher than the OIC average (18.05%).

The ten most integrated Member States at the level of intra-OIC imports are: Iraq which accounted for 59.20% of its imports from the OIC Member States, Afghanistan with 53.14%, Somalia with 51.50%, Bahrain with 46.55%, Yemen with 44.14%, Burkina Faso with 43.19%, Tajikistan with 42.04%, Turkmenistan with 41.10%, Jordan with 38.79% and Pakistan with 35.68%.

TRADE INTENSITY INDEX FOR THE OIC MEMBER STATES FOR THE YEARS 2005-2006



INTRA-REGIONAL TRADE:

The intra-regional trade value reached 64.68 US billion dollars in 2006 against 57.38 US billion dollars in 2005, i.e. a 12.73% rise caused by the growth of intra-regional trade of the Middle East (+33.17%) the Maghreb Countries (+24.59%), Asian Countries (+22.99%) and Sub Saharan Africa (+6.97%) during this period. It should be underlined that the share of intra-regional trade in total intra-OIC trade recorded a decrease by about 6.76% going down from 42.71% in 2005 to 39.82% in 2006.

This drop in percentage of intra-regional trade share in intra-OIC total trade is due to a decrease in the share of the GCC with -21.94%, the share of Sub Saharan Africa (-11.54%), while the other regions recorded an increase in their share of intra-regional trade between 2005 and 2006: the Middle-East (+10%), the Maghreb (+3.49%) and Asia (+1.70%).

In 2006, Asia, GCC and the Middle East accounted for 87.40% of intra-OIC regional trade, with respectively: 35.97%, 31% and 20.43%. Sub Sahara African Countries and the Maghreb Countries represented respectively 8.9% and 3.7% of intra-regional trade of the OIC.

INTER-REGIONAL TRADE:

Trade value between the OIC regions, increased by 27% going up from 76.96 billion US dollars in 2005 to 97.76 billion US dollars in 2006. This growth is due to the increase in value of the inter-regional trade of the Middle East (+37.96%), Asia (+31.23%), Sub Saharan Africa (+29.52%), GCC (+22.46%) and the Maghreb (+18.04%).

Besides, the share in percentage of trade between the regions of the OIC Countries in intra-OIC total trade increased by 5% between 2005 and 2006 raising from 57.29% in 2005 to 60.18% in 2006. The evolution of the OIC inter-regional trade share was as follows: the Middle East (+14.10%), Asia (+8.53%), Sub Saharan Africa (+7.11%), GCC (+1.27%) and the Maghreb (-2.38%).

In 2006, the Regions of the GCC, Asia and the Middle East accounted for 89.5% of the OIC inter-regional trade, with respectively: 46.52%, 25.30% and 17.68%; the Maghreb and Sub Sahara African countries accounted respectively for 7.10% and 3.41% of the OIC inter-regional trade.

V/ MAIN OBSTACLES TO TRADE EXPANSION BETWEEN THE OIC MEMBER STATES AND PROSPECTS OF INTRA-OIC TRADE:

The overall intra-OIC trade (intra-OIC exports+intra-OIC imports) showed a positive evolution in 2006, recording a rise by 23% going up from 271 billion US dollars in 2005 to 333 billion US dollars in 2006. Therefore, the net intra-OIC trade amounted to 175 billion US dollars. Hence, the share in % of intra-OIC trade in the overall trade of the OIC Member States went up from 15.5% in 2005 to 16.3% in 2006, i.e. an increase by 5%.

Despite the considerable efforts made at the level of the OIC and Member States to promote intra-OIC trade and to attempt to remove impediments, several obstacles still exist, namely,

- S Market access problems: tariff, para tariff and often non tariff barriers;
- S Impediments at the level of logistics: infrastructures, transports, support services

- to international trade, which are either weak or insufficient;
- * The existence of a non diversified exportable supply, which does not meet international market norms and standards;
- * The complexity of administrative procedures related to foreign trade, such as those of customs clearing, banking, ports, etc.;
- * Inadequate and inappropriate financing instruments, particularly for the benefit of the SME and SMI.

Trade among the OIC countries is still far from meeting expectations if we consider the potentials of the Member States. The objective set by the *"OIC Ten Year Action Plan to meet the challenges facing the Islamic Ummah in the 21st Century"* adopted by the 3rd Extraordinary Summit of the OIC, held in Mecca Al Mukarramah in the Kingdom of Saudi Arabia on 7 and 8 December 2005, is to enhance overall trade by 20% by the year 2015. According to perspective studies, including the feasibility study of a Free Trade Area, conducted by ICDT, this objective is achievable even before 2015.

In fact, the Ten Year Plan of Action has exhorted Member States to explore the possibility of establishing an intra-OIC Free Trade Area. The creation of such a zone will surely contribute to removing constraints and obstacles, which impede intra-OIC trade and speed up the economic integration process in the OIC zone.

Such an objective could be reached by the year 2015 if other Member States become party to the Trade Preferential System among the Member States of the Organisation of the Islamic Conference Agreement and join the 21 Participating States and that most Participating States implement the fast track tariff reduction schedule provided by the Protocol on the Preferential Tariff Scheme for the TPS/OIC (PRETAS). So far, only eleven countries have signed the above mentioned tariff schedule (Bangladesh, Cameroon, Egypt, Guinea, Jordan, Malaysia, Pakistan, Syria, Tunisia and Turkey and the UAE).

Besides, the creation within IDB of the International Islamic Corporation of Trade Financing is an important tool that will effectively contribute to reinforcing economic cooperation among the OIC Member States, intensifying commodity trade as well as trade in services, promoting trade related investments.

In spite of the obstacles depicted here above, the OIC Member States are endowed with high unexploited potentialities and natural complementarities, The factors of production are indeed distributed in such a manner that resources that are lacking in an area can be found sometimes in high quantity in another one.

For example, we may quote the following sectors:

- > Energy: the assessed potential can adequately supply the whole world for decades the latest discovery of the Caspian sea and Africa (Sudan, Chad, Mauritania) confirm such collective self sufficiency in energy;
The reserves of this sector in Islamic Countries represent more than 71% of world reserves of crude petroleum and 50% of natural gas and currently these countries account for 52% of international exports of crude oil and 32% natural gas, in addition to the recent oil strikes in several countries of Central Asia, Sudan and Mauritania. Accordingly, this sector is endowed with tremendous potentials likely to develop trade and investment among Islamic Countries in the very near future;

- > Industrial products: several countries have specialized in the manufacturing sector, especially in the chemical industry, mechanical engineering industry and electronic industry where several Member States have become net exporters, namely Malaysia, Turkey, Saudi Arabia, Iran, etc;
- > Services: From the assessment of Member States' trade in services, it has been deducted that tourism and professional services supplied by natural persons as well as the transport sector are among the booming sectors; yet, there are new niches in the field of services, which are also very promising, such as education, medical sectors where some countries have started to be in competition with the North countries having a long experience in this field.
- > Agricultural products: Complementarities in this field are very obvious, since 20% of intra-OIC trade concern these products, the potential is important, especially if some technical obstacles are removed in the future.

It can be noted from a study worked out by ICDT, based on the calculation of the trade potential among the OIC Member States on the level of the main products and services groups, that the main categories of products and services with high trade potential are the following:

1. GOODS:

As far as the goods are concerned the most promising categories of goods are:

Agriculture with 7,520 million US\$, textiles, clothing and leather with 6,960 million US\$, coke, petroleum products and nuclear fuel with 6,360 million US\$, food, beverages and tobacco with 4,640 million US\$, metal and metal products with 4,000 million US\$, electrical and electronic equipment with 2,880 million US\$, non-metallic mineral products, motor vehicles and other transport equipment with 1,720 million US\$ for each category and Chemicals, Rubber and plastic products with 1,160 million US\$ for each category.

The countries with a high frequency score of untapped trade potential with other OIC countries are the following:

Kyrgyzstan, Tunisia, Bahrain, Jordan, Indonesia, Benin, Burkina Faso, Malaysia, Morocco, Albania, Qatar, Iran, Algeria, Azerbaijan, Brunei Darussalam, Kuwait, Sudan, Turkey, Turkmenistan, Uganda, Kazakhstan, Nigeria, Pakistan, Syria, Bangladesh, Mali and Saudi Arabia.

2. SERVICES:

As far as services are concerned, the promising sectors where many countries have a comparative advantage and where there is a sound demand within the OIC zone we can quote among others the following:

Financial services, Business services, Transport services, Tourism and travel related services, Construction and related engineering services, recreational, cultural and sporting services (other than audio visual services), Environmental services, Health related and social services¹.

¹The list of targeted service sectors is mainly based on the specific commitments made by the OIC Member States within the framework of the General Agreement on Trade in Services (GATS/WTO).

The countries with high supply potential in the services sector are among others the following:

Malaysia, Turkey, Indonesia, Egypt, Morocco, Senegal, Pakistan, Nigeria, Tunisia, Jordan, Iran, Bahrain and Kuwait.

Even though intra-OIC trade accounts for only 16.3% of the overall trade of the OIC countries in 2006, the future is very promising in view of the exiting potentials at all levels and this share is bound to increase. Yet, potentials can be materialised only if some measures are taken in the short and medium term; notably, the continuation of the autonomous liberalisation measures undertaken by Member States and the widening and deepening of integration at sub regional and regional levels and above all the implementation of the TPS/OIC Agreement.

In fact, intra-OIC trade cannot show the expected qualitative leap without the implementation of a real economic integration programme among the OIC countries, thus following the example of the schemes that are already set up in different areas of the world and which have led to the emergence of powerful regional economic groupings.

The first steps to be taken is the establishment of a free trade area and the increase of intra-OIC trade whose share should reach 20% at least of the total share of the OIC Member States by the year 2015.

Towards this end, we believe that few Support measures should also be applied to further facilitate and develop intra-OIC trade, notably in the following fields:

FINANCING:

An Islamic International Trade Financing Company has just been set up within IDB with a view to financing intra-community trade within the OIC zone. The ITFC with an authorised capital of US\$ 3 billion and a subscribed capital of US\$500 million should be the specialized company specialized in trade within the IDB group. With the dissolution of the EFS and of the IBP just after the establishment of the ITFC, all the financing activities of the IDB group's trade operations are carried out within the framework of a unified scheme. However the range of products and delivery channel will be expanded in the very near future as ITFC comes full stream.

Establishment of trade correspondents between buyers and sellers in collaboration with government authorities concerned by intra-OIC trade as well as with commercial banks;

- > The promotion of trade transactions regulations through bilateral and multilateral payment arrangements so as to improve trade and investment.

TRANSPORTATION:

- > To create commercial maritime companies at regional level and develop synergies between Islamic ship-owners, particularly the conclusion of joint ventures should be encouraged by the Organisation of the Islamic Ship-Owners Association (OISA) and the IDB. Cooperation in the field of air transport should also be developed, notably through the creation of regional freight companies, and charter companies for the

development of intra-OIC tourist flows.

E-COMMERCE:

- > The OIC Member States should promote and use E-commerce in their mutual bilateral transactions and between enterprises and private individuals in order to speed up transactions and reduce related costs and enhance intra-OIC trade.

REGIONAL TRADING COMPANIES:

- > To encourage the creation of inter-regional multilateral trading companies specialised in trade in products and services originating from the OIC area, with the support of the Islamic Development Bank (IDB) and the Islamic Centre for Development of Trade (ICDT).

TRADE FACILITATION:

- > To urge the OIC Member States to set up consultation mechanisms within the COMCEC in order to define a Plan of Action aiming at upgrading policies and infrastructures in the field of trade facilitation, especially by undertaking a comprehensive study on the level of trade facilitation and the assessment of needs for building and enhancing institutional and material capacities as well in the field of technical assistance.

INVESTMENT PROMOTION:

- > To request Member States to review the current investment promotional strategies in the OIC countries in order to remove the components which hinder intra-OIC investment flows;
- > To request the OIC General Secretariat to consider the possibility of revising and amending the "Agreement on promotion, protection and guarantee of investments" so as to make it more operational and compatible with the new trends in the field of investment and globalisation;
- > Strengthening of stock exchange intermediation as a vehicle for investment, notably through the "Islamic Stock Exchange Platform" of the OIC created in Istanbul in march 2005;
- > Facilitation of financial market access and incitation to competition through the liberalisation of cross border activities of the financial institutions and abolition of entry barriers for extra regional financial institutions, etc;
- > Facilitation of the movements of natural persons pertaining to investment, by accelerating the delivery procedures of residence permits and employment authorisation, and the reduction and even the abolition of visas within countries members and participating in regional groupings;
- > Liberalisation of the exchange rate system and notably the removal of restrictions on current transactions and the materialisation of the currency convertibility, liberalisation of transactions into capitals linked to direct investment and to investment in the regional securities market and the establishment in the long run of unified markets, etc.

Accordingly, it is imperative for the OIC countries to make a qualitative leap in their approach of economic and commercial cooperation to lessen the bottlenecks. Towards

this end, the OIC 3rd Extraordinary Summit held in **Mecca Al Moukarramah, Kingdom of Saudi Arabia in December 2005 has adopted** important resolutions, of which in particular, the one concerning the adoption of the "Ten Year Plan Of Action to meet the challenges facing the Islamic Ummah in the 21st Century" whose objectives are among others, the increase of the intra-OIC trade share to 20% by the year 2015 and to explore to that effect, the possibility of establishing a free trade area among the OIC countries.

Thus the implementation of the Ten Year Programme of action will be ensured by the OIC institutions, such as ICDT and IDB but it interpellates also all the intervening parties, such as Member States' Governments, regional economic groupings and the private sector, which should take into account the projects scheduled in the OIC Plan of Action in their future developmental plans.

The "Ten Year Programme to meet the challenges facing the Islamic Ummah in the 21st Century OIC" is another important tool that is complementary with the "Plan of Action for the strengthening of Economic and Commercial Cooperation along with the agreements" adopted by the 7th OIC Summit Conference that has been recently been revitalized by the Standing Committee for Economic and Commercial Cooperation (COMCEC) under the wise guidance of His Excellency President Abdullah GUL. It should be noted that since November 2005, the OIC member States have henceforth, their own trade preferential system, in fact, the Protocol on the Preferential Tariff Scheme for the TPS/OIC (PRETAS) was signed by 11 Member States and the Protocol on the Rules of Origin was signed by 7 Member States.

In this regard, it is worth recalling that the 3rd Round of Trade Negotiations, within the framework of the Trade Preferential System among the OIC Member States that will be soon organised in the Republic of Turkey, and in which 21 Member States will participate will allow on the one hand, the widening of the liberalisation scope of products and services and the removal of obstacles impeding trade among the OIC Member States.

ANNEX

XI

Original: English

**REPORT
OF THE FIRST MEETING
OF THE TASK FORCE TO INCREASE INTRA-OIC TRADE**

(Antalya, 12 May 2008)

The First Meeting of the OIC Task Force established to help raise the intra-OIC trade level up to 20% by 2015 was held on 12th May 2008, in Antalya, Turkey.

The meeting was attended by OIC General Secretariat, COMCEC Coordination Office, SESRIC, ICDT, IDB Group (IDB, ITFC and ICIEC) and ICCL.

The meeting was chaired by Mr. Ferruh TIĞLI, Head of COMCEC Coordination Office.

The representatives of OIC institutions took the floor and made comments and recommendations regarding the target of reaching the desired intra-OIC trade level of 20% by 2015.

Upon review of the action plans and activities of OIC Institutions, the Meeting concluded the following:

1. Despite considerable efforts made at the level of the OIC and by Member States with a view to promoting intra-OIC trade and removing trade impediments, problems remain, some of which can be featured as:
 - > Problems related to market access: i.e tariff, para-tariff barriers and very often the non-tariff.
 - Problems related to logistics; weak or inadequate infrastructure, transport, foreign trade and support services rendered to international trade;
 - Non-diversified exportable supply that need to be adjusted to international norms and standards of global markets.
 - Lack of information on markets, products and business opportunities, notwithstanding the work carried out by the Islamic Centre for Development of Trade to this effect.

- Meager meeting opportunities and shortfall of national products in the other OIC markets,
- Complex administrative procedures at the level of foreign trade (customs, banking, port formalities etc...);
- Lack of trained executives and technicians specialised in international trade.
- The inadequacy and inefficiency of financing instruments, particularly in favor of the SME-SMI.

2. The political will of the member states accounts for the most consequential step towards the expansion of intra-OIC trade. The contribution of IDB, ITFC, ICDT and ICCI is not the only prerequisite conducive to intra-OIC trade. The member states also have to scale down tariff and non-tariff barriers and transportation costs, etc. to promote trade among OIC member countries as smoothly as possible. In this regard, for the implementation of the Trade Preferential System of OIC (TPS-OIC), PRETAS and Rules of Origin need to be adequately signed and ratified by member states to make it operational by January 1st 2009. Also OIC institutions concerned need to work together for TPSOIC to become effective by the target date.

3. Capital also factors in as mostly needed for expansion of intra OIC trade. The capital of the ITFC, estimated at \$ 750 million, is in itself, insufficient for this purpose. Investments and joint ventures should be encouraged in the OIC member states. Investment among member states also needs to be enhanced in the profit-generating sectors of the economy of member countries to ensure the capacity-building of these sectors. In the context of preparations for the Exchange of Views Session of the 24th Session of the COMCEC, IDB (ICIEC) will organize a workshop in Jeddah, Saudi Arabia in July 2008 in cooperation with the SESRIC.

4. The exchange of information at the private sector level is deficient. The initiative of the ICCI to establish a databank is an important step in this regard.

5. Most of the IDB Group trade financing is intended for petroleum products. Therefore there is a need to channel financing to other products of member countries, such as textile, food products and machines.

6. Since most of the OIC countries are rated as developing countries, trade financing alone is not a recipe for increasing intra-OIC trade. It must be thus

complemented with trade facilitation, capacity building and infrastructure development.

7. The specific and most critical issues as well as ways and means of increasing the intra-OIC trade will be discussed at the Expert Group Meeting. The economic groupings from member countries can play a major role in enhancing intra-OIC trade and therefore need to engage in the exercise. In this respect, the existing economic groupings from member countries, such as, ECO, GCC and Arab Free Trade Area should be invited to the Ankara-held Expert Group Meeting organized by IDB (ITFC) in cooperation with SESRJC and the Turkish Union of Chambers.

8. The competitiveness and standards of products of the OIC countries have to be enhanced to compete with products of non-member countries, thus rendering trade among OIC countries more sustainable.

9. Coordination among the OIC institutions is of paramount importance and, therefore, regular intra-communication has to be maintained and strengthened to guarantee exchange of data and ideas.

The Meeting decided on preparing the Road Map and Terms of Reference (TOR) of the Task Force. In this regard, the COMCEC Coordination Office would prepare a draft TOR and communicate the views of the OIC Institutions which will be discussed at the 3rd Coordination Meeting of OIC Institutions to be held in Jeddah, Saudi Arabia on 23rd May 2008.

Further, the Meeting decided that the Task Force meet at least twice a year prior to COMCEC Sessions and Follow up Committee Meetings.

ANNEX

XII

**REPORT
OF THE ISLAMIC CHAMBER OF COMMERCE
AND INDUSTRY
ON PRIVATE SECTOR MEETINGS OF ISLAMIC COUNTRIES
(Antalya, 13-15 May 2008)**

Draft Agenda of the Twenty Fourth Meeting of the Follow-up Committee of the COMCEC

5.b Private Sector Meetings of Islamic Countries

Background Information:

1. Islamic Chamber has broadened its scope of activities, keeping in view needs of the private sector and following up the directives of the COMCEC to organize Private Sector Meetings, including sectoral ones. For the last 13 years it is organizing private sector meetings; businesswomen forums; capacity building workshops; tourism; privatization and investment conferences including exchange of trade delegations and co-organization of exhibitions.

2. Furthermore, Islamic Chamber as per its 10 Year Work Plan focuses primarily on strengthening economic cooperation among the OIC Countries by increasing exchange of trade and joint venture investment. Towards this end the Islamic Chamber has initiated several projects which will be established through setting up of companies. The projects of the Islamic Chamber cover diverse sectors, however the ultimate focus of each being to promote greater economic cooperation among the OIC Countries. The progresses achieved in this regard and in line with the responsibilities allocated to the Islamic Chamber under the OIC 10-Year Program of Action are as follows:

- (i) A comprehensive plan on the establishment of **Human Resource Development Companies** in OIC Member States is under finalization and it would be circulated among the potential partners of the project, shortly.
- (ii) Islamic Chamber is also working for the establishment of an "**Islamic Rating & Certification Agency (IRCA)**" under which it will award following Certificates: for Ethics '**Kiyam**'; for Quality '**Itqaan**'; and '**Halal**'.
- (iii) **Emmar International Bank**: The feasibility study plan has been prepared by an international company and Meetings with the officials of Ministries of Finance and Central Banks of the Saudi Arabia, Malaysia, Bahrain and Egypt have been held. Preparatory meetings of the founding share holders were held in Jeddah and

Malaysia. Meetings at the technical and technological levels were held with Saudi Capital Market Authority, Securities & Commodities Authorities U.A.E. and Deloitte Company. One of the GCC state has given initial approval for the Standing Orders of the Bank.

