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

REPORT
TWENTY FIFTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

İzmir, 12-14 May 2009

COMCEC Coordination Office
State Planning Organization
Ankara, May 2009

ADDRESS:

COMCEC COORDINATION OFFICE
within
STATE PLANNING ORGANIZATION
Necatibey Cad. 108
Ankara-TURKEY

Phone : 90-312-294 55 10
90-312-294 55 03

Fax : 90-312-294 55 77

Website : <http://www.dpt.gov.tr>
www.comcec.org

e-mail : comcec@dpt.gov.tr

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R E P O R T

**TWENTY FIFTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE**

(İzmir, 12-14 May 2009)

Original: English

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1. The Twenty Fifth 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 İzmir on 12-14 May 2009.

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 | : (Representing the Arab Region), |
| 6- | Islamic Republic of Iran | : (Representing the Asian Region), |
| 7- | Republic of Cameroon | : (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), |
| 11- | Republic of Sierra Leone | : (Member of the Previous Bureau). |

The representative of the United Arab Emirates also attended the Meeting as an observer.

3. In addition, Representatives of the General Secretariat of OIC, Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC), Islamic Center for the Development of Trade (ICDT), Islamic Development Bank (IDB), Islamic Chamber of Commerce and Industry (ICCI), Islamic University of Technology (IUT), International Islamic Trade Finance Corporation (ITFC), Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) and the Organization of the Islamic Ship-Owners Association (OISA) attended the Meeting.

4. Representatives of FAO and UNIDO Regional Offices in Ankara have also attended the meeting.

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

Opening Session (Agenda Item: 1)

5. Following the recitation from the Holy Qur'an, H.E. Dr. Cevdet YILMAZ, Minister of State of the Republic of Turkey, inaugurated the Meeting.

6. Message of H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of COMCEC, was read out by H.E. Mr. Halil İbrahim AKÇA, Acting Undersecretary of the State Planning Organization of Turkey. In his message, H.E. Abdullah GÜL congratulated the 40th anniversary of OIC and pointed out the important progress undertaken to enhance cooperation in various fields. H.E. Abdullah GÜL also emphasized the importance of the 25th Anniversary of the COMCEC and underlined the significance of implementing projects like trade financing, export credit and investment guarantee during the 25 years of the COMCEC. With these views, H.E. Abdullah GÜL shared his strong wish to see the PRETAS being put into force to help boost intra-OIC trade.

7. H.E. President GÜL emphasized the relevance of adding the global economic crisis to the COMCEC agenda along with the food crisis and energy issues. In this regard, H.E. GÜL stressed the need to develop cooperation in other important areas such as stock exchanges, joint ventures and trade liberalization.

8. H.E. Abdullah GÜL also highlighted the importance of tackling the new problems faced by the Islamic Countries and initiating new projects and programs for the achievement of further accomplishments. In this regard, H.E. Abdullah GÜL underscored the significance of the study jointly undertaken by the COMCEC Coordination Office and SESRIC to enrich the agenda and substance of COMCEC. He underlined the importance of holding the Meeting of the OIC Governors of Central Banks in İstanbul in October to deal with the negative impacts of the Global Financial Crisis on the economies of the Member States.

9. H.E. Abdullah GÜL concluded his message with his 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.)

10. Following the message of H.E. President GÜL, H.E. Dr. Cevdet YILMAZ, Minister of State of the Republic of Turkey, addressed the Meeting. Welcoming the delegates, H.E. Dr. YILMAZ stressed the importance of the 25th Meeting of the

Follow-up Committee which is the preparatory meeting for the COMCEC Economic Summit to be held in November 2009 on the occasion of the 25th Anniversary of the COMCEC. H.E. Cevdet YILMAZ underlined the negative impact of the global economic crisis including instability, decreasing demand in international markets, unemployment and credit crunch. He also shared some economic data with the participants such as the limited global growth rate of 3.2% and the world trade growth rate of 2% in 2008.

11. H.E. Dr. Cevdet YILMAZ stated that effective economic cooperation and new channels of trade would be the keys to the success of Member States in times of crisis. In this regard, H.E. YILMAZ stressed the importance of putting into force the COMCEC projects and invited the Member States to sign and ratify the PRETAS and Rules of Origin in order to make better use of the synergy of trade in the development process.

12. Sharing the concerns of experts that the number of people living below the poverty line might increase by 46 million in 2009 due to the low growth rate expected, H.E. Dr. Cevdet YILMAZ stressed the need to more efficiently utilize the Islamic Solidarity Fund for Development in the alleviation of poverty.

13. Emphasizing the need to demonstrate political will by allocating greater funds to joint projects to mitigate the negative impact of the crises, H.E. Dr. Cevdet YILMAZ stressed the need for enhancing accountability and transparency, strengthening the banking sector, integrating financial markets, enhancing international cooperation and implementing measures necessary for the creation of new jobs.

(The text of the Statement of H.E. Dr. Cevdet YILMAZ is attached as Annex III.)

14. Message of H.E. Professor Ekmeleddin İHSANOĞLU, Secretary General of OIC, was read out by Ambassador Nabika DIALLO, Advisor to the Secretary General. In his message, while congratulating the 25th Anniversary of the COMCEC, H.E. Professor Ekmeleddin İHSANOĞLU expressed his happiness to witness a high level platform of economic and commercial cooperation among the member states which put into operation several programs and projects during these 25 years.

15. H.E. İHSANOĞLU expressed his satisfaction for achieving an intra-OIC trade rate of 16.6% and underlined the need to reach the mandatory target of 20% by 2015. He appealed to the member states which have not yet done so, to sign and ratify the PRETAS and TPSOIC Rules of Origin. H.E. İHSANOĞLU also appreciated the important complementary steps, such as implementation of the Cotton Program and

cooperation in the area of tourism, taken to increase intra-OIC trade, investment, productivity and infrastructure in member states.

16. H.E. İHSANOĞLU pointed out in his message the negative impacts of the fluctuating food and energy prices on the economies of some of the Islamic Countries as they are heavily dependent on the production, consumption and trade of primary commodities. In this context, he stressed the need to improve the manufacturing facilities in these countries to diversify their production in order to increase the value addition and enhance the quality of their products and become resistant to price fluctuations.

17. H.E. İHSANOĞLU welcomed the proposal for organizing the COMCEC Economic Summit, in the form of an open-ended OIC Executive Committee Meeting, on 9 November 2009 on the occasion of the 25th Anniversary of the COMCEC. He emphasized that fostering greater trade cooperation among the OIC Member States would serve as a catalyst for greater economic integration and help in tackling the economic challenges being faced by the Member States.

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

18. The Meeting was then addressed by the Heads of Delegation of the Kingdom of Saudi Arabia, Islamic Republic of Iran, State of Kuwait and Republic of Senegal. They expressed their thanks and appreciation to the President of the Republic of Turkey and the Government and people of Turkey for their continued support to economic and commercial cooperation among the Member States as well as for the warm welcome accorded and excellent arrangements made at the Meeting. The delegates expressed their views regarding the global economic crisis. They also underlined the importance of economic and commercial cooperation carried out under the umbrella of the COMCEC to tackle the negative impact of the economic crisis on the economies of the Member States as well as on intra-OIC trade.

Working Sessions

19. The working sessions of the Meeting were chaired by H.E. H. İbrahim AKÇA, Acting Undersecretary of the State Planning Organization of the Republic of Turkey.

20. 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, Head of the 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 Ten Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States (Agenda Item: 2)

i) Report of the OIC General Secretariat:

21. The OIC General Secretariat presented reports on the Progress Achieved in the Implementation of the OIC 10-Year Program of Action and Plan of Action for Strengthening Economic and Commercial Cooperation among the OIC Member States.

22. The IDB briefed the Meeting on the achievements made by the ISFD during its First Year of implementation (2008). In this regard, 33 projects in 21 countries, totaling US\$ 258 million have been approved. In addition to that, two thematic programs on Vocational Literacy and Microfinance have been approved.

23. OISA presented a report on the problems faced in the area of Transportation and Logistics in the OIC Member States.

Recommendations:

24. The Committee **noted with appreciation** the report submitted by the OIC General Secretariat on the implementation of the OIC Ten Year Programme of Action and OIC Plan of Action for Strengthening Economic and Commercial Cooperation among the OIC Member States.

25. 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. In the same context, the Committee **expressed** its appreciation to the Secretary General for his active leadership and contribution to the implementation of this programme.

26. 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, bringing their various current initiatives, projects and programs, in areas where they have comparatively higher interest or capacity in line with the objectives of the TYPOA.

27. The Committee **requested** the OIC General Secretariat to work on a more effective mechanism for the implementation of the TYPOA and to prepare a detailed report on the progress of the specific projects, programmes and steps taken within the

context of the TYPOA ever since the Extraordinary Summit held in 2005 in Makkah Al-Mukarramah to the 25th Session of the COMCEC.

28. The Committee **extended thanks** to the Member States which have announced contributions to the resources of the Islamic Solidarity Fund for Development (ISFD) and **urged** the other Member States to do so as soon as possible so that the fund could achieve its objectives.

29. 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 the Islamic Development Bank and the OIC General Secretariat to extend their support to ensure the success of these meetings.

30. The Committee **welcomed** the initiative of the IDB to launch a special programme for the development of Africa and requested the IDB to expedite the implementation of the programmes related to poverty alleviation, infrastructure problems in the energy sector, capacity building and the current food crisis within the context of Islamic Solidarity Fund for Development.

31. The Committee **requested** the General Secretariat to organize new ministerial meetings on food security issues and agricultural development in order to help the OIC Member States in promoting, inter alia, national and regional strategies to ensure and guarantee food security.

32. The Committee **welcomed** the offer of the Republic of Turkey to host the Meeting of the Governors of Central Banks of the OIC Member States in October 2009 to discuss the impact of the global economic crisis on the OIC Member States and **called upon** all the member states to actively participate in the meeting. The Meeting shall be co-organized by the Central Bank of the Republic of Turkey, the OIC General Secretariat, the SESRIC, and the COMCEC Coordination Office.

33. The Committee **extended thanks and appreciation** to the General Secretariat of the OIC, the SESRIC and the Turkish International Cooperation and Development Agency (TIKA) for organizing the first Meeting of the Development and Cooperation Institutions of the OIC Member States in Istanbul on 13-14 May 2009. The Meeting aimed to explore possible ways and means of strengthening cooperation and coordination among these institutions with a view to alleviating poverty in the Member States, particularly in the least developed members in Africa, as stipulated in the Ten Year Program of Action.

34. The Committee **urged** Member States which did not do so to sign and ratify the agreements adopted by COMCEC before its 25th anniversary in November 2009 at earliest convenience.

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

36. 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 the active involvement of regional groups, such as the Economic Cooperation Organization (ECO), the Gulf Cooperation Council (GCC), the Arab Maghreb Union (AMU), the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (WAEMU), Economic and Monetary Community of Central African States (CEMAC) and the Association of South-East Asian Nations (ASEAN) in future activities of the COMCEC.

37. The Committee **called upon** the Member States 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.

38. The Committee **took note** of the report of the OISA on “The Obstacles Faced in Transportation in intra-OIC trade”. The Committee requested the OISA to prepare a detailed study on possible cooperation areas on maritime transportation among the Member States and to report the developments to the COMCEC Sessions.

39. The Committee **called upon** all the Member States to sign and ratify the Statute of OISA and join the projects initiated by the OISA.

40. The Committee **stressed** the importance of enhancing cooperation in the areas of agriculture and transportation and **called upon** the member states to host ministerial meetings in these areas to discuss the means and ways of enhancing cooperation in this field.

(The reports by the OIC General Secretariat on the Review of the Implementation of the OIC Ten-Year Program of Action, and OIC Plan of Action for Strengthening Economic and Commercial Cooperation among OIC Member States and the Report by OISA Regarding the Obstacles Faced in the area of Transportation and Logistics in OIC Member States are attached as Annex VI, VII and VIII.)

ii) Report of the Sessional Committee:

41. CCO made a presentation about the results of the Sessional Committee Meeting

Recommendations:

42. 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 and affiliated as well as specialized institutions.

43. The Committee **noted** that there has been no progress in some of the projects due to various reasons and therefore they have been deleted from the COMCEC project proposals list given in the report of the 14th Sessional Committee Meeting.

44. The Committee **welcomed** new project ideas suggested by the OIC General Secretariat and the COMCEC Coordination Office which are related to establishing the Freight-Forwarders Associations and the Association of Airline Companies of OIC Member States in order to increase Intra-OIC Trade, establishing an e-market place for enhancing intra-OIC trade and also establishing a grand OIC/IDB scholarship program in major academic fields to educate future trade bridges. The Committee **requested** the General Secretariat and the CCO to present these projects in the Project format to the next Meeting of the Sessional Committee.

45. The Committee **expressed** its satisfaction for the progress achieved in the implementation of the regional project on “Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa”, notably the follow-up of the implementation of the resolutions adopted by the Project Committee Meeting held in Madrid on 6th February 2009.

46. The Committee **requested** the coordinator OIC institutions and the owners of the project to make necessary efforts to guarantee implementation of the COMCEC projects. The Committee also called on all the Member States to propose new projects and programs to enrich the agenda of the COMCEC through the Sessional Committee.

(The report of the 14th Sessional Committee Meeting is attached as Annex IX.)

Intra-OIC Trade (Agenda Item: 3)

i) Recent Developments In Intra OIC Trade (Including TPS-OIC, Road Map for Enhancing intra-OIC Trade and WTO Activities)

47. The IDB Group, ICDT and CCO presented their respective reports on recent developments in intra- OIC trade.

Recommendations:

48. 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 reached **9.5% in 2007**, intra-OIC trade increased from US \$ 165 billions in 2006 to **US \$ 213 billions in 2007** and that the share of intra-OIC trade in the overall trade of the OIC Member States went up from 16.3% in 2006 to **16.64% in 2007**.

49. The Committee **expressed its appreciation** to the Government of the Kingdom of Morocco, the ICDT and the ITFC (IDB Group) for successfully organizing the "Consultative Meeting of the OIC Institutions on Enhancing Intra-OIC trade" at ICDT's headquarters in Casablanca on 11th and 12th February 2009.

50. The Committee **took note with appreciation** of the "Executive Programme of the Road MAP for Achieving Intra-OIC Trade Targets", adopted by the "Consultative Meeting of the OIC Institutions on Enhancing Intra-OIC Trade" at ICDT's headquarters in Casablanca on 11th and 12th February 2009 and **entrusted** ICDT with the task of assuming the Secretariat for the implementation of the "Executive Programme of the Road MAP for Achieving Intra-OIC Trade Targets".

51. The Committee **requested** OIC Institutions to better coordinate the implementation of the activities and projects included in the "Executive Programme of the Road MAP for Achieving Intra-OIC Trade Targets" through a tripartite mechanism involving: financial institutions (IDB Group and other Funds etc.), implementing Institutions namely ITFC, ICDT, SESRIC, ICCI, and donors or host countries.

52. The Committee **urged** OIC Member States to facilitate the implementation of the "Executive Programme of the Road-MAP for Achieving Intra-OIC Trade Targets".

53. The Committee **requested** Member States to keep on providing ICDT with the latest updated data, including 2008 if possible, relating to trade and investment statistics and regulations and to convey to ICDT available information on the difficulties encountered by exporters, in particular non tariff barriers, to enable the ICDT to prepare more updated reports.

54. The Committee **entrusted** ITFC and ICDT to follow-up the issue of the expansion of intra-OIC trade and submit their reports to the COMCEC and to other OIC fora which focus on the problems and trends in intra-OIC trade in conformity with policy recommendations.

55. The Committee **took note** of ITFC's efforts in increasing intra-OIC trade by financing trade activities of Member States and by providing technical assistance to

Member States, mainly in trade promotion and capacity building. The Committee also **urged** Member States to increase their support, coordination and cooperation with the IDB Group to attain greater achievements in these areas.

56. The Committee **reaffirmed** the importance of building human and institutional capacities in Member States to support their economic development and **welcomed** the announcement of the ITFC concerning three technical assistance projects which aim at strengthening the training capacity of some advanced Trade Promotion Organizations (TPDs) to enable them to act as regional training centers for the benefit of other OIC MCs.

57. The Committee **requested** the ITFC to continue providing trade related technical assistance programs to Member States in the field of trade promotion, trade facilitation and capacity building.

58. The Committee **commended** the effort made by the COMCEC Coordination Office and ICDT in the management of the Secretariat of the Trade Negotiating Committee under the framework Agreement on Trade Preferential System among the OIC Member States.

59. The Committee **called upon** the OIC General Secretariat, the COMCEC Coordination Office and ICDT to organize in sub-Saharan Africa, the ECO region and the D-8, meetings for the presentation of the TPS/OIC agreement and the PRETAS with a view to enlarging the membership of the Trade Negotiating Committee and to expediting the process of their accession as full Members.

60. The Committee **called upon** all the relevant Member States to sign and ratify the PRETAS and the Rules of Origin as soon as possible in order to put the PRETAS into force before the 25th Session of the COMCEC.

61. The Committee **took note with appreciation** of the report submitted by IDB on the Technical Assistance and Capacity Building Programme for OIC Member States on issues related to WTO issues.

62. The Committee **took note with appreciation** of the Report submitted by the Islamic Center for the 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 the 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 to agricultural and non agricultural products and trade in services.

63. The Committee **commended** the IDB and ICDT for their earnest efforts in raising awareness among OIC Member States on the wide-ranging impact of the WTO agreements on their economies, as well as their efforts in reinforcing the capabilities of Member States, including its negotiating capabilities, preparing them fully for the negotiations in the context of the WTO. The Committee also **called on** IDB and ICDT to carry on these efforts.

64. 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.

65. 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 an equitable and fair basis. In this context, the Committee **requested** OIC General Secretariat, IDB and ICDT to continue to coordinate the positions of the OIC Member States within the WTO.

66. 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.

(The Annual Report by ICDT on Trade Among the OIC Member States, the report of the Consultative Meeting and Executive Program of the Road Map are attached as Annexes X, XI and XII.)

(The Reports by IDB and ICDT on WTO Related Activities are attached as Annexes XIII and XIV.)

ii) Trade Financing Activities:

67. ITFC presented a report on trade financing activities.

Recommendations:

68. The Committee **took** note with appreciation of the report of the ITFC showing that trade finance approvals in 1429H (2008) amounted to US\$2.5 billion resulting in cumulative approvals of US\$31.85 billion from the date of commencement to date. The share of intra-OIC trade in finance approval reached 83% of the total trade finance approvals in 1429H; this represents a 6% increase compared to last year.

69. The Committee **welcomed** the ITFC's efforts in providing about US\$1.1 billion as trade finance to LDMCs. This represents 43% of total trade finance approvals. The

total amount of trade finance approved in favor of private sector SMEs accounts for 44% of the total trade finance approval of the ITFC.

70. The Committee **took note** with appreciation that the total direct financing extended by the ITFC to the cotton industry was US\$121 million in 2008. Similar financing is currently being explored for beneficiaries in other cotton producing Member States.