- (iv) **International Foundation of Awqaf:** An agreement has been made for the Bye-Laws and the Standing Orders of the Awqaf. Correspondences and contacts are being made with Ministries of Awqaf for the endorsement of the Standing Orders and establishment of WAQF Funds. Correspondences and contacts are being made with leading businessmen from Saudi Arabia and U.A.E. for contribution and donations.
- (v) **International Islamic Company for Exploration of Investment Opportunities & Promotion of Intra-Trade (FORAS):** The progress is as follows: Feasibility study, business plan, five investment maps for five Islamic countries have been prepared. Six new companies are under establishment and incubated to operate in the fields of energy, media, infrastructure, agriculture, technology, health and education. Plan is underway to establish first regional branch in Egypt during 2nd half of 2008.
- (vi) In order to facilitate the business community of Islamic World, ICCI has established **Business Owners Union (BOU):** Standing Orders of the Union has been adopted and contacts for approval of BOU privileges for its members are under process with concerned authorities after being officially endorsed by the States as well as the companies. Contacts for soliciting membership were made with Member Chambers and 16 Chambers have signed the MoU with Islamic Chamber for joining the Union.
- (vii) **International Organization for Zakat:** An MOU for establishment of International Zakat Foundation has been signed with the Government of Malaysia, IDB, General Council for Islamic Banks and Financial Institutions. Coordination between International Organization for Zakat in Kuwait is in process with the purpose of concluding a mutual cooperation protocol. Agreements have been signed for establishment of branches of the International Zakat Foundation in Benin, Senegal, Mauritania and Sudan.
- (vi) ICCI has also initiated a project "**Ommar Al-Ard**" with the objective of involving the youth of the Ummah and enabling them to establish SMEs or to enhance their existing projects, so that the capacities of the youth could be promoted, thus activating their pivotal role in the economic growth of their Muslim Communities.

3. The Islamic Chamber is organizing Private Sector Meetings for the last 13 years with the objectives of providing a platform for the exchange of policy options, experiences and opportunities for mutual cooperation in the areas of trade, joint venture, entrepreneurial development and technology transfer among OIC Countries. The recommendations of the Private Sector Meetings are submitted to the annual Ministerial

Session COMCEC for the consideration and endorsement by the Ministers. On the kind invitation of Uganda National Chamber of Commerce & Industry, the Islamic Chamber is organizing the 12th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries in Kampala, Uganda, on June 16-18, 2008 under the theme "Discover the Resources & High Potential of the African Market" with the kind support and cooperation of IDB and Ministry of Foreign Affairs, Government of Uganda. The Meeting is being held concurrently with the 35th Session of the Islamic Conference of Foreign Ministers under the kind patronage and presence of H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda.

4. Islamic Chamber is regularly organizing Businesswomen Forums in Islamic Countries on annual basis. So far three Forums have been held, the Third Forum was held in Doha - State of Qatar 13-15 January 2008 in collaboration with the Qatar Ministry of Economy and Commerce, Qatari Businessmen Association (QBA) and Qatari Businesswomen Forum under the kind patronage of H.H Sheikha Mozah Bint Nasser Al-Missned, wife of H.H. the Emir of Qatar on the theme of "Micro-Credit Financing.... the way forward for economic prosperity" which was well attended by more than over 350 delegates representing 45 OIC Member Countries and International Organizations (report enclosed). Fourth Forum for Businesswomen in Islamic Countries would be held in Damascus, Syria in November 2008.

5. In addition, Islamic Chamber is also regularly organizing several events such as: Tourism Forums; Investment and Privatization Conference; International Islamic Economic, Cultural Conference; and capacity development workshops.

6. ICCI is also pursuing in the implementation of the OIC Five-Year Plan of Action to Strengthen and Promote Trade, Investment and Research in the fields of Cotton and related Textile Industries in the OIC Member States, ICCI has proposed the appointment of "Centers of Excellence" within the existing Cotton Research Institute. ICCI is taking active part as one of the member of Steering Committee.

7. Five OIC Task Force Meetings on SMEs have been held and the last meeting will be held in 2008, wherein the members of Task Force would review the recommendations of all the previous meetings and would devise a strategy as a way forward based on prioritizing the recommendations, preparing a complete and comprehensive Program of Action with short, medium and long-term goals; defining the role of each OIC institutions and the private sector. Islamic Chamber is also pursuing for the establishment of a network for OIC SME Development Agencies (ONSA), which is one of the recommendations, of the Task Force Meetings. Moreover, Islamic Chamber has organized a 4-day Training Program on "Devising National SME Development Program for OIC Member Countries" in Bangladesh on December 10-13, 2007 (report of the workshop enclosed).

8. Islamic Chamber is also trying to diversify its scope of work, so as to cover those areas which can also have a direct or indirect impact on the overall economic cooperation.

In this respect, the Islamic Chamber is dealing with media, education, manpower recruitment and training, banking, exploration of investment and trading opportunities.

9. As per the role assigned to the ICCI by the COMCEC for implementation of the project on "Incubator Management Training in Islamic Countries", KOSGEB and ICCI would organize a workshop and Forum for the Managers in Ankara-Republic of Turkey in 2008.

10. To bridge the gap of information, Islamic Chamber has initiated several activities, such as: setting up of ICCI-DataBank; development of a dedicated web portal **OIC Businesswomen Information Network** (www.oic-bin.net): coordinating and cooperating with the **Statistical Working Group** (for data collection, data processing, and data dissemination) emanated from the recommendations of the Expert Group Meeting on Statistical Capacity Building. Islamic Chamber is also agreed in principle to purchase the **OICNetworks** Company, a joint venture between IDB and MIMOS (Malaysian Company) established and registered in Kuala Lumpur with a capital of 55 million Malaysian Ringgit (10 million Ringgit has been paid), IDB own 51% of its capital and MIMOS own the rest.

11. Islamic Chamber is also collaborating with SS-GATE **System** (a project of UNDP's Special Unit for South-South Cooperation). The project focuses on three main pillars: policy development and mainstreaming of South-South cooperation, promotion of public-private partnership for poverty reduction, and knowledge management. The system has been developed, and in the first-phase the Participating Organizations (POs) from China, Malaysia, Nigeria, Singapore, South Africa, Tanzania, Thailand, Turkey and Pakistan have been appointed and trained on the system. The main thrust of the project is to transfer technology from South to South countries.

12. The 23rd Session of the COMCEC and the 23rd Follow up Committee **underlines** the role of the ICCI as the principal representative of the private sector of Member States within the OIC.

13. The 23rd Session of the COMCEC requested that the ICCI proceed with its initiative to keep up 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. The Committee **called upon** the ICCI to continue with its efforts vis-à-vis the development of the private sector, by organizing related meetings and to submit reports to the COMCEC for consideration and to lend support to the follow-up of the recommendations.

14. The 23rd Session of COMCEC and the 23rd Follow-up Committee **called upon** the Member States to encourage their Chambers of Commerce and Private Sectors to actively participate in the ICCI activities.

Islamic Chamber is organizing following activities in 2008:

6th OIC Task Force Meeting on SMEs.

Workshops on *Promotion of Export of Value-Added Fishery Products (Benin); Coffee Processing (Uganda); Hand-made Tiles (Pakistan); Small-scale Food Processing; Oilseed Processing for Small-Scale Producers (Pakistan); and Marketing and Packaging of Agro-Products: The Case of Cassava and its Products (Nigeria).*

3rd Investment and Privatization Conference and 2nd Forum of Tourism in Islamic Countries to be held in Iran.

Original: Anglais

**FINAL REPORT
THIRD FORUM FOR BUSINESSWOMEN
IN ISLAMIC COUNTRIES**

**Theme of the Forum: "Micro-Credit Financing.... the way forward
for economic prosperity"**

(Doha, State of Qatar, 13-15 January 2008)

In response to the recommendations of the Second Forum for Businesswomen in Islamic countries held in Kuala Lumpur from 8-10 December 2006, and on the invitation of the Ministry of Economy of Commerce, Qatari Businessmen Association and Qatari Businesswomen Forum, the Islamic Chamber of Commerce and Industry organized the Third Forum for Businesswomen in Islamic Countries in Doha, State of Qatar from 13-15 January 2008, corresponding to 17-19 Muharram 1429, under the patronage of Her Highness Sheikha Mozah Bint Nasser Al Missned wife of HH the Emir of the State of Qatar. This Forum was organized with the collaboration of Islamic Development Bank (IDB) and the Special Unit for South-South Cooperation, United Nations Development Programme, (SU/SSC-UNDP). The Forum's theme was "Micro-Credit Financing...the way forward for economic prosperity".

The Forum was attended by over 350 delegates representing 45 OIC Member Countries and International Organizations, including the Islamic Development Bank (IDB); the Special Unit for South-South Cooperation, United Nations Development programme (UNDP); International Fund For Agricultural Development (IFAD); and International Organization for Sustainable Development (IOSD), (list of participants attached).

During the Forum the speakers highlighted the need to develop the status of women as an essential means for broader development. The participants identified several impediments peculiar to the circumstances of women, particularly in accessing finance and market access. During the Forum the participants networked among themselves, exchanged experiences and know-how in the establishment and operation of businesses; and in identifying new markets, thereby expanding contacts and business ties amongst their enterprises.

INAUGURAL SESSION:

The Forum was inaugurated on Sunday, January 13, 2008, at Sheraton Hotel, with the recitation from the Holy Quran, followed by the following statements:

1. His Excellency Mr. Yousef Hussain Kamal, Minister of Finance and Acting Minister of Economy and Commerce in his welcome address expressed his strong confidence that the areas of economic, commercial and developmental cooperation between Islamic countries are quite vast and the businesswomen have a great role to play in these areas to make maximum benefit. H.E. said that the Forum would come up with recommendations that reflect the significant role of businesswomen

in accelerating the pace of economic development of the Islamic Countries. He thanked HRH Sheikha Mozah Nasser Al-Missned, the wife of HRH Sheikh Hamad Bin Khalifah Al-Thani, The Emir of State of Qatar, for her patronage of this Forum. Further, he thanked and welcomed all the participants wishing them pleasant stay in Qatar. He also thanked QBA, ICO, UNDP and IDB and staff of the Ministry of Economy and Trade for their efforts in organizing this Forum.

2. H.E. Sheikh Faisal Bin Qassim Al Thani, Chairman of Qatari Businessmen Association (QBA), welcomed the participants and expressed his pride in organizing it in collaboration with the Ministry of Economy and Trade, ICO, IDB, UNDP and Qatari Businesswomen Forum. He thanked on behalf of the Board of Directors and the Members of the QBA, all the participants of the Forum who came from abroad to contribute in developing the knowledge and culture about the activities of the businesswomen in Islamic Countries. He further added that the convening of a global forum that gathers distinguished personalities and prominent businesswomen from Arab and Islamic Countries is mainly aimed at enhancing and supporting women participation in the business community and encourages women projects and initiatives that reflect the economic progress of Arab and Islamic World. On the other hand the Forum would focus in projecting contributions and challenges of the businesswomen in terms of providing appropriate financing resources for their pioneering projects and identifying the needs and requirements of the businesswomen who came to Qatar to share their experiences and views with their counterparts.

3. Ms. Attiya Nawazish Ali, Assistant Secretary General for Coordination, Islamic Chamber of Commerce and Industry in her welcome address stated that today fight against poverty tops the list of developmental objectives of the third millennium. Realizing the importance of this subject as identified by the businesswomen participants during the last 3-events organized by the Islamic Chamber. She said that the biggest barrier for the Businesswomen is neither ideas nor infrastructure, but simply Micro-Finance. Keeping in view that women are the major recipient of micro-credit financing, ICO took the initiative of taking the theme of the 3^r Businesswomen Forum as "Micro-Credit Financing... the way forward for economic prosperity." She requested the participants to take active part in the discussion by not only identifying the obstacles in micro-credit financing but also bring some concrete recommendations with practical solutions which could be incorporated in the Final Communique of this Forum, which would help Islamic Chamber, Islamic Development Bank and the UNDP in preparing an Action Plan for the future.

4. The message of His Excellency Professor Dr. Ekmeleddin Ihsanoglu, Secretary General, Organisation of Islamic Conference (OIC), was read out by Ms. Maha Mustapha Akeel, Managing Editor of the OIC Journal. In the message, H.E. showed confidence on the organization of the Forum and that it will not only explore the role of women entrepreneurship in job creation on the one hand, but it will also emphasize the prominent and effective role of women in the society, on the other. H.E. assured of the continued active support of the OIC General Secretariat and its organs and institutions in the process of implementation of the OIC Ten-Year Programme of Action, of which this Forum is a part. H.E. assured that he will spare no effort to encourage and promote economic empowerment of our honourable sisters in the Member States.

5. The message of Mr. Yiping Zhou, Director Special Unit for South-South Cooperation was read out by Mr. Shahid Hussain, Special Advisor. In his message, he said that it is pleasure to note that in the true spirit of South-South Cooperation, this Forum is providing a platform to the participants from OIC member states and their diasporas, spread across several geographical regions of the world, to network among themselves and to learn from each other's experiences innovative ways of accessing finance for their businesses; thereby overcoming the challenges they are facing in this regard. He expressed his hope that the participants would succeed in developing some concrete recommendations and a viable action plan in realizing the key goals.

6. His Excellency Dr. Ahmed Mohammad Ali, President of Islamic Development Bank (IDB) addressing the participants of the Forum, congratulated the organizers for rightly choosing the theme as Micro-Finance, which has great importance in the development process. H.E. said that IDB looks forward to the success of this Forum and hopes it would produce valuable initiatives that would strengthen the strategies of micro-financing in combating poverty and fortify solid ground for economic empowerment of the needy and less developed segments of the society. H.E. informed that the Islamic Solidarity Fund for Development which was established with the capital of US\$10 billion in pursuance of the resolution of the Extra-Ordinary Summit of Makkha El-Mukarrama. This Fund would contribute to strengthening initiatives that would emerge from this Forum, so that the small projects of women may play pioneering role in taking the less income individuals out of poverty cage and free them from poverty bondage.

7. Her Excellency Svetlana Inamova, Deputy Prime Minister of Republic of Uzbekistan in her address said that this Businesswomen Forum reflects the significance of women and their role in the socio-economic development in general and in investments and micro-financing in Islamic Countries in particular. H.E. added that Uzbekistan has facilitated businesswomen activities and the last decision taken by the government regulates for the development of micro-finance for women entrepreneurs. This facilitated more job opportunities in various sectors and there is a committee chaired by the daughter of the Deputy Prime Minister, this manifest the important role of women who assumed many important political slots.

8. Her Excellency Sheikha Hessa Saad Al-Abdullah Al-Sabah, Chairperson of Arab Businesswomen Council highlighted the economic and commercial developments of the Islamic Countries which are the main focus of national and religious matters, which is also becoming one of the major tools for reforms and developments that are looked after by our Islamic countries.

In the end, Islamic Chamber's representative made the inaugural presentation of the OIC-Businesswomen Information Network.

OFFICE BEARERS:

The Forum elected the following office bearers:

- Chairperson - Ms. Aisha Al-Furdan
- Vice Chairperson - Ms. Attiya Nawazish Ali
- Rapporteur - Mr. Syed Shahid Husain

Afterwards, a drafting committee was set up which comprised of the following:

- Dr. Syed Azhar Ibne Hasan
- Mr. Ahmed El Shaffee

PRESENTATION OF PAPERS:

In nine sessions, the participants presented papers describing the role and issues being faced by businesswomen in the Islamic countries, with recommendations and proposals, for the possible solutions. Each session concluded with discussions, and question and answers.

The 1st SESSION chaired by H.E. Sheikha Hessa Saad Al-Abdullah Al-Sabah, President of Arab Businesswomen Council, discussed the theme "Micro-Credit Financing....the way forward for economic prosperity". The following participants made their presentations:

- Dr. Savaş Alpay, Director General SESRTCIC, addressed the forum on 'Micro credit Financing as a strategy for poverty alleviation in OIC Member Countries: problems and challenges'.
- Mr. Ozair A. Hanafi, President & CEO, Pak-Oman Micro-Finance Bank presented his paper on "Women Empowerment and Micro-Finance".
- Mrs. Reem Badran, Jordan, focused her presentation on 'Micro- Finance and the Empowerment of Women- Jordan's Experience'
- Dr. Amany Asfour, President, Egyptian Business Women Association, presented her paper on "Economic Empowerment of Women in Islam".

Continuing the theme of the 1st Session, the 2nd SESSION was chaired by Mrs. Ghada Zaytoun, Heya. The following speakers presented their papers:

- Madam Fatemeh Hashemi Rafsanjani, Secretary General, Women Solidarity Association of Iran, made her presentation and shared with the audience on "Cultural Understanding for Progress and Growth under the perspectives of Islamic Shariah".
- Mrs. Mervat Tellawy, Former Ex Secretary of ESCWA.
- Mrs. Randa Berri, Vice President of National Commission for Lebanese Women.
- Ms. Gulnara I. Hasanova, representative of Azerbaijan Chamber of Commerce & Industry, presented the country paper on Azerbaijan.

The 3rd SESSION was chaired by Mr. Syed Shahid Husain, Special Advisor, Special Unit for South-South Cooperation, UNDP, and the theme of the session was "Businesswomen Role Models". Under this session, the following participants were present for their contribution:

- **Ms. Sabrina Islam**, President, Women Entrepreneurs' Association (WEA), Bangladesh
- Mrs. Suhila Al Harib, Acting Secretary General, Arab Youth Council for Development, Qatar

The 4th SESSION was chaired by Madam Aisha Al-Furdan, President, Qatari Businesswomen Forum, and the theme of the session was "Role and achievements of businesswomen councils/associations in the Arab Region - their success in promoting Women Entrepreneurs".

- Mrs. Rabia El-Alam, Director, Morocco on "Women Micro Financing Institutions and their contribution to economic growth of Morocco".
- Madam Leila Karami, President of the Lebanon Businesswomen Association.
- Mr. Sami Al Hawaj, Head of Industrial Support Unit, Gulf Organization for Industrial Consulting
- Ms. Ragia Mohamed Abd El Halim Mohamed Hassan, Sudanese Businessmen and Employers Federation, Sudan

The 5th SESSION was chaired by Mr. Rabih Mattar, Islamic Development Bank (IDB), and theme of the session was "Global best practices in decision making for Businesswomen".

- Mr. Shahid Hussain, Special Advisor, SU/SSC.
- Ms. Joni Simpson "Importance of offering a continuum of services, adapted to the needs of women entrepreneurs, that follow them along their path to financial autonomy".
- Ms. Fatima Bello Aliyu, Special Advisor, Governor of Kano State, Nigeria on "Role of International Agencies in the development of women entrepreneurs".
- Ms. Lejla Sunagic, Gender Specialist, UN International Fund for Agriculture Development (IFAD) and representative of Federal Ministry of Agriculture.

The 6th SESSION was a session of "Open Dialogue" chaired by Sheikha Hanadi Bint Nasser Al Thani, Chairperson of Amwal, Qatar, and theme of the session was "Empowerment of Businesswomen in Islamic Countries". Keynote speakers were invited, namely:

- H.E. Dr. Rafida Aziz, Minister of Economy, Malaysia.
- H.E. Barrister Shahida Jameel, Federal Minister for Women Development, Social Welfare and Special Education, Government of Pakistan.

The session was highly interactive and the Honorable speakers presented their views and that of their respective governments on the steps and policies. Thereafter, a question answer session took place.

The 7th SESSION was chaired by Madam Widad Yaqoob Ibrahim, President, Sudanese Businesswomen Secretariat, and theme of the session was "Role and achievements of businesswomen councils/associations in the African Region - their success in promoting Women Entrepreneurs".

- Madame Gangbo Lawani Grace, Vice President, Benin Chamber of Commerce & Industry.
- Ms. Dunstanette Macauley, Association of Women Entrepreneurs of Togo.
- Ms. Hajati Aisha Basajjanaku Lubega, Uganda on "Micro financing for women in Uganda".
- Madame Koulsoumi Muller Epouse Koulangna, Cameroon.

The 8th SESSION was chaired by Begum Salma Ahmed, Women Chamber of Commerce and Industry, Pakistan, and theme of the session was "Role and achievements of businesswomen councils/associations in the Asia Region - their success in promoting Women Entrepreneurs".

- Ms. Damira Mirzakhilova, representative of Businesswomen Association of Uzbekistan on 'Role and achievements of businesswomen association in the Republic of Uzbekistan - its success in promoting Women Entrepreneurs'.
- Ms. Seema Ghani, representative of Afghanistan Chamber of Commerce & Industry.
- Ms. Shaira Saleem, President, Maldives Women Entrepreneurs Council (WEC).
- Mrs. Seyedeh Fatemeh Moghimi, Advisor to ICCIM President in Women Entrepreneurs Affairs, Iran.
- Mrs. Sharifah Aminah Al-Khared, Malaysia.

The 9th SESSION was chaired by Mr. Ozair A. Hanafi, President & CEO, Pak-Oman Micro-Finance Bank, and theme of the session was "Micro-financing for Women Owned Business: How could capital and technical support providers enhance their service to promote women entrepreneurs".

- Mr. Rabih Mattar, Islamic Development Bank (IDB).
- Mrs. Charmaine Hidayatullah, Vice President First Women Bank of Pakistan.
- Madam Widad Yaqoob Ibrahim, President, Family Bank, Sudan.

FINAL COMMUNIQUE:

The Forum encouraged and stimulated in-depth discussions among all the participants. Based upon the presentations and views expressed, it adopted the following Communique:

We the delegates to the Third Forum for Businesswomen in Islamic Countries gathered in Doha, State of Qatar:

- Greatly appreciate the patronage of Her Highness Sheikha Mozah Bint Nasser Al Missned consort of HH the Emir of the State of Qatar, and the consent of His Excellency Mr. Yousef Hussain Kamal, Minister of Finance and Acting Minister of Economy and Commerce to inaugurate the Forum and extend generous support and cooperation in convening of the event.
- **RECOGNIZE** the efforts of the Islamic Chamber of Commerce and Industry (ICCI), the Islamic Development Bank (IDB), and the Special Unit for South-South Cooperation, UNDP, in organizing the Third Businesswomen Forum on the theme of 'Micro-credit Financing... the way forward for economic prosperity.'
- **ACKNOWLEDGE** the initiative of the Islamic Chamber in fostering a platform for Businesswomen of Islamic Countries.
- **APPRECIATE** the support of the international and regional organizations in strengthening the capacity of the Islamic Chamber for creating linkages among businesswomen organizations.
- **EMPHASIZE** the need for closer collaboration among businesswomen organizations/associations at regional and inter-regional levels.
- **CONCERNED** with the continuing lack of information, and absence of financing, which pose obstacles in strengthening and expanding the business activities of women entrepreneurs in Islamic Countries.
- **ACKNOWLEDGE** the progress attained towards networking among businesswomen of Islamic Countries through the establishment of a database mechanism by the Islamic Chamber in collaboration with IDB and UNDP and further call for making the web portal broader based.
- **APPRECIATE** the recent initiatives of the Islamic Development Bank, especially the establishment of Islamic Solidarity Fund for Development with a capital of US\$ 10 billion which would assist in the micro-credit sector, focusing on the needs of businesswomen.
- 1. **EXPRESS** the hope that national financial Institutions in OIC Member States will collaborate with the Islamic Development Bank in formulating an effective mechanism within a well planned time frame for increasingly accessing micro-credit facilities to women entrepreneurs in OIC Member Countries.
- 2. **CALL UPON** the Islamic Chamber of Commerce and Industry and other relevant Institutions to setup a Capacity Building Institute / Training Institute to support micro-finance, to identify relevant tools and share best practices.
- 3. **ENCOURAGE** businesswomen's enterprises in OIC Countries, and in Muslim Communities in non-OIC Member Countries, to actively participate in the OIC-Businesswomen Information Network (oic-bin) by contributing information to its database, and accessing information from it, for exploring business opportunities.
- 4. **CALL UPON** the OIC, its institutions, the United Nations agencies, its funds programs and agencies, and Member Chambers of Commerce and Industry to continue their collaboration with the Islamic Chamber of Commerce & Industry in organizing future Forums, Workshops and Training Programs for Businesswomen.

5. **CALL UPON** the businesswomen's organizations in OIC Member Countries to increasingly utilize the strengthened capacity of the Islamic Chamber in promoting business relations and joint ventures among themselves.
6. **CALL UPON** the General Secretariat of ICCI to transmit this Declaration to relevant Foras of OIC, and of the United Nations.
7. **ACKNOWLEDGE** the invitation of the Federation of Syrian Chambers of Commerce & Industry to host the Fourth Forum for Businesswomen in Islamic Countries, in November 2008 in Damascus.
8. **EXPRESS** gratitude to the Islamic Chamber of Commerce and Industry; Islamic Development Bank; Special Unit for South-South Cooperation, UNDP; Businessmen Association; and Qatari Businesswomen Forum for their support and contribution towards the successful organization of the Third Forum for Businesswomen in Islamic Countries.

End of the Communiqué.

CLOSING SESSION:

The closing session was co-chaired by H.E. Sheikha Ahmed Al Mahmoud, Minister of Education, Qatar and H.E. Yiping Zhou, Director Special Unit for South-South Cooperation, UNDP. In the closing statement H.E. Yiping Zhou extended the greetings from the Secretary General of the United Nations Mr. Ban Ki Moon, and from the Administrator of UNDP, Mr. Kemal Derviş, and their best wishes for the success of the Forum. The UN Secretary-General has, on several occasions, stressed that "South-South cooperation is central to global efforts to eradicate poverty, stimulate economic growth and promote sustainable development". UNDP's commitment to this cause is also at the highest level. He emphasized that "learning from, and focusing on the absolute need to improve the position of, women is an essential component of broader development and vital to our common goals." The instrumentality of micro-credit is an important remedy against this impediment, and the organizers of the Third Forum have been wise in identifying this issue for review and discussion at this occasion. He said that he is sure that the experiences shared here and the aspirations for working together would become the "upper-hand" in today's most competitive market, domestic and foreign, and going to make the dreams of millions businesswomen in OIC countries and around the world come true. He expressed his confidence that the work here and the network that ICCI has established are going to make a decisive contribution to our ongoing efforts to create a 'One Million Businesswomen of the South On-line' at our first Global South-South Development Expo later this year. He invited all the participants at that event.

The Organizing Committee of the Forum presented Awards to the "Most Outstanding Businesswomen" to: Mrs. Sabrina Islam of Bangladesh; Dr. Amany Asfour of Egypt; and Mrs. Fatima Bello Aliyu of Nigeria. The selection was made on the basis of performance and contributions to the socio-economic development of the respective countries.

On January 15, 2008, all the foreign delegates were taken on a visit to HE Sheikh Faisal Bin Qassim Al Thani's Private Farm and Museum, arranged by the Qatari Businessmen Association.

**REPORT ON
THE TRAINING PROGRAMME ON DEVISING NATIONAL SME
DEVELOPMENT PROGRAMMES FOR OIC MEMBER COUNTRIES
HELD AT DHAKA, BANGLADESH ON DECEMBER 10 - 13,2007**

Preamble:

Small and Medium Enterprises (SMEs) have been recognized as an important strategic factor for generating speedy high income growth and alleviating poverty and unemployment. Almost all countries of the world place special emphasis on the development of their SMEs because of their integrated, flexible and comparatively more rapid production capability. They are commonly recognized as an effective means of stimulating economic activity with appreciable impact on social progress. There is a need for concerted efforts in OIC Countries to exploit the fuller potential of SMEs. It is a sector that needs to be carefully nurtured by institutional support, access to finance, business development services and lesser regulation oriented business environment.

The Islamic Commission for Economic, Cultural and Social Affairs at its 23rd Session held in January 2000 in Jeddah, Kingdom of Saudi Arabia, endorsed the proposal of the Islamic Chamber of Commerce and Industry (ICO) for the establishment of a Task Force on Small and Medium Enterprises (SMEs). The proposal was approved by the Islamic Conference of Foreign Ministers (ICFM) at its 27th Session held in Kuala-Lumpur, Malaysia in July 2000 and subsequently adopted by the Islamic Summit Conference at its 9th Session held in Doha, State of Qatar in November 2000. Accordingly, the Task Force was established in 2001 by the Secretary General of the Organization of the Islamic Conference (OIC). ICCI was given the mandate to convene Meetings of the Task Force to study and analyze the needs, problems and future requirements of SMEs in OIC Countries and to formulate strategies for their development.

Accordingly, ICCI with the collaboration of the Islamic Development Bank (IDB), Member Chambers and SME Authorities has organized 5 consecutive meetings; first in Bangladesh in 2002, second in Mozambique in 2003, third in Pakistan in 2004, fourth in Thailand in 2005 and fifth in Turkey in 2006, to examine the problems and constraints of SMEs in OIC Countries, and to identify practical means of improving their performance.

Training Programme on Devising National SME Development Programme for OIC Member Countries:

The members of the Task Force have laid special emphasis on the fact that in order to survive in today's globalized and challenging environment, it is imperative for SMEs to be competitive and resilient. Towards this end, SMEs need to continuously strengthen their capacity and sharpen their capability to produce high quality products and services at competitive prices. They should acquire new skills, techniques and technologies, and the ways to utilize these to improve their business operations.

Within this context, the Islamic Chamber of Commerce and Industry, in collaboration with the Islamic Research & Training Institute (IRTI) of Islamic Development Bank (IDB), the Perez-Guerrero Trust Fund (PGTF), and the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) organized a 4-day Training Programme on Devising National SME Development Programmes for OIC Member Countries in Dhaka, Bangladesh on December 10-13, 2007.

The Training Programme was attended by 44 trainees from Member Chambers and by the representatives of SME Authorities, SME Banks, SME Associations, SMEs owners and other officials from 13 OIC Countries namely, Afghanistan, Albania, Bangladesh, Egypt, Islamic Republic of Iran, Sultanate of Oman, Pakistan, Sudan, Syria, Togo, Turkey, Turkish Cyprus and Yemen. The list of participants is annexed.

Objectives:

The main objectives of the training programme were to:

- * develop and strengthen the capabilities of SME owners and their chambers for facilitating the development and growth of SMEs in their respective countries;
- * sharpen strategies focusing on competitive edge;
- * develop skills for the removal of functional bottlenecks hampering smooth operations of the SMEs;
- * develop greater familiarity with new technology development in the promotion of SMEs
- * develop greater awareness of sources and modalities of investment and of technical assistance to SME projects;
- * Formulate functional and information network among the trainees.

These objectives were based upon two main considerations:

The international economic scene is rapidly changing, creating new dynamics of enterprise development and competition. These forces are radically altering the organizational structures of enterprises, as well as their productive processes, and marketing and distribution of goods and services, both in the domestic and foreign markets.

In this context, many of the Small and Medium Enterprises operating in OIC Member Countries would need upgrading of their technological capabilities and of their National SME development Programmes. Moreover, they will need to acquire competitiveness, through the establishment of efficient distribution networks, speedy delivery systems and a deeper knowledge of technology supplies, competitors, and their customers' needs.

Inaugural Session:

The Training Programme was inaugurated on the morning of Monday, 10th December 2007 with recitation of verses from the Holy Quran. The welcome address was delivered by Mr. Syed Manzur Elahi, Administrator, Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) and the opening address was delivered by the Chief Guest Dr. Md. Nurul Amin, Secretary, Ministry of Industries, Government of the People's Republic of Bangladesh. Mrs. Attiya Nawazish Ali, Assistant Secretary General (Coordination), Islamic Chamber of Commerce and Industry (ICO) and Mr. Abu Nasser Mohammad Abduz-Zaher, Chairman, Islami Bank Bangladesh Limited (IBBL) delivered their addresses on behalf of the ICCI and IBBL respectively. The message of Mr. Yiping Zhou, Director, Special Unit for South-South Cooperation (SUSSC), United Nations Development Programme (UNDP), New York was read out by Mr. Syed Naşir Ali Mirza, Manager Industrial Investment, ICCI. At the conclusion of the inaugural session, Mr. Syed Jamaluddin, Secretary General, FBCCI presented vote of thanks.

Working Sessions:

During the four-day Training Programme, seven working sessions were held and 13 lectures were delivered by resource persons from Bangladesh. In addition, 11 country papers were presented by the trainees, explaining the national policies and current status of SMEs in their respective countries.

In addition, 5 resource persons from the Technology Incubation Centre (TIC), National University of Science and Technology (NUST), Pakistan, Sardar & Sardar Development and Management Consultants, Pakistan, Small and Medium Enterprise Development Authority (SMEDA), Pakistan, Small & Medium Industry Development Organization (KOSGEB), Turkey, and Islamic Development Bank (IDB), Jeddah also delivered lectures. The training covered the following themes:

1. A uniform definition of SMEs in OIC member states;
2. Problems faced by SMEs related to finance, marketing, technical, managerial and regulatory;
3. Technology Incubators and their Networking;
4. Business incubators, clusters of innovative SMEs and barriers to the innovation of SMEs;
5. Developing data and statistical information as a basis for establishing measures to address the issues of SME financing;
6. Venture Capital and Credit Guarantee Funds;

7. Network of all technological and innovative centres, business centers, incubators, and related institutions to share experiences, and develop institutional memories and contacts;
8. Customized forms of finance for SMEs (special credit facilities, micro-credit schemes, seed capital, guarantee schemes, leasing, venture capital, concept of business angles) and other suitable and situation-specific forms of financings;
9. IDB's technical and financial support to SMEs through its various financing facilities and windows;
10. Research and Development Facilities. Transfer of technology and know-how from advanced market economies;
11. Linkages between universities, research organizations, national planning authorities and industries;
12. Sub-contracting and inter-firm linkages;
13. Key success factors for National SME Development Programme;
14. SME Baseline Survey (Issues in SME Growth);
15. The respective and collaborative roles of Government, Chambers & Private Sector;
16. Specialized Services for facilitating SMEs.

Visit to the Bangladesh Machine Tool Factory (BMTF);

The trainees visited the Bangladesh Machine Tools Factory (BMTF) on the 4th day of the training programme at Gazipur. The factory is situated 30 kilometers away from Dhaka.

The programme at the factory included a comprehensive presentation on the facilities and the products being assembled and manufactured including:

- Military and other vehicles, such as trucks, pick-up vehicles, ambulance, etc.
- Lathes and other workshop machines, that hitherto were mostly imported.
- Components and parts for various industries in the country.

The factory is equipped with high production machinery and equipment, capable of manufacturing a variety of Engineering products. Its basic production facilities include casting, forging, machining, heat and surface treatment etc.

The tour was comprehensive and gave the trainees a clearer picture of the way BMTF is supporting SMEs, especially in the light engineering and automobile sectors.

Observations by the Trainees:

Both during the training programme, and at its conclusion, the trainees made the following observations:

- Facilitating access to accurate information on market opportunities for subcontracting, and on potential foreign partners through market reports and data bases, trade fairs, exhibitions abroad, and electronic trading platforms or subcontracting exchanges, should be strongly recommended.
- Encouraging SME investment by facilitating companies' efforts to expand their businesses abroad through information services and other suitable means could be conducive to the stability and expansion of SMEs.
- Supporting the establishment and development of industry groupings (i.e. clusters) on regional, cross-regional, or cross-border levels could be an important vehicle for promoting collective self-reliance among SMEs.
- Promoting business linkages through identifying and matching potential partners while ensuring diversification of partners and helping SMEs to develop their negotiating capacities and skills through institutional support (awareness building) and training measures should be important elements of national policies for the development of SMEs.
- For a planned and sustained growth and development of micro enterprises, it would be highly desirable to enact a 'Micro, Small and Medium Enterprise Development Act' in all those OIC countries where such legislation is either non-existent or inadequate. The Act should clearly define SMEs and cover aspects such as the institutional set-up, including the creation of national-level promotional organizations, with representatives from the private sector, to take into account their concerns, and broad policy parameters, including finance related funding of development programmes, their protection and monitoring.
- There is an increasing need for a compendium of all national authorities and national and international institutions involved in the development of SMEs in OIC Countries. The compendium, when prepared, would need periodic updating.
- A roundtable of SME owners, SME authorities and institutions, that are actively engaged in the task of SME development, be convened to help share experiences with one another.
- National Chambers of Commerce and Industries and Professional Associations in OIC countries should create inter linked databases for providing general and specialized information on SMEs.
- A mechanism be developed through relevant OIC Institutions to help in the preparation of feasibility studies and business plans of SMEs in different sectors for export oriented projects for all OIC member countries, especially those that have priority in terms of financial support by IDB.

- The need for the development of SMEs in OIC member countries warrants initiatives such as the creation of incubation centers, promotion of joint ventures, and the setting up of an effective information sharing and follow-up mechanism among OIC member countries. In order to meet this objective, a network, to be hosted by a centralized body, like ICO, and focal agencies in the respective OIC Countries, need to be established.
- Active and effective service of a technology cum-business incubator could be of great help for the growth of SMEs to combat the problems related to access to finance, innovation, achievement of international quality of products / services, development of appropriately skilled human resources, aggressive marketing of their products / services etc. OIC Countries could look for experience from more developed among developing countries and even from the developed ones in this regard.
- ICCI could initiate projects among some of the institutions of OIC Countries, such as the Islamic University of Technology in Bangladesh, and the Islamic University in Niger, build their capacities thereby enabling them to act as technology incubators and innovation centers.
- It was felt that the SME development bodies in most OIC countries comprise largely (in some instances, entirely) of government servants and relatively little (or no) participation is seen from the private sector. This could be one of the main reasons for the apparent lack of dynamism in SME development support initiatives in those Countries.
- Access to finance is sometimes a lesser constraint for an SME entrepreneur; a bigger one is the lack of problem-solving and entrepreneurial skills that spell the setbacks faced by SME owners and managers.
- OIC countries have universities and research institutions but correspondingly little or no inventions, innovations or patents on the global scenario.
- Best practices exist in OIC member countries but because of lack of systematic information exchange activity, SMEs do not get the benefit from the experiences of other countries.
- The Islamic Chamber Research & Information Centre (ICRIC) has reportedly offered to launch the Muslim World SMEs Website. This should be welcomed and used by all ICCI Member Chambers and SME owners.

For Follow-up Activities:

- ICCI may support training and capacity building via skill development programmes and business development service programmes so that the SMEs can acquire the specific technical skills and business services required to develop, grow, expand and sustain themselves.

- SME Authorities in OIC Countries need to promote clusters and networks to improve SME participation in global value chains through fostering and strengthening links between universities, research institutions and SME owners.
- ICCI may follow-up with the SME owners / Government Authorities in OIC Member Countries to introduce a Japanese concept of 'One-Village One-Product' to develop specialization and distinct identities to enterprises in the villages. This would greatly help in exploiting the traditional skills of entrepreneurs, giving boost to ethnic products, besides improving the local economy. The same concept has been introduced through the slogans of One Tambon One Product (OTOP) in Thailand and Aik-Hunar-Aik-Nagar (AHAN) in Pakistan. It is in the process of being introduced in Bangladesh through the similar slogan of One-District One Product (ODOP).
- Since several UN Agencies and other multilateral organizations have devised programmes to help the growth and development of the SME sector in their respective fields of competence, effective cooperation between ICCI and these Agencies should be useful in avoiding duplication, promoting complementarities and the sharing of best practices in addressing different issues of SMEs.

Outcomes:

At the conclusion of the Training Programme, the trainees reported having gained considerable knowledge of SME profiles and strategies in the following areas:

- 1) Professional development activities in the workplace, with primary emphasis on National SME Development Programmes, learning resources and transfers of knowledge and skills.
- 2) Timely advice to SMEs on the integration of their products with their business development programmes and processes.
- 3) Systematic consultations and coordination among SME Authorities, SME Banks, SME Associations, SME owners etc. with the view to reducing skill gaps and shortages in the SME sector.
- 4) Development of networks of policymakers, enterprise support agencies, chambers of commerce and SME owners for sharing knowledge and experiences in the preparation of National SME Development Programmes.
- 5) The importance of improving competitiveness in order to compete in the global market through the production of high quality products at attractive prices.

Training Evaluation:

The participants' evaluation of the training programme was completed before the concluding session; each having submitted his/her inputs through a questionnaire. This brought in a good deal of information about the perceived impact of the programme. A review of this information revealed the usefulness of the knowledge that had been gained in the discussions, group work sessions and exercises. With this, the trainees recognized the importance of keeping abreast of changing technologies, production and marketing techniques, as well as business management practices in order to improve competitiveness and enhanced productivity.

The trainees expressed their interest in seeing more tailor-made training programmes in key SME sectors developed by ICCI for enhancing the growth and development of SMEs, and for improving their business operating environment to be able to compete on a global scale. They stressed the need for having effective financial support schemes, increased Research and Development activity, encouragement of innovative ideas, and more active support of export initiatives. Better cooperation between R & D institutions, universities and SMEs should lead to the emergence of innovative practices and competitiveness of SMEs in OIC Countries.

Closing Session:

The closing session of the Training Programme was held on Thursday, 13th December 2007. The closing ceremony was started with recitation of verses from the Holy Quran. Mr. Syed Naşir Ali Mirza, Manager Industrial Investment, ICCI presented the Report of the Training Programme.