71. The Committee **recognized** the importance of the availability of funds for trade operations of LDMCs to accelerate their economic development and **acknowledged** ITFC efforts in developing and introducing new financial services and products particularly in favor of the LDMCs.

72. The Committee **urged** Member States who have not been actively identifying viable trade finance opportunities and projects for ITFC financing to actively support the Bank in the drive to increase intra-OIC trade volumes.

(The report by ITFC on Expansion of Intra-OIC Trade is attached as Annex XV.)

iii) Trade Fairs of Islamic Countries:

73. 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 XVI.)

Future Activities:

74. ICDT and Al-Harithy Company (from the Kingdom of Saudi Arabia) will organize the 2nd Agro-Industries Exhibition of the OIC Member States in Jeddah, Kingdom of Saudi Arabia, from 24th to 28th May 2009.

75. The 12th Trade Fair of OIC Member States will be held in Cairo, Arab Republic of Egypt, from 11th to 16th October 2009.

76. The Second Tourism Fair of the OIC Member States will be held in Beirut, **Republic of Lebanon** from **26 to 28 June 2009** and the 3rd Tourism Fair of the OIC Member States will be held in the **Arab Republic of Egypt in 2010**.

77. The specialized exhibition and supply/demand workshop on the New Information and telecommunications technologies in the Member States of the Organization of the Islamic Conference will be held **in Casablanca in 2010**.

78. The 1st specialized exhibition and supply/demand workshop on “Building materials and construction in the Member States of the Organization of the Islamic Conference” “ OIC Building Expo” will be held in **Dakar in March 2010**.

79. The Cotton Fair will be held on the sidelines of the Islamic Trade Fair to be organized by the ICDT in October 2009 in Cairo, Egypt.

Recommendations:

80. The Committee **urged** the OIC Member States to actively participate in the 12th Trade Fair of Islamic Countries to be held in Cairo, Arab Republic of Egypt from 11th to 16th October 2009.

81. The Committee **urged** the OIC Member States to actively participate in the 2nd Tourism Fair of OIC Member States to be held in Beirut, Republic of Lebanon from 26th to 28th June 2009.

82. The Committee **welcomed** the offers of the State of United Arab Emirates (Sharjah), the Islamic Republic of Iran and the Republic of Guinea to host the 13th (in 2011), the 14th (in 2013) and the 15th (in 2015) editions of the Trade Fair of OIC Countries. The Committee also **requested** the ICDT to follow up on this matter.

83. The Committee **welcomed** the offers of the the Arab Republic of Egypt, Syrian Arab Republic and Islamic Republic of Iran to host the Third, Fourth and Fifth Tourism Fairs in 2010, 2012 and 2014, respectively and requested the ICDT to follow up on this matter.

84. The Committee **welcomed** the offer of the Republic of Senegal (the International Exchange Center of Dakar) to host the 1st specialized exhibition on “Building materials and construction in the Member States of the Organization of the Islamic Conference” “ OIC Building Expo” in Dakar in March 2010.

85. The Committee **requested** the ICDT to regularly prepare progress reports on the Trade Fairs of Islamic Countries as well as on the Tourism Fairs of OIC Member States and on the other specialized exhibitions which will contain, inter-alia, the number of participants and, to the extent possible, the amount of trade contracts made during these events and submit them to the COMCEC Sessions and related OIC fora.

86. The Committee **welcomed** the offer of the Arab Republic of Egypt to hold, in collaboration with the ICDT, a specialized exhibition on cotton and textiles in parallel with the 12th Trade Fair of OIC Countries in Cairo from 11 to 16 October 2009.

iv) Private Sector Meetings of Islamic Countries:

87. The Islamic Chamber of Commerce and Industry (ICCI) submitted a report on its numerous activities with regard to the private sector.

(The report by ICCI on Its Activities is attached as Annex XVII.)

Future Activities:

88. a) The “Training Program on Micro Finance Sector Development” will be held in Khartoum, Republic of Sudan, in July 2009;
- b) The “Regional Training Program for the Staff of Member Chambers of African Countries” will be held in Uganda in the second week of September 2009;
- c) The Workshop on “Coffee Processing” will be held in Uganda in the second week of September 2009;
- d) The Workshop on “Small-scale Food Processing” will be held in Islamabad, Islamic Republic of Pakistan in 2009, and
- e) The Workshop on “Oilseed Processing for Small-Scale Producers” will be held in Islamabad, Islamic Republic of Pakistan in 2009.

Recommendations:

89. The Committee **commended** the efforts of the ICCI for concentrating its activities in the African region as most of the OIC Least Developed Member States are located in this region which has more potential for growth.

90. The Committee **appreciated** the strategy being adopted by the Islamic Chamber to increase intra-OIC trade by (1) undertaking projects in the Member States; (2) organizing capacity development workshops and training programs; and (3) providing a common platform to the private sector to come together and discuss the opportunities available in the area of trade and investment within OIC Member States, as well as to collect and disseminate Statistical Information. The Committee also **called for** the continuation of the above.

91. The Committee **called upon** all the OIC Institutions and National Chambers to extend full support to the ICCI and its activities.

92. The Committee **appreciated** the completion of the task assigned to the Islamic Chamber to hold Task Force Meetings on SMEs. It took note of the Report,

Recommendations, and the Strategic Plan of Action **and called upon** all relevant agencies of the Member States to give them due consideration.

93. The Committee **appreciated** the efforts of the Islamic Chamber in the area of economic empowerment of businesswomen and regular organization of Businesswomen Forums and capacity development workshops. The Committee **also appreciated** the offer of the Arab Republic of Egypt to host the Fifth Forum in December 2009.

94. The Committee **appreciated** the efforts of the Ministry of Commerce of the Islamic Republic of Iran and of the Islamic Development Bank in assisting the Islamic Chamber and the Iran Chamber of Commerce, Industries and Mines for organizing and hosting the Second Tourism Forum and Third International Investment and Privatization Conference.

95. The Committee **requested** the ICCI to work on the alternative formats of private sector meetings in order to attract more businessmen from the Member States.

Cooperation Among the Stock Exchanges of the OIC Countries (Agenda Item: 4)

96. Istanbul Stock Exchange (IMKB) made a presentation on the cooperation among the Stock Exchanges of the OIC Countries.

Recommendations:

97. The Committee **took note with appreciation** of the progress realized in the implementation of the resolutions of the 2nd Forum of Stock Exchanges of OIC Member States and **welcomed** the offer of the Istanbul Stock Exchange of the Republic of Turkey to host the 3rd Forum of Stock Exchanges of OIC Member States. The Committee **requested** all the Member States to encourage their stock exchanges to actively participate in this meeting.

E-government applications and their impact on the OIC Member States (Agenda Item: 5)

98. SESRIC made a presentation on the latest developments on the agenda item.

Recommendations:

99. The Committee **welcomed** the offer of SESRIC in collaboration with the Public Administration Institute for Turkey and Middle East (TODAIE) and TIKA, to host an International Conference on Sharing Experiences in E-Government in Antalya, Turkey, on 8-11 December 2009. The Conference will bring together leaders,

bureaucrats, technocrats, ICT representatives (regulatory bodies, NGOs, suppliers, etc.) and academics from the Member States and elsewhere. The participants will exchange their experiences and explore ways and means of cooperation in various issues related to e-government applications.

100. The Committee **emphasized** the importance of cooperation in the field of e-government applications and their impact on the Member States and **requested** SESRIC to submit a comprehensive report including means and ways of cooperation to the 25th Session of the COMCEC.

Review of the Implementation of the "Action Plan for the OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)" (Agenda Item: 6)

101. The OIC General Secretariat presented a Summary Report on the Contribution made by the OIC Member States, the OIC General Secretariat and the relevant OIC institutions to energize trade and investment in the Cotton and Textile Sector in Member States. The Chairman of the Steering Committee for the Implementation of the OIC Cotton Cooperation Programme, made a presentation. The Chairman of the Project Committee also presented the report on the deliberations and recommendations of the Second Project Committee Meeting.

(The Report by the OIC General Secretariat and the Reports of the Third Meeting of the Steering Committee and Second Meeting of the Project Committee are attached as Annexes XVIII, XIX and XX.)

Recommendations:

102. The Committee **took note** of the recommendations of the Third Steering Committee for the implementation of the OIC Cotton Plan of Action and 2nd Project Committee Meeting and **expressed** its thanks to the Republic of Turkey for holding these meetings.

103. The Committee **called upon** the IDB Group and other financial institutions to finance the cotton projects which were adopted by the Cotton Project Committee and Steering Committee Meetings.

Vocational Education and Training Program of Action for the OIC Member States (Agenda Item: 7)

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

Recommendations:

105. The Committee **took note** with satisfaction of the progress that has been achieved in the OIC-VET Programme since the 24th Session of the COMCEC. The Committee **commended** the efforts exerted by SESRIC to organize the Operational Meeting among the relevant OIC Institutions in the field of vocational education and training on 4 April 2009 in Jeddah, Kingdom of Saudi Arabia, as well as the First Meeting of the Monitoring and Advisory Committee (MAC) of the OIC-VET Programme in Izmir on 13 May 2009 with a view to initiating the Pilot Application Phase of the Programme in the Fall of 2009.

106. The Committee **called upon** the Member States that have not done so, to designate their National Focal Points (NFPs) for the OIC-VET Programme in order to facilitate the communication between SESRIC and the relevant Member State. The Committee also **called upon** the Member States to cooperate and collaborate with SESRIC during the preparation period of the initial activities of the Pilot Application Phase scheduled to start in the Fall of 2009.

107. The Committee **requested** SESRIC to establish a common online platform for the National Focal Points (NFPs) of the OIC-VET Programme in order to facilitate the process of sharing their experience on their best practices in the field of vocational education and training and to exchange information about their relevant training activities, partner institutions or organizations and resource persons.

Preparation for the Exchange of Views on the "Impact of Food Crisis on the Economies of OIC Countries" to be organized during the Twenty-Fifth Session of the COMCEC (Agenda Item: 8)

108. ICDT made a presentation on the preparations concerning the workshop to the exchange of views session.

Recommendations:

109. The Committee **called upon** the OIC Member States to participate actively in the workshop on “the Impact of Food Crisis on the Economies of the Member States of the OIC and the Developmental Prospects of Trade and Investment in the Agricultural Sector” to be organized by ICDT and ITFC in Casablanca on 17th and 18th June 2009.

110. The Committee **urged** the Member States to develop project proposals to be discussed in the workshop and requested the workshop to focus on the specific cooperation projects that can be implemented among the OIC Member States

including regional partnership and cooperation projects in the area of food security held in cooperation with FAO and other relevant international organizations.

111. 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: The impact of exchange rate policies and currency harmonization on intra-OIC trade.

Theme 2: Development of financial architecture in OIC Member States.

Theme 3: Islamic Banking in the new financial system.

Theme 4: Agricultural development and water related issues in the Member States.

112. The Committee requested the SESRIC to circulate a questionnaire to the Member States to explore their views on the above themes and report to the 25th Session of the COMCEC.

Halal Food Standard (Agenda Item: 9)

113. The Turkish Standards Institute (TSE) made a presentation on the outcomes of the 1st Session of the 10th Meeting of the Standardization Expert Group (SEG) held in April 2009 in Ankara, Republic of Turkey.

Recommendations:

114. The Committee **expressed its appreciation** to the Standardization Expert Group (SEG) Secretariat and Members for their efforts put in the preparation of the “OIC Halal Standard-General Guidelines on Halal Food, Guidelines for bodies providing Halal Certification and Guidelines for the Authorized Accreditation Body accrediting Halal Certification Bodies” and **requested** SEG to finalize its work before the next COMCEC Session and submit it for approval. In this framework, The Committee **noted** that the 2nd Session of the 10th SEG meeting would be held on 28th September-2 October 2009 in Turkey.

115. The Committee **urged** the Member States who did not do so, to sign and ratify the Statute of the Standards and Metrology Institute of the Islamic Countries (SMIIC) at the earliest convenience. The statute needs to be ratified by 10 Member States for its implementation. Currently, nine countries have ratified the statute.

Draft Agenda of the Twenty Fifth Session of the COMCEC (Agenda Item: 10)

116. The Committee considered the proposed Draft Agenda of the Twenty Fifth Session of the COMCEC, which is to be held from 4 to 9 November 2009, in Istanbul.

Recommendations:

117. The Committee **decided** to submit the Draft Agenda to the 25th Session of COMCEC with some amendments.

(A copy of the Draft Agenda of the 25th Session of the COMCEC, as amended by the Committee, is attached as Annex XXI.)

Any Other Business (Agenda Item: 11)

118. The COMCEC Coordination Office informed the meeting about the preparations for the 25th COMCEC Economic Summit.

Recommendations:

119. The Committee **expressed its appreciation** to the Republic of Turkey for its offer to organize the 25th Session of the COMCEC in the form of an Economic Summit at the level of heads of state and government and **called upon** the Member States to actively participate at the highest level in the Summit.

120. The Committee welcomed that the Business Forum will be organized on the sidelines of the 25th COMCEC Economic Summit by the Turkish Union of Chambers and Commodity Exchanges by the participation of businessmen, eminent experts and other relevant stakeholders.

121. The Committee **recommended** the OIC General Secretariat to appoint a special envoy for expediting the ratification/signature of TPSOIC Agreements with a view to operationalizing the TPSOIC before the 25th Session of the COMCEC-Economic Summit.

Thanks and appreciation

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

Closing Session

123. At its closing session chaired by H.E. İbrahim AKÇA, Acting 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 Fifth Session of the COMCEC.

124. Mr. Abdullah Bin Abdulwahab AL-NAFISAH, Director General of Foreign Trade, Head of Delegation of the Kingdom of 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 for his most enlightening message sent to the Meeting. The proposal was unanimously approved by the Committee.

125. The Head of Delegation of the Republic of Senegal, H.E. Mouhamadou DOUDOU LO, Ambassador of Senegal in Saudi Arabia made a statement on behalf of the delegates. H.E. DOUDOU LO expressed his sincere thanks to the Government and people of Turkey for the warm welcome and excellent hospitality extended to the delegates during their stay in İzmir. He also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

126. During the Closing Ceremony, Ambassador Nabika DIALLO read out the message of H.E. Prof. Ekmeleddin İHSANOĞLU Secretary General of the OIC. In his message H.E. 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. H.E. the Secretary General underlined the importance of this 25th Meeting of the Follow-up Committee of the COMCEC which adopted important decisions for the implementation of the OIC Ten-Year Programme of Action and defined ways and means to face the challenges and prepared the Draft Agenda of the 25th COMCEC Economic Summit. H.E. 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.

127. In his closing statement, H.E. H. İbrahim AKÇA, Acting 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. AKÇA, also thanked the OIC General Secretariat, and the subsidiary and affiliated institutions of the OIC for their valuable assistance. Referring to the deliberations and ensuing recommendations of the Follow-up Meeting, he expressed his satisfaction that concrete progress has been made in trade related issues, Halal Food Standards, implementation of the OIC Cotton Action Plan etc. Finally, H.E. AKÇA wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. H. İbrahim AKÇA is attached as Annex XXII.)

A N N E X E S

ANNEX

I

Original: English

**LIST OF PARTICIPANTS
OF THE TWENTY FIFTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(İzmir, 12-14 May 2009)**

A. MEMBER STATES OF THE OIC

REPUBLIC OF CAMEROON

- H.E. IYA TIDJANI
Ambassador of Cameroon in Riyadh
- Mr. EVANE EVARISTE
Attache in the Prime Minister's Office
- Mrs. MBAJON MARTHE CHANTAL
Senior Adviser at the Presidency Office
- Mr. CHRISTOPHE BERTRAND BITSE EKOMO
Head of Service in Charge of Economic Affairs with OIC Ministry of External Relations
- Mr. JOSEPH M. NDOH NDZIE
Sub-Director,
Ministry of Economy, Planning and Regional Development

REPUBLIC OF INDONESIA

- Ms. NURINDAH SUPOYO
Researcher
- Ms. EMY SULISTYOWATI
Researcher
- Mr. ANDANTE ARUNDHATI
First Secretary, Indonesian Embassy in Ankara

ISLAMIC REPUBLIC OF IRAN

- Mr. SAEID KHANI OUSHANI
General Director
Ministry of Economic Affairs and Finance

- Mr. MORTEZA KHANSARI BOZORGI
Expert, Ministry of Foreign Affairs

STATE OF KUWAIT

- Mr. ISHAQ ABDULKARIM
Director of International Economic Co-operation Department,
Ministry of Finance
- Mr. SAAD AL-RASHEDI
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
Minister at the Embassy of Pakistan in Ankara
- Mr. WAHID KHURSHEED KUNWAR
Consul General, Istanbul

STATE OF PALESTINE

- Mr. ABDELHAFID NOUFAL
Deputy of Minister of Economy

STATE OF QATAR

- Mr. KHALID EWIS
Administrative Coordinator at the Embassy, Ankara

KINGDOM OF SAUDI ARABIA

- Mr. ABDULLAH ABDULWAHAB AL NAFISAH
Director General, Foreign Trade,
Ministry of Commerce and Industry
- Mr. NASIR A. AL-JO Aid
Minister Counselor at the Embassy in Ankara
- Mr. NASIR MOHAMMED AL-MOTLAQ
Economic Researcher, Ministry of Finance

- Mr. NAJI ALANBAR
Diplomatic Secretary, Ministry of Foreign Trades
- Mr. HUSSIN EED AL- RASHEED
Economist, Ministry of Commerce and Industry
- Mr. AYID HAMDAN AL- BGAMI
Economist Ministry of Commerce and Industry

REPUBLIC OF SENEGAL

- H.E MOUHAMADON DOUDOU LO
Ambassador of Senegal to Saudi Arabia
Permanent Representative at the OIC
- Mr. VINCENT BADJI
Charge d' Affaires A.I

REPUBLIC OF SIERRA LEONE

- Mr. IBRAHIM SINEH YILLA
Minister Counselor at the Riyadh Embassy

REPUBLIC OF TURKEY

- H.E. Dr. CEVDET YILMAZ
Minister of State
- Mr. HALİL İBRAHİM AKÇA
Undersecretary of State Planning Organization
- Mr. MEHMET VEHBİ GÜNAN
General Director
Ministry of Industry and Trade
- Mr. AHMET KURTER
Deputy General Secretary,
Turkish Standards Institution
- Mr. SALİH MUTLU ŞEN
Consul General of Turkey to Jeddah
- Mr. TEOMAN ATA İNCE
Press Adviser of Minister of State
- Mr. ENGİN DİKİCİ
Head of Department, Ministry of Industry and Trade

- Mr. İLHAMİ ŞAHİN
Head of Department,
Ministry of Agriculture and Rural Affairs
- Mr. HALUK TURAN
Director,
Export Credit Bank of Turkey
- Mr. LEVENT ÖZYÜREK
Deputy Director for International Relations,
The Central Bank
- Dr. ERALP POLAT
Deputy Director of International Relations
Istanbul Stock Exchanges
- Mr. OĞUZHAN BERBER
Head of Section
Undersecretariat of Treasure
- Mr. HASAN DEMİRCİ
Expert, Turkish Union of Chambers and Commodity Exchanges
- Mr. ÖZGÜR ÖNAY
Assistant Expert, Undersecretariat of Treasure
- Mr. TUNCAY SÖNMEZ
Head Controller
Ministry of Industry and Trade
- Ms. BANU ŞENER
Professional Engineer
Ministry of Industry and Trade
- Ms. ESRA HATİNOĞLU
Architect, Ministry of Industry and Trade

Sessional Committee

- Prof. Dr. MUSTAFA CAVCAR
University of Anadolu
- Mr. KADRİ YAVUZ ÖZBAY
Patent Expert, Turkish Patent Institute

- Mr. CEMİL BAŞPINAR
Patent Expert, Turkish Patent Institute

B. OBSERVER

UNITED ARAB EMIRATES

- Mr. OMAR AHMAD AL MOHARRAMI
Expert Economics at Ministry of Economy
- Mr. SULTAN MUBARAK AL SHAMISI
Diplomat at Ministry of Foreign Affairs

C. THE OIC GENERAL SECRETARIAT

- H.E Amb. NABIKA DIALLO
Adviser to the Secretary General
- Mr. CHEIKH OUMAR SOW
Director General of Economic Affairs Department
- Mr. GHOLAM HOSSEIN DARZI
Director at the Economic Affairs Department
- Mr. NAGHI JABBAROV
Professional Officer in the Economic Affairs Department
- Mr. M. HASSAN BASRY
Professional at the Cabinet
- Mr. ABDUNUR SEKINDI
Professional Officer at the Cabinet

D. OIC SUBSIDIARY ORGANS

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

- Dr. SAVAŞ ALPAY
Director General
- Mr. NABIL MOHAMMED DABOUR
Director Research Department

- Mr. MEHMET F. SERENLİ
Director of Training Department
- Mr. MAZHAR HUSSAIN
Researcher
- Mr. İLHAN UĞUREL
Researcher, PGLOBAL
- Mr. FATİH DENEK
Researcher, PGLOBAL
- Mr. TOLGAHAN AKDAN
Researcher, PGLOBAL

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. EL HASSANE HZAINÉ
Director of Studies and Training Department
- Mr. AMADOU CIRE SALL
In charge of Trade & Information System

ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)

- Prof. Dr. IMTIAZ HOSSAIN
Vice-Chancellor
-

E. SPECIALIZED ORGANS OF THE OIC

ISLAMIC DEVELOPMENT BANK (IDB)

- MR. ALMOSTAFA AITAMOR
WTO Expert
- MR. ABDRAHMAN BEDDI
Poverty Reduction Support Unit

INTERNATIONAL ISLAMIC TRADE FINANCE COOPERATION (ITFC)

- Mr. AYHAN KARACA
Trade Promotion Manager
- Mr. AHMET ŞUAYP GÜNDOĞDU
Senior Marketing Officer

**THE ISLAMIC COOPERATION FOR THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT (ICIEC)**

- Mr. BAKARY KOLLEY
Country Risk Analyst

F. AFFILIATED ORGANS OF THE OIC

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Ms. ATTIYA NAWAZISH ALI
Asst. Secretary General
- Dr. AZHAR IBNE HASAN
Economic Researcher

ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

- Mr. MOHAMMAD ZAFAR BHATTI
Director Finance

G. OTHER INTERNATIONAL INSTITUTIONS

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

- Mr. CELAL ARMANGİL
Director

U.N. FOOD AND AGRICULTURE ORGANIZATION (FAO)

- Ms. MELEK ÇAKMAK
Program officer, Sub-Regional Office for Central Asia (FAO-SEC)
-

H. COMCEC COORDINATION OFFICE

**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
Head of Department
- Mr. HASAN GÖLCÜK
Head of Department

- Mr. FATİH ÜNLÜ
Acting Head of Department
- Mr. AHMET BAŞAK KAYIRAN
Expert, Press Relations
- Mr. ORHAN ÖZTAŞKIN
Protocol Relations
- Dr. NAZIM GÜMÜŞ
Protocol Relations
- Mr. MURAT DELİÇAY
Expert, Drafting
- Mr. GÖKTEN DAMAR
Expert, Drafting
- Mr. ALİ İŞLER
Expert, Drafting
- Mr. FAHRETTİN K. KADIOĞLU
Assistant Expert, Drafting
- Mr. KAAAN AKDOĞAN
Assistant Expert, Drafting
- Mrs. SEMA HİMA
Coordinator of Documentation
- Ms. BİLGE HAMURDAN
Coordinator of Registration Office
- Ms. ŞERİFE MENGİ
Executive Secretary
- Ms. NEŞE İNCE
Executive Secretary
- 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
- Mr. MEVLÜT YAŞAR
Coordinator of transport Relations

- Mr. NURETTİN AYDIN
Coordinator of Accommodation
- Mr. CAFER ERDOĞAN
Stock Coordinator
- 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 Fifth Meeting of the
Follow-up Committee of the COMCEC**

(İzmir, 12 May 2009)

Honorable Chairman,
Distinguished Members of the Follow-Up Committee,

We are very pleased to host in our country all the representatives attending the 25th Session of the COMCEC Follow-up Committee of the OIC. Together, we are celebrating the 25th year of COMCEC. Hereby, I would like to express my hope that all decisions to be taken in this year's meetings will be beneficial for the Islamic World.

Distinguished Delegates,

We are also celebrating this year the 40th anniversary of the OIC. Throughout this 40-year period, important progress has been made by OIC in finding solutions to the problems of the Islamic world and enhancing cooperation among member countries in all areas.

In the face of the rapid global changes, OIC has renovated itself, thanks to the reform activities carried out within the Organization to adapt to the contemporary requirements and values.

As a result of these activities carried out under the leadership of the OIC Secretary General with the support of the member countries, the image, reputation and efficiency of our Organization have improved considerably.

This extensive restructuring process was crowned by the adoption of the New OIC Charter last year in the 11th OIC Summit in Senegal. In the Charter, contemporary values like democratic and transparent good governance, accountability, respect for human rights, promotion of the role of women in society and the rule of law manifested themselves. We continue to support keeping the reform agenda running and continue to carry out the necessary activities to this end.

In line with the fundamental objectives stated in the New Charter, the OIC at present has become a major actor having a say, on the international level, in many political issues. Such political issues include the promotion of the true face of Islam as being peaceful, tolerant and humane; the fight against islamophobia, the enhancement of dialogue between civilizations as well as many other political issues which greatly concern the Islamic World; namely issues related to Palestine, Lebanon, Iraq, Afghanistan, Somalia and Darfur.

Moreover, further enhancement of commercial ties between member countries as well as cooperation efforts exerted towards development and common welfare should be added to OIC's 40-year record of success. Since its foundation, the OIC has established a number of important economic bodies, among the most important of them is COMCEC, chairmanship of which I have been honored to assume.

COMCEC has exerted efforts towards launching important projects in various areas in its 25 years of history. As a result of these efforts, projects in areas like trade financing, export loans and investment insurance are being implemented successfully. Some promising projects like the establishment of OIC Trade Preferential System are in their final stages.

I believe we will be able to put into force this year the Protocol on Preferential Tariff Scheme and take another important step in our commercial cooperation.

Through such steps we will be able to strengthen the intra OIC trade which has exceeded 16.7% and boost the competitive power of our industries.

Esteemed Delegates,

As it is known that the financial crisis which has originated in the U.S. in 2007 has recently spread to other countries; it has deeply affected the real economy and turned into a global economic crisis.

Given such circumstances, COMCEC has not remained indifferent to these developments, and aside from food and energy, it included the global financial crisis in its agenda. Furthermore, the global financial crisis will be discussed in detail at the OIC Central Bank Governors meeting to be held this October in Istanbul. The conclusions of the meeting will be submitted to the 25th COMCEC Session.

The importance of regional cooperation and reaching out to alternative markets for overcoming the global economic crises in an easier way is often underscored in international forums. In this respect, we have to further increase trade among our countries and raise capital flows to higher levels. Within this scope, special importance should be given to areas like cooperation among OIC Stock Markets, joint

ventures and liberalization of trade. Moreover, while doing this, we should not seize to fight corruption and provide the aid needed by African countries.

Keeping up with current events and creating projects and programs that address true needs will be among the most important elements of the future success of COMCEC.

In this respect, COMCEC has launched a project for the enrichment of OIC's content in cooperation with SESRIC. I would like to remind you that we are expecting your active contributions for the success of this project.

It gives us pleasure to see a gradual rise in trade amongst Islamic Countries with every passing year. The trade volume among our member countries has reached 16.7 %. We have to exert special efforts to increase trade among our countries in sectors other than oil and agricultural products. In addition to financing activities, implementing the trade preferential system and undertaking joint ventures, fairs, private sector meetings and other trade incentive activities is also important for increasing trade among our countries.

Distinguished Delegates,

International and regional cooperation are meaningful as long as they bring solutions to current problems and create added value. Turkey gives great importance to increasing the economic and commercial capacity of member countries, strengthening cooperation among them and resolving disputes over these issues. This constitutes the purpose of the foundation of the OIC. Turkey, through opportunities provided by its strategic position, historic wealth and geographic and cultural ties is exerting efforts to make positive contributions to these issues which directly or indirectly affect us all as COMCEC members.

This approach applies to a wide range of issues including the Middle East Problem, mainly; the Palestinian issue, Arab-Isreali conflict, the situations in Iraq and Lebanon and all other issues affecting Pakistan, Afghanistan Sudan and all other friend and brother countries.

It is important to adopt an extensive approach to resolve intertwined problems in the Middle East and open all channels of communication for the Middle East Peace Process, especially ones between Palestine and Israel. On the other hand, the establishment of national reconciliation and unity within Palestine also bears importance for the progress of the peace process.

In this framework, I would like to express my hopes that peace talks carried out under the leadership of Egypt will bear rapid results. I shall also underline that Turkey

will continue to support the bi-state solution which foresees the foundation of an independent Palestinian state, under the framework of the peace process. Moreover, we are expecting the steps necessary for healing the wounds inflicted in Gaza to be taken without further delay.

Furthermore, Iraq, which I visited recently, has achieved important gains throughout the previous year. It spread security, stability and peace over the entire country and managed to entrench these gains through the steps taken in the political arena. Such progress is greatly welcomed.

Turkey, from the very beginning, has been arguing that Iraq's problems could be resolved through political dialogue and national reconciliation methods and has been urging the international community, especially its neighbours, to help Iraq. I think that the Iraq Neighbours Conference pioneered by Turkey fulfills an important mission in this sense.

I believe that it will be very useful for this international platform, which enables finding solutions to regional problems from within the region, to continue its activities in a new system of action which also takes into consideration the positive transformation in Iraq

Distinguished Delegates,

I would like to hereby express that OIC's support to the righteous cause of the Turkish Cypriots is worthy of praise. OIC, through various resolutions, has called upon the international community to end the unfair isolation on the Turkish Cypriots and invited its member countries to enhance their solidarity with the Turkish Cypriot people.

According to OIC resolutions, enhancement of commercial, economic and cultural cooperation, as well as cooperation in the field of sports and progress in areas such as direct transportation bear importance for the ongoing process in Cyprus.

Honourable Chairman ,
Distinguished Delegates,

Within the scope of the 25th COMCEC Session, a COMCEC Economic Summit will be held with the participation of heads of state and government of member countries of the OIC Steering Committee or other member countries who would like to participate. In parallel with the 25th COMCEC Session, a Business Forum is planned to be held with the participation of the private sector and competent experts.

Moreover, we aim to make the Economic Summit of the 25th Session of the COMCEC not just a forum where special meetings are held, but an important meeting where projects long standing in our agenda are put into practice or finalized.

In this framework, we should work towards realizing projects like the Protocol on Preferential Tariff Scheme (PRETAS) and the Statute for the Standards and Meteorology Institute for Islamic Countries (SMIIC) which await ratification by only a few countries.

Honorable Chairman,
Distinguished Delegates,

Before I conclude my words, I would like to remind you all that Turkey, which did not have the opportunity to host the OIC Summit Conference for Heads of State and Government so far, aspires to do so in 2014. I also express my belief that all member countries will not hold back their valuable support to us on this matter.

With these thoughts in mind, I sincerely greet all participants and wish you all success in your endeavors.

ANNEX

III

Original: Turkish

**OPENING STATEMENT BY H.E. DR. CEVDET YILMAZ,
MINISTER OF STATE OF THE REPUBLIC OF TURKEY**

**Twenty Fifth Meeting of the
Follow-up Committee of the COMCEC
(İzmir, 12 May 2009)**

Distinguished Members of the Follow-Up Committee,
Esteemed Guests,

I would like to express the pleasure of meeting you for the first time on the occasion of the 25th Session of the COMCEC Follow-up Committee and welcome you all to İzmir.

Distinguished Representatives,

We are going through a period of major global developments and economic crisis. In addition to measures taken by our countries on the national level, global efforts, decisions taken in international platforms like COMCEC and development of cooperation mechanisms are needed. Therefore we are exerting efforts to continuously renew and enrich the agenda of COMCEC in order to find common solutions to our shared problems.

These endeavors, which are shaped with your devoted contributions, are forwarded to the Ministerial Meeting of COMCEC for concrete action. The 25th Session of the Follow-Up Committee, which will also assess the preparations made for the 25th COMCEC Economic Summit, is of special importance. I would like to take this opportunity to wish you all success in your dedicated work in the following three days.

Esteemed Delegates,
Distinguished Participants,

The global turmoil that occurred as a result of the global financial crisis which showed its first effects in the U.S. real estate market in 2007 and intensified in the last quarter of 2008, still continues. In this respect, due to the global economic slowdown, instability, decreasing demand, and liquidity crunch, as well as many problems including unemployment are appearing in the real sector.

The increase in global income which was 5.2 % in 2007, was limited to 3.2% in 2008 as a result of the impact of the 7.5 % of declination. The declination continued with the same speed in the first quarter of 2009, and according to the International Monetary Fund (IMF) figures, a 1.3% fall in the global income is estimated. Projections also suggest that the global economic crisis will start to diminish as of 2010.

The negative developments in the global markets undoubtedly affect the global trade. According to the World Trade Organization (WTO) data, the 6% growth rate in world trade realized in 2007 decrease in 2008 to 2%. In 2009 a decrease of 9% is expected in the world trade volume.

Esteemed Guests,

Developing countries whose exports have a large share in their Gross Domestic Products are leading the list of countries affected most by the economic crisis. Though the economic crisis affected the OIC community, it is understood that OIC Countries will overcome the crisis relatively easier with their capital stocks and economic structures. According to SESRIC data, following the 5.8% growth rate in 2007 in the OIC member countries, growth rate projections in 2008 were 4%, and it is estimated that minute growth would continue at above zero levels in 2009.

The total exports of goods of OIC member countries in 2007, according to WTO figures, were realized at USD 1.51 trillion, marking a 16% increase from the previous year.

Imports have also reached USD 1.13 trillion, with a 22% percent increase. Projections for exports of goods of OIC member countries for 2008 are USD 1.98 trillion and projections for imports are USD 1.39 trillion. In this respect it is pleasing that the share of exports of OIC member countries in world trade increased from 10.8% in 2007 to 12.3% in 2008 taking into consideration the effect of the soaring oil prices. Moreover, in 2009 the decreasing demand of developed countries may have a negative impact on the export levels of OIC member countries.

Distinguished Delegates,

A more effective economic cooperation and new channels of trade will be key to our success in times of crisis. In this respect, the intra OIC trade which has reached 16.64% at USD 213 billion, sent out positive signals for the future of our cooperation. In 2009, the intra OIC trade is expected to increase in percentage though it might decrease in volume.

As you know, one of the most important duties of COMCEC is to increase the intra OIC trade. In this respect, as also foreseen in the OIC Ten-Year Programme of Action we aim at increasing trade among our countries to 20% by 2015.

Within this scope, I would like to express my happiness over the activities accomplished under the Road Map which also contain concrete steps in areas like trade financing, preferential trade, trade facilitation and promotion, and capacity enhancement. I would also like to underscore the importance of putting into practice the OIC Trade Preferential System (TPS-OIC), one of our major projects, as soon as possible. Hereby, I invite all member countries to conclude the ratification procedures of the Protocol on Preferential Tariff Scheme (PRETAS) and the Rules of Origin in order to make better use of the synergy of trade in the development process.

The foreign trade volume of Turkey, which takes important steps to enhance its trade with friend and brother countries, with OIC member countries increased to USD 61.8 billion in 2008, marking a 50% increase from USD 41.8 billion in 2007. OIC member countries are among Turkey's major trade partners, and Turkey is open to all sorts of cooperation to carry forward this potential.

Distinguished Representatives,

As the world is entering an era of re-structuring, everyone has to do their part and fulfill their duties for a habitable economic and social environment. There is no doubt that, more than ever, we need cross-border economic activities to be carried out with a sense of responsibility and justice.

We need to prevent the current economic crisis from intensifying poverty and turning into a human crisis. According to UN Conference on Trade and Development (UNCTAD) data, the number of people living under an income of USD 1.25 per day has increased by 150 million. Experts fear that this figure might increase by 46 million in 2009 due to low growth rate expectations. In this respect, I believe the Islamic Solidarity Fund established under the Islamic Development Bank should be utilized more efficiently in the alleviation of poverty. Moreover, new programs should be implemented for the prevention of infant mortalities caused by poverty.

Recent developments have shown the importance of the financing methods based on true economic values, in which Islamic countries have extensive experience, in preventing and overcoming such crisis. I believe that OIC member countries, to the extent that they display their sense of earning and sharing based on production and their culture of social justice, will be less affected by such crisis and will present the world with clues as to how to overcome the crisis.

Esteemed Delegates,

Crises are not just clusters of problems but are opportunities for introducing new expansions, solving structural problems and for renovation. It is in our hand to turn these opportunities to advantages for future generations. I believe the following African proverb is most meaningful nowadays: **“Alone, we should go if we are going for speed, but if it is distance we are going for, together we must go.”** Our aim is to go for distance with firm steps and reach tomorrow with increased strength. I believe joint action is a must. We need to show our political will by allocating greater funds and spending more energy on joint projects.

In current circumstances, we need to put our intensifying economic and social problems back on the table and display our determination to find solutions in collaboration. We need to enhance accountability and transparency in our countries. We need to strengthen the banking sector and the regulatory bodies for the financial systems. We need to strengthen the infrastructure of Central Banks and keep the cooperation channels open reciprocally. We need to ensure the integration of our financial markets and enhance international cooperation. We need to establish an early warning system for crisis and opportunities, take precautionary measures and make new moves on time. Furthermore, we should not forget the social dimension of the crisis and implement measures for the creation of jobs at once.

Distinguished Delegates,
Esteemed Guests,

The next COMCEC Session will be held in November of the current year under the title of COMCEC Economic Summit with the participation of heads of state of the OIC Executive Committee and will be open to heads of state and government of other member countries. I am expecting the active participation of all our member countries in the Economic Summit of the 25th COMCEC Session and I wish the Summit conclusions will enhance our cooperation.