Mrs. Attiya Nawazish Ali, Assistant Secretary General (Coordination), Islamic Chamber of Commerce and Industry (ICCI) presented the closing address expressing the hope that the Training Programme just concluded would assist the trainees in building the capabilities and capacities of SMEs for enhancing growth and competitiveness. She was sure that the trainees had benefited from the Training Course and would be able to assist the SMEs by their superior performance in their respective companies, organizations and chambers. She was confident that activities such as this training programme would lead to the achievement of ICCFs objectives. She expressed her thanks and appreciations to the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) for all its support and cooperation in successfully organizing the training course. She also thanked IRTI/IDB and PGTF/UNDP for their generous financial support towards this operation.

In his closing address, Mr. Syed Manzur Elahi, Administrator, Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) said that the findings of this Training Programme will provide a guideline to develop stronger SME and overcome the internal and external weaknesses such as lack of capabilities and resources, poor management, lack of modern technology, lack of inadequate infrastructure, low investment, lack of R & D facilities etc. He believed that this programme would help in making building blocks for the establishment of a network of Small and Medium Industries among the Members Countries that should eventually lead to institutionalize a new foundation. The recommendations made from the programme should help develop a number of specific areas for economic cooperation. He recommended that the Chambers of Commerce and Industry of all Islamic Countries should engage themselves in a process of interaction with their respective Governments for the formulation of a pragmatic SME policy aiming at greater trade liberalization, and freer movement of capital, technology and people among the member countries. He thanked the trainees, Islamic Chamber of Commerce and Industry (ICCI), Islamic Research & Training Institute of Islamic Development Bank (IDB) and Perez-Guerrero Trust Fund (PGTF) of the United Nations Development Programme (UNDP) for their cooperation and support in organizing this Course. He declared the programme a great success.

ANNEX

XIII

Original: French

**11th TRADE FAIR OF ISLAMIC COUNTRIES (TFOIC)
Dakar, 21-25 November 2007**

1. GENESIS:

The 20th Session of the Standing Committee for Economic and Commercial Cooperation among the OIC Member states (COMCEC) held from 23rd to 27th November 2004 in Istanbul, has reaffirmed in resolution 1 paragraph 72, "its decision to welcome the offer of the Republic of Senegal to host the 11th Trade Fair of Islamic Countries in 2006".

By virtue of this resolution the Republic of Senegal will organise the Trade Fair of Islamic Countries, after having withdrawn in favour of the State of United Arab Emirates for the organisation of the ninth edition of this Fair in 2002.

To that effect, the Islamic Centre for Development of Trade (ICDT) and the International Foreign Trade Centre of Senegal (CICES) signed a Memorandum of Understanding, defining the responsibilities and the tasks of each institution in the organisation of the 11th Trade fair was held for the first time in an OIC Sub Saharan African Member State and that it represents an outstanding opportunity for Member States in the African continent to highlight their wealth and economic potential.

In this context, both parties, held 10 coordination meetings during which, they adopted and applied a planning for the promotion and organisation of the fair, the date of which was fixed by organisers from 21st to 25th November 2007.

Placed under the high patronage of His Excellency Maître Abdoulaye WADE, President of the Republic of Senegal this first edition was attended by 31 OIC Member States as well as by the Muslim Communities in Non OIC Member Countries (such as France).

The Fair lasted five days, from nine a.m. to 1 p.m. for professionals and from 1.p.m. to 7 p.m. for the General Public. The Fair was totally opened to the General Public until 9.p.m. for the last two days which coincided with the week end.

31 Countries participated in the Fair, namely:

- People's Democratic Republic of Algeria;
- People's Republic of Bangladesh;
- Republic of Benin;
- Burkina Faso;
- Republic of Cameroon;
- Union of the Comoros;
- Republic of Cote d'Ivoire;
- Republic of The Gambia;
- Republic of Gabon;
- Republic of Guinea;
- Republic of Guinea Bissau;
- Arab Republic of Egypt;
- Syrian Arab Republic;
- Republic of Indonesia;
- Islamic Republic of Iran (Private sector);

- Republic of Mali;
- Kingdom of Morocco;
- Kingdom of Saudi Arabia;
- Malaysia;
- State of Kuwait;
- Great Socialist People's Libyan Arab Jamahiriya;
- Islamic Republic of Mauritania;
- Republic of Niger;
- Republic of Nigeria;
- Islamic Republic of Pakistan;
- Republic of Senegal;
- Republic of Tunisia;
- Republic of Turkey;
- Republic of Yemen;
- Republic of Sudan;
- Republic of Uzbekistan;
- Republic of Yemen;
- The Muslim Community of France has also participated with a stand.

The Islamic Development Bank participated in this event by sponsoring the participation of 13 LDCs, OIC Members quoted here above.

1) OPENING CEREMONY:

The Opening Ceremony of the Fair, held on 21st November 2007 at 4.p.m. at the Conference Hall of the International Centre of Exchange of Dakar was chaired by His Excellency Sheikh HADJIBOU SOUMARE, Prime Minister of the Republic of Senegal.

This ceremony was also attended by the Ambassadors of the participating countries accredited to Dakar, the Heads of the Delegations of participating countries and businessmen from the different OIC Member States as well as a large number of Senegalese Officials and the representatives of the local and international institutions, such as IDB, ANOCI, ASEPEX, APIX, ADB, etc...

During this opening ceremony, the following personalities delivered speeches:

- Mr. Nabika DIALLO, Counsellor to the Secretary General of the Organisation of the Islamic Conference;
- Mr. Allal RACHDI, Director General of the Islamic Centre for Development of Trade (ICDT);
- Mr. Papa Demba DIALLO, Director General of the International Centre for Foreign Trade of Senegal (CICES).

After having delivered His speech, His Excellency, Mr. SOUMARE accompanied by personalities attending this ceremony, cut the ribbon announcing thus the official opening of the Fair.

APPRAISAL OF THE EVENT:

A first evaluation of this Fair that was organised for the first time in a Sub Sahara African OIC Member Country, has brought out that almost the majority of exhibitors were able to establish fruitful business contacts. Several exhibitors have even requested

ICDT to hold this event on an annual basis.

Thanks to an advertising campaign, which lasted several months, thousands businessmen flocked to the exhibitor's stands seeking trade opportunities. The large number of visitors (general public) has also met expectations. Thus was reflected by the total sale of exhibits displayed in several stands.

Thanks also to the efforts of the organisers; exhibitors from 31 OIC Member Countries had booked some 10000 square meters in the International Centre for Exchange of Dakar. During the 5 days fair's activities, more than 3000 businessmen from different OIC countries visited the Fair ground seeking trade opportunities. In fact, preliminary information from exhibitors showed that they made business deals and contracts. Those deals were related to products like Handicrafts, fresh fruits, canned products, electronic equipment, home & office furniture and transport equipment...

Participants expressed their satisfaction at the level of organisation, communication, assistance and the availability of the officials of the ICDT and CICES. They also appreciated the day/night security that was ensured to the stands. Besides, some exhibitors considered that the customs procedures were sometimes very slow and that the offer of the hotel accommodation near the exhibition centre was sometimes insufficient.

2) *DISTRIBUTION OF TROPHIES AND CERTIFICATES:*

In implementation of article 15 of the Regulations of the Trade Fair of Islamic Countries, the Committee of Trophies, composed of the Representatives of the CICES and ICDT met under the chairmanship of Mr. Allal RACHDI, Director General of ICDT to select the most deserving stands by applying the criteria defined by the Rules of the Fair, namely:

- The area;
- The quality of exhibits;
- The number of participating companies;
- The number and level of the official commercial representation;
- The steadiness of participation to date.

The trophies were awarded to the following countries:

- Kingdom of Saudi Arabia First Prize
 - Kingdom of Morocco Second Prize
 - Republic of Turkey and the State of Kuwait Third Prize
- Equally placed

Taking into account the criteria here above quoted and considering the great and commendable efforts deployed by the Republic of Senegal to make a success of this event, a special prize was awarded to this country.

These prizes were awarded during the closing ceremony chaired by H.E Mr. Habibou NDIAYE, Minister of Commerce of Senegal. This ceremony was followed by a gala evening, marked by artistic and folkloric shows made by several Senegalese artists and dancing groups. All the countries and institutions, which participated in the Fair, received also prizes and gifts.

**REPORT ON
THE 12th TRADE FAIR OF THE OIC
MEMBER COUNTRIES (OIC/EXPO)**

Egypt, from 11th to 16th October 2009

The recommendation N° I/v/107 of the 22nd Session of the Standing Committee for Economic and commercial Cooperation among the Member States of the Organisation of the Islamic Conference (COMCEC) held from 21st to 24th November 2006 in Istanbul, has "invited the Republic of Iraq and the Republic of Guinea to confirm the hosting of the 12th and 13th Trade Fairs of Islamic Countries before the 23rd Session of the COMCEC to be held in November 2007 in order to allow ICDT to organise the Fairs as planned, and requested ICDT to follow up the issue closely".

In compliance with this resolution and following the consultations held by the Islamic Centre for Development of Trade (ICDT) with concerned countries, the Embassy of the Republic of Iraq accredited to Morocco has informed ICDT, in its letter dated on 16th July 2007, of "the apologies of the Republic of Iraq for not being able to host the 12th Edition of the Trade Fair of Islamic countries to be held initially in 2008...".

In this regard, ICDT has solicited the OIC Member States to express officially their intent to organise this event before the 23rd Session of the COMCEC. This meeting had to decide on the host country of the 12th Trade Fair of the OIC Member Countries (OIC/EXPO).

In fact, the 23rd Session of the COMCEC held from 14* to 17th November 2007 in Istanbul, Republic of Turkey; adopted a resolution in which it "welcomes the offer of the Arab Republic of Egypt to host the 12th Trade Fair in 2009".

In compliance with this resolution, ICDT started contacts with concerned authorities in the Arab Republic of Egypt in order to launch the preparations of the **12th Trade Fair of the OIC Member Countries (OIC/EXPO)**. To that effect, the Egyptian Ministry of Commerce and Industry has appointed the General Organization of International Fairs and Exhibitions (G.O.I.E.F) in Egypt for the organization of this event.

1/ 1st Coordination Meeting:

Upon an invitation addressed by the Ministry of Commerce and Industry of the Arab Republic of Egypt, a Delegation of the Centre paid a visit to the headquarters of the General Organisation for International Exhibitions and Fairs in Cairo on 26th and 27th March 2008 to hold the First Coordination Meeting for the organisation of the 12th Trade Fair of the OIC Member States (OIC/EXPO 2009).

This meeting was held between a Delegation from ICDT and a Delegation of the (General Organisation for International Fairs and Exhibitions (G.O.I.E.F) chaired by Mr. Charif Abderrahmane Salem, Chairman of the Board of Directors at the headquarters of the Organisation in Cairo on 26th March 2008 and was essentially devoted to the discussions on the different points and articles of the Draft

Memorandum of Understanding presented by ICDT defining the responsibilities and tasks of each institution in the organisation of the 12th Edition of the Fair.

During this meeting, the Delegation of ICDT highlighted the importance of this event, which will take place in the Land of Egypt for the second time at the core of the OIC zone. Being provided with a considerable number of advantages, Egypt represents an exceptional market for the entire OIC Member Countries which will seize this event to bring to light their investment resources and opportunities.

For his part, Mr. Sherif Abderrahmane Salem, Chairman of the Board of Directors of the G.O.I.E.F expressed satisfaction of the coordination and cooperation with ICDT to organise the said event. He then affirmed that he will make every effort and ensure all the necessary means to make of the 12th Fair an exceptional edition both at the organisational and participation level.

At the outcome of the debates both parties agreed on the points contained in the Memorandum, particularly:

- > The 12th Trade Fair of the Organisation of the Islamic Conference Member Countries (OIC/EXPO) shall be held from 11th to 16th October 2009 at Cairo International Convention and Exhibition Centre under the theme: "Effective economic partnership at the service of the Ummah".
- > The fares of the square meter of the Fair Exhibition ground shall be as follows:
 - square meter (equipped) 150 US dollars
 - square meters (indoor and non equipped) 120 US dollars
 - square meters (outdoor) 70 US dollars

The final version of the Memorandum of Understanding shall be signed between both parties at the Press Conference scheduled to take place in Cairo at the last week of May 2008 in the presence of H.E. the Minister of Commerce and Industry of the Arab Republic of Egypt.

On the same occasion, ICDT's Delegation paid a visit to the Exhibition Grounds of the General Organisation for International Exhibitions and Fairs (G.O.I.E.F), which will host the 12th Trade Fair of the OIC Member States. Their capacity is estimated at 40,000 indoor square meters.

ANNEX

XIV

REPORT ON:

**"THE ISLAMIC DEVELOPMENT BANK GROUPS (IDB Group)
WTO-RELATED TECHNICAL ASSISTANCE AND CAPACITY
BUILDING PROGRAMME
FOR THE OIC MEMBER COUNTRIES"**

Document to be circulated to the:

**24th Meeting of the Follow-up Committee of the COMCEC
Antalya, Republic of Turkey
13-15 May 2008**

COOPERATION OFFICE

**IDB Group's Technical Assistance
and Capacity Building Programme for WTO Matters**

Executive Summary

The completion of the Uruguay Round with the establishment of the World Trade Organization (WTO) in January 1995 marked an important milestone for the world economy in general and international trade in particular. Apart from the tariff binding commitments, the Round also placed several obligations on developing countries with respect to their policy regimes in areas such as investment, intellectual property, services sector and agriculture sector. Cognizant of the importance of these developments, the IDB Group launched its Technical Assistance and Capacity Building Programme for WTO-related Matters (WTO-TAP) in 1997 with the aim of complementing the efforts of OIC member countries to participate effectively in this new multilateral trading system through various activities, such as, trade policy courses, seminars, workshops, studies, consultative meetings and WTO-accession-specific support.

The design of programmes under WTO-TAP, which is implemented and overseen by the Cooperation Office of the IDB Group, has always been guided by the OIC member country needs as reflected in the numrequests received by the office from their capitals and their permanent missions accredited to the WTO in Geneva.

For its part, and in recognition of the rapid developments in the negotiating agenda of the WTO following the launch of the Doha Work Programme in 2001, the Cooperation Office felt the need to further increase the level and enhance the quality of WTO-TAP in a way that would serve the real needs of OIC member countries. It was in this spirit that the IDB shifted its focus from "ad hoc" lecture-type activities to more practical training on "negotiation skills", "hands-on case studies, group-discussions and simulation exercises". In addition, analysis of the policy implications of implementing WTO rules for the economic and social development of OIC member countries has also been covered. Moreover, special emphasis has been placed on

assisting acceding OIC member countries to enhance their negotiating capacity and better understand the policy implications arising from accession commitments.

The WTO-TAP is duly appreciated by the OIC member countries as well as by the relevant international institutions as reflected by the very positive remarks received by the Cooperation Office from both Geneva-based and capital-based officials of OIC member countries and officials in WTO and other international institutions. They often cite the neutral nature of this programme as its main differentiating point. Building on this recognition, the Cooperation Office will strive to further improve its delivery mechanism and work even more closely with the OIC member countries to make WTO-TAP more effective, useful and truly demand-driven, and in line with the IDB Group's 1440H Vision which aims at "significantly enhancing the capacity of the IDB Group to provide training, technical expertise and policy advice to Least Developed Member Countries (LDMCs) to assist them in WTO negotiations and accession."

Since the 23rd Meeting of the Follow-up Committee of COMCEC in May 2007, the Cooperation Office, under IDB Group's WTO-TAP, has organized *two Trade Policy Courses, one Trade Negotiation Skills Course, two Workshops, three Seminars and one Consultative Meeting* (detailed list is given in the full Report).

For the year 2008, ten activities have been planned and necessary actions are being taken to implement them. The topics of forthcoming workshops and seminars have been selected after due consultation with member countries with emphasis on priority areas as identified by them.

REPORT ON

THE ISLAMIC DEVELOPMENT BANK GROUP'S (IDB Group) WTO-RELATED TECHNICAL ASSISTANCE AND CAPACITY BUILDING PROGRAMME FOR THE " OIC " MEMBER COUNTRIES

I. INTRODUCTION

The conclusion of the Uruguay Round in April 1994 and the establishment of the World Trade Organization (WTO) in its wake constitutes one of the most important milestones in the history of international trade and multilateral trading system. The WTO, which came into being in January 1995, was set up with the following objectives:

- to set rules for international trade and trade related activities,
- to provide a forum to negotiate trade liberalization multilaterally,
- to settle disputes between Members of the WTO,
- to provide information on trade and trade policies; and
- to cooperate with other multilateral institutions.

The WTO's mandate includes the original "General Agreement on Tariffs and Trade" (GATT) 1947 as subsequently amended. In addition, the creation of WTO was also accompanied by new trade agreements and trading instruments, i.e., General Agreement on Trade in Services (GATS), the Agreement on Trade-related Intellectual Property Rights (TRIPS) and a few plurilateral trade agreements which in effect enlarged WTO's mandate. In short, the WTO is a permanent institution which covers all trade in goods, services and ideas (Intellectual Property Rights) and provides a more automatic and comprehensive dispute settlement mechanism compared to the one under GATT.

While the new multilateral trading system has contributed to liberalization of trade globally, it has at the same time placed onerous demands on the limited human and institutional resources of the developing countries. As a result, many developing countries including some IDB member states have not been able to integrate their economies into the world trading system.

Keeping in view the above developments, the IDB Group embarked upon an intensive Technical Assistance and Capacity Building Program (WTO-TAP) in 1997 to help OIC member countries to upgrade their human and institutional resources on WTO issues. The resolutions adopted at the 11*, 12* and 13* sessions of the COMCEC provided further guidance to the IDB's efforts in that direction.

The IDB's WTO-TAP has been designed in a manner which caters for all levels of officials dealing with multilateral trade issues. Therefore, the WTO-TAP encompasses providing basic awareness modules on WTO Agreements and related matters to organizing expert level meetings on various issues, especially those currently negotiated within the framework of the Doha Work Program.

The objective of the WTO-TAP is to provide a forum where OIC members can exchange views and discuss various multilateral trade matters. In all these activities, the IDB Group,

through its excellent networking and communication channels, attracts expertise of high caliber and renowned international experts from reputable international organizations.

In order to keep its WTO-TAP dynamic and responsive to the real needs and priorities of the OIC member countries, the IDB Group has engaged in a process of reviewing its WTO-TAP since the beginning of 2007. The OIC Members have accordingly enlightened the IDB Group with very valuable inputs. As always, the IDB Group intends to align its WTO-TAP with these recent suggestions/inputs as essentially this has always remained a demand-driven program.

In fact, and in response to the increasing demands of the OIC members in the last two years, the program has been focusing more and more on enhancing the trade negotiation skills capacity of the recipients and equipping them with the required tools to engage more actively in negotiations, either within the context of the Doha Work Program or the WTO accessions. Apart from the traditional lecture-type activities such as seminars or workshops, considerable emphasis is now being given to practical interactive exercises and simulations.

II. ACTIVITIES OF THE IDB WTO-RELATED TECHNICAL ASSISTANCE PROGRAM (WTO-TAP)

With the objective of enhancing both the institutional and human capacity of OIC member countries, the IDB established a special WTO Unit in January 1998 dealing specifically with issues concerning the WTO. Out of the 57 OIC Member Countries, currently 40 are members of the WTO and 13 have observer status. The IDB's WTO-related Technical Assistance and Capacity Building Program aims to achieve its objectives through numerous activities such as trade policy courses, seminars, workshops, studies, consultative meetings for the OIC member countries on important issues and in preparation for the WTO Ministerial Meetings. The Program also includes providing specific technical assistance to the OIC member countries.