Under the 25th COMCEC Economic Summit, a series of events will be held where effects of the global crisis will be assessed and proposals for solutions will be formulated. Therefore we expect all our members to actively participate in the Meeting of the Central Bank Governors of the OIC member countries, meeting for Cooperation among Stock Exchanges of OIC Member Countries to be held in October 2009 and the Business Forum to be held simultaneously with the Summit.

As I conclude my remarks, I would like to thank officials of all member countries and the OIC Secretary General, Mr. Ekmeleddin İhsanoğlu. I would also like to thank

the OIC General Secretariat staff, Islamic Development Bank, SESRIC, Islamic Center for Development of Trade and the Islamic Chamber of Commerce and Industry. I hope your endeavors during the 25th Session of the COMCEC Follow-Up meeting will contribute to empowering our countries and enhancing peace and welfare of our peoples.

I thank you all and hope you have an enjoyable time in our beautiful city of İzmir.

ANNEX

IV

Original: English

**MESSAGE OF
H.E. PROF. EKMELEDDİN İHSANOĞLU
SECRETARY GENERAL OF THE
ORGANISATION OF THE ISLAMIC CONFERENCE**

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

(İzmir, 12 May 2009)

Mr. Chairman,
Excellencies,
Ladies and Gentlemen,

Assalamu Alaikum wa-Rahmatu Allahi wa-Barakatuhu

Allow me at the outset to express my profound gratitude to the Government and People of the Republic of Turkey for the generous hospitality and excellent organization of this meeting. I would like also to express my appreciation to the constant support of the Government of the Republic of Turkey to the activities of the OIC in general and in particular to the State Planning Organization which houses the COMCEC.

This Year Follow-Up Committee of the COMCEC is taking place at a moment when we are preparing ourselves to celebrate the 25th anniversary of the establishment of the standing committee in November 2009. In the 25 years history of the COMCEC, we are glad to witness that a high level platform of economic and commercial cooperation among Member States, is well being established and is working efficiently. We are happy to see that several programs and projects have been put into operation and a considerable cooperation experience has been accumulated thus far.

Excellencies,

Achieving higher levels of sustainable development and prosperity for the OIC Member States, as well as fostering economic and trade relations among them, remain major pillars of the OIC economic agenda. Pursuant to this endeavor, the OIC Member States made serious efforts to build up the required

institutional and multilateral legal framework within which the Member States could cooperate extensively by initiating, developing and implementing joint economic action.

As a result of such effort, especially after the adoption of the OIC Ten Year Programme of Action in 2005, which mandated the Organization to increase the level of Intra-OIC trade to 20% by 2015, several positive developments have taken place. The Intra -OIC trade has risen to 16.6 % in 2007, from its 14.5% percent level in 2005, and according to the forecasts of ICDT, this share will reach 16.87% in 2008. As a result, intra-OIC trade volume reaches 427 billion US dollars in 2008, against 420.6 billion US dollars in 2007.

Over the past years, concrete progress has been made in establishing a trade preferential system among OIC countries. Two very important agreements, namely the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) and TPS-OIC Rules of Origin, have been finalized and opened to the signature and ratification of Member States. Three ratifications are needed to have PRETAS enter into force.

I would like to appeal to Member States to do their utmost to have PRETAS ratified as soon as possible preferably before November 2009, to enable the Ummah enter a new era of sustainable commercial and economic development. As a result, we will be able to further our efforts to harmonize the rules of trade and put in place a common trading system.

In addition to the efforts to remove the trade impediments and increase the financial opportunities, many initiatives have also taken place also to establish mechanisms and implement programmes to boost Investment, infrastructure and productivity in Member States. In this context, the OIC Five year Action Plan on Cotton (2007-2011) and the "Framework for Development and Cooperation in the Domain of Tourism between Member States" have been adopted. Consequently, activities for the implementation of these frameworks are being carried out successfully. We also witnessed positive advancement in other infrastructural projects like the OIC Dakar/Port-Sudan Railways line and the Food-industries among Member States in Africa.

These achievements, however, are much lower than our capacity, as the OIC Member States form a vast strategic trade region and are well-endowed with potential economic resources in different fields and sectors, such as agriculture, water, energy, mining and human resources. This inherent potential

should manifest itself in the form of reasonable levels of economic and human development in the OIC countries.

Ladies and Gentlemen,

The world is passing through an extraordinary economic and financial crisis and the prevailing expectation is that a broad economic slowdown will persist for some time. This weaker growth will also curb the pace of poverty reduction. Unfortunately, the OIC Member States are adversely affected through; the ongoing instability in international financial markets, high commodity prices and oil price fluctuation. In this context, major challenges confront the OIC Countries' efforts not only to enhance their economic progress and increase their integration in the world economy, but also, to fulfill the Millennium Development Goals, in particular, poverty alleviation, education and combating diseases and nutrition.

Overall, as the economies of the majority of OIC Member States heavily rely on the production and exportation of primary commodities, mostly oil and agricultural goods, fluctuation in world commodity price carry high risks to sustainable economic growth. In this regard, improving the manufacturing facilities in these countries, is of utmost importance for diversification of their productive base. The increase in productivity will enable the OIC Member States to increase the value-added and quality of their products. It will also help the OIC Member States to become less dependent on manufacturing imports and thereby relieve the pressure on their trade balances.

The fluctuating world commodity price and trade barriers in international commodity market, negatively affected the performance of the agriculture sector in many OIC Member States, in particular the real income of poor households in low-income countries. The affordable commodity price could provide these countries with opportunities to attract investment and increase employment in agricultural section. I invite the OIC Member States and Institutions to seize these opportunities and combine joint Islamic Action for agricultural and agro-Industrial development in the Member States.

Similarly for the Seventeen OIC Member States which are classified as fuel-exporting countries, the prospect of growth and development of their economies are dependent on producing and exporting of oil and gas. As a result, the volatilities of oil price can have short and long run sever fiscal implications on their respective economies and development programmes.

The current world financial crisis and capital inflow will have tremendous impact on the Highly Indebted Poor Countries (HIPC) as it will weaken their abilities to service their external debt. Among 22 OIC Member States, classified by World Bank as HIPC, 18 of them are also Least Developed Countries (LDCs). The 11th Islamic Summit Conference's Resolution on Debt Relief in favor of the OIC African Member States, remains timely. Within the OIC framework we should innovate some mechanism to support these countries as clearly mandated in the OIC Ten Year Programme of Action. A concerted effort from OIC Member States and Institutions should be continued to prepare an OIC Comprehensive Development Programme for Africa. The General Secretariat which started working on this issue should coordinate the drafting of such important document.

Mr.Chairman,

At the same time, I am confident to note that, the Global financial crisis, while a major challenge, may also present some opportunities to the OIC Member States, especially for increasing the intra-OIC trade. Because of economic recession in the US, European Union, Japan and other developed countries, the OIC Member States' trade with these countries has begun to decline. But these losses can be offset by a boost in trade with other Member States of the OIC. Thus, fostering greater trade cooperation among OIC Member States would serve as a catalyst to stimulate the various forms of integration and to tackle efficiently the economic challenges facing Muslim Ummah.

In light of the above, it is evident that the OIC Institutions and Standing Committees such as COMCEC should put in place better-established structures and offer solutions by addressing current issues in conjunction with recent world development. In response to this pressing concern, the COMCEC Economic Summit, in the format of an Open-Ended OIC Executive Committee Meeting will be held on 9 November 2009 on the occasion of the 25th Anniversary of COMCEC.

Moreover, the IDB, the COMCEC Coordination Office and the SESRIC were requested by 24th COMCEC Session to organize a Consultative Meeting of OIC Governor of Central Banks which will take place in Istanbul, Republic of Turkey in October 2009, at the margin of this year's Annual Meetings of the IMF and World Bank Group. Much closer to us, the SESRIC, together with the General Secretariat and Turkish International Cooperation and Development Agency (TIKA) will host the First Meeting of Development and Coordination

Institutions of the OIC Member States an 13-14 May 2009 in Istanbul, Republic of Turkey.

I am confident that this 25th follow-up Committee Meeting of COMCEC will come out with fruitful results for the benefit of the Ummah. I would like to ensure you that the OIC General Secretariat will spare no effort to support you in your valuable work.

I wish you full success in your deliberations.

Wessalamu Alaikum wa-Rahmatu Allahi wa-Barakatuhu

ANNEX

V

Original: English

AGENDA
TWENTY FIFTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(İzmir, 12-14 May 2009)

1. Opening of the Meeting and Adoption of the Agenda
2. 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
 - Report of the OIC General Secretariat
 - Report of the Sessional Committee
3. Intra-OIC Trade
 - i. Recent Developments In Intra OIC Trade (Including TPS-OIC, Road Map for Enhancing intra-OIC Trade and WTO Activities)
 - ii. Trade Financing Activities
 - iii. Trade Fairs of Islamic Countries and Other Trade-Promoting Activities
 - iv. Private Sector Meetings
4. Cooperation among the Stock Exchanges of the OIC Member Countries
5. E-government applications and their impact on the OIC Member Countries
6. Review of the Implementation of the "Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011)".
7. Vocational Education and Training Program for OIC Member Countries
8. Preparation for the Exchange of Views on "Impact of Food Crisis on the Economies of OIC Countries" to be organized during the Twenty-Fifth Session of the COMCEC
9. Report on the Development of the OIC Halal Food Standards and Procedures
10. Draft Agenda of the 25th Session of the COMCEC
11. Any other business
12. Adoption of the Report

ANNEX

VI

Original : English

**REPORT ON THE REVIEW OF THE IMPLEMENTATION
OF THE OIC TEN-YEAR PROGRAM OF ACTION
by OIC General Secretariat**

A. BACKGROUND

01. Introduction:

The OIC Ten Year Programme of Action (TYPOA) is the reflection of the common will of the Muslim World to change its attitude from “Solidarity in Words” to “Solidarity in Action”. Indeed, the TYPOA which was adopted in 2005 by the World Muslim Leaders at the Makkah Summit, the 3rd Extraordinary Session of the Islamic Conference, is a document of very high value providing the blueprint of reform and advancement for the Organization of the Islamic Conference and the Muslim World. It set the target of achieving the objective of bringing moderation and modernization addressing all spheres of concerns for the Muslim World that requires collective action on the part of the Ummah to meet the challenges of the 21st century.

02. Purpose of the Report:

The TYPOA is considered to be the most outstanding outcome of the Summit. As such, the Secretary General decided that follow-up and implementation of the provisions of this reform blueprint should start without any delay. In this regard, he assigned all the departments within the General Secretariat the task to make recommendations/suggestions, take up activities, follow up and monitor the implementation of the TYPOA on the areas falling within their purview.

Simultaneously, the Secretary General addressed letters to all OIC Foreign Ministers requesting them to provide their inputs and to send their views/comments on the implementation of the TYPOA in the national and international context. They were also requested to form ‘National Committees’ to coordinate their activities taken up by their relevant government organs on different provisions of the TYPOA. Further, the Secretary General invited the OIC organs/institutions to propose their framework of activities for implementation of the TYPOA.

In this context, the General Secretariat submits to the OIC Member States an annual report presenting the cumulative progress achieved and actions taken by the OIC family on the implementation of the provisions of the Ten Year Programme of Action. Consistent with the General Secretariat’s commitment to assess, assist, follow up and monitor the implementation activities of the TYPOA, this report is provided to the 36th Council of Foreign Ministers for kind perusal and necessary directives on the issue.

It should be mentioned here that the OIC Member States, General Secretariat and its Institutions are continuously implementing various events, activities or programs under the TYPOA. This report is meant not to provide a list of all those events as they all are described in details in the individual reports of the entity concerned. It rather aims at portraying a comprehensive picture of progress and advancement made in

relations to the implementation of the provisions of the TYPOA by highlighting some notable achievements and issues.

This report has initially given a brief background about the program as well as some developments since the Makkah Summit. It then dealt with each objective of the TYPOA providing sketches of actions taken and progress made on that particular provision. The Report finishes by making some suggestions and recommendations with a view to ensuring effective and speedy implementation of the provisions of the TYPOA.

03. Developments since Makkah Summit:

After the Makkah Summit, with a view to ensuring effective implementation of the Programme, the Secretary General took the following decision:

- a. to convene an annual coordination meeting of all concerned OIC subsidiary organs, specialized and affiliated institutions with a view to adopt appropriate measures and coordinate efforts for the effective and timely implementation of the OIC Ten-Year Programme of Action.
- b. 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.
- c. 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.
- d. 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.

The program was officially launched in Baku on the occasion of the 33rd ICFM. Other events were also organized to promote the Programme. In this context, a brainstorming seminar on the Programme was organized in Dakar, Senegal, from 13 to 15 November, 2006 in conjunction with the Ministerial Meeting of OIC Standing Committee for Information and Culture (COMIAC). A presentation of the Programme was also made during COMCEC Annual Meeting in November, 2006 and November, 2007 successively in Istanbul, Turkey.

According to the directives of the Secretary General, the departments engaged themselves in following up and monitoring the implementation procedure of the TYPOA and provided individual reports on the issue.

At the level of the organs of the OIC, they met on March 2006, March 2007 and May 22, 2008 respectively under the Chairmanship of the Secretary General and reviewed the provisions of the TYPOA. The officials of the organs suggested the course of action to be adopted by the individual institutions in their respective areas for

implementing the TYPOA. The meetings were also attended by the three Standing Committees namely, COMSTECH, COMCEC and COMIAC.

The Secretary General presented a report on the status of the implementation of the OIC Ten-Year Programme of Action to the 34th ICFM, held in Islamabad, Pakistan in May, 2007. After considering the report of the Secretary General the ICFM decided that the implementation of the OIC Ten-Year Programme of Action would be a permanent agenda item of the ICFM, COMCEC, COMSTECH, COMIAC and the OIC Summit.

Progress reports have also been presented on TYPOA's implementation to the 11th Islamic Summit Conference held in Dakar, Senegal in March 2008 and the 35th CFM held in Kampala, Uganda in June, 2008. Having considered the Report of the Secretary General, the 11th Islamic Summit Conference and the 35th CFM appreciated deeply the pivotal role of the General Secretariat in the implementation of the Ten-Year Programme of Action. The Summit also paid tribute to the Secretary General for his leadership and distinct contribution in implementing this programme and commended the actions taken by the Secretary General to reform and promote the role of the OIC with a view to better prepare the Organization to meet the challenges of the 21st Century in line with the strong vision of the OIC leaders through implementing the TYPOA. Both the conferences also appreciated the progress hitherto made through the actions taken by the OIC General Secretariat and its Subsidiary Organs, Specialised and Affiliated Institutions.

B. CURRENT STATUS OF THE TEN-YEAR PROGRAMME OF ACTION

The following reflects the current status of the activities taken under the Ten Year Programme of Action, level of progress made as well as future targets to achieve under each individual objectives of the Document.

DEVELOPMENT, SOCIO-ECONOMIC ISSUES

Economic Cooperation:

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.

The OIC is exerting continuous efforts for the signing and ratification of OIC agreements and statutes. Very significant progress has been achieved in this domain.

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.

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.

Intra-OIC Trade

Trade among nations is recognized as the engine of economic growth and there is a close correlation between the growth in trade and the growth in output, each reinforcing the other. The TYPOA mandated the COMCEC to increase the level of intra-OIC trade from 14.5% in 2004 to 20% in 2015.

In this context and in order to explore ways and means of facilitating the realization of the objective to achieve the level of 20% intra-OIC trade by 2015, the COMCEC Coordination Office, the Statistical, Economic and Social Research and Training Centre for Islamic Conference (SESRIC), the Islamic Development Bank (through its International Islamic Trade Finance Corporation) and the Union of Chambers and Commodity Exchanges (TOBB) of Turkey jointly organized the OIC Expert Group Meeting on Enhancing Intra-OIC Trade on 5-6 July, 2008 in Ankara, Republic of Turkey. The meeting brought together experts from the OIC Member States and Institutions to make some concrete and specific recommendations in the form of a Road-map aiming to achieve the objective of 20% by 2015. The Road Map for Enhancing Intra-OIC Trade was consequently approved by the 24th Session of the COMCEC, which was held in Istanbul, Republic of Turkey in October 2008.

A consultative Meeting of OIC Institutions operating in the economic field for the implementation of the road map for enhancing intra-OIC trade was organized at ICDD Headquarters at Casablanca, Morocco on 11-12 February 2009 with the active participation of COMCEC-coordination office.

Since the Makkah Summit, the share of the OIC in the world merchandise trade has increased and reached the level of 9.8% in 2007 against 8.8% in 2004. Moreover, the efforts deployed by the OIC Member States have started to bear fruit. I am pleased to report that the OIC intra-trade has steadily increased from 14.5% in 2004 to 16.44% in 2007.

The current level of intra-OIC trade is still small compared to the immense trade and investment opportunities in Islamic countries. The modest level of the OIC intra-trade becomes dismal when compared to the ones of other regional economic groupings, such as the European Union (EU) where this level reached 65%, North America Free Trade Area (NAFTA) (42%) and Association of South East Asian Nations (ASEAN) (25%).

The 24th Session of the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC), having considered the report of the Secretary General on the implementation of the OIC Ten Year Programme of Action called upon the member states to sign and ratify the OIC Agreements in the area of economic cooperation.

The 35th CFM, 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.

The COMCEC urged the member states who had not done so, to sign and ratify PRETAS and Agreement on Rules of Origin, at their earliest convenience, to reach the target date of 1 January 2009 for the implementation of TPS-OIC. So far 15 countries have signed PRETAS namely Bangladesh, Guinea, Cameroon, Egypt, Pakistan, Tunisia, Turkey, Jordan, Malaysia, Syria, United Arab Emirates, Saudi Arabia, Oman, Kingdom of Morocco and State of Qatar. Six of these countries, namely Pakistan, Turkey, Jordan, Malaysia, Syria and UAE have ratified it. Additionally, eight member states have signed the rules of origin namely Guinea, Cameroon, Tunisia, Turkey, Jordan, Pakistan, Malaysia, Oman and United Arab Emirates. United Arab Emirates, Malaysia and Jordan ratified the Rules of Origin.

The Republic of Turkey hosted the TNC Review Meeting on 17-19 June 2008 in Ankara, Turkey, with a view to discuss the progress achieved in respect of the Establishment of the Trade Preferential System among the OIC Member States. The TNC requested ICDT, in collaboration with the COMCEC Coordination Office, to prepare explanatory notes on the interpretation of TPS-OIC agreements, distribute them to OIC member states and have them submitted to COMCEC for consideration/required action.

The COMCEC requested the OIC General Secretariat and ICDT to continue to organize meetings for the presentation of TPS-OIC Agreement and the PRETAS with a view to broaden the membership of the Trade Negotiating Committee and expedite the accession of new Members. According to the report of the ICDT, the share of OIC Member States reached about 9% of the world trade, and intra-OIC trade increased from 165 billions \$ US in 2006 to 200 billions \$ US in 2007, with the share of intra-OIC trade in the overall trade of the OIC Member States climbing from 15.5 % in 2005 to 16.44 % in 2007.

The 23rd Session of the COMCEC established a Task Force to help reach the target level of 20% intra-OIC trade as set out in the OIC Ten Year Program of Action. The Task Force held its first meeting prior to the 24th Meeting of the Follow-up Committee of COMCEC on 12 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), SESRIC and OISA. The ICDT submitted its 2008 Annual Report on "Trade among the Member States of the OIC

As part of practical steps taken towards the enhancement of intra-OIC trade, the IDB in July 2007 established a Task Force to examine the role of IDB Group in helping to achieve these targets. This Task Force recommended holding an Experts Group Meeting which was co-hosted by the COMCEC Coordination Office, SESRIC and the Union of Chambers of Commerce of Turkey (TOBB). The EGM was held in Ankara, Republic of Turkey (5-6 July 2008). It brought together experts from member countries, OIC Institutions, UN trade bodies (ITC and UNCTAD) and other eminent persons. The meeting made concrete and specific recommendations in the form of a Road-map that aims at helping achieve these targets and the EGM report is recommended for adoption at the 24th COMCEC Ministerial Meeting.

The Government of the Arab Republic of Egypt communicated the following on the role of Ministry of Commerce and Industry (Trade agreement and external trade sectors) in the implementation of the OIC Ten Year Programme of Action which relates to increasing intra trade in the TYPOA:

a. The Egyptian side participated effectively in the negotiations of the Trade Preferential System Protocol signed in 2005. The Ministry of Trade, in cooperation with the Ministry of Foreign Affairs, participated in the negotiations of the Protocol's Rule of Origin document.

b. The Egyptian General Authority for Exhibition Affairs in the Ministry, in cooperation with the Islamic Centre for the Development of Trade, agreed to hold the 12th Trade of OIC Member States in the period from 11-16 October 2009 in order to promote Member States' products thereby contributing to the increase of intra-OIC trade.

Effective Communication for Increasing Intra-OIC Trade

For the promotion of Intra OIC trade, there is a need to develop effective and competitive transport system among OIC Member States. In this context, the role of the Organization of Islamic Ship-owner Association (OISA) is very important.

OISA started three important projects to increase cooperation among members and promote shipping in order to connect OIC ports with permanent lines in future: a) Cooperative Information System (CIS), b) Islamic Protection and Indemnity Club (IPIC) and c) Bakkah Shipping Company.

Bakkah Shipping Company has started operation by chartering and re-chartering vessels also will buy suitable second hand vessels from markets and new buildings. Board of Director in their meeting took decision and gave management of Bakkah a free hand to charter different type of vessels in order to take advantage from the market. Board also asked Management to prepare Economic Feasibility study within three months from the date of meeting in order to approach banks and financial institutions for usual loans for this type of business.

The 11th Islamic Summit Conference invited Member States, the Private Sector, the shipping companies and private individuals in the Islamic countries to participate in the capital of the Islamic Shipping Company and to encourage the treatment of the company's ships on equal footing with their national maritime companies. OIC institutions will establish a Working Group to define ways and means for ensuring high increase of intra OIC trade.

The Dakar Summit also adopted resolution on the OIC Dakar Port Sudan Railways Line Project. The First Meeting of the Committee for Implementing the OIC Dakar-Port Sudan Railways Line Project was held in Jeddah, Kingdom of Saudi Arabia, from July 19-20, 2008. The meeting agreed to set up an Executive Committee (EC), composed of the members of the Bureau, the OIC General Secretariat and the IDB. The Meeting requested all Member States to provide the additional data to the EC by the 31st July, 2008. The meeting thanked the Republic of Sudan for its offer to host

the Ministerial and Expert Group Meeting, which will be held in October or November 2008. The Dakar Port Sudan Railway line when realized will significantly contribute to the increase of trade between OIC African Member States as well as between this Group and other OIC Member States.

Trade Financing Activities related to Intra-OIC Trade

The establishment of the International Islamic Trade Finance Corporation (ITFC) within the IDB has been a major cornerstone for the extension of trade financing, the promotion and facilitation of trade finance activities in the OIC Member States. ITFC, which is headquartered in Jeddah, Saudi Arabia, officially commenced activities on the 1st of Muharram 1429H (10th January 2008). ITFC 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. The growth trend in IDB Group trade finance approvals continued in 2007 (1428H) with total financing of US\$2.6 billion. Cumulative trade financing approvals now stand at US\$29.2 billion. The commitment in contributing towards intra-OIC trade finance targets is manifested in the fact that 77% of the approvals in 2007(142811) were directed to financing intra-OIC trade business.

In addition to providing trade financing to member country governments, government Institutions and other economic operators in member countries, ITFC is also charged with the responsibility of implementation of the IDB Group Trade Cooperation and Promotion Programme (TCPP). This programme focuses on trade promotion and capacity building activities especially for Trade Promotion Organizations (TPOs) in member countries; trade facilitation and support in the development of export capabilities for strategic commodities. This programme continues to gain momentum and expansion in terms of geographical coverage and provided support to a number of member countries' activities during the year.

The 24th Session of the COMCEC welcomed the initiation of trade financing by ITFC as of the 1st of Muharram 1429H (10th January 2008). It also adopted the Road Map prepared by the EGM in Ankara, Turkey as a guide to reach the 20% intra-OIC trade target which is decided by the Ten-Year Programme of Action adopted by the 3rd Extraordinary Summit and requests a Task Force Meeting be organized immediately to prepare detailed Plan of Actions for every item of those five areas of the Road Map and submit reports on the progress to the COMCEC Sessions and Follow-up Committee Meetings.

The ICDT submitted a Progress Report on the preparation of the forthcoming trade fair activities to the 24th Session of the COMCEC. This report highlighted following:

1. "OIC-EXPO" 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.

The 11th OIC Summit commended the ICDT for holding the 11th Trade Fair of OIC Countries in Dakar, Republic of Senegal from 21 to 25 November 2007. The Islamic Centre for Development of Trade (ICDT) organized 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 of “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 the Muslim Communities in Non OIC Member Countries.

2. During the Fair trophies were awarded to the following countries: a) Kingdom of Saudi Arabia: First Prize, b) Kingdom of Morocco: Second Prize and c) Republic of Turkey and the State of Kuwait: Third Prize equally placed

3. The ICDT and Al-Harithy Company for Exhibitions Limited (from the Kingdom of Saudi Arabia) organized the 13th Food/ Hotel/ Propac Arabia in Jeddah, Kingdom of Saudi Arabia, from 18th to 22nd May 2008. The ICDT will organize with a view of “boosting” intra-OIC trade and other activities among which we could mention: the 12th OIC-EXPO in Cairo, Arab Republic of Egypt from 11 to 16 October 2009, the Second Tourism Fair of the OIC Member States in Beirut, Republic of Lebanon in 2009 and the 3rd Tourism Fair of the OIC Member States in Egypt in 2010, a specialized exhibition and supply/demand workshop on the New Information and Telecommunication Technologies in the Member States of the Organization of the Islamic Conference in Casablanca in 2009, a specialized exhibition and supply/demand workshop on agro food products in Mali in conjunction with the Forum on “Ways and Means of Energizing Trade and Investment in Food Industry in Africa” (in 2008/2009).

4. Malaysia International Halal Showcase 2009 (MIHAS 2009) will be held on 6 to 10 May 2009 in Kuala Lumpur and International Trade Malaysia 2008 (INTRADE 2008) will be held on 12-15 November 2008 in Kuala Lumpur.

Activities related to promotion of Intra-OIC Tourism

The Sixth Islamic Conference of Tourism Ministers held in Damascus, Syrian Arab Republic from 29 June to 2 July 2008, examined and adopted the Framework for Development and Cooperation in the Domain of Tourism between OIC Member States, which was initially prepared as the Strategic Plan for Development of Tourism in OIC Member States. The framework document was endorsed by the 24th Session of the COMCEC. The Framework shall include, inter alia, the following objectives: (a) to streamline a concrete common objective in the area of cooperation among Member States in the field of tourism; (b) to portray the true image of Islam and the Islamic World; (c) to substantially develop tourists exchange from countries non-member States of the OIC towards the Member States of the OIC; (d) to significantly increase the share of Member States in international tourism; (e) to adjust, whenever required the common policies and programmes related to tourism development, on international fluctuations of energy and food markets; (f) to make a new tabulation to the reports based on activities and programmes. The first coordination committee meeting on the Implementation of the “Framework for Development and Cooperation in the Domain of Tourism” between OIC Member States was held in Damascus, Syrian Arab Republic on 18-19 March 2009. The meeting adopted a short term plan and programme for the implementation of the framework through OIC General Secretariat.

The fourth coordination meeting of the Sustainable Development of Tourism in the Network of Cross-Border Parks and Reserves in West Africa for the benefit of its Member States met at the margin of the 6th ICTM, on 30th June, 2008, in Damascus, Syria. It decided to set up a Steering Committee consisting of all the West African countries concerned with the project in order to validate the programme of activities of the project. The 13th Session Committee of COMCEC called upon ICDT to approach parties concerned to speed up the feasibility of the project in collaboration with World Tourism Organization and the Coordination Unit. It also called upon the Coordination Unit to request IDB to start the technical assistance in order to implement the project. A meeting was organized on February 6 2009 in Madrid with the participation of the concerned OIC Member States, relevant OIC institutions and the consultants to review the first phase of the feasibility study of the project. Further Meetings on the project will be organized respectively in Mauritania, Guinea and Niger in March, 2009.

Pursuant to a resolution adopted at the 35th CFM held in Kampala in June 2008, the General Secretariat, ICDT, SESRIC and the Government of the Turkish Republic of Northern Cyprus organized on 15-17 April 2009 a seminar on Tourism development in the Muslim World. The OIC Member States and Institutions are encouraged to take part in the event.

Activities related to promotion of Food Industry

According to the resolutions of the 35th CFM and the 23rd Session of COMCEC, the Forum on “Food Industry Development in Africa” successfully held in Bamako, Mali, on 25-27 February 2009.

Private Sector Role in the Implementation of the OIC Ten-Year Programme of Action

The Islamic Chamber, being the principal representative of the private sector, continues to undertake activities in line with the 10 Year Programme of Action. At the same time, it has broadened and diversified its scope of activities, bearing in mind the needs of the private sector. These activities are the Private Sector Meetings; businesswomen forums; capacity development workshops; tourism; privatization and investment conferences including exchange of trade delegations and co-organization of exhibitions.

The report of the OIC Business Forum and 12th Private Sector Meeting held in Kampala, Uganda, in June, 2008 on the framework of the 35th CFM highlighted that most of the OIC Countries overwhelmingly depend on the export of their raw materials and natural resources. The Forum stressed that they should increase their efforts to diversify their economies and build their manufacturing industries for exporting processed and value-added goods especially in the area of cotton and coffee. In this way, the Member Countries’ finished products would have a competitive edge in the world market and could also generate more high income employment for their people. The Forum also focused on global food crises and underlined the pivotal role of the private sector by developing cooperation between the OIC Member States, to ensure the sustainable development of agriculture which could address hunger and poverty in OIC Member States.

The Forum called for facilitating the Private Sector through Open Visa Policy for the Business People to facilitate their movement among OIC Member States and enhance trade relations and investment. ICCI efforts to disseminate information through a Databank were supported. It welcomed the setting up of Fora in seven member countries and Fora East Africa as an Investment Arm of ICCI in East Africa and encouraged all businessmen to cooperate with this business model as a mechanism to utilize investment for economic growth. This Company will be setting up two projects in the area of Coffee and Cotton.

The COMCEC requested the IDB to continue providing technical assistance for capacity building in member states especially to the SME's. The 6th Task Force Meeting on SMEs put forward a strategic plan for the promotion and development of SMEs. This Plan envisages focusing on five major areas of SMEs, which need to be addressed by: Governments; National SME Authorities; National Chambers of Commerce and Industry; Islamic Chamber of Commerce and Industry (ICCI); Islamic Development Bank (IDB) and the General Secretariat of the Organization of the Islamic Conference (OIC).

The OIC Task Force for SME proposed the following priority issues confronting SMEs and their future development, such as:

- (i) Establishment of an OIC Network of SME Agencies (ONSA)
- (ii) Establishment of SME fluid and Islamic SME Credit Guarantee Fund (IEG)
- (iii) Establishment of Database on Business Agents and creating linkages with SME Investment Opportunities
- (iv) Establishment of Technology & Business Incubators
- (v) Creation of a Conducive Regulatory Environment for SME Development.

The 24th Session of the COMCEC held in Istanbul, Turkey in October, 2008 welcomed the projects undertaken by the ICCI within its 10 Year Work Plan, namely: International Non-Governmental Awqaf Organization; International Organization for Zakat; *International Islamic Company for Exploration of Investment Opportunities for Promotion of Intra-trade (FORAS)*; Business Owners Union (BOU); and Emmar International Bank and calls upon all the OIC Institutions, Private Sector and National Chambers of Commerce to support and participate in these initiatives. It called upon all the OIC Institutions and National Chambers to extend full support to the ICCI initiatives 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 the enhancement of intra OIC-trade, investment, economic cooperation and integration. It took note of the Report and recommendations of the OIC Business Forum and 12th Private Sector Meeting of the Islamic Chambers and thanks the Government of the Republic of Uganda, Uganda National Chamber of Commerce, OIC General Secretariat, IDB and ICCI for jointly organizing the said Meeting within the OIC Business Forum on the sidelines of the 35th Council of Foreign Ministers, on 16-18 June 2008.

It also took note that the OIC Business Forum and 12th Private Sector Meeting addressed two vital issues being faced by the Islamic World, namely food security and the need to promote manufacturing industries for value addition on raw materials and called upon the private sector to come forth and play an important role in developing the said two sectors. It appreciated efforts of the Islamic Chamber in the area of

economic empowerment of businesswomen and regular organization of Businesswomen Forums and capacity development workshops. The Committee also thanks the Government of Syria for hosting the Fourth Forum from 2-4 November 2008. Finally it called upon national financial institutions in OIC Member States to collaborate with the ICCI and IDB in formulating an effective mechanism on providing micro-credit facilities to women entrepreneurs by financing their small projects.

Review of the Implementation of the “Action Plan of OIC Cotton Producing Countries’ Cooperation Development Strategy (2007-2011)”

Cotton plays a vital multi-sectoral role in the economies of many developing countries, earning foreign exchange and providing employment for millions of people in the agricultural and related processing and textile sub-sectors. In some OIC countries, the dominance of cotton is so strong that success or failure of the cotton crop in a single year may have an adverse effect on the GDP growth rate. Cotton cultivation also provides the principal source of raw materials for the textile and clothing industries and makes a significant contribution to the public exchequer in the form of taxes and duties. At the micro level, cotton is the primary source of income of farmers. Cotton production is a major source of rural employment, especially during weeding and harvesting seasons. It also plays a significant role in the food security program in the world, particularly when food crops follow cotton in rotation systems. Specifically nine OIC member countries namely, Pakistan, Mali, Uzbekistan, Turkmenistan, Egypt, Syria, Iran, Turkey, and Sudan are among the fifteen largest cotton producing countries in the world. Additionally, five member countries (Bangladesh, Pakistan, Egypt, Indonesia, and Turkey) are among the ten largest cotton consumers in the world.

In this connection, the OIC General Secretariat, the Government of Burkina Faso, the Government of Turkey, the IDB and the Islamic Center for the Development of Trade (ICDT) and ICCI organized several Fora on “Energizing Trade and Investment in the Cotton Sector of the OIC Member States”. To implement the decisions of the above Expert Group Meetings (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.

In this regard, the Third EGM on “Enhancing Production Efficiency and International Competitiveness” 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. The priority areas of the Cotton Action Plan are: enhancing productivity and production techniques; strengthening Member States 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 States. The Forum established the Steering Committee and the Project Committee for the implementation of the Cotton Program. In this regard, General Secretariat, in collaboration with the Government of the

Republic of Turkey and concerned OIC institutions, organized the First Meeting of the Steering Committee on Cotton, which was held in Antalya, Turkey, on 12 May 2008, prior to the 24 COMCEC Follow-up Committee Meeting. The Forum and the Steering Committee identified the 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 Nazilli Cotton Research Institute of Turkey in collaboration with the OIC General Secretariat, SESRIC, ICDT, IDB and ICCI organized the First Meeting of Cotton Research Centres, in Izmir, on 2-5 February, 2009. All concerned Member States presented a country report on cotton and textile sectors during the Meeting. After presentations and discussions on country reports, the Meeting discussed the working methods and principles of work sharing between centers of excellence. The Meeting also evaluated and approved of some project proposals, for submitting to the Project Committee Meeting established under the authority of the Steering Committee. The Project Committee then had its first meeting in Izmir, Turkey, on 3-4 February, 2009. The Project Committee reviewed and examined the Cotton Projects received from the Member States, Research Centers, the OIC Institutions and regional organizations in the domain of cotton and textile, and submitted the projects to the Steering Committee for adoption. The Second Steering Committee Meeting on Cotton was held in Izmir, Turkey on 4 February 2009. The Meeting adopted the cotton projects which were approved by the first project committee meeting on cotton.

Moreover, the OIC General Secretariat, in collaboration with the Government of the Arab Republic of Egypt and the ICDT, is planning to organize a Forum on “Trade and Investment in Cotton Sector among the OIC Member States” which will include a buyer-seller meeting on cotton and sectoral fair on cotton-related equipment on the sidelines of the 12th Edition of the Trade Fair of the OIC Member States, to be held in Cairo, Egypt, on 11-16 October, 2009. This proposal was adopted by the 24 Session of the COMCEC.

Given the dominance of cotton sector in some OIC member countries, the IDB is making special efforts to enhance cotton productivity and international competitiveness as well as to strengthen institutional and marketing capacity of its cotton producing member countries. The Bank’s activities in this area are mainly conducted through (i) Trade and Project financing; and (ii) Technical Assistance. As of beginning of 1427H, the Bank had approved 305 projects for an amount of approximately US\$1,420.97 million, to promote and expand agricultural sector in its member countries. Additionally, to the end of 1426H the total amount approved for trade financing operations under different windows to facilitate and promote intra-trade in cotton among member countries stood at US\$206 million. Moreover, the Bank is considering the approval of three lines of financing amounting to US\$70 million in Togo and Mali (for importing fertilizer for the cotton sector). The Bank also intends to provide support for enhancing structured commodity financing schemes in the cotton sector, especially in the area of cotton pre-export financing.

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

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 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 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).

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

The IDB and ICDT are implementing this agenda of the OIC Ten Year Programme of Action. IDB and ICDT prepared, in accordance with the decision of the 14th Session of the COMCEC, monitoring reports on the World Trade Organization (WTO) matters.

The 24th Session of the COMCEC having considered the reports of IDB and ICDT concerning this issue, reiterated its call on IDB and ICDT to continue 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.