The following activities have been organized by the IDB since the establishment of its WTO-TAP in 1997 up till May 2008:

a.) Consultative Meetings

The IDB has organized 24 consultative meetings to date for the OIC member countries chiefly in preparation for the WTO Ministerial Conferences, both before and after, for both capital-based officials and Geneva-based officials as well as for other pressing issues. These consultative meetings provide a forum for member countries to exchange views and, where possible, coordinate their positions on matters related to the WTO, adopt a common stance and act as a group to acquire more bargaining power.

b.) Trade Policy Courses

The IDB organizes Trade Policy Courses, a three-week course, in Arabic, English and French, in collaboration with the WTO. These courses are short versions of the Trade Policy Course, which is a three-month course offered by the WTO in Geneva covering a wide range of topics, such as, market access, customs and trade administration, agriculture, textile and clothing, sanitary and photo-sanitary measures, technical barriers to trade, government procurement, general agreements on trade in services, intellectual property rights, anti-dumping, subsidies and countervailing measures, safeguards and state trading, dispute settlement, agreement on trade-related investment measures, trade and competition policy, trade and environment, regionalism, and future work. The Trade Policy Courses organized by IDB under its WTO-TAP so far are as follows:

1. The first Trade Policy Course was in Arabic language and was held at IDB Headquarters in Jeddah on 14 September - 4 October 1998.
2. The second Trade Policy Course was in English language and was held in Rawalpindi, Pakistan, on 5 - 24 April 1999.
3. The third Trade Policy Course was in French language and was held in Ouagadougou, Burkina Faso, on 14 February - 3 March 2000.
4. The fourth Trade Policy Course was in Arabic language and was held in Doha, State of Qatar, on 7 - 25 October 2000.
5. The fifth Trade Policy Course was in English and was held in Istanbul, Republic of Turkey on 13 - 31 May 2002.
6. The sixth Trade Policy Course was in three languages (Arabic-English and French) and was held at IDB Headquarters in Jeddah on 28 June - 16 July 2003.
7. The seventh Trade Policy Course was in French language and was held in Cotonou, Benin on 21 June - 09 July 2004.
8. The eighth Trade Policy Course was in English language and was held in Jakarta, Republic of Indonesia on 27 September- 15 October 2004.
9. The ninth Trade Policy Course was in Arabic language and was held in Tunis, Republic of Tunisia on 9 - 27 May 2005.
10. The tenth Trade Policy Course was in French language and was held in Dakar, Senegal, on 23 January - 10 February 2006.
11. The eleventh Trade Policy Course was in English language and was held in Istanbul, Republic of Turkey on 19 June - 07 July 2006
12. The twelfth Trade Policy Course was in Arabic language and was held in Casablanca, Morocco on 15 January - 2 February 2007.
13. The thirteenth Trade Policy Course was in French language and was held in Libreville, Gabon on 4 - 22 June 2007.
14. The fourteenth Trade Policy Course was in English language and was held in Kuala Lumpur, Malaysia on 21 January - 8 February 2008.

c.) **Seminars and Workshops**

The IDB organizes seminars and workshops covering a wide range of WTO issues with the view to familiarizing the member countries with the contents and provisions of the WTO Agreements as well as the with the activities of WTO so that they may be in a better position to defend their interests. The following seminars and workshops have been organized so far:

Seminars:

1. Seminar on the Impact of the GATT Agreement on Trade in Services on OIC Member Countries (organized by the Islamic Centre for Development of Trade in cooperation with IDB). Casablanca, Morocco, Jumad Thani 1416H (November 1995).
2. Regional Seminar on the International Trade Agreement related to the Technical Barriers to Trade among Arab Maghreb Countries (organized by the Tunisian Ministry of Trade in cooperation with the IDB). Tunis, Tunisia, Jumad Thani 1416H (November 1996).
3. Seminar on WTO for the Muslim Countries in Central Asia and some Middle East Countries. Ashgabat, Republic of Turkmenistan, December 1996.
4. Seminar on WTO for OIC member countries in West and Central Africa. Dakar, Republic of Senegal, January 1997.
5. Seminar on Accession to the WTO and Implementation of the Uruguay Round Agreements, Jeddah, Kingdom of Saudi Arabia, June 1997.
6. Seminar on Policies and Methods of Promoting IDB Member Countries' Exports of Textile and Ready-made Garments to European Market. Amman, Jordan, August 1997.
7. Seminar on Accession to the World Trade Organization and Implementation of the Uruguay Round Agreement, Jeddah, Kingdom of Saudi Arabia, 7-10 1997.
8. Seminar on the Islamic Countries' Future Trade in Food Production with European Market in the Light of the Current Developments in the World Trade. Tunis, Tunisia, December 1997.
9. Seminar on Export Promotion & Complementarily in Textile among IDB Member Countries in the light of the Current Developments in the World Trade. Beirut, Lebanon, July 1998.
10. Seminar on Policies and Methods of Promotion of Non-Traditional Exports of IDB Member Countries. Damascus, Syria, August 1998.
11. Seminar on Technical Barriers to Trade and their Implication for the Exports of IDB Member Countries in the Mediterranean Region. Cairo, Egypt, September 1998.
12. Regional seminar on Technical Barriers to Trade (TBT) and Sanitary and Photo-Sanitary Measures (SPS), in collaboration with the International Trade Centre (ITC), Geneva was held in Conakry, Guinea, 2-5 August, 1999.
13. Seminar on Technical Barriers to Trade and Sanitary and Photo-sanitary Measures was held in English, Dhaka, People's Republic of Bangladesh, on 21-24 Dhul Hijjah 1420H (27-30 March 2000).

14. Seminar on WTO Dispute Settlement Mechanism and Anti-dumping Agreements in Arabic, Jeddah, Kingdom of Saudi Arabia, 5-8 Jumad Thani 1421H (3-6 September 2000).
15. Seminar on WTO and Multilateral Trading System for IDB member countries in the Middle East and North Africa, Amman, Hashemite Kingdom of Jordan, 24-27 Dhul Hijjah 1421H (19-22 March 2001).
16. Seminar in English on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements, Kuala Lumpur, Malaysia, 29 Muharram-2 Safar 1422H (23-26 April 2001).
17. Seminar in French on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements, Dakar, Senegal, 27-29 Dhul Hijjah 1422HZ 11-13 March 2002.
18. Seminar in Arabic on Competition Policy and Law for Arab Countries Members of the OIC, in Khartoum, Sudan, 27-28 April, 2004.
19. Seminar in Arabic, English and French on the Impact of Termination of the WTO Agreement on Textiles and Clothing on the Exports of OIC Member Countries, in Jeddah, Saudi Arabia, 21-22 Rabi Awwal 1425H / 10-11 May 2004.
20. Joint seminar in Arabic with the Arab Industrial Development and Mining Organization, and Arab Iron & Steel Union on Anti-dumping, Amman-Jordan 12-14 Rabi 11 1425H / 31 May- 2 June 2004.
21. Seminar in Arabic, English and French on the State of Play in the Current WTO Negotiations On Agriculture and Non-Agricultural Market Access: Challenges and Opportunities For the OIC Member Countries, Istanbul, Republic of Turkey, 19-20 Safar 1426H / 29-30 March 2005.
22. Expert-Level Meeting on Trade Facilitation for the OIC Member Countries, IDB Headquarters, 23-24 Sha'ban 1426H / 27-28 September 2005.
23. Seminar on Accession, IDB Headquarters, Jeddah, 28-29 Safar 1427H/ 28-29 March 2006.
24. Seminar on Trade in Services for OIC member countries, Abu Dhabi, United Arab Emirates, 22-24 May 2006.
25. Seminar on the WTO-Trips Agreement and its Impact on Access to Medicines, Dakar, Senegal, 10-12 July 2006.
26. Seminar on Trade & Transfer of Technology for Selected OIC Member Countries, Islamabad, Pakistan, 27-29 November 2006.
27. Seminar on Accession Negotiations for Arab Countries, Damascus, Syria, 1-4 April 2007.
28. Seminar on WTO Rules, in Istanbul, Turkey, 04-06 September 2007.
29. Seminar on "Negotiations on Agriculture" for all Member Countries at IDB Headquarters, Jeddah, Saudi Arabia, 29-31 October, 2007.
30. Seminar on Market Access Issues in Agriculture and Industrial Goods in French, Dakar, Senegal, 14-17 January 2008.
31. Seminar on the latest developments in the Non-Agricultural Market Access Negotiations (NAMA) for Geneva-based officials, Geneva, 21-22 February 2008.

Workshops:

1. Workshop on the Impact of the GATT Agreement and ISO Requirements on the export capabilities of IDB Member Countries. Jakarta, Indonesia, Muharram 1416H (June 1995).
2. Workshop on the Impact of the Technical Regulations introduced by the World Trade Organization and the European Union on OIC Member Countries in the Mediterranean. Ankara, Turkey, October 1996.
3. Workshop on Impact of WTO Agreements on Trade in Services in IDB Member Countries. Amman, Jordan, 24-26 January 1999.
4. Workshop to discuss the IDB's three studies, namely agriculture, investment and services at Geneva, 13-16 Rabi Thani 1420H / 26-28 July 1999.
5. Regional symposium on Trade and Environment (organized in collaboration with United Nations Environment Program, Regional Office for West Asia. Cairo, 6-8 September 1999.
6. Regional Workshop on Dispute Settlement Procedures and Practices. (Organized in collaboration with United Nations Economic and Social Commission for Western Asia (UN-ESCWA). Beirut, Lebanon, 13-16 September 1999.
7. International Workshop on WTO and Liberalization of World Trade in Services. Kuala Lumpur, Malaysia, 28-29 September 1999. (Organized by the Federation of Consultants for Islamic Countries (FCIC)).
8. Regional study and a workshop on the impact of trade liberalization on the environment in the Arab region, Manama, Bahrain, 7-11 July 2001. (Project submitted by the Centre for Environment and Development in the Arab Region (CEDARE).
9. Joint workshop with the Turkish State Planning Organization on Private Sector, Istanbul, Turkey, 7-9 Rajab 1423H/ 14-16 September 2002.
10. Joint workshop with WIPO on Intellectual Property (IP), Male, Maldives, 16-17 November 2003.
11. A Workshop in Russian on WTO Accession for CIS countries in Kyrgyz Republic, 31 January-3 February 2005.
12. Joint workshop with the WTO on the TRIPS Agreement for Arab countries, Kuwait, 18-20 September 2006.
13. Workshop on Capacity Building for Facilitation of Trade and Investment for the OIC Member Countries, Jeddah, 26-28 June 2006.
14. Workshop on Accession to the WTO: experience and prospects of WTO membership, 13-15 March 2007, Bishkek, Kyrgyz Republic.
15. Workshop on Intellectual Property and Transfer of Technology in collaboration with WIPO, for Arab countries, Riyadh, 4-6 June, 2007.
16. Training Workshop on Trade Negotiation Skills for Arab Countries, Sana'a, Republic of Yemen, 11-15 August 2007.
17. Workshop on Dispute Settlement, Antidumping, Safeguards and Subsidies in English, Istanbul, Turkey, 4-6 September 2007.
18. Specialized Training Workshop on Trade Negotiation Skills for Syrian officials, Damascus, Syria, 25-28 November 2007.

d.) Special Studies

The IDB has so far undertaken 5 major sectoral studies on: Agriculture sector, Investment, Services sector, Trade-related Aspects of Intellectual Property Rights (TRIPs), and Electronic-Commerce. In this regard, the IDB obtained the services of experts in these fields and collaborated with UNCTAD in supervising some of these studies. Each study included a set of case studies on OIC member countries and contained valuable practical tips and negotiation strategies on the various issues concerning the OIC member countries.

As an added measure to ensure that these studies are fully adapted to the needs of the OIC member countries, the IDB consulted with the OIC member countries on the outlines of preparing the Terms of Reference (TORs) of these studies and held a brainstorming sessions where the drafts of these studies were discussed and reviewed by a pool of experts from the OIC member countries and other specialized institutions (WTO/UNCTAD/ESCWA/ICDT etc). In addition, IDB (Cooperation Office -WTO Unit) produces, on a regular basis, technical WTO notes where current WTO issues of concern to the OIC member countries are assessed and analyzed. Both the studies and the technical notes are circulated to the OIC member countries and related institutions.

e.) WTO Specific Technical Assistance to OIC Member Countries

The IDB, in line with its WTO-TAP, provides specific technical assistance to the OIC member countries as per requests received through hiring consultancy services or fielding in-house WTO experts on vital WTO issues such as, WTO accession, drafting of national laws, establishing WTO Units and providing capacity building for all general purposes. The following activities have been sponsored under the IDB WTO-TAP:

Activity	Beneficiary Country	Year
1. Financing a trade official to attend 3-month trade policy course, Geneva.	Sudan	1998
2. Assistance to Suriname for drafting laws related to "professional and financial services" and "safeguards".	Suriname	1999
3. Six Seminars/workshops on WTO-related topics.	Saudi Arabia	1999/2000
4. Study visit of officials for acquiring skills and experience in WTO operations.	Kyrgyz Republic	2000
5. Financing of two studies on services sector.	Sudan	2000
6. Support for establishing of WTO Unit in the Ministry of Trade.	UAE	2000
7. Support for Accession to WTO.	Lebanon	2000
8. Workshop on the impact of Uruguay Round Agreements on the economy of Niger.	Niger	2000
9. Support for Accession to WTO.	Yemen	2001
10. Support for Accession to WTO.	Tajikistan	2002
11. Technical assistance on capacity building in	Kyrgyz	2002/2003

Activity	Beneficiary Country	Year
the current negotiations	Republic	
12. Support for Accession to WTO.	Kazakhstan	2002/2003
13. Financing of 4 strategic studies for the Government of Sudan in the framework of its Accession to WTO.	Sudan	2003
14. Financing of a visit to Geneva of a WTO expert from the Bank to provide Technical support and advice to the Sudanese delegation in the first working party meeting.	Sudan	2003
15. Support for establishing of an Intellectual Property System in the Republic of Maldives.	Maldives	2003
16. Financing the Visit of an expert to assist in Accession Issues.	Syria	2004
17. Financing the Visit of an expert to assist in Accession Issues.	Syria	2005
18. Financing the establishment of an archiving system for the Commission for the WTO Affairs in Sudan.	Sudan	2006

STATUS OF THE OIC MEMBER COUNTRIES IN THE WTO

WTO Members	Date of Accession	Observers	No Status
1. Albania	8 September 2000	1. Afghanistan*	1. Palestine
2. Bahrain	1 January 1995	2. Algeria	2. Somalia*
3. Bangladesh*	1 January 1995	3. Azerbaijan	3. Syria
4. Benin*	22 February 1996	4. Comoros	4. Turkmenistan
5. Brunei Darussalam	1 January 1995	5. Iran	
6. Burkina Faso*	3 June 1995	6. Iraq	
7. Cameroon	13 December 1995	7. Kazakhstan	
8. Chad*	19 October 1996	8. Lebanon	
9. Cote d'Ivoire	1 January 1995	9. Libya	
10. Djibouti*	31 May 1995	10. Sudan*	
11. Egypt	30 June 1995	11. Tajikistan	
12. Gabon	1 January 1995	12. Uzbekistan	
13. Gambia*	23 October 1996	13. Yemen*	
14. Guinea*	25 October 1995		
15. Guinea-Bissau*	31 May 1995		
16. Guyana #	1 January 1995		
17. Indonesia	1 January 1995		
18. Jordan	1 January 1995		
19. Kuwait	1 January 1995		
20. Kyrgyz Republic	20 December 1998		
21. Malaysia	1 January 1995		
22. Maldives*	31 May 1995		
23. Mali*	31 May 1995		
24. Mauritania*	31 May 1995		
25. Morocco	1 January 1995		
26. Mozambique*	26 August 1995		
27. Niger*	13 December 1996		
28. Nigeria	1 January 1995		

WTO Members	Date of Accession	Observers	No Status
29. Oman	9 November 2000		
30. Pakistan	1 January 1995		
31. Qatar	13 January 1996		
32. Saudi Arabia	11 December 2005		
33. Senegal*	1 January 1995		
34. Sierra Leone*	23 July 1995		
35. Suriname	1 January 1995		
36. Togo*	31 May 1995		
37. Tunisia	29 March 1995		
38. Turkey	26 March 1995		
39. Uganda*	1 January 1995		
40. UAE	10 April 1996		

Not yet Member of the IDB.

* Least Developed Member Countries

ANNEX

XV

Original: French

**REPORT ON
THE ISSUES RELATING TO THE ACTIVITIES
OF THE WORLD TRADE ORGANISATION**

Submitted by
THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE

**24TH SESSION OF THE FOLLOW-UP COMMITTEE
OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL
CO-OPERATION OF THE OIC
(COMCEC)**

Antalya - Republic of Turkey
13-15 May 2008

BACKGROUND

The Islamic Centre for Development of Trade (I.C.D.T) is a subsidiary organ of the Organisation of the Islamic Conference (O.I.C) in charge of Trade Promotion between Islamic Countries, was mandated by the Secretary General of the O.I.C and the Standing Committee for Economic and Commercial Cooperation for Islamic Countries (COMCEC) to follow up in collaboration with the Group of the Islamic Development Bank, the multilateral trade negotiations organised by the World Trade Organisation (W.T.O).

Within this framework, I.C.D.T submits on a regular basis, progress reports on these negotiations to the COMCEC s annual meetings, the Islamic Commission for Economic, Cultural and Social Affairs of the O.I.C and the annual Islamic Conference of the Foreign Affairs Ministers (ICFM).

Likewise, the Centre works out reports and studies in preparation of the WTO Ministerial Meetings in order to shed light on the positions of Islamic Countries at this meetings and identify a common platform to coordinate their stances.

Besides, the Centre organizes seminars and workshops on the Multilateral Trade Negotiations for the benefit of the representatives of Member States from both the public and private sectors and on intra-OIC trade negotiations.

SECTION I

WTO's

MULTILATERAL TRADE NEGOTIATIONS¹

PARAGRAPH I: RESULTS OF JULY CONFERENCE 2004 WITHIN THE WTO.

At the conclusion of the 5th Ministerial Conference at Cancun, Ministers instructed their officials to continue working on outstanding issues, taking into account all the views that were expressed at the conference. Furthermore, Ministers asked the Chairman of the General Council, working in close co-operation with the Director-General, to coordinate this work and to convene a meeting of the General Council at senior officials level no later than 15 December 2003 to take the necessary action at that stage to enable movement towards a successful and timely conclusion of the negotiations. Since Cancun therefore, intense negotiations have been taking place both at Geneva and outside Geneva to fulfil this mandate.

These processes culminated into intense work that led to the adoption of a decision Framework Agreement at the General Council meeting of 27-30 July 2004.

The framework text identifies five areas for further negotiations, namely, agriculture, non-agricultural market access (NAMA), development issue, trade facilitation and services. The rest of the Doha Mandate, including intellectual property, dispute settlement, WTO rules relating to anti-dumping, environment etc., have not been given any specific guidance.

There were two significant gains from the Geneva meeting for developing countries in general: a commitment to eliminate export subsidies, and the placing of three "Singapore issues" outside the negotiations agenda of the Doha work programme.

1/ THE SINGAPORE ISSUES:

Three of the "Singapore issues" (investment, competition, and transparency in government procurement) have now been dropped from the WTO's negotiating agenda, at least during the period of the Doha programme. Developing countries had opposed these issues which they believed would interfere with their national policies and hinder their economic development.

The decision says "no work towards negotiations on any of these issues will take place within the WTO during the Doha Round."

But it is not clear whether the committees on investment and competition policy will still continue their study process. Further trade facilitation has been introduced, but with two caveats. One, the extent and timing of entering into commitments shall be related to the implementation capacities of developing countries and, two, developing countries will not be required to implement the final agreement in cases where support and assistance for required infrastructure is missing.

During negotiations, developing countries should make sure they use the flexibility provided to them, but at the same time have a hand in shaping the agreement.

¹ This report takes stock of WTO negotiations as of 31st October 2005.

11/ NON-AGRICULTURAL MARKET ACCESS (NAMA):

The flexibility introduced by the framework points to the fact that the specifics of the Derbez text (Cancun) form an initial negotiating position.

Tariff reduction formula:

The most difficult issue is the structuring of tariff reductions. Before Cancun and July 2004, several other developing countries had struggled fiercely for the adoption of a linear approach that would commit Member States to undertake a minimal percentage reduction for the various tariff lines, while industrialised countries insisted for the implementation of a formula that would reduce the high duties in a more radical manner than for the low duties. One of the key arguments that developing countries put forward was that - in view of their duties which are in general higher on industrial products-they would be accordingly affected in a disproportionate manner by non linear reductions.

Annex B of the July Package, which deals with NAMA, specifies that the WTO Members should continue to work for the application of the line-by-line implementation of a non-linear formula. Yet, stress was laid on the annex relating to the importance of taking into account the special needs and interests of developing countries, especially through a reciprocity that would not be total in the reductions commitments and which would leave a margin to insist on the application of exclusively linear reduction for some tariff lines and perhaps no reduction at all for others.

Other issues concerning the formula deal with the fact that the reduction/removal of customs duties should be based on tariff binding; a credit should be granted for the autonomous liberalisation in developing countries and that non ad valorem duties should be converted on the basis of a methodology to be agreed upon.

Regarding unbound tariff, the text admits the possibility that bound levels can be more than "twice" the applied level. The flexibilities for developing countries' needs to be specifically defined. The sector-based tariff elimination admits the possibility of voluntary tariff reductions.

According to some observers, the text remained in annex form because real negotiations had never taken off on industrial market access, with Members waiting for an outcome in agriculture first.

Non Tariff obstacles:

All participants were encouraged to present notifications on the non-tariff obstacles they meet before 31st October 2004 and to identify, review and classify per category such obstacles. Negotiations should fully take into account the principle of special and differential treatment in favour of developing countries and least developed countries as well.

III/ AGRICULTURE:

The developed countries agreed in principle to eliminate agricultural export subsidies. Export credits, export credit guarantees or insurance programmes with repayment periods beyond 180 days will also be eliminated and those of 180 days and below will be disciplined. Thus, for the first time, elimination of export subsidies has

been committed. When it takes place, this will get rid of some of the most trade distorting of the Developed countries' subsidies that have enabled the dumping of Developed countries agriculture exports (including to the South) and unfairly kept out the developing countries' farm products. However, the July package has not fixed an end date or a road-map for this elimination, so what will really happen here (and when) remains to be seen.