The 24th Session of the CONCEC requested the ICDT, in collaboration with IDB and other OIC institutions, to examine the lack of progress of the Doha Round on the External Trade of OIC Member States and come up with policy recommendations for and report to the 25th Session of the COMCEC.

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

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 the Member States.

With regard to the Open Visa Agreement for the business community, the Islamic Chamber has established Business Owners Union (BOU). Contacts for approval of BOU privileges to its members are under process with the concerned authorities of the Member States. The 35th Session of the Council of Foreign Ministers also welcomes this initiative through its resolution No, 5/35/E-62.

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.

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.

The OIC Ten-Year Programme of Action calls upon the OIC Member States to continue to coordinate their environmental policies and positions within the framework of the OIC Ten-Year Programme of Action in the international environmental for a so as to prevent any adverse effects of such policies on their economic development and appeals to all the OIC Member States to consider giving high priority to Climate Change.

The Secretary General encourages the OIC Member States to consider working together, to the maximum extent possible, in future negotiations on climate change issues, taking into account the special needs of the most vulnerable group of countries and expects that some of the OIC Member States play active role as members of the Ad-Hoc Working Group.

The Third Extraordinary Session Islamic Summit Conference held in Makkah in December 2005 regarding the importance of cooperation in the fields of inter alia poverty alleviation, capacity building and eradication of diseases and epidemics which has bearing to access to clean drinking water.

His Excellency Abdullah Gul, President of the Republic of Turkey, extended an invitation letter to H.E. the Secretary General of the Organization of the Islamic Conference to participate in the Ministerial Process of the Fifth World Water Forum with a theme “Bridging Divides for Water” which was held in Istanbul, Republic of Turkey on 20-22 March 2009. The Meeting which was attended by more than 100 countries pledged to strive for clean water and sanitation for millions in need and fight drought and flood.

The General secretariat of the OIC organized a sideline Conference of the Ministers responsible for Water from the OIC regions participating in the Ministerial Conference of the 5th World Water Forum on 20-22 March 2009. The OIC will submit a separate report on the issue to the 36th CFM to be held in Damascus, Syrian Arab Republic in May 2009.

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.

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.

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.

The 24th Follow-up Committee the 11th Islamic Summit Conference and 35th CFM welcomed the launching of the Islamic Solidarity Fund for Development (ISFD) in Dakar, Senegal on 29-30 May 2007 upon the decision of the IDB Board of Governors as an important step towards the operationalization of the mandate and vision of the TYPOA relevant to poverty alleviation in the Member States.

According to information received from IDB, the target amount is USD10 billion to be collected over 3 years and saved as Waqf (i.e. Trust). The concept of the Waqf implies that operations under the ISFD will be financed only from the returns on investment its core resources. However, to provide for the sustainability and immediate operationalization of the Fund, the IDB committed to meet the financing requirements of the projects approved, under the ISFD from its own capital resources for up to US \$350 million per year until the proceeds of investment of the ISFD resources reach a sufficient level to meet its commitments. This arrangement has allowed for the immediate commencement of operations of the ISFD, and maintained a minimum volume of financing under the ISFD equal to the level of financing from IDB concessional resources before the launch of the Fund. According to IDB Policy, the resources mobilized under the ISFD are to be supplemented by additional resources, including co-financing from all other partners (public and private) for funding poverty alleviation projects and programs.

However, 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 Islamic Summit Conference held in Dakar, Senegal in March 2008 welcomed the launching of the Islamic Solidarity Fund for Development (ISFD) 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;

The Dakar Summit 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 Government of 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 US Dollars, to the Government of Sudan and the Republic of Senegal for their pledges of 15 and 10 millions US Dollars respectively and to the other countries that have pledged respective contributions, and urges all the Member States which have not contributed to the Fund 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. The Secretary General has addressed letters to heads of States and Governments of Member States appealing to them to help mobilizing more funds for the Islamic Solidarity Fund for Development. The IDB

itself contributed US \$1.0 billion over 10 years and transferred the first tranche of US \$100 million to the accounts of the Fund, The amount announced both by the member countries and the IDB represents 26 percent of the principal targeted capital of the Fund (US\$ 10 billion).

Following the establishment of the Fund and consistent with its 1440 H Vision which outlines a unique role for the institution in fostering socio economic development in its member countries consistent with Islamic Principles, IDB finalized three basic constitutive documents to facilitate the operations of the Fund: (a) Policy Paper on Poverty Reduction (b) Regulations of the Fund; (c) Policy Guidelines of the Fund; and (d) Operational Guidelines for the ISFD.

The 24th Session of the COMCEC having considered the progress report submitted by the OIC General Secretariat and IDB on this subject matter requested the Member States to extend technical assistance especially for capacity building and poverty alleviation in less developed OIC member states and also requested IDB to submit detailed report on the Islamic Solidarity Fund for Development to the COMCEC Sessions and Follow-up Committee Meetings.

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.

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 Centers 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.

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 has started its activities.

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.

IDB is undertaking necessary action in this regard.

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.

Detailed account of IDB and other institution's contribution to Intra-OIC trade is given under the POA II.1.2.

On the level of ICCI, to promote investment opportunities and Intra-OIC trade a mechanism has been developed by ICCI by setting up an ICCI-Data Bank, 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 of UNDP.

With regards to promotion of Investment, it is evident that development of investment in infrastructure, agriculture and industry and diversification of the economy are of paramount important for boosting "Intra-OIC Trade".

In this context, IDB (ICIEC) and SESRIC have jointly organized the Workshop on "Improving Investment Climate" in Jeddah, Saudi Arabia in July 2008. This workshop made recommendations focusing on Short Term (less than 12 months) as well as Long Term (2 to 5 years) activities.

The COMCEC emphasized on the importance of political will for attracting the investments as well as enhancing cooperation in the area of improving investment climate among the OIC member states. It decided to establish a working group under the coordination of IDB Group to prepare a Plan of Action or framework for cooperation in this area and submit its report to the 25th Session of the COMCEC. It also decided to designate "The Impact of Food Crisis on the Economies of OIC Countries" as the theme for the Exchange of Views at the 25th Session of the COMCEC and requested the IDB/ICDT, in collaboration with the SESRIC (the coordinating institution for the exchange of views sessions), the OIC General Secretariat, relevant OIC institutions and other related international organisations to organise a workshop on this topic prior to the 25th Session of the COMCEC and to submit its report to the said COMCEC Session.

III. Social solidarity in the face of natural disasters

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 and

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

Natural disasters have impacted the Muslim world countries in the form of typhoons, earthquakes, Tsunami tidal waves, droughts and other natural changes beyond human control since ages. However, unlike the western world, the response from the Muslim

world has been lacking in all cases, highlighting the absence of means in the Muslim world to address these situations.

In view of the above, decision was taken to build capacities to address man-made and natural disasters at the 3rd OIC Extraordinary Summit and a provision was included in the TYPOA to address the issue of social solidarity in the face of natural disasters. This was the first time such a decision was adopted by the OIC. When the Summit was held, Member states, at that critical juncture, recognized that comprehensive efforts were required in every field to forge bonds of unity and solidarity in order make the OIC organisation responsive in all situations.

Keeping in line with the said decision, the OIC unofficially started its relief operations in coordination with the civil societies of the Muslim World within the spirit of Islamic Solidarity since the Makkah Summit. However, to give it an institutional framework, a department in the General Secretariat has been officially established under the title Department of International Cooperation and Humanitarian Affairs (ICHAD) following the adoption of Resolution No. 11/35-C by the 35th session of the Council of Foreign Ministers held in June 2008 in Kampala, Republic of Uganda.

Prior to that landmark decision, some major achievements have so far been accomplished including the organisation of an international donors' conference for Niger in Doha, 12-13 June 2007 resulting in pledges of US\$388 million to support the initiatives of the Government of Niger to cope with its drought problem and recurrent food shortages; the launching of emergency relief assistances in favour of the Palestinian people in the Gaza Strip and the victims of natural disasters in Algeria, Bangladesh, Kirgizstan, Mozambique, Pakistan, Tajikistan, Turkmenistan and Yemen.

The Secretary General has also convened a meeting of all OIC Funds Directors operating in Indonesia, Afghanistan, Sierra Leone and Bosnia Herzegovina to carry out an evaluation of their activities and redirect them in light of the 10-YPOA in the OIC efforts to foster sustainable development throughout its Member States.

In compliance with the provisions of the 10-YPOA and following invitation extended by President Abdoulaye WADE of Senegal, ICHAD organised the 1st Humanitarian NGOs Conference in Saly Portudal from 7-9 March 2008. Over 60 humanitarian NGOs attended the meeting and very fruitful discussions took place which resulted in the adoption of a general report submitted to President Wade for the attention of Sovereign and Heads of State and Government in the Summit deliberations in Dakar. The 11th Islamic Summit Conference took note of the recommendations of the conference.

Given the importance of emergency humanitarian assistance in time of natural disasters and other crises, and being conscious of the fact that effective humanitarian response may be better achieved through a working cooperation of States and humanitarian non governmental organisations, the Summit urged the international community to act in solidarity and partnership in the field of humanitarian assistance through a sustainable and collective strategy aiming to build a safer world, saving human lives and protecting the environment. To this end, several MoU are about to be signed with international and regional organisations.

The recently held New York Annual Coordination Meeting of Foreign Ministers invited the OIC to pursue its humanitarian activities and welcomed the stepped up efforts of the OIC General Secretariat in the humanitarian domain represented by the sending out of field missions to the Somali refugees camps in Dadaab, Gaza, Bosnia Herzegovina and Yemen as well as efforts underway to implement rehabilitation projects in Bangladesh in the aftermath of Cyclone Sidr which caused widespread devastation.

Finally, ICHAD is actively preparing, in partnership with the IDB to organise humanitarian conferences for Darfur, Somalia, Sierra Leone and Cote d'Ivoire. The Tsunami Orphans Programme in Banda Aceh is progressing well as well as the process of opening an Office in Niamey for the implementation of the Programme aimed at consolidating food sufficiency in Niger.

Besides the above, Government of Malaysia in collaboration with Islamic Chamber of Commerce and Industry organized the International Zakat Conference in Kuala Lumpur on 28 November 2006, as a step towards the establishment of the international Zakat Organization. The Conference was attended by a number of Ministers and Senior Officials from the following countries: Saudi Arabia, Egypt, Indonesia, Pakistan, Brunei Darussalam, Syria, Yemen, Qatar, Bahrain and U.A.E. An MOU for the establishment of the International Zakat Foundation has been signed with the Government of Malaysia, IDB, ICCL, General Council for Islamic Banks and Financial Institutions.

During the 12th Session of the OIC-UN Coordination Meeting held in Rabat, Morocco on 11-13 July, 2006, the SESRIC, the WFP and the UNDP agreed to consider proposals for collaboration in the organization of a workshop on the "Use of Vulnerability Analysis and Mapping (VAM) for Targeting Disaster Mitigation and Development Planning and its Possible Integration into National Planning Structures". The WFP and the UNDP also agreed to consider proposals for providing the SESRIC with resources persons for the Workshop and technical assistance for a study on the possibility of integrating VAM in the national planning structures.

IV. Supporting development and poverty alleviation in Africa

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.

In terms of number, African countries constitute the largest group in the OIC with 27 Member States, including 22 in Sub-Sahara Africa. Most of Sub-Sahara African countries belong to the Least-Developed Countries (LDCs). The majority of these countries depend for their growth and development on the exports of a few primary commodities, mostly agricultural ones. In addition, they face major constraints in agriculture such as weak basic infrastructure that include transport, utilities and communication, in addition to lack of research and development. These constraints negatively affect costs, sustainability and the quality of production.

In addition, there are a number of serious impediments to growth that are faced by most of Sub-Sahara Africa. These countries are endowed with valuable natural and mineral resources. However, due to the absence of basic infrastructure the available resources cannot be tapped in a proper manner for the benefit of these countries and the African continent as a whole. The other serious impediments to growth of these countries are poverty, illiteracy, malnutrition, disease and mismanagement.

Recognizing the importance of addressing these problems for the development perspectives, the OIC Ten-Year Programme of Action committed to promote activities aimed at achieving economic and social development in the OIC African Member States, including supporting industrialization, energizing trade and investment, transferring technology, alleviating their debt burden and poverty, and eradicating diseases. It also called for adoption of a Special Programme for the Development of Africa.

In line with this, the Secretary General visited ten OIC Sub-Saharan African Member States respectively in April 2005 and February 2008 and discussed the issues of poverty alleviation in Africa in general, including the OIC Cotton Programme and his new initiative concerning the development of food processing industry in Africa with a view of adding value to local production and improving the revenues and living condition of local population.

The Government of Senegal, the General Secretariat of the OIC and the Islamic Development Bank organized in February, 2008 a ministerial meeting in Dakar in the framework of the implementation of the Makkah Summit programme for Africa. This Meeting was attended by Minister of Economy and Planning of OIC African Member States. The meeting reviewed a five year special programme of the IDB for the development of Africa under the title “Special Programme for the Development of Africa” (SPDA). The SPDA is a 5-year program for the period 2008-2012. The sectoral priorities under the SPDA are intended to reduce poverty (particularly achieving the Millennium Development Goals) and at the same time promote economic growth and raise the African Member States’ competitiveness in the global arena.

The horizon is set for a period of 5 years (2008-2012) with quantified and consolidated financing targets. The level of funding for SPDA is set US\$ 4 billion for the period of 5 years (2008-2012). The Islamic Solidarity Fund for Development (ISFD) — another initiative emanating from the 2005 OIC Summit - is the major instrument through which the poverty reduction activities (health, education, human resource development and social safety nets) would be financed.

The program focuses on the following priority areas: (i) increase productivity of agriculture for food security; (ii) assist countries to develop and manage water and sanitation projects; (iii) support power generation and distribution capacities; (iv) support construction and maintenance of transport infrastructure; (v) reinforce the education sector to prepare the youth for the workplace and inculcate ethical attitude and passion for achievement; and (vi) fight major communicable diseases and contribute to the strengthening of the health system. In view of the importance of the SPDA, the OIC General Secretariat will endeavour to support this priority program of the TYPOA. The IDB will account for the detail programming and financing on the priority areas of the SPDA.

To ensure the effectiveness of the Bank's intervention in these priority areas, cross-cutting activities are also considered in the following sub-sectors: i) Public Private Partnership (PPP); ii) Private sector development in general and SMEs in particular; iii) Global sectoral and programs, iv) Intra and inter-state among the OIC member countries; v) capacity building of women; vi) Interactions with communities; vii) Increase in co-financing and syndication; viii) Promoting key micro-finance institutions; ix) Institutional capacity building and promoting standardization, x) Improving the Bank's advisory role; xi) The promotion of Islamic banking system.

The General Secretariat presented a report on this subject to the 11th session of the Islamic Summit Conference, the 35th session of the CFM and the 24th session of the COMCEC. Thus, the 11th Session of the Islamic Summit conference held in Dakar, Senegal in March endorsed the programme and welcomed the setting up of a Special Program for the SPDA as another fundamental step towards implementation of TYPOA. The Summit also expressed its appreciation for the efforts of the IDB and thanked the Government of Senegal for hosting the Ministerial Meeting on the SPDA and the Secretary General for his continuous support to this programme.

The 35th CFM held in Kampala, Uganda, in June 2008 welcomed the relevant Resolution of the 11th Session of the Islamic Summit Conference which appreciated the IDB's role in financing development projects in Africa and invited the Summit Chairman, in collaboration with the General Secretariat, the IDB and the representatives of the Member States from Africa to ensure coordination with a view to achieving 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.

The Governments of Cameroon and Burkina Faso took initiative to organize sub-regional fora for Central and West Africa on the implementation of the Special Programme for the Development of Africa (SPDA). Similarly, the Republic of Mali took initiative to organize in the second half of November 2008 the first forum on developing the food industries in Africa.

The SESRIC has prepared, in February 2007, a preliminary report titled "Poverty in Sub-Saharan Africa: The Situation in the OIC Member Countries". The report reached some key recommendations to reduce poverty in OIC member countries in Sub-Saharan Africa. Among other things, the report concludes that increasing the productivity and the value added of the agricultural activities of the poor people in the rural areas is of an utmost importance for reducing poverty in most of these countries.

In the light of these results, the Centre continued its research on the same subject and prepared, in July 2007, another report titled "Food Security and Poverty Alleviation Initiative in the OIC Member States of Sub-Saharan Africa: A Preamble to Cassava Integrated Project". The report introduced an initiative for food security project proposal for alleviating poverty based on increasing the productivity of Cassava and the potential of Cassava processing in some OIC member countries in Sub-Saharan Africa that could be used as a model in other member countries in the region.

The SESRIC organised a workshop on the theme of the Exchange of Views Session of the 23rd Session of the COMCEC, titled “Micro-Credit Financing and Poverty Alleviation in OIC Member States”, on 9-10 July 2007 in Istanbul. The workshop aimed at raising the awareness and highlighting the significant role of microfinance as an effective strategy for poverty alleviation in the OIC member countries. In the same context and as a proceeding on the outcome of the said workshop, the SESRIC has recently prepared a report titled “Microfinance Institutions in the OIC Countries”. This report, which will be submitted to the 24th Session of the COMCEC, evaluates the state of microfinance institutions (MFIs) in the OIC countries and their performance and contribution to poverty alleviation. The Report also discusses the possibility of developing sustainable OIC microfinance mechanism or system in poverty alleviation based on establishing a special microfinance investment fund within the OIC framework.

During the 12 Session of the OIC-UN Coordination Meeting held in Rabat, Morocco on 11- 13 July 2006, the SESRIC, 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. During the 13th Session of the OIC-UN Coordination Meeting held in Geneva on 8-10 July 2008, the SESRIC and the World Bank agreed to explore opportunities for collaboration in the areas of poverty alleviation, microfinance and food security in the OIC countries.

These reports and studies from SESRIC will contribute to the effective implementation of the IDB five year special programmes for the development of Africa.

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.

Capacity building encompasses the country’s human, scientific, technological, organizational, institutional and resource capabilities. A fundamental goal of capacity building is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation among development options, based on an understanding of environment potentials and limits and of needs perceived by the people of the country concerned. Emanating from this, the OIC gives special attention to capacity building of its Member States. There are several programmes in this field initiated by the OIC Member States and Institutions. Here are some of them:

I) Malaysia has initiated the Capacity Building Programme for poverty alleviation in the least 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. Three projects of the First Phase of this Programme were initiated in 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 favour of OIC Least Developed Member States

2) The Islamic Solidarity Fund for Development (ISFD), launched in May 2007 with initial targeted amount of US\$ 10 billion, will seek to build the productive capacity of Member States through initiatives aimed at fostering sustainable economic growth and job creation, reducing illiteracy, eradicating diseases and epidemics, and developing basic infrastructure.

3) In order to mitigate the consequences of food shortage, which severely affected the poor countries of the world in the first half of 2008, the Islamic Development Bank, which is the main financial institution of the OIC, launched in June 2008 a landmark \$1.5 billion food initiative over a period of five years. The initiative aimed at assisting the Least Developed Countries of the OIC to increase their agricultural production and make adequate stock of food grains.