IV/ COTTON:

Another development was the poor outcome on the cotton issue at the meeting. Cotton-producing West African countries, backed by the Africa Group and ACP Group, have highlighted their plight, on how billions of dollars of cotton subsidies (mainly in the USA) have hampered their own cotton production and trade, affecting the incomes and lives of many thousands of African farmers.

The countries had been persuaded to give up their original demand that cotton be treated as a stand-alone issue and agreed that it could be treated within the agriculture negotiations. However they had maintained their key positions, that within the agriculture negotiations, cotton be given a special status, with its own measures and time-table.

V/ SERVICES

In the services sector, annex C of the July Package reiterates the commitments and objectives set during Doha Work programme and in the guidelines of the GATS. It underscores the need for making significant offers in fields of interest to developing countries.

In fact, annex C of the July Package urges Member States to:

"Ensure the good quality of offers, particularly with respect to the sectors and the supply mode of interest to developing countries in terms of exports, with special attention to the Least Developed Countries".

"Members note the interest of developing countries, as well as that of other members for mode 4".

The decision stipulates also that efforts made to conclude negotiations with a view to working out rules should be intensified and a target technical assistance should be provided to developing countries to enable them to participate in an effective manner in negotiations on services.

It is also stipulated that revised offers should be submitted in May 2005 at the latest, while initial offers should be made as soon as possible. The importance for developing countries of the movement of physical persons (mode IV) is outstanding and underscored, since within this framework, the intensification and conclusion of negotiations on some rules such as the safeguards emergency has been called for.

Despite such instructions, negotiations since July have not shown any sign of progress in so much as the liberal process of the submission of requests and offers of market access is still showing a delay.

During the Special Session of the Council on Trade in Services, held on 21st and 22nd February 2005, Members discussed 15 separate proposals on a wide range of issues

including internal regulations to postal services. They have also discussed mode 4 of the General Agreement on Trade in services (GATS), which deals with cross-border movement of services suppliers.

VI/ DEVELOPMENT ISSUES:

On the "development issues" (special and differential treatment for developing countries and issues relating to implementation of WTO agreements), the Geneva meeting again failed to agree on concrete measures to strengthen existing SDT measures or to provide new measures; or to take decisions on resolving specific problems of implementation of the existing WTO rules. The Geneva decision only sets new deadlines (since the old deadlines have long past) for the issues to be considered and for reports on these issues to be submitted.

A new development under "special and differential treatment" has been the removal of references to different sub-categories of developing countries which could have led to differentiation and graduation. However, the extension of technical assistance to low-income economies in transition leaves the possibility of extending such assistance to the newly acceded EU member states.

The Committee on Trade and Development is asked to complete its review of all outstanding agreement-specific proposals and report by July 2005 at the latest; all other outstanding work will be reported "as appropriate"; and all WTO bodies dealing with Category II proposals are to report to the Council by July 2005. On implementation, the Director General is requested to continue with his consultative process and report to the Trade Negotiating Committee and General Council by May 2005 for a Council decision by July 2005.

PARAGRAPH II: 6th MINISTERIAL CONFERENCE: Hong Kong, 13-18 December 2005.

Upon the instructions of His Excellency the Secretary General of the Organisation of the Islamic Conference, Prof Dr. Ekmeleddin IHSANOGLU, Mr. Allal RAÇHDI, Director General of the Islamic Centre for Development of Trade has represented the OIC at the proceedings of the 6th Ministerial Conference of the WTO, which took place in Hong Kong from 13th to 18th December 2005.

During this conference, ICDT provided the delegations of the OIC Member States with a document entitled "the WTO Multilateral Trade Negotiations and the OIC Member States", which takes stock of the negotiations just before the conference, identifies the possibilities of coordination among the OIC Member States on the different negotiations issues and suggests recommendations to preserve the interests of the OIC Countries in negotiations.

The interest of this conference lies on the hand, in the fact that it was held in a crucial time of negotiations; the WTO could not suffer another failure after Cancun during the Doha Round and negotiations cannot last any more, because the prolongation of negotiations would favour bilateralism and the return to protectionism and trade wars. The expected objectives of the conference were somewhat watered down, because the Doha Round could not be closed at a time when the five interested parties (EU, USA, Australia, Brazil, India) were sticking to their respective positions".

A large participation in this conference was recorded both at the level of Governments as well as at the level of Governmental and non Governmental International

Organisations. Yet, the number of delegations members was different according to the development level, for instance the delegation which numbered the largest number of members is that of the EU with 832 delegates, followed by the USA with 356 delegates and Japan 229. With respect to the OIC Countries, the delegate's number ranged between 63 (Saudi Arabia) and 2 delegates (the Gambia) the average being 12 delegates per delegation.

Fifty two OIC Member states participated in this Conference; the accession of 13 of these Member States is in process with an observer status. The most prominent event for the OIC is the accession of the Kingdom of Saudi Arabia to the WTO after 12 years of intense and tough negotiations.

The Islamic Development Bank has also participated in negotiations as observer.

- The Conference was chaired by the Secretary of State for Commerce, industry and Technology of Hong Kong, China, M. John Tsang who has appointed 6 other Ministers of commerce as facilitators:

- > Hümayun Akhtar Khan of Pakistan (non agricultural products-NAMA);
- > Mukhisa Kityui of Kenya (Agriculture);
- > Clement Rohee of Guyana (developmental issues such as the DST);
- > The services and rules were distributed amongst three facilitators: Kim Hyun-Chong (Korea), Jonas Gahr Store (Norway), Ignacio Walker of Chile.

Deliberations were held in plenary sessions and commissions: during the plenary sessions, the heads of delegations took the floor to make general declarations and expressed the views of their countries.

During the first four days, the main actors of international trade stuck to the position of Geneva and it was only on 17th December 2005 that noticeable breakthroughs were recorded on two files, agriculture and cotton.

1/ WHAT WERE THE STAKES OF THIS CONFERENCE?

The Governments of 150 countries, (Saudi Arabia and Tonga have just acceded to the WTO) deliberated for a week on a draft Ministerial Declaration that was communicated to them by the leading bodies of the WTO.

This Draft Declaration required only few decisions on behalf of Ministers, the main ones being new deadlines for the setting up and completion of the negotiations framework - or complete modalities- for Agriculture and NAMA. Yet, regardless of the draft text of the Declaration, the Director General of the WTO, Pascal Lamy and the Chairman of the General Council, Ambassador Amina Mohamed (Kenya) sent to Ministers a set of specific issues concerning the probable structure of the possible modalities in negotiations on agriculture and NAMA.

Six reports of the chairmen of key negotiations were enclosed to the Draft Ministerial Declaration. Only one on trade facilitation was approved by the Members before the Ministerial Meeting. The others-on Agriculture and NAMA, services, rules and the DST for the LDCs- were presented by the respective chairmen, on their own responsibility and their content was neither negotiated nor agreed by Members.

- One of the biggest changes which occurred since the last Cancun Conference was the increasing role played by the DCs to push forward negotiations. The 2004 July

Package, which revived the Doha Round, was worked out by the "five interested parties" (EU, United States, Australia, Brazil and India) and not by the quad composed of the United States, the EU, Japan and Canada.

The Members of the G-20, which was formed before Cancun and includes among others Brazil, China, India and South Africa have succeeded to balance conflicting interests and to submit common proposals on all the discussions aspects on agriculture. The G-20 also plays a significant role in the support of the other alliances of Developing Countries, notably the G-33, which focuses on concerns relating to food safety, guarantee of means of livelihood and rural development.

11/ RESULTS OF HONG KONG MINISTERIAL CONFERENCE:

The text adopted on 18th December in Hong Kong by the WTO Members after six days of tough negotiations in Hong Kong and under the pressure of the altermondialist demonstrators, provides for the end of the subsidies, which developed countries grant to farmers and the opening of their markets in favour of Developing Countries. On the other hand, the key issues of agricultural customs duties as well as the reduction of obstacles to trade in industrial products and services were postponed for debate until 2006.

In fact, Ministers agreed on some general parameters to guide the working out of the "complete modalities" on agriculture and for non agricultural products market access (NAMA) and fixed a deadline 'April 2006) to finalise them.

Members have committed themselves to submit draft general schedules of commitments based on modalities that will be adopted before July 31st 2006. They still hope to conclude the round by the end of 2006.

1/ AGRICULTURE:

Member States have accepted the removal of all forms of export subsidies "by the end of 2013". A "substantial part" of non determined reductions, must be done before 2010. In exchange for this concession, the Europeans obtained restrictions on other forms of support to agricultural exports in the world. It concerns export credits and food aid in the United States, and in Canada, Australia and New Zealand, it concerns the State Trading Enterprises, which were accused of anti-commercial practices.

Besides, the Ministerial Declaration requires from Members to develop disciplines on food aid, programmes of export credits and the practices of the State Trading enterprises by "30th April 2006 within the framework of modalities". With respect to market access, Members have agreed to structure their tariffs in four bands for reduction.

Besides, the Final Declaration, which would serve as a guide for the working out of probable "complete modalities", allows DCs to "propose an appropriate number of tariff lines, as special products, guided by indicators based on the criteria of food safety, guarantee of means of livelihood and rural development". They would also resort to the "Special Safeguard Mechanism" to protect farmers against a sudden increase of imports or the collapse of import prices.

The specific elements of the special product status and of the special safeguard mechanism are to be determined, and "will be integral part of the modalities (for

agriculture)".

2/ COTTON:

With respect to cotton, African Countries have managed to obtain the abolition of domestic subsidies by the year 2006, but they could not eradicate the domestic subsidies to production, which are the most prejudicial to their exports. The Agreement "recognizes" only that export subsidies should be reduced more ambitiously".

Actually, nothing has been provided for concerning domestic subsidies (estimated at about 3.8 billion dollars in 2004), which the United States continue to pay to its cotton producers.

Besides, with respect to the cotton of the Least Developed Countries (LDCs), the cotton exports in particular of West African Countries (Mali, Benin, Burkina Faso and Chad) have been granted duty and quota free access to the markets of Developed Countries starting from the conclusion of the negotiations of the Doha Round. But such a measure has been estimated as greatly insufficient for African producers.

3/ MEASURES IN FAVOUR OF THE LDCs:

Developed and Developing countries "which declare to be able to do so" offer free market access without customs duties and quotas for at least 97% of the products originating from the Least developed Countries (LDCs) starting from 2008.

4/ NON AGRICULTURAL PRODUCTS:

Negotiations on non agricultural products have recorded a Utile progress; debates dealt with the reduction modalities without fixing a precise rate for lack of consensus.

With respect to the modalities of tariff reduction of non agricultural products, the Ministerial Declaration has adopted the "Swiss formula" with a number of non specified coefficients of industrial tariff reductions.

The Declaration also provides for "a less than full reciprocity in reduction commitments" and the formula which was adopted should enable "to reduce or as appropriate to eliminate tariff peaks, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, in particular on products of export interest to developing countries".

It also provides for flexibilities to be accorded to DCs such as the exemption from the reduction of a small number of tariff lines, or less important reductions than those required by the formula on a higher number of lines.

5/ SERVICES:

Annexe C on services was the most disputed part of the draft declaration of December 7th 2005. Several DCs had requested its total elimination. They were particularly discontented with the provisions of the annex relating to qualitative modal objectives and of the compulsory language, which requests Member States to undertake multilateral negotiations for market access, if requested to do so.

Finally, the Ministerial Declaration lessens the binding and prescriptive language of paragraph 7 of annex C, dealing with the multilateral demands and offers process,

which was revised to explicitly specify that the compulsory consideration of collective demands will be made in the context of paragraph 2 of article XIX of the General Agreement on Trade and Services (GATS) stipulating that the liberalisation of trade in services should respect the developmental level of countries.

Members have also agreed that multilateral demands should be submitted by 28th February 2006 or as soon as possible after this date. Furthermore, the second series of revised offers will be presented by 31st July 2006. The final schedules of commitments must be submitted by 31st October 2006.

PARAGRAPH III: THE WTO TRADE NEGOTIATIONS AFTER THE 6TH MINISTERIAL CONFERENCE OF HONG KONG.

Since the Hong Kong Conference, discussions focused on three major issues: the reduction of agricultural domestic support, particularly in the United States, the opening of markets to industrial products and to services of developing countries and the reduction of customs tariffs on agricultural products for the European Union.

The post Hong Kong phase was characterised by strong efforts with a view to respecting the deadline of 30th April 2006 fixed to establish modalities concerning NAMA, in compliance with the Hong Kong Declaration. Yet, despite these efforts, the Doha Round Trade Negotiations were adjourned on 24th July 2006 in Geneva.

The resumption of negotiations initiated by the Summit Conference and that of the G8 Ministerial Conference, which took place on 16th July in Saint Petersburg have not prompted the reopening of negotiations.

It should be recalled that the negotiations stalemate had led Member States to appeal to the Director General of the WTO to serve as a catalyser to negotiations but the latter did not succeed to boost this negotiations round since he recommended the sine die adjournment of negotiations at the General Council Meeting in July 2006.

In fact, failure is obvious in so far as the deadlines to adopt modalities and accomplish some tasks fixed by the Hong Kong Ministerial Declaration and by the mini-Ministerial Meeting held in Davos on the sidelines of the World Economic Forum on 27th and 28th January 2006 have not been respected. These deadlines are 28th February 2006 for the presentation of the initial multilateral demands in the field of services; 30th April 2006 to establish modalities concerning Agriculture and NAMA; and 31st July 2006 for the presentation of draft schedules concerning services and revised offers.

This breaking off is mainly due to the divergences between the United States and the EU and the political inertia of the American policy in trade negotiations; the divergences between the United States and the EU on the one hand, and the G20 on the other were not very deterring factors. The crisis solving indubitably needs a strong revitalization of dialogue between the EU and the United States like the Blair House Agreement that was reached during the Uruguay Round.

According to some observers, the United States should make more substantial reductions of domestic support for agricultural products. The EU should enlarge the access to its markets of agricultural products. The G20 and the big developing countries should also reduce their industrial tariffs and open more the services sector.

Negotiations are expected to be resumed after the American elections on November. Other observers think that the negotiations round could be halted until 2009, with the

arrival of a new presidential administration in Washington because the congress elections by the end of 2006 than, the expiry of the "Trade Promotion Authority» at the United States, which allows the Bush Administration to negotiate a "global Agreement", on 31st July 2007, might cause put off for several years any possibility to conclude an Agreement.

- It is therefore, very obvious to notice that the conflict between the United States and the EU on agricultural negotiations has finally to "forestall forever a bill" the priority fields for Developing countries and the LDCs in general and the OIC countries in particular.

All the WTO Members show their strong will to make every effort to re-launch the Doha Round that was adjourned at the end of last July. Yet, it is the G20, which has been the most active in this field by organising a meeting in Rio De Janeiro on 9th September to allow its Members to harmonise their positions and to establish links with other country groups of developing countries.

In a Public Single Declaration announced on 9th September, the G20², notably in cooperation with the African Group, the ACP Group, the LDCS and the group of weak small economies showed its will to resume immediately the trade negotiations of Doha, by calling on the North Countries to improve their proposals of agricultural market opening.

Developing countries have stressed the importance of taking into account concerns already expressed before Honk Kong concerning special products, the cotton issue and the special safeguard mechanism or market access without duties or quotas for products originating in the LDCs and trade support, as well as the implementation of the decisions made at the last ministerial meeting.

If failure is confirmed, the consequence could be the increase of bilateral agreements (between two states), in other words the proliferation of different rules, making trade more complex and enhancing inequalities among countries, the "big countries" being in a stronger to impose their views to a "minor" and isolated country.

Only recently Mr. Pascal LAMY, Director General of the WTO undertook informal contacts with the main actors of the world trade in order to unfreeze negotiations because he thinks that the political conditions are more auspicious for the conclusion of the Doha Round? The political leaders of the whole world request the WTO to resume negotiations suspended sine die by the end of July 2006.

Mr. Pascal LAMY submitted to his interlocutors an overview of the most essential negotiations fields that remained to be considered, notably:

- > Agricultural domestic support where one can perceive the beginning of a new discussion on the relation between the figures of the global domestic support having a distorting effects on trade and the elements and disciplines per products related to the support with trade distortion effects;
- > Market access of agricultural products for which Member States are considering to adopt a little more global approach of the relation between the current formulas and flexibilities, particularly in the case of sensitive products, but the situation is less clear with respect to special products.

² The G20 includes 4 OIC member States: Egypt, Indonesia, Nigeria and Pakistan.

- > With regard to Market Access to Non Agricultural Products, the proceedings are making good progress with respect to non tariff obstacles and the sector based actions, as well as the ratio for tariff reductions.
- > Concerning the rules, notably anti-dumping, subsidies and fisheries subsidies, heated debates should allow the Chairman of the negotiating group to present a summarizing text that would serve when the time comes as basis for the final stage of negotiations.
- > Regarding the regional trade agreements, an agreement was concluded on a transparency mechanism for these agreements. Hence forth, one should tackle substantive issues consisting in clarifying the rules stipulated in Article XXIV of the GATT with respect "Most of trade exchanges".
- > Good progress has also been made in other fields, such as trade facilitation, trade and environment, geographical indications and the Convention on biological diversity and especially, the major development issue, including duty free and without quotas market access.
- > Finally, with respect to trade aids, negotiations are progressing towards the setting up of a surveillance mechanism, which is prescribed for the Hong Kong Declaration.

- Meeting of Potsdam in Germany in June 2007:

The four big actors of the WTO, namely the United States, the European Union, India Brazil held an informal meeting in Potsdam in Germany in June 2007 to solve the controversial issues, which freeze the negotiations of the Doha Round. Like the previous ones, this meeting has not ended by a noticeable and effective advance of negotiations for lack of an agreement on agricultural subsidies and the opening of markets to industrial products.

The failure of Potsdam is seriously jeopardizing the Doha negotiations, while time is slipping: an agreement on the big lines of negotiations is absolutely necessary in the next weeks if the 151 Member Countries want to meet their commitments and end the proceedings by the end of 2007.

It should be recalled that negotiators are trying to resolve a quasi impossible equation consisting in obtaining from Western countries to further open their markets to agricultural products coming from emerging countries so as the latter could in their turn remove a little bit their barriers for the industrial productions of rich countries.

Litigious issues

- Subsidies to farmers:

Brazil, Brussels and New Delhi have asked the United States to decrease by 15 billion dollars, the subsidies, which they grant each year to their farmers. The United States has for the moment maintained its subsidies to 22 billion.

- **The drop of Customs Duties on agricultural products:**

In return of reduction in their subsidies, the United States demand from the EU to decrease its customs duties by at least 60% on the average on agricultural products. The EU offers a decrease by 39% but it has declared that it is ready to draw closer to the demands of emerging countries, which require a 54% reduction.

The European Commission wishes to protect some sensitive products, such as:

Beef, from a strong drop and requires that 8% of its tariff lines (imports products) be covered by this status. Washington asks for 1% and the WTO has proposed a compromise around 5%.

- **The drop in Customs duties on industrial products:**

In return of concessions in the field of agriculture, the Western Countries demand from emerging countries to limit to a 15% maximum the customs duties which they levy on the imports of industrial products. India and Brazil can make reductions up to 35%. In order to protect their newly native industries, they ask for maintaining the safeguard clauses to face a possible import bulge.

SECTION II

THE OIC MEMBER STATES WHOSE ACCESSION TO THE WTO IS IN PROCESS

The total number of the WTO Member reached 151 countries with the accession of TONGA on 27th July 2007 of which 39 are OIC Members, that is to say more the quarter of the WTO Members.

- The OIC Member States whose accession to the WTO is underway:

The number of the OIC Member States that have applied for accession to the WTO is estimated at fourteen, these are: Afghanistan, Algeria, Azerbaijan, Comoros, Iraq, Iran, Kazakhstan, Lebanon, Libya, Sudan, Syria, Tajikistan, Uzbekistan and Yemen.

It should be noted that the access conditions of the new applicants have become excessive and inconsistent with the economic Developmental level of the applicant country. In fact, the candidates are subject to more restraining obligations than those to which the WTO Members are subject (called the WTO-plus obligations) and the special and differential treatment is not accorded to developing countries during their accession to the WTO.

The transition periods accorded to the first WTO Members were not automatically offered to acceding countries under Article XII, whatever their economic development level may be. Some transition periods were allowed in limited sectors and for short periods after the transmission of a comprehensive implementation schedule and in return of which the conformity to the WTO was guaranteed (promulgation of the required legislation, training of the staff in charge of implementation etc..) in all sectors.

It is therefore, important for the OIC countries to defend the idea of according appropriate transition periods to acceding countries. Likewise, market access should be adapted to the economic development to the candidate applying for accession. The adherence to multilateral agreements, such as the Agreement on government procurement and the Agreement on Civil aviation should not be considered as a pre-requisite for accession to the WTO. It is also important to simplify and to speed up the accession procedures applicable to the LDCs.

1. Afghanistan:

The Afghanistan made its application for access to the WTO on 21st November 2004. A working group was established at the meeting of the General Council held on 13th December 2004. Afghanistan has not yet submitted its aide-memoire on its foreign trade system. The working group has not met yet.

2. Algeria:

With an observer status since 1987, Algeria officially submitted to the WTO a report on its foreign trade regime in June 1996. The submission of this report will represent the first step in the membership procedure in this organisation.

Since then, some WTO Member States, such as the United States, the EU, Switzerland, Japan and Australia, sent a series of questions to Algeria. The answers were sent to the

WTO secretariat and a first meeting of the working group on the accession of Algeria to the WTO was held in Geneva in April 1998.

Algeria held five rounds of multilateral negotiations (April 1998, February 2002, May 2002 then November 2002 and May 2003, in 2004 and 2005) and two rounds of bilateral negotiations in the agricultural, industrial and services sectors (April 2002 and November 2002). The examined subjects are: agriculture, customs system, State trade, transparency and legal system reform and TRIPS.

Algeria submitted initial offers concerning goods and services in March 2002 and revised offers were distributed on 18th January 2005. The revised elements of a draft report of the working group and the latest new facts concerning the legislation were also examined during the meeting of the working group On February 25th 2005.

With respect to bilateral meetings, Algeria has met about ten countries; these are: the United States, Japan, Switzerland, Australia, Canada, the European Union, Cuba, Uruguay, Turkey and the Republic of Korea.

The working group on the accession of Algeria, which is chaired by M.C Perez Del Castillo (Uruguay) numbers 43 countries.

The 9th meeting of the working group in charge of the accession of Algeria to the WTO took place on October 21st 2005 at the headquarters of the WTO.

The agenda items of this meeting dealt with the progress of bilateral negotiations relating to market access, the consideration of the draft report of the working group and the new development of the Algerian legislation.

The working group in charge of the accession of Algeria to the WTO is currently tackling a document entitled "draft report of the working group on the accession of Algeria to the WTO". This document will comprise the main issues that will be discussed at the meeting of 21st October 2005.

Besides, on the sidelines of the 9th meeting of the working group, bilateral meetings were held during the period going from 18th to 20th October 2005 with the representatives of some WTO Members, particularly with the United States, Switzerland, New Zealand and Malaysia within the framework of the resumption of talks relating to the market access of commodities and services.

The Bilateral Negotiations in the field of market access are underway on the basis of revised offers concerning goods and services. The multilateral review of the Working Party was circulated in June 2006.

On 17 January 2008, members reviewed the revised draft Working Party report:

The Working Party report describes Algeria's foreign trade regime and the reforms undertaken in recent years to bring Algeria's legal and institutional framework into compliance with WTO rules. Members also evaluated the progress made in the ongoing bilateral negotiations on market access for goods and services.

Members have acknowledged Algeria's progress in reforming its trade regime in order to be fully compatible with WTO rules. Algeria has passed new legislation on Technical barriers to trade (TBT); sanitary and phytosanitary (SPS) issues; intellectual property (TRIPS); antidumping, safeguards and countervailing measures; pricing policies;

customs valuation; importation of pharmaceuticals products; exports of beef, sheep and palm trees.

Bilateral negotiations on market access of goods and services:

Algeria has completed negotiations with Brazil, Uruguay, Cuba, Venezuela and Switzerland. It still needs to conclude negotiations with the EU, Canada, Malaysia, Turkey, the Republic of Korea, Ecuador, the USA, Norway, Australia, and Japan.

3. Azerbaijan:

Azerbaijan's Working Party was established on 16th July 1997. Azerbaijan submitted a Memorandum on its Foreign Trade Regime in April 1999. Replies to a first set of questions concerning the aide-memoir were circulated in July 2000 then a second series in December 2001. The first meeting of the working group was held on June 7th 2002.

The last meeting of the working group was held on June 30th 2005. Bilateral negotiations on market access are underway on the basis of revised offers concerning goods and services.

4. Iraq:

Iraq made its application for accession to the WTO on 30th September 2004, under Article XII. A working group chaired by Mr Guillermo Valles Galmez (Uruguay) was established at the meeting of the General Council held on 13th December 2004.

Iraq has submitted an aide-memoir on its foreign trade system but the working group has not met yet.

For the first time since Iraq's application in 2004, the Working Party met to discuss and examine Iraq's trade legislation and its conformity with the WTO principles.

Iraq met bilaterally with Brazil, Egypt, the United Arab Emirates, the United States, Jordan, Morocco, Norway Oman Taiwan, the EU and Viet Nam. Iraq was invited to submit initial offers to advance their market access negotiations on goods and services.

Iraq will prepare documents on agriculture, services, technical barriers to trade, sanitary and phytosanitary issues and intellectual property, it will also prepare a general legislative plan of action providing members with a state of play of current and future legislation.

Working Party members, on 2 April 2008, supported Iraq's rapid accession to the WTO and argued it would contribute to the country's integration into the world economy. Iraq's Trade Minister, H. E. Dr. Al-Sudani, stated that Iraq was determined to overcome the country's difficult circumstances to move forward on the accession process and added that Iraq's membership would represent a significant addition to the international community.

Review of trade legislation:

At this stage of the accession, members examine all aspects of Iraq's trade and economic policies to assess their conformity with WTO principles.

Since the 1st Working Party meeting held in May 2007, Iraq has provided members with a legislative action plan which shows the state of play of the ongoing legal reforms. Iraq also provided information on its sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT) and the trade-related aspects of intellectual

property rights (TRIPS) as well as information on its domestic support and export subsidies in agriculture.

Bilateral negotiations:

Iraq has met with several members on the sidelines of the Working Party. Market access negotiations will start once Iraq tables its initial offers on goods and services.

5. Iran:

Iran submitted its application for accession to the WTO to the General Council during its session held on 8th and 9th July 2004 in Geneva (WT/ACC/IRN/1). This application was unanimously adopted by the General Council on 26th May 2005.

A working group was established at the meeting of the General Council held on 26th May 2005. Iran has not submitted yet an aide-memoir on its foreign trade system. The working group has not met yet.

It should be noted in this regard that the Iranian application, which dates back from September 1996, has until then been deferred 21 times by the General Council since May 2001, as a result of the veto of the United States of America.

6. Kazakhstan:

Kazakhstan's Working Party was established on 6th February 1996. Bilateral market access negotiations in goods and services commenced in October 1997, and are continuing based on a revised goods offer and the existing services offer. Topics under discussion in the Working Party include: agriculture, the customs system (and customs union arrangements), price controls, import licensing, industrial subsidies, SPS and TBT, transparency of the legal system and legislative reform, services and TRIPS.

A revised version of the factual summary of the issues raised (summing up of the discussions within the framework of the working group) was drafted by the Secretariat and considered during the seventh meeting of the working group, which took place in November 2004.

The Chairman of the working group on the accession of Kazakhstan, Mr. Ambassador Vesa Tapani Himanen (Finland), submitted on 7th June 2005 a positive report on the application of Kazakhstan, which adopted fundamental reforms.

The bilateral negotiations in the field of market access are in process on the basis of offers revised concerning goods and services provided in 2004. The last revision of the draft report of the Working Party was distributed in September 2006. The Working Party held its last session in November 2006.

7. Lebanon:

Lebanon's Working Party was established on 14th April 1999. The aide-memoire on the Foreign Trade Regime was circulated in June 2001 and the answers to issues concerning the aide-memoire were circulated in June 2002. The working group met for the first time on October 14th, 2002.

The bilateral meetings on market access are underway on the basis of revised offers concerning goods and services. The fifth meeting of the working group was held in May 2007.

8. Libya:

Libya deposited an official application for accession to the WTO on 25th November 2001 (Doc.WT/ACC/LBY/1). The WTO Members agreed on 27th July 2004 to start negotiations with Libya on its membership.

Libya has not submitted yet the aide-memoir on its foreign trade system and the working group has not met yet.

9. Sudan:

The Working Party on the accession of Sudan was established on 25th October 1994. Sudan's Memorandum on its Foreign Trade Regime was circulated in January 1999. Replies to a first set of questions concerning the Memorandum were circulated in November 2000 and a second set of questions were put in January 2003. The second meeting of the working group was held in March 2004.

The bilateral negotiations on market access for goods and services are underway, on the basis of the initial offer concerning services and a revised offer concerning goods.

10. Tajikistan:

On 29th May 2001, a formal request for accession under Article XII was sent to the Director-General by the Government of Tajikistan. A Working Party was established at the General Council meeting on 18 July 2001. Tajikistan has submitted the aide-memoir on its foreign trade system in February 2003 as well as a first series of questions and answers to the questions of Member States in September 2003. Bilateral negotiations on market access are underway on the basis of revised offers in goods and services. The working party held its second meeting in April 2005 to continue the examination of Tajikistan's foreign trade regime.

Bilateral negotiations on market access are underway on the basis of revised offers in goods and services. The working party held its second meeting in October 2006 to continue the examination of Tajikistan's foreign trade regime.

11. Uzbekistan:

The Working Party on the accession of Uzbekistan to the WTO was established on 21 December 1994. Uzbekistan submitted its aide-memoir on the Foreign Trade Regime in September 1998 and replies to questions on his aide-memoir were circulated in October 1999. Bilateral market access contacts have been initiated. The Working Party met for the first time on July 17th 2002.

Uzbekistan has started bilateral negotiations on market access with interested members on the basis of initial offers concerning goods and services submitted in September 2005. The third meeting of the working group took place in October 2005.

12. Syria:

Syria's request for accession was notified to the Director General of the WTO on 30th October 2001. (WT/ACC/SYR/1).

No Working Party has not been established yet to examine the accession application of Syria (Documents WT/ACC/SYR/1,2,3).

13. Yemen:

Yemen's request for accession was circulated on 14th April 2000. The General Council established a Working Party on 17th July 2000. The aide memoir on the Foreign Trade

Regime was circulated in November 2002.

The working group on the accession of Yemen to the WTO held its second meeting on 3rd October 2005 during which it examined the factual summary, which deals with the main issues submitted for discussion, continued the general consideration of the foreign trade system and examined the evolution of legislation. Bilateral negotiations on market access have started on the basis of the initial offers concerning goods and services.

The third meeting of the Working Party was held in July 2006.

At the fourth meeting of the Working Party for Yemen's Accession held on 2 November 2007, the government highlighted its determination to address the WTO accession requirements in 2008 in order to become a member in 2009.

The chairman Hartmut Röben (Germany) welcomed the Yemeni delegation led by Dr. Yahya Al-Mutawakel, the new Minister of Trade and Industry, and the renewed commitment shown by Yemen to accelerate its membership negotiations.

Yemen is to work on the gaps identified in the country's trade regime and to bring its legislation and enforcement mechanisms in conformity with WTO requirements. Based on the inputs received, the Secretariat may prepare Elements of a Draft Working Party Report for the next meeting.

Yemen held bilateral meetings with a number of interested members and has concluded its market access negotiations with China. Bilateral negotiations are expected to intensify with the submission of improved offers in advance of the next meeting.

14- Comoros

On 9th October 2007, the General Council set up a Working Party in charge of examining the accession application of Comoros to the WTO. It allowed its Chairman to appoint the Chairman of the Working Party in consultation with Members and the representatives of Comoros (Document WT/ACC/COM/1).

Country	Date of the setting up of a working group	Chairman of the working group
Mghanistan	13 th December 2004	-
Algeria	17 th June 1987	Uruguay
Azerbaijan	16 th July 1997	Germany
Comoros	9 th October 2007	-
Kazakhstan	6 th February 1996	Finland
Iraq	13 th December 2004	Uruguay
Iran	26 th May 2005	-
Lebanon	14 th April 1999	France
Libya	27 th July 2004	-
Sudan	25 th October 1994	Morocco
Syria	30 th October 2001	-
Tajikistan	18 th July 2001	-
[Uzbekistan	21 st December 1994	Mexico
Yemen	17 th July 2000	Germany

Source: WTO

TABLE RELATING TO ONGOING ACCESSIONS

	Application	Working Party Established	Memorandum	First/Latest* Working Party Meeting	Number of Working Party Meetings *	Goods Offer		Services Offer		Draft Working Party Report **
						initial	latest*	initial	latest*	
Afghanistan	Nov 2004	Dec 2004								
Algeria	Jun 1987	Jun 1987	Jul 1996	Apr 1998/Oct 2005	9	Feb 2002	Jan 2005	Mar 2002	Jan 2005	Jun 2006
Azerbaijan	Jun 1997	Jul 1997	Apr 1999	Jun 2002/Mar 2006	4	May 2005	Apr 2007	May 2005	Mar 2007	
Iran	Jul 1996	May 2005								
Iraq	Sep 2004	Dec 2004	Sep 2005							
Kazakhstan	Jan 1996	Feb 1996	Sep 1996	Mar 1997/Nov 2006	9	Jun 1997	May 2004	Sep 1997	Jun 2004	Sep 2006
Lebanon	Jan 1999	Apr 1999	Jun 2001	Oct2002/May2007	5	Nov 2003	Jun 2004	Nov 2003	Jun 2004	Mar 2007
Libya	Jun2004	Jul 2004								
Sudan	Oct 1994	Oct 1994	Jan 1999	Jul 2003/Mar 2004	2	Jul 2004	Oct 2006	Jun 2004	Oct 2006	Sep 2004 (FS)
Tajikistan	May 2001	Jul 2001	Feb 2003	Mar 2004/Oct 2006	3	Feb 2004	Jun 2006	Feb 2004	Jun 2006	May 2006 (FS)
Uzbekistan	Dec 1994	Dec 1994	Oct 1998	Jul 2002/Oct 2005	3	Sep 2005		Sep 2005		
Yemen	Apr 2000	Jul 2000	Nov 2002	Nov 2004/Jul 2006	3	Sep 2005	Jun 2006	Aug 2005	Jun 2006	Jun 2006 (FS)

Note:

* As of the date of this document.

Most recent Factual Summary (FS), draft Working Party Report or Elements of draft Working Party Report.

SECTION III

THE ACTIONS OF ICDT AND THE OIC

With regard to the WTO multilateral trade negotiations, ICDT will continue its coordination work between the OIC Countries during the next negotiations of the WTO.

Technical assistance will also be ensured for the benefit of Member States, particularly the Least Developed among them in order to assist them in negotiations and the implementation of their results through consultancy and expertise.

Besides, ICDT is planning to organise several seminars and meetings between the OIC countries so as to make an assessment of the negotiations stakes, and even their impact on the trade policies and economies of Member States. Popularisation actions will be carried out for new themes in negotiations such as competition policy, trade facilitation, electronic commerce etc...

These activities will involve the participation of not only the representatives of concerned administrations but also those of the private sector in the OIC countries.

It should be recalled that the meeting devoted to "the follow up of the resolutions of the OIC Extraordinary Summit" held in Jeddah on 5th March 2006, the OIC General Secretariat and the other OIC institutions, of which ICDT have drawn up a programme for the implementation of the resolutions of the 3rd Extraordinary Summit of the OIC held in Makkah Al Moukarramah in December 2005. In the field of multilateral trade negotiations, the meeting requested ICDT and IDB to ensure the follow up of multilateral trade negotiations within the WTO and to contribute to the adoption of common stances by the OIC Member states in these negotiations.

- Round Table on "the WTO Negotiations": What Stakes for the OIC Member States?

ICDT and the Moroccan Committee of the International Chamber of commerce organises in collaboration with the Moroccan Business School (ISCAE) a round table on the "WTO Trade Negotiations: What stakes for the OIC member states" on 18th September 2007 in Casablanca.

The objective of this round table is to gather the actors of the civil society and the representatives of the governmental authorities in charge of the Multilateral Trade Negotiations file in order to take stock of the WTO negotiations and evaluate the potential impact of the Doha Development Round.

Inter-regional Workshop on "Geographical Indications": Ankara, 3-4 April 2008.

Within the framework of their programme of activity to strengthen the Institutional Capacity Building adopted by the 2nd Conference on "Technical Cooperation between the Industrial Property Offices in the OIC member States" held in Casablanca from 11th to 13th July 2007, the Turkish Patent Institute (TPI) and the Islamic Centre for Development of trade (ICDT) have jointly organised with the World Intellectual Property Organisation (WIPO) and the Islamic Development Bank, an inter-regional workshop on the Geographical Indications that was held in Ankara, Republic of Turkey

from 3rd to 4th March 2008.

The main purpose of this workshop was to equip participants with the scope of the protection provided by the geographical indications, the details on the international agreements providing protection measures, examples of applications in model countries, introduction of non-governmental organizations working on geographical indications, and establish discussion platform among the national officials of the OIC member States responsible for registering and administering geographical indications. The Workshop also allowed participants to seek answers to their questions on GIs and share their experiences with participating professionals from relevant international organisations, including WIPO and Institut National de l'Origine de la Qualite (INAO) of France.

A dozen countries took part in this workshop, these are: Bangladesh, Benin, Guinea, Morocco, Mozambique, Uzbekistan, Uganda, Sudan, Senegal, Turkey and Yemen.

- Future activities:

ICDT is also planning to organise under the auspices of the Ministry of Industry, Commerce and Information Technologies of the Kingdom of Morocco jointly with the IDB Group, (Cooperation Office) and the WIPO, a seminar on the flexibility in the implementation of the Agreement on the Trade Related to Intellectual Property Rights (TRIPs) in Casablanca from 9th to 12th June 2008.

The aims of this seminar are: on the one hand, to sensitize Member States to the importance of the impact of the legislation relating to the Intellectual Property Rights on international trade and to assist Member States in following the WTO negotiations in this field, on the other. The importance of this seminar lies in the fact that this field is governed since the end of the Uruguay Round by an Agreement on trade related intellectual property right (TRIPS) of the WTO.

CONSULTATIONS BETWEEN THE OIC MEMBER STATES:

On 12th December 2005, the Islamic Development Bank organised in SHANGRI LA Hotel in Hong Kong, a consultative meeting of the OIC Member States whose agenda items dealt with the "progress achieved in Doha Development Agenda".

This meeting, which was chaired by the Minister of Commerce of the Islamic Republic of Pakistan in the presence of the President of IDB, was attended by 22 Ministers and 35 States of the OIC, ICDT, AMF and UNCTAD.

At the end of the debates, participants agreed on the following:

1. The organization by IDB of a meeting of the OIC Countries whose accession to the WTO is in process for an exchange of experiences;
2. The continuation of consultative meetings on the WTO issues and the organisation of a meeting to assess the Hong Kong Conference;
3. The working out by IDB of a study on the impact of the WTO Agreements on the OIC Member States;
4. A greater contribution of IDB in the development of human resources in the fields of international trade and negotiations techniques;
5. Support by IDB of the efforts aiming at expanding intra-OIC trade;
6. Continuation of the IDB's programmes relating to the capacity building in the field of exports and the access to the Member States' markets like for cotton;

7. Need to strengthen coordination between IDB and ICDT so as to ensure a better technical assistance to Member States:
 - 7.1- In the field of training
 - > Negotiators
 - > Staff who will be in charge of implementing the results of the Doha Round
 - 7.2- In the field of the popularization of the results of the Doha Round at the level of the private sector
 - 7.3- In the field of the impact assessment of negotiations on the economies of the OIC Countries
 - 7.4- Continuation of the efforts of IDB and ICDT for a greater coordination of the position of Member States just before the future Ministerial Conferences of the WTO.

ANNEX

XVI

Original: English

**SUMMARY REPORT
ON THE CONTRIBUTION OF THE OIC MEMBER STATES,
OIC GENERAL SECRETARIAT AND ITS CONCERNED INSTITUTIONS
FOR ENERGIZING TRADE AND INVESTMENT IN COTTON
AND TEXTILE SECTOR IN MEMBER STATES**

The OIC General Secretariat gives prime importance to the development of the cotton industry in the Member States. Since most of the West and Central African (WCA) countries affected by the cotton subsidies are also members of the Organization of the Islamic Conference (OIC), the OIC and its Institutions, working in the field of economic and commercial cooperation have also focused on determining policy measures to be taken within the OIC to support the least developed cotton producing Member States. Especially, after the collapse of the WTO meeting in Cancun, enhancing intra-OIC cooperation for the development of cotton industries in West and Central African OIC Member States has become a matter of utmost priority for the OIC. In this context, various activities were undertaken by the OIC and its subsidiary organs, specialized and affiliated institutions dealing with the economic sector.

After evaluating the challenges facing the Islamic world, and discussing the main facets of the future vision for the OIC Member States, the Third Extraordinary Session of the Islamic Summit Conference adopted the OIC Ten-Year Programme of Action to meet these challenges. In its introduction, the OIC Ten-Year Programme of Action emphasized that special attention needs to be given to Africa, which was the most affected region, due to poverty, diseases, illiteracy, famine, and debt burden. Furthermore, while underlining the need to achieve higher levels of development and prosperity, emphasized that the priority must be given to, inter alia, enhancing economic cooperation, and alleviating poverty in OIC Member States, particularly in conflict-affected areas.