In order to address the food crisis in the world, the Amir of Kuwait has announced the establishment of the “Islamic Solidarity Fund for Decent Living”. Process for implementation of this programme is underway.

The Ministry of Agriculture and Land Reform of the Arab Republic of Egypt under the framework of implementation of the OIC Ten Year Programme of Action has indicated that it is ready to make its contributions in the following areas in order to support the international efforts aimed at reducing poverty and building capacity through: a) Training experts and employees from Least Developed Countries, b) Dispatching from the Centre required experts in all specialties, c) Possibility of hosting an experts’ group meeting in the area of food and development of rural agriculture and d) Participation in the development of a special programme for the development of Africa through NEPAD.

The Government of Egypt has also emphasized on the role of a Social Fund in strengthening the Egyptian presence in the Organization of the Islamic Conference in the framework of the Ten-Year Programme of Action, which includes a) Transfer of the Social Fund for Development’s expertise in the development of small enterprises, b) Harmonization of investment opportunities, c) Mechanism of expertise transfer through which the appropriate system of transferring the Fund’s expertise in identified as follows: i) Models of providing consultations, ii) Models of providing capacity building services and training, iii) Models of providing technical support services and d) Arab Union for Small Enterprises.

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

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

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.

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.

The Department of ICHAD of the OIC General Secretariat, the IDB, the Islamic Solidarity Fund, UN humanitarian agencies and OIC Member States will coordinate more and more their efforts to develop humanitarian assistance in favour of Muslim World.

C. CONCLUSIONS AND RECCOMENDATIONS

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”.

Following the above, this report has tried to reflect on the activities of the OIC along with its Member States and Institutions undertaken being inspired by the spirit of Joint Islamic Action, the thrust of the historic document, the OIC Ten Year Programme of Action.

Moving forward with the vision stipulated in the document, 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.

Important progress has been made so far in the implementation of the OIC Ten Year Programme of Action which is more or less reflected in the present Report. However there is always scope for improvement and a dire need to speed up the implementation of the programme to meet the deadline of 2015.

Under this framework, this Report makes the following recommendations for the consideration of this august conference:

At the level of the General Secretariat of the OIC:

The Secretary General has directed all Departments to put the implementation of the OIC Ten Year Programme of Action among the high priorities of the OIC. In view of above following actions could be considered:

- a. Establishment within the OIC General Secretariat of a special unit for the implementation of the programme with sufficient human, financial and material resources. In this context, there is a need to recruit good young professionals specialised in various domains (economy, tourism, industry, agriculture (cotton), there is a need to provide sufficient credits for the implementation of the programme within the budget of the OIC.
- b. To organise every two months a meeting of Heads of Departments and concerned advisers in the cabinet of the Secretary General to coordinate efforts and make recommendations to the Secretary General with a view of ensuring speedy and effective implementation of the Programme.
- b. To establish, within the OIC General Secretariat a steering committee under the chairmanship of the Secretary General. This Steering Committee will meet every four months and give guidance for the implementation of the programme.
- c. To seize the opportunity of celebrating the 40th anniversary of the OIC to launch a vigorous campaign of sensitizing the OIC member states towards effective implementation of the OIC TYPOA.
- d. To arrange visit of the Secretary General to a number of member states each year to encourage them about the implementation of the TYPOA.
- e. To involve more actively the OIC representations in New York, Geneva, Brussels in the implementation of the OIC TYPOA.
- f. To organize Makkah+5 in 2010 to review the advancement in the implementation of the TYPOA.
- g. To cooperate more effectively with international institutions like UNDP and/or national agencies like Turkish International Cooperation Agency (TIKA), Egypt Cooperation Agency, and Tunisian Technical Cooperation Agency etc for the effective implementation of the TYPOA.

At the level of OIC institutions:

- a. The Secretary General of the OIC and the President of the IDB Group have established the Inter Organisational Technical Working Group (ITWG) to work for

the implementation of the programme. This working group is co-chaired by the Assistant Secretary General for Science and Technology of the OIC and the Vice-President Operations of the IDB. It is necessary to make the work of this Group more effective and the working group should meet on regular basis every three month alternatively at OIC Headquarters and IDB's Headquarters.

It is recommended that the Secretary General of the OIC and the President of IDB may meet every 6 months to consider recommendations from the above mentioned working group and give necessary guidance with a view of speeding up the implementation of the programme. This will help harmonize positions and eliminate some hindrances in the process of implementation of the programme.

a. To establish a working group with ISESCO for the implementation of the programme. This working group could meet every sixth months and report to the Secretary General of the OIC and the Director General of ISESCO who could give guidance for the implementation of the programme in the domain of science and technology, higher education, environment, and human resources development, etc.

b. To organize coordination meeting every six months between the OIC Secretary General and the ICCI Chairman with a view to harmonizing position and providing necessary coordination for the implementation of the TYPOA.

At the level of OIC Member States:

a. To establish national committees and national focal points for the implementation of the OIC Ten Year Programme of Action in all the OIC Member States.

b. To reassess the position of the Member States with regard to their different activities taken under the framework of TYPOA as well as the activities which were not taken under the TYPOA but could be associated or correlated with the TYPOA vis-à-vis the TYPOA deadline i.e. 2015.

c. In this connection, to open specific channels of communication with the General Secretariat so as to enable the latter to prepare a chart of Member States activities which could be related to the TYPOA towards devising future plan of action to expedite the implementation of TYPOA provisions to meet the stipulated deadline.

d. To establish a website for the programme in all OIC Member States, the General Secretariat and in all OIC institutions and to keep up dated information on the implementation of the programme.

e. Following actions are also recommended: i) Presentation of the programme in some OIC Member States on regional basis. (OIC General Secretariat will coordinate with concerned OIC institutions and OIC Member States in this domain), ii) Presentation on OIC cotton programme, OIC tourism programme and OIC food processing industry programmes also could be made in the framework of the OIC Ten Year Programme of Action, iii) During these presentations concrete projects could be identified in various domains of the OIC Ten-year Programme of Action, as well as in sectoral programmes (cotton, tourism, food processing industry) and iv) Presentation of the programme during meetings of the OIC. Islamic Commission for Economic,

Cultural and Social Affairs. Senior officials meetings, conferences of Foreign Ministers, COMCEC, COMSTECH, COMIAC, Sectoral meeting, OIC Summits

f. To coordinate with national organs (institutions active in international cooperation like Turkish International Cooperation Agency TIKKA) and similar agencies from other OIC Member States like, Egypt, UAE, Kingdom of Morocco, Libya, Islamic Republic of Iran, Malaysia, Indonesia etc Kuwait, Kingdom of Saudi Arabia etc.

g. To reinforce contacts, consultations and coordination at the highest as well as ministerial level between the Chairman of the 11th Islamic Summit Conference and the Secretary General. In this context, to designate focal points in both sides and to provide them human, financial and other resources to make them very active and operational to facilitate coordination and communication.

h. To fully utilize Media of the OIC Member States and World Media for promoting the TYPOA and elevate the profile of the OIC in Member States and in international arena with a view to mobilizing more support for the OIC and creating better conditions for the effective and timely implementation of the TYPOA.

This report is submitted to the Member States for consideration and appropriate actions.

ANNEX

VII

Original: English

**BACKGROUND REPORT BY
THE OIC GENERAL SECRETARIAT ON THE REVIEW
OF THE IMPLEMENTATION OF THE PLAN OF ACTION**

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 with a view to furthering economic cooperation among Member States.

Up to the 23rd Session of the COMCEC, the OIC General Secretariat was entrusted with preparing and making two reports to the COMCEC Sessions: one Background Report on Economic Affairs and a Report on the Review on the Implementation of the OIC Plan of Action. Thereupon, it was decided that the General Secretariat of the OIC only submit one simple document on the Background Report. The Report on the Plan of Action to strengthen the Economic and Commercial Cooperation among OIC Member States should be combined by the Report on the Implantation of the OIC Ten Year Programme of Action, to become a single report.

The objective of this Report is to provide an updated background information on the current initiatives under the following two major headings, namely (i) the Development of Economic and Trade Cooperation; and (ii) the Status of the Signing and Ratification of Statutes and Agreements.

Chapter I

**CURRENT DEVELOPMENT ON ECONOMIC AND TRADE
COOPERATION**

One of the major objectives of the OIC is to foster economic and trade relations between its Member States. In this context, the COMCEC as main OIC body that follows up the implementation of resolutions in the economic and trade fields, as well as explores possible means of strengthening commercial cooperation among the Member States, is conducting specific activities and implementing certain programmes in these areas, such as:

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

At its first Session, the 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 the 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).*

The Board of Governors of 1DB during their 30th meeting held in Putrajaya, Malaysia on 24 June 2005, approved the establishment of the International Islamic Trade Finance Corporation (ITFC) to focus primarily on trade finance for the 1DB Group. This new Corporation has since taken over all the trade finance business of the 1DB Group. With the establishment of ITFC, some of the specialized programmes under 1DB such as the Export Financing Scheme (EFS) were discontinued. The ITFC commenced operations on January 2008, with an Authorized Capital of \$3 billion and Paid-up Capital of \$750 million with a total of 11 countries and nine institutions as members.

The growth trend in 1DB Group trade finance approvals continued in 2007 with total financing of US\$2.6 billion. Cumulative trade financing approvals stood at US\$29.2 billion. A total 77% of the approvals in 2007 were directed to financing intra-OIC trade business. Moreover, increasing the financing extended to private sector entities in Member States. In 2007, 45% of the approvals were in favor of private sector entities, an increase of 38% from previous year.

In addition to providing trade financing to Member States governments, governments institutions and other economic operators in Member States, ITFC is also charged the responsibility of implementation of the 1DB Trade Cooperation and Promotion Programme (TCPP). It focuses on trade promotion and capacity building activities especially for Trade Promotion Organizations (TPOs) in Member States.

Member States are encouraged by the 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 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. In this regard Workshop on “Improving Investment Climate in OIC Member States”

was held at the 1DB headquarter in Jeddah, Kingdom of Saudi Arabia from 22- 23 July 2008.

Establishment of a Trade Information Network (TINIC).

The conception of the ICDTs 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 (1DB). Information dissemination is carried out through the accessible usual means (mail, fax, Tijaris). It is also available on TINIC/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. TINIC manages the following databases: Business Opportunities; Economic operators; Economic indicators; Trade statistics; Exhibitions and events; Virtual Fair; News; Customs tariffs; Trade guides per country; Studies and publications.

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

(iii) 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 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 the ICDT and adopted by the 18th Session of the COMCEC, will streamline the holding of the Islamic Trade Fair regularly every two years in one of the OIC Member States with a view to promote intra-OIC trade.

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, Cairo from 11 to 16 October 2009. Moreover the Second, Third, Fourth and Fifth Tourism Fair of the OIC Member States (OICTOURISM) will be held in the Republic of Lebanon, the Arab Republic Egypt, the Syrian Arab Republic and the Islamic Republic of Iran in 2009, 2010, 2012 and 2014, respectively.

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

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. The ICCI 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 was held in 2-4 November 2008, in Damascus, Syria. Furthermore ICCI with the cooperation of 1DB organized the 6th and final Meeting of the OIC Task Force on SMEs which was held at the Assumption University of Thailand, Bangkok, on 15-17 August 2008. The ICCI also organized the OIC Business Forum and the 12th Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among Islamic Countries was held in 16-18 June 2008, in Kampala, Uganda.

Moreover, ICCI in collaboration with the Islamic Development Bank (1DB) has also launched a web portal of the OIC Business Women (www.oicbin.net) to promote networking and create linkages among them. The ICCI is also establishing the ICCI-Data Bank, 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, and 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.

(v) *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).
- (14) “Improving Investment Climate in the OIC Member States” (24th COMCEC).

It was decided at the 24th Session of the COMCEC to choose “The Impact of Food Crisis on the Economies of OIC Countries” as the theme for the Exchange of Views at the Twenty-Fifth Session of the COMCEC and requested the IDB, ICDT 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 Fifth Session of the COMCEC and to submit its final report to the said COMCEC Session.

(vi) *Framework Agreement on Trade Preferential System.*

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.

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. 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)”. PRETAS 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 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, Bangladesh, Cameroon, Egypt, Guinea, Jordan, Malaysia, Morocco, Pakistan, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, Turkey and United Arab Emirates signed PRETAS, and the following Member States have ratified the Protocol Jordan, Malaysia, Oman, Pakistan, Syria, Turkey and UAE.

In addition, an Expert Group Meeting (EGM) on Enhancing Intra-OIC Trade was held in Ankara the Republic of Turkey, from 5 — 6 July 2008. The EGM submitted its Report including the Road Map for Enhancing Intra-OIC Trade. The EGM report is recommended for adoption at the 24th COMCEC Ministerial Meeting.

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

The Government of the Republic of Sudan at the Senior Officials Meeting which was held in Jeddah, Kingdom of Saudi Arabia, from 17-19 May, 2008, in preparation to the 35th Session of the OIC Council of Foreign Ministers (CFM), has generously offered to host the Ministerial Meeting on Food Security and Agricultural on the OIC Member States in 2009, in view of addressing the current international food crisis and achieving food security in Member States, moreover the Republic of Mali, hosted in Bamako, on 25-27 February, 2009 the First Forum on Development of Food Industries in Africa” The lecture series of the forum were conducted in six plenary sessions and one special session devoted to the role of OIC Institutions in the promotion of agro industries in Africa. The first part of the plenary sessions was devoted to the agriculture potentials, namely: i) Agricultural and Food Security (Cereal, fruits and vegetables); ii) Livestock (meat, milk and honey) and iii) Fisheries (fresh water and marine fisheries). The second part of the plenary session was conducted in three parts: i) The Business Environment; ii) The Access to Financing and iii) The Standardization of Agricultural Export.

The 24th Session of the COMCEC requested the OIC General Secretariat, IDB and COMCEC Coordination Office, in collaboration with FAO and relevant UN Agencies, to initiate food security programmes in selected OIC Member States and report to the 25th Session of the COMCEC.

(c) Cooperation in the Area of Transport.

Since the 22nd Session, COMCEC appeals to Member States to host the Second Meeting of Ministers of Transport.

The 11th Session of the Islamic Summit Conference held in Dakar, Senegal, in March 2008, adapted resolution on the QIC Dakar Port Sudan Railways Line Project. The First Meeting of the Committee for Implementing the OIC Dakar-Port Sudan Railways Line Project was held in Jeddah, Kingdom of Saudi Arabia, from July 19— 20, 2008. The meeting agreed to set up an Executive Committee (EC), composed of the members of the Bureau, the OIC General Secretariat and the 1DB. The meeting thanked the Republic of Sudan for its offer to host the Ministerial and Expert Group Meeting of all Concerned Member States and OIC Institutions in 2009, and invites, in this regard, all concerned Member States, OIC Institutions and other interested in this project parties to actively participate in these meetings. 2009.

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

The OIC Member States are conscious of the critical role that infrastructure plays in efforts at enhancing competitiveness, regional cooperation, alleviating poverty, promoting investment and intra-OIC trade as well as unlocking bottlenecks to development. Moreover, OIC Least Developing Countries face additional challenges in transforming their economies as a result of poor infrastructure. As a result, the 35th Session of the Council of the Foreign Ministers adopted the resolution on infrastructure development and encouraged all Member States to provide financial support for the implementation of infrastructure development projects in areas such as transport, energy, ICT, agriculture, food product, education and health.

(e) Cooperation in the Field of Tourism.

In this context, the Conference welcomed the project on Sustainable Tourism Development in a Cross-Border Network and Protected Area in 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.

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 Tourism Fair for the OIC Member States will be held in Beirut, Republic of Lebanon, the Arab Republic of Egypt, Syrian Arab Republic and Islamic Republic of Iran, the Second, Third, Fourth and Fifth Tourism Fairs in 2009, 2010, 2012 and 2014, respectively and calls upon the Member States to actively participate in the Tourism Fairs.

The Sixth Islamic Conference of Tourism Ministers was held in Damascus, Syrian Arab Republic from 29 June — 2 July, 2008. The Meeting examined and

adopted the Framework for Development and Cooperation in the Domain of Tourism between OIC Member States, which was initially titled as the Strategic Plan for Development of Tourism in OIC Member States by the OIC Second Experts Group Meeting on Tourism Development, held in May 2007 in Istanbul, Republic of Turkey. The Framework shall include, *inter alia*, the following objectives: to streamline a concrete common objective in the area of cooperation among Member States in the field of tourism; to portray the true image of Islam and the Islamic World; to substantially develop tourists exchange from countries non-member States of the OIC towards the Member States of the OIC. The 6 Session of the ICTM also adopted the Resolution on the Cooperation and Development of Tourism Activities among the OIC Member States and the Resolution in “Sustainable Tourism Development in Cross-Border Network and Protected Areas in West Africa”. At the margin of the 6th ICTM, the 4th coordination meeting of the project on “Sustainable Tourism Development in Cross-Border Network and Protected Areas in West Africa” was held on 30th June, 2008, in Damascus, Syria. For the implementation of the decisions of the 6th Session of the ICTM, the Government of the Syrian Arab Republic, as chairman of the 6th ICTM and the OIC General Secretariat organized the First Coordination Committee Meeting on the implementation of the Framework for Development and Cooperation in the Domain of Tourism between the OIC Member States, which was held in Damascus, Syria, on 18-19 March 2009. The Meeting reviewed and adopted the Short Term Plan and Program for the effective implementation of the Framework.

(f) Technical Cooperation among OIC Member States.

The United Arab Emirates extended humanitarian assistance amounted to 135.52 million USD to OIC Member States as follows: i) OIC Arab Member States in amount of 82.76 million USD; ii) OIC African Member States — 29.82 million USD; iii) OIC Asian Member States — 22.61 million USD and iv) OIC Member States in Europe — 0.33 million USD. The economic assistance provided by the Arab Republic of Egypt to OIC Asian Member States and to OIC African Member States in the form of medicines, food supply, medical equipment and logistics in total about 15.2 million Egyptian Pound. The efforts of the State of Qatar to allocate ten million Qatari riyals as contribution to the Project on the promotion of Food Self-Sufficiency in Niger. The Republic of Turkey provided economic assistance to OIC Member States, as well as to Muslims in Non Member States: i) African countries in amount of 30.97 million USD; ii) Middle East countries — 109.1 million USD; iii) Asian countries — 430.61 million USD and iv) European countries — 80.8 million USD. The humanitarian relief and development aid provided by the Hashemite Kingdom of Jordan to many OIC Member States. The Great Socialist People’s Libyan Arab Jamahiriya for providing various kind of assistance to some OIC Member States in Africa and Arab regions amounting more than 33 millions dinars and 64 million US dollars.

The OIC General Secretariat call in all Member States it should continue extending economic assistance to other Member States and report it to the OIC General Secretariat.

Chapter II

STATUS OF THE SIGNING AND RATIFICATION OF

STATUTES AND AGREEMENTS

The 11th Islamic Summit Conference, the Islamic Conference of Foreign Ministers and the 24th 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 a tabular form.

(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. The idea for the establishment of an entity to provide investment and export credit insurance for Islamic Countries originated from the Agreement for the Promotion, Protection and Guarantee of Investment among Member Countries of the (OIC). This agreement provided by the OIC, established through the 1DB, an Islamic Insurance Company operating with Shariah compliant, providing insurance products for investments and export credits.

(c) Framework Agreement on the Trade Preferential System of the OIC (TPS-OIC).

The Framework Agreement on Trade Preferential System of the OIC (TPSOIC) 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 Trade Negotiations Committee (TNC). Fifteen (15) Member States have so far signed the Protocol on Preferential Tariff Scheme as of October 2007. However, only Seven (7) Member States have ratified the Protocol: Jordan, Malaysia, Oman, Pakistan, Syria, Turkey and UAE.

(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. Eleven Member States have so far signed the Rules of Origin. However, only Four Member State has so far ratified the Rules of Origin, Jordan, Malaysia, Oman and United Arab Emirates.

(f) Statute of the Islamic Civil Aviation Council (ICAC).

The Statute of the Islamic Civil Aviation Council was approved by the Thirteen ICFM in 1982. The Statute has been signed by 17 Member States and ratified by 13 only.

(g) Statute of the Islamic States Telecommunications Union (ISTU).

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 14 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 (SMIIC).

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 Nine (9) Member States.

ANNEX

VIII

Original : English

**REPORT REGARDING
THE OBSTACLES FACED IN THE AREA
OF TRANSPORTATION AND LOGISTICS
IN THE MEMBER STATES
by OISA**

**Obstacles faced in the area of transportation and logistics in the Islamic
states and also the policy recommendation in coordination with other
institutions**

Proceeding from the efforts of the Organization of the Islamic Ship-owners Association's to enhance trade exchange and cooperation among Islamic countries in the field of maritime transport and to increase mutual cooperation among them and to overcome the monopoly against the Islamic countries and ships by the States and foreign companies, and that as the maritime transport is considered one of the main arteries of communication between the various economic activities around the world, who contribute to the transfer of about 90% of the movement of goods around the world.

Appears the importance of identifying the challenges and obstacles faced by all kinds of marine transportation system between Islamic countries during the review of the most important key indicators of the components of that system in those countries, especially the ports and the fleet in order to identify the most important recommendations to overcome those constraints

The following are key indicators of the most important component of the system of maritime transport represented mainly in ports and maritime fleet of the different Islamic countries:

First: Ports

17 Ports of Islamic states was ranked among one hundred largest container port in the world of 2008¹ according to the containers throughput , the port of Dubai, in United Arab Emirates, won the seventh place handling 10.65 million TEU then Port Klang and Tanjung Pelepas in Malaysia, who have ranked in the sixteenth and eighteenth place , with total of 7.1 million containers, 5.4 million containers respectively, Then the port of Jeddah, (Saudi Arabia) in the thirty fourth-trading-card with 3.06 million TEU then the port of Istanbul (Turkey,) in the thirty-seventh place card with 2.86 million TEU then the port of Port Said in(Egypt) with 2.82 million TEU.

¹ According to the classification of English (Cargo System) magazine specializing in the movement of containers and monitor developments in port in a special issued in August 2008

The following table shows the detailed Islamic ports capacity contained in this classification for the year 2007 compared to 2006:

Port	State	ranked in 2007	ranked in 2006	number of containers in 2007	number of containers in 2006
Dubai	United Arab Emirates	7	8	10650000	8920000
Klang	Malaysia	16	16	7118714	6326295
Tanjung pelepas	Malaysia	18	19	5470000	4772000
jakarta	Indonesia	25	24	3900000	3320000
Jeddah	Saudi Arabia	34	32	3067563	2907723
Istanbul	Turkey	37	57	2864489	2251495
Port Said	Egypt	38	35	2820271	2691166
Salala	Oman	40	42	2639000	2390000
Al Sharqa	United Arab Emirates	52	52	2173867	2012840
Sourabaya	Indonesia	54	58	2109677	1859737
Bandar Abbas	Iran	66	72	1723000	1410000
Kratshi	Pakistan	87	82	1137360	1125409
Dammam	Saudi Arabia	89	90	1087395	941828
Alexandria	Egypt	95	-	984481	783313
Domiat	Egypt	96	93	978374	906122
chitaGong	Bangladesh	98	96	958020	876186
Gohor	Malaysia	100	95	927288	880611

Look over some of these ports, for example, we note that throughput at the port of Dubai, has achieved an annual increase amounted to 20% and intends to Dubai international company which operate Jebel Ali port To add the capacity of handling containers is estimated at about 5 million TEU to reach between 14-15 million TEU a year, and is the rate which will accommodate

even the capacity of handling containers in 2017 – the port is depending with a range of 50% on transit cargo to serve the upper ports of the Gulf , Which is creating a challenge for the port in the coming period with the increase in construction projects and the development of ports in these areas .

On the other hand, increased the capacity of container handling in port Klang in Malaysia in 2007 to reach 7.1 million TEU , an increase of 12.5% over 2006 also throughput capacity rose in 2008 to reach 7.97 million TEU and the port depends mainly on the transit trade of the surrounding area by 58% Of the total volume of container handling in recording , Bearing in mind that the port has not been affected much with their free and regions most affected by the strong competition from the free zone of Jebel Ali Port and seeks to invest in port infrastructure and superstructure to reach the volume of goods handled to 130.5 million tons .

With regard to the port of Port Said, reaching its capacity of handling TEUs in 2007 to 2.82 million containers, after a significant increase achieved in 2006 by up to 72% , in 2008 the throughput capacity reached 3.18 million TEU , an increase of 12.7% Over the year 2007.

The ports of Turkey in total has reached the capacity of handling TEU's to 10.3 million TEU in 2007 and it's expected to reach 22 million TEUs by 2020, and the port of Istanbul participate by handling 2.86 million TEU in 2007 with an increase of 27.2% than the year of 2006, and the port -at the present time- is doing many of the current modernization and development, which focused mainly on the European side of the port , Also the Asian side of the port is to catch up by a series of developments both at the level of infrastructure or superstructure to keep pace with growth in industrial economies in this part.

Finally, the port of Salalah, Oman despite a decline in volume during 2006, it has achieved a good increase over the 2007 volume of up to 2.64 million TEU, up 10.4% over 2006 , note that the port of Salalah is mainly depending on transit goods being on the route of major shipping lines from east to west and vice versa, and where the goods for import and export doesn't exceed more than 2% of the volume of the port and the port is connected with production and distribution centers through a network of roads to facilitate the transfer of goods from and to it .

Second : The Fleet

A report from UNCTAD which is related to Maritime Transport Indicators for the year 2008 classified the 35 largest state-controlled naval fleets which represents combined about 95.35% of the world's marine transport fleet, and given to the site of the Islamic countries of this category, we note the role of seven Muslim countries only within this classification , Turkey ranked seventeenth totaling 13.2 million DWT, followed directly with Saudi Arabia

ranked eighteenth with total tonnage of 13 million DWT, and Malaysia, a total of 11.2 million DWT in the 20th - Iran ranked 21st with 10.2 million DWT, United Arab Emirates in the 22nd with 9 million DWT, Indonesia in the twenty-fifth place with total tonnage of 7.25 million DWT, and recently the State of Kuwait total tonnage of 5.3 million DWT in the 28th rank.

And the following table shows the data in detail of the seven Islamic States fleet in the report referred to for the year of 2008 :

Country	Rank	Number of vessels			Tonnage (DWT)		
		State flag	Foreign flag	Total	State flag	Foreign flag	Total
Turkey	17	495	531	1026	6431016	6728712	13159728
Saudi Arabia	18	61	103	164	801539	12144926	12946465
Malaysia	20	314	78	392	7399196	3769710	11168906
Iran	21	116	63	179	5080136	5176747	10256883
United Arab Emirates	22	54	370	424	521677	8403618	8925295
Indonesia	25	728	122	850	4807801	2450354	7258155
Kuwait	28	40	29	69	3953100	1348386	5301486

With regard to Turkey's fleet, we find that nearly half consists of dry bulk vessels with total tonnage of 6.1 million DWT and oil tankers with total tonnage of 3.2 million DWT, general cargo ships with total tonnage of 2.8 million DWT and 0.7 million DWT of container ships and 0.2 million DWT of other vessels

The fleet of the Kingdom of Saudi Arabia amounted to 12.9 million DWT, and approximately 95% from it consist of oil tankers

The Malaysian fleet consists of 11.1 million DWT, a 7.3 million DWT of oil tankers and 0.9 million DWT of container ships, and 0.4 million DWT of general cargo ships and 0.1 DWT of dry bulk vessels and 2.4 million DWT of other vessels

With regard to Iran's fleet which amounted of 10.25 million DWT, it consists of 6.6 million DWT of oil tankers and 2.5 million DWT of dry bulk vessels, and 0.7 million DWT of general cargo ships and 0.4 million DWT of container ships and 0.1 million DWT of other vessels

Moreover, the total tonnage of the United Arab Emirates fleet of 8.9 million DWT, consisting of 4.3 million DWT of oil tankers, and 2.3 million DWT of dry bulk vessels, and 0.9 million DWT of general cargo ships and 0.9 million DWT of other vessels and 0.5 million DWT of container ships

Indonesian fleet which amounted of 7.3 million DWT, it consists of 3.1 million DWT of oil tankers and 1.7 million DWT of general cargo ships and 1.2 million DWT of dry bulk vessels and 0.7 million DWT of other vessels, and 0.5 million DWT of container ships

Finally, the fleet of the State of Kuwait is 5.3 million DWT, including 3.8 million DWT of oil tankers and 0.9 million DWT of container ships, and fewer than 0.2 million DWT of general cargo ships and less than 0.2 million DWT of dry bulk vessels, and less than 0.3 million DWT of other vessels

Third : logistics and maritime services

Despite the magnitude of as much of the Islamic world to the Infrastructure of ports, the level of maritime services and logistics of various types within some of these ports, generally not up to the level of service which must be compared to the ports of other States, as well as the quality of the fit services within the port services and the weakness of the information systems services that have a negative impact on traffic, trade and the port on the competitiveness of these ports as well as integration between them

With regard to services and logistics activities, and as the concept of logistics is in the planning, implementation and monitoring of the efficient flow and storage of goods and related services and information at low cost, from the point of origin to point of consumption in order to achieve customer requirements at the time and place to be, the logistics activities representing about 40% (on average) of the cost of production of any commodity in the developed countries

One of the most important characteristic of the logistics activities of the other ports are that these activities are complementary which means that the concepts of integration are applied on it in order to take advantage of economies of scale. second, that such activities are carried out under the information systems, and the logistics activities has become a harbor and it's one of the key features governing the ability of the competitiveness of ports, especially in light of developments in various areas of transport

There are some requirements needed for the existence of an effective logistics centers within the ports as following:

- The availability of its unique geographic location
- The availability of modern technology in the work of the various ports
- The integration and linking of different modes of transport quality and the provision of modern communication systems
- The combination between the central port and ease of distribution

- The availability of the full integration and coordination between the service port
- A proper legislative environment

The availability of most of those requirements position ports of Islamic States to become a global logistics centers, but this requires further development and modernization, both in terms of infrastructure, technical or technological to achieve this goal.

And of the most important Advantages and economic return of logistic centers, the following:

- Increasing the competitiveness of the port in a fierce competition with ports in the region, either regionally or globally
- Ensure efficiency and quality in operational processes at the ports, and achieve excellence in the provision of various services from supplies , bunkering and other services
- Exploitation of the possibilities, especially for the back areas of the port with the further development and modernization
- Speed and efficiency of goods handling port in terms of both cost and time element
- Increase the throughput capacity and attract more transit lines
- Increase revenue through increased port volume and the number of calling vessels, then contribute to the development and modernization of the port

Fourth: the challenges facing the maritime transport industry in the Islamic countries:

The following is a review of major challenges and constraints facing the maritime transport industry in the Islamic countries :

- Lack of sufficient number of berths and if available , they may not be able enough to allow it dealing with all types and sizes of various ships, in addition to the berth's lack of technical workers and equipment with the requirements of new generations of ships; with the evolution of the world fleet - especially in terms of Size - There are a 15000 TEU vessels - can not enter some Islamic ports, as well as low capacity available that are compatible with modern vessels
- Lack of yards and equipped warehouses in ports, and weak capacity, which hampers the work and lead to the delay in loading and unloading and it's accumulation, which carries fines of those ports and the delays resulting from the slow decline in rates of unloading

- Poor circulation of goods loading and unloading due to the lack of necessary equipment and the inability of stevedoring companies in the performance of its functions optimally
 - Non-integration of logistics services in ports and link it with other transport in order to be in a multi-modal transport system to support the competitiveness of the global port
 - The length and complexity of procedures, which include a decision, tariffs and duties and other customs procedures and documentary
 - The deterioration of machinery and equipment as they cannot keep up with the great development of modern vessels in addition to the weakness of the technologies used
 - Current entities which based on the current provision of marine services are not entities with strong potential to make them able to provide various services such as loading and unloading work and Agency and the bunkering and ships supplies, as well as the exploitation of the back areas of the port at the optimal use. This is due to the lack of efficient manpower due to lack of the training needed to perform those tasks in an effective manner
- At a time when the average age of the world fleet to about 12.3 years, it is generally noticeable some of Islamic countries fleet exceeded this average, so that, it is not capable technically and with respect with age to face the rapid successive changes in the international shipping industry and to meet the requirements of security and safety international bodies and powers of control over the ports.
- Lack of compliance of the structure of the current fleet with the requirements and qualities of the movement of world trade and consequently inter-Islamic countries, in addition , the current economic outcome of the fleet doesn't mach the targeted returns on investments in this area, despite the entry of a large number of giant ships owned by some Islamic countries, especially in the area of oil tankers and liquefied gas
- The human element as one of the most important actors in the maritime transport industry, and represents one of the most important elements in the production process, whether the employment of the ship or marine professional employment service providers, or the port, the studies of the marine accidents ² show that about 85% of maritime accidents in the world are due to human element, and in the case of Islamic countries we find scarcity and lack of specialized technical cadres capable of using application of modern techniques in ports ,

² A study on developing human capital to serve the shipping industry, center for research and consultancy – Arab maritime academy

- Some ports and fleets are missing security and safety requirements and the lack of appropriate supervision to control and achieve international requirements in this field
- Legal and procedural complexities in the national registration of ships under the national flag, so most of owners use registration of ships under other flags to achieve tax relief and simplification of procedures
- Weak financial capacity and lack of access to sources of funding necessary to finance both the purchase of new vessels or to the development and restructuring of ports, as financial institutions are classifying the finance of vessels as a high-risk investments

Fifth: Recommendations

We review some of the proposals to overcome these challenges and promote the maritime transport system in Islamic countries in various components industry as many other economic sectors depends on it , which is in the end to support the competitiveness of the economies of these countries, we can conclude from that most important of these proposals are as follows :

- Restructuring of the ports on the basis of separating between ownership and management with applying modern management rules , which can enhance the competitiveness of the international ports, where the majority of the Islamic ports are governmental ,also there are governmental companies provide these services and that can give them greater flexibility in dealing with the industry on new developments require the development of speed and performance, which will come only through new managerial thought has the ability to introduce advanced management methods and using modern techniques to enhance the ability of competition
- Increase port capacity through the establishment of new platforms, exploitation and development of existing ones, taking into account the maintenance of equipment and the provision of new equipment to increase production efficiency and absorptive
- Applying developed techniques in the technology systems of communication and exchange of new information in the management of services in ports, which is raising the efficiency of their performance, and make ports from the attractive transit trade.
- Upgrading of logistic integration in ports, as to create centers for the integrated of logistics in Islamic ports to attract new investments in this area and obtain a greater share of global trade
- Logistical coordination between the ports of the Islamic states in terms of the exchange of information and projects to identify and benefit from the experience to achieve integration and strengthen cooperation among themselves in this area

- Development and modernization of the national merchant fleet of the Islamic countries to keep up with the large volumes and types of modern technology of the world fleet, and applying the policy of integration between the shipping companies in that Islamic state, directly or indirectly, in order to create a strong Muslim shipping entity able to compete and to contribute a greater share of the international trade movement
- Coordination among Islamic countries through the Organization of the Islamic Ship-owners Association for the establishment of institutes and centers specialized in training for employment, both the marine and technical workforce on ships, or those providing services to ports in order to ensure the highest levels of service
- Cooperation through OISA to establish and manage blocks of ships- owners and operators in Islamic states to confront international blocks and alliances in order to raise the Islamic states' share in the global trade movement.
- To provide exemptions and incentives to encourage investment in various types of maritime services, in particular the establishment of the shipbuilding industry and maintenance in addition to the expansion of the ship scrapping industry, which some of these Islamic countries are excelling on it.
- Achieve integration among Islamic countries through the exploitation of financial surpluses in some countries in financing development projects and modernization in ports and Islamic fleets
- Editing the regulations and laws governing the maritime transport industry to cope with Islamic developments and modern variables, and the requirements of speed, quality and efficiency in the delivery of services to become one of the elements of attracting global companies
- The need to adhere to international standards and requirements in the areas of security and safety, and the actual implementation, and keep abreast of environmental and technical conditions in this regard
- Find a mechanism which can develop the necessary incentives for the integration and cooperation among Islamic countries in all areas of the various shipping activities.

ANNEX

IX

Original: English

REPORT OF THE 14th SESSIONAL COMMITTEE MEETING

(İzmir, 11 May 2009)

1. The 14th Sessional Committee of the COMCEC was held on May 11th, 2009, prior to the 25th Meeting of the Follow-up Committee of the COMCEC.
2. The Meeting was chaired by Mr. Ferruh TIĞLI, 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 Center for Islamic Countries (SESRIC)
 - Islamic Center for the Development of Trade (ICDT)
 - Islamic Development Bank (IDB) Group
 - Solidarity Fund
 - International Islamic Trade Finance Corporation (ITFC)
 - Islamic Chamber of Commerce and Industry (ICCI)

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

The Meeting agreed on the following agenda items for consideration:

1. Review of the Proposed Cooperation Projects of the COMCEC.
2. New Project Proposals.
3. Any Other Business.

Under Agenda Item 1:

4. The COMCEC Coordination Office (CCO) made a presentation on recent developments regarding the Project Proposals. Thereafter, coordinators and owners of Project Proposals 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 introduced to the project since the last meeting of the Sessional Committee. ICDT and the TPI informed the meeting that there is a delay in the implementation of three project activities which were planned to be implemented in 2009. These activities namely are:
- i. The Inter-regional Workshop on Industrial Property Policies, Riyadh, Saudi Arabia (first/second quarter of 2009).
 - ii. The Inter-regional Workshop on Innovation and Promotion, Kuala Lumpur, Malaysia (first/second quarter of 2009).
 - iii. Portal dedicated to Intellectual Property Information (PI) in the OIC Member Countries. The project will be hosted by ICDT.

As far as workshops are concerned, the Committee called upon the TPI and ICDT, first, to reiterate their invitation