For the development of cotton, the OIC General Secretariat in cooperation with the Government of Burkina Faso, the IDB and the ICDT, organized a Forum on "Energizing Trade and Investment in the Cotton Sector of OIC Member States" in Ouagadougou, Burkina Faso, in April 2005. The IDB organized also the first "Expert Group Meeting on Enhancing Production Efficiency and International

Competitiveness in Cotton Producing Member States" in Jeddah, in March 2005. The "Second Expert Group Meeting on Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries" held in Izmir, Turkey, in March 2006.

For the implementation of the decisions of the above mentioned EGMs, and in order for an increase in the cotton production efficiency in the OIC Member States and a higher competitiveness of this product and the international market to be achieved, there needed for the adopt the action plan in the cotton sector and implement in urgent measures particularly in those field of capacity building for cotton.

In this regard, the Third EGM on Enhancing Production Efficiency and International Competitiveness in OIC Cotton Producing Countries, which was held in Antalya, Turkey, in October 2006, adopted the Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011). This Plan aimed to strengthen trade, investment and technology transfer in cotton producing member states, particularly, in favour of Africa. Priority areas of the Action Plan also are: enhancing productivity and production techniques; strengthening member countries of structural capacities and organizations; developing the field of processing and marketing; trade and international competitiveness; and arranging finances for the activities. The 22nd Session of the COMCEC also endorsed the Action Plan.

The OIC Secretary General gives the prime importance to the socio-economic well-being and development of the African Member States, particularly to the cotton issue. In this connection, he undertook a tour to six least developed OIC Member States in Africa in March 2005. His Excellency visited Burkina Faso, Chad, Gambia, Mali, Niger and Senegal to obtain first hand information on the prevailing socio-economic conditions in these countries, and on the efforts being implemented or planned to help them economically and socially. During this tour, it was agreed, inter alia, for energizing the development of food, cotton and textile industries in these countries through the promotion of joint ventures among the Member States.

For the implementation of the 5-Year OIC Plan of Action on Cotton, the Republic of Turkey hosted the Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector among the OIC Member Countries, held in

Istanbul, on 12-13 November 2007. The Forum identified the following Centers of Excellence in the area of Research in Cotton and Textile to represent the three regions, as following: African region: Nigeria and Senegal; Asian region: Pakistan and Turkey; Arab region: Egypt and Syria. The program of the implementation of the 5-Year OIC Plan of Action on Cotton will be approved by the Steering Committee. According to the decision of the Forum, a Project Committee will be established under the authority of the Steering Committee, and this Committee will review the programs and projects submitted by Member States, Research Center, OIC Institutions, regional and organizations in the domain of cotton, textile and related activities. The 23rd Session of the COMCEC, held in Istanbul, in November 2007, also endorsed the outcome of the said Forum.

The Forum adopted also the following recommendations:

- The Forum designated Nazilli Cotton Research Institute of the Republic of Turkey to coordinate research activities in cotton and textile. The research centers will prepare programs to be submitted to the IDB, international, regional and national institutions for financing.

A Project Committee will be established under the authority of the Steering Committee and this Committee will review the programs and projects submitted by Member States, Research Centers, OIC Institutions, regional and international organizations in the domain of cotton, textile and related activities and make a recommendations to the Steering Committee through General Secretariat of the OIC.

The Forum designated the following institutions to be members of the Project Committee: IDB, Chairman; OIC General Secretariat; SESTRCIC; ICDDT; ICCI and two institutions from each Africa, Asia and Arab countries. The Project Committee would identify and/or approve the programs and projects within the 5-Year OIC Plan of Action on Cotton on Cotton Producing Countries.

The Forum called upon the member countries to provide the Ministry of Industry and Trade of the Republic of Turkey of their web admin for the use of the forum website in order to use the facilities of this website particularly for the implementation of the OIC Five-Year Cotton Action Plan (2007-2011).

- The Forum also called upon the Member Countries to organize and host cotton and cotton-related products fair on an annual basis. Benin has indicated their intention to host the 1st Fair in 2008.

The General Secretariat of the OIC has taken the following actions in implementation of the decisions of the Forum on the OIC cotton Action Plan:

The General Secretariat have sent the outcomes of the Forum to all Member States of the OIC and all OIC concerned institutions, and urged them to implement of the decisions of the Forum.

The General Secretariat has requested the Islamic Republic of Pakistan and the Republic of Senegal to nominate Regional Center of Excellence for Cotton Research.

The General Secretariat has sent a Note Verbale to IDB, requesting to establish a Project Committee as proposed by the Forum on Cotton, subsequently endorsed by the COMCEC.

With regard to the establishment of Project Committee, the IDB may present its own report on the subject matter to the 24th Meeting of the Follow-up Committee of the COMCEC.

The General Secretariat of the OIC have also sent reminders to the Islamic Republic of Pakistan and the Republic of Senegal, requesting them to nominate their Center of Excellence.

The General Secretariat invited all concerned Member States and its concerned Institution to actively participate at the First Meeting of the Steering Committee. The General Secretariat have also sent reminders to them, requesting confirmation of their participations at the Meeting.

The General Secretariat has requested all concerned Member States to inform their focal points on Cotton for the effective implementation of the OIC Cotton Plan of Action. In this regard, some countries have appointed their focal points and informed to the OIC General Secretariat. The OIC General Secretariat has communicated all related information to the Ministry of Trade and Industry of the Republic of Turkey.

In conformity with the decisions of the Forum, the General Secretariat of the OIC has requested the Republic of Benin to convey the dates of the 1st Fair on Cotton and Cotton-related Products, which is scheduled to be held in Benin in 2008.

The General Secretariat will continue its efforts with regard to the implementation of the OIC 5-Year Cotton Plan for the development of cotton in the Member States in line with the above mentioned decisions taken by the EGMs and the Forum.

30.4.2008

ANNEX

XVII

Original: English

**REPORT OF THE
FIRST MEETING OF THE STEERING COMMITTEE
FOR THE IMPLEMENTATION OF THE OIC COTTON
COOPERATION PROGRAMME**

(Antalya, 12 May 2008)

1. The First Meeting of the Steering Committee for the implementation of the OIC Cotton Cooperation Programme was held on 12 May 2008 in Antalya, Republic of Turkey, prior to the 24th Meeting of the Follow-up Committee of the COMCEC (13-15 May 2008).
2. The Meeting was chaired by Mr. Mehmet Vehbi GÜN AN, the Chairman of the Steering Committee. (General Director of the Organisation, Ministry of Industry and Trade of the Republic of Turkey).
3. The following OIC member countries attended the Meeting as members of the Steering Committee;
 - Burkina Faso,
 - Islamic Republic of Pakistan,
 - The Republic of Turkey,
4. In addition to the OIC General Secretariat and the COMCEC Coordination Office (CCO), the following OIC Institutions attended the Meeting as members of the Steering Committee ;
 - Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)
 - Islamic Development Bank (IDB)
 - Islamic Chamber of Commerce and Industry (ICCI)
 - Islamic Center for the Development of Trade (ICDT)(The List of Participants is attached as Annex I).

5. The meeting started with a welcome address by the Chairman of the Steering Committee Mr. Mehmet Vehbi GÜNAN, (General Director of Organisation, Ministry of Industry and Trade of the Republic of Turkey). The representative of the OIC, Ambassador Nabika DIALLO, Advisor to the Secretary General and Mr. Ferruh TIĞLI, the Head of COMCEC Cooperation Office, also addressed the meeting. Ambassador DIALLO briefed the meeting on the contribution of the OIC Member States, OIC General Secretariat and its institutions concerned for energizing trade and investment in the cotton and textile sector in Member States. He underlined in this context the importance the Secretary General of the OIC, Prof. Ekmeleddin IHSANOGLU is attaching to this programme which he initiated upon his visit to some OIC African Member States in March 2005.

6. The Meeting adopted and considered the following Agenda Items:

- 1- Date of the 1st Project Committee Meeting (the so far submitted project proposals),
- 2- Project proposal format,
- 3- Project proposal approval, financing and implementing procedures (except for urgent project approvals),
- 4- Web Portal (activation, improvement, translation, finance)
- 5- Centers of Excellence and their examination procedure (recommendations by Nazilli Cotton Research Center as the Coordinator of the Centers of Excellence),
- 6- Preparation for the Implementation Plan of the OIC Cotton Cooperation Programme,
- 7- OIC Cotton Fair 2008 (Benin's offer to host the first fair),
- 8- OIC Cotton Forum 2009 (Designate a host country).

7. The Ministry of Industry and Trade of Turkey briefed the Meeting on the background of the OIC Cotton Cooperation Programme.

Under Agenda Item 1:

8. The Meeting decided that the IDB will organize the First Meeting of the Project Committee. The members of the Project Committee will meet in the run-up of the 24th Session of the COMCEC Meeting, under the chairmanship of IDB. The place and date of the Project Committee Meeting is yet to be

announced by IDB in due course. The so far submitted project proposals will be discussed in the First Meeting of the Project Committee.

9. The Meeting decided that the Project Committee convene annually under the organization of the IDB, prior to the Steering Committee Meeting and submit its report to the Steering Committee.

10. The Meeting emphasized the need for initiating project proposals by Member Countries, private sectors, Centers of Excellence and OIC Institutions and submitting them to the Project Committee for consideration while later forwarding selected projects to the Steering Committee for final approval.

Under Agenda Item 2;

11. The Meeting discussed the need for designing a project format to streamline the process of submitting project proposals and approval procedures. The Meeting requested the IDB to prepare a Project Proposal Format prior to the First Meeting of the Project Committee. The IDB will circulate the project format to the Member Countries and related institutions through OIC General Secretariat and call upon the Countries to submit project proposals ahead of the Project Committee Meeting.

Under Agenda Item 3:

12. The Meeting decided on the project proposal, approval, finance and implementation processes as follows; The Project Committee shall define the process of submitting the project proposals at the first meeting of the Project Committee. It shall discuss the proposals made during the Meeting, and selected project proposals shall be later submitted to the Steering Committee for approval. The approval of the project proposals by the Steering Committee shall be preferably by consensus. The approved projects shall be submitted to the IDB and other relevant financial institutions through the OIC General Secretariat for financial support. The projects, subject of funding, shall be implemented by the project owners, who shall regularly submit Progress Reports on the implementation of their projects to the Steering Committee.

13. The Meeting decided that the procedures mentioned under this Agenda Item may not be applicable with regard to some special urgent and underlying project proposals and decisions which are beneficial for a considerable number

of member countries. This calibre of projects shall be directly approved by the Chairman and members of the Steering Committee through mail communication prior to the annual meeting of the Committee, in consultation with the OIC General Secretariat and the Chairman of the Project Committee. In this case, the Chairman shall submit a report on such projects to the following meeting of the Steering Committee.

Under Agenda Item 4:

14. The Meeting decided that the OIC General Secretariat shall inform the Steering Committee on the web-administrators and contact-specific information by the focal points in the member countries.

15. The Meeting discussed the importance of the Web Portal as a communication and information base tool among the member countries. The project pertinent to the development of the Web Portal is underway by the Ministry of Industry and Trade of the Republic of Turkey. The Web Portal Project shall be submitted to the IDB as the Chairman of the Project Committee for evaluation and potential funding.

16. The Meeting called upon the Member Countries and the OIC Institutions to contribute to the updating of the materials contained in the Web Portal by providing all the related data and leads of information on the Cotton Sector.

17. The Meeting suggested that the web portal should be appropriately named to reflect as a window on the Cotton Sector of the OIC Countries, and to provide a link to the web sites of the OIC institutions.

Under Agenda Item 5:

18. All the Centers of Excellence representing the three OIC regions have been defined as follows;

- 1- Asia: Turkey (Nazilli Cotton Research Institute) and Pakistan (Central Cotton Research Institute)
- 2- Arab: Egypt (Cotton Research Center) and Syria (Cotton Research Institute)
- 3- Africa: Nigeria (Ahmadou Bello University Agricultural Research Center) Senegal (Experimental Unit of Velingara)

19. In its capacity as the Coordinator of the Centers of Excellence, Nazilli Cotton Research Institute of Turkey made a presentation which includes a brief on the activities of the Institute, covering different cotton-related areas and a proposal for a mechanism of cooperation among the Centers of Excellence. The Institute also expressed willingness to organize and host a meeting of the Centers of Excellence in order to come up with specific project proposals to be implemented in the Member Countries.

20. Nazilli recommended the organization of a meeting bringing together the six Centres of Excellence and the representatives of the R&D Centres in other Member Countries under this programme, in Nazilli, in collaboration with SESRIC, ICDT, ICCI and IDB. In this meeting, the needs and capacities of the Member Countries and the possible project proposals shall be discussed accordingly. Besides, which countries would become the responsibility of which Centres of Excellence shall also be decided, for communication and coordination processes to be rendered feasible. It was also proposed that the Meeting of the Centres of Excellence, in view of their expertise, could help put forward projects to the Project Committee.

21. The Meeting called upon the Member Countries as well as the Centers of Excellence to enhance and cement their cooperation with Nazilli Cotton Research Institute.

Under Agenda Item 6:

22. The Meeting decided that the Steering Committee prepare an Implementation Plan in collaboration with Nazilli, ICDT and other related international institutions such as the FAO, ITC, and others. The IDB is requested to prepare a project proposal format to be included in the Implementation Plan.

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23. The Implementation Plan shall specify the implementation period in the short, medium and long run as well as, where possible, the executing agencies.

Under Agenda Item 7:

24. The Meeting decided that the Cotton Fair be organized in 2009. The Meeting requested that the OIC General Secretariat hold necessary contacts with the Government of Benin to confirm Benin's offer to host the First Cotton Fair in 2009. ICDT, in collaboration with IDB is invited to organize the Fair along with the buyer/seller workshop on cotton and textile at the appropriate time and place and will inform the Steering Committee members of the date of the Fair.

Under Agenda Item 8:

25. The Meeting requested that the OIC General Secretariat call upon all the OIC Cotton Producing Countries to organize and host the upcoming 2nd OIC Cotton Forum in 2009. It shall inform the Steering Committee of the name of the potential host country and the date of the Forum.

Any other business:

26. The Meeting decided, if necessary, that the Steering Committee hold an interval meeting to precede the 24th COMCEC Meeting in October 2008.

27. The Meeting decided that the report of the Steering Committee be presented to the 24th Meeting of the Follow-up Committee of the COMCEC on 13-15 May 2008 in Antalya.

28. The Meeting concluded by expressing thanks to the Chairman and the members of the Steering Committee as well as to the COMCEC Coordination Office for its hospitality.

ANNEX

XVIII

Original: English

**DRAFT AGENDA
OF THE TWENTY-FOURTH SESSION
OF THE COMCEC**

(Istanbul, 20-24 October 2008)

1. Opening Session
2. Adoption of the Agenda
3. World Economic Developments in Conjunction with OIC Member Countries
 - Annual Economic Report on OIC Member Countries
 - Impact of High Oil and Commodity Prices on the Economies of the Member Countries
 - Global food crisis and Improving Food Security in the OIC Member Countries.
4. Review of the Implementation of the OIC Ten-Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States
 - Evaluation by OIC General Secretariat
 - Sessional Committee Meetings

Trade and Investment-Related Issues

5. Trade Preferential System among the OIC Member States (TPS-OIC)
6. Intra-OIC Trade
 - i. Recent Developments in Intra OIC trade
 - ii. Trade Financing Activities
 - iii. Trade Fairs of Islamic Countries and Other Trade-Promoting Activities
 - iv. Private Sector Meetings
7. Cooperation among the Stock Exchanges of the OIC Member Countries
8. E-government applications and their economic impact in the OIC Member Countries
9. Matters related to the World Trade Organization (WTO) activities

Poverty Alleviation and Economic / Technical Assistance to OIC countries

10. Review of the Implementation of the "Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)".
11. Capacity Building and Technical Cooperation Programmes
12. Economic Assistance to some OIC countries
13. Vocational Education, Training and Action Plan for the OIC Member Countries.

Exchange of Views Sessions

14. - Exchange of Views on "Improving Investment Climate in the OIC Member Countries" to be organized during the Twenty-Fourth Session of the COMCEC.

Follow-up of the resolutions of the previous Exchange of Views Sessions

15. Report on the Development of the OIC Halal Food Standards and Procedures
16. Date of the 25th Session of the COMCEC
17. Any other business
18. Adoption of the Report
19. Closing Session

EVENTS TO BE ORGANIZED CONCURRENTLY

WITH THE 24TH COMCEC

1. 12th International Business Forum to be organized by MUSIAD (Independent Industrialists Association of Turkey).
2. MUSIAD International Trade Fair.
3. Islamic Countries Youth Entrepreneurs Network (ICYEN) Meeting to be organized by the Islamic Conference Youth Forum for Dialogues and Cooperation (ICYFDC) in collaboration with COMCEC Coordination Office.

ANNEX

XIX

Original: English

**CLOSING STATEMENT OF RE. DR. AHMET TIKTIK
UNDERSECRETARY OF THE STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY**

**Twenty Fourth Meeting Of The Follow-Up
Committee of the COMCEC**

(Antalya, 15 May 2008)

Distinguished Members of the Follow-up Committee,
Distinguished Delegates,

I would like to express my sincere pleasure for the successful conclusion of the Twenty Fourth Meeting of the Follow-up Committee of COMCEC. Throughout this Meeting, we have reviewed the progress made in the implementation of COMCEC resolutions and drew up the agenda of the 24th COMCEC. We have a number of new proposals which shows the growing interest and confidence in our work. New additions to our agenda include; trade financing, e-government applications, and impact of high commodity prices and food security. I believe that the COMCEC will successfully initiate projects and programs in these areas.

Distinguished Delegates,

As we all are well aware, the sky-high oil and food prices, accompanied by the pessimist expectations regarding the major economies of the world, pose challenges to our countries, especially to the least developed and import dependent ones. It is our duty to tackle these challenges and turn them into opportunities via appropriate ways and means. I sincerely believe that COMCEC is one of the right platforms to address these issues.

Now I would like to highlight a few issues from our proceedings:

1. Intra-OIC trade is improving continuously, with 16.3 % in 2006. But there should be no room for complacency, since our potential is well above of this figure. In this respect, we appreciate the contributions of IDB Group especially the role to be played by Islamic Trade Financing Corporation (ITFC). I also would like to extend my appreciation to all member countries and related institutions for supporting initiatives vis-a-vis enhancing intra-OIC trade.

2. Early establishment of the Trade Preferential System to liberalize trade is of great importance. The target is to put the Trade Preferential System into effect by the beginning of 2009. To this end, we need at least 10 ratifications of Member Countries for the Protocol on Preferential Tariff Scheme (PRETAS) and Rules of Origin for their entry into force. We will organize a TNC Meeting on 17-19 June to consider the progress made and to review the preparations.

3. The private sector has a pivotal role in our economic and commercial relations. Keeping this in mind, we are integrating more private sector activities into annual COMCEC Sessions, like 12th IBF, MUSIAD International Fair and Young Entrepreneurs Network Meeting. In this respect, trade fairs organized by ICDT and private sector activities organized by ICCI deserves much appreciation. Meanwhile, we should exert more effort to align our private sector with our activities. Within this context, I would like to reiterate that COMCEC is fully determined to maintain its cooperation in this area.

4. We have recorded good progress in some of the projects taken up by Sessional Committee. Seizing this opportunity, I invite all the member states and OIC Institutions to propose new projects and programs to enrich the agenda of the COMCEC through the Sessional Committee.

5. While reviewing our trade and economic activities, one common problem we are facing is the lack of capacity in many fields, including production and trade. To free our people from the vicious cycle of poverty, we need to invest more education, health and income generating activities. In this respect, I consider the establishment of the Islamic Solidarity Fund within the IDB as a significant development, and I would like to congratulate the IDB and Member Countries for their contributions to this fund.

6. Foreign investments have an important role to play for development of our countries in the absence of adequate domestic capital accumulation. In fact, sound foreign investment is a key ingredient for successful economic growth in several developing countries. The theme of the Exchange of Views of 24th COMCEC will specifically address these issues under the title of "Improving Investment Climate in OIC Member Countries". With the participation of eminent persons from government side, private sector and academic world, I believe that it will be a very useful and fruitful event for all of us.

Distinguished Delegates,
Esteemed Guests,

My conviction is that as COMCEC, apart from being a mere inter-governmental platform, we should directly address the needs of the peoples of OIC countries and quickly respond to the developments in world economy. In accordance with this goal, we plan to simplify, improve and enhance the format and agenda of annual COMCEC sessions with a view to have a more productive, result oriented sessions with implementable outcomes.

Before concluding my statement, I would like to express my thanks and appreciation to all delegations, to the General Secretariat of OIC and its subsidiary and affiliated institutions for their valuable contributions to the success of this Meeting. I also thank the COMCEC Coordination Office, organizing staff, the interpreters and translators for their devoted and untiring efforts.

Hoping to see you at the Twenty Fourth Session of the COMCEC to be held from 21 to 25 October 2008, in Istanbul, I wish you all a safe journey back.

I announce the closure of the Twenty Fourth Meeting of the Follow-up Committee of the COMCEC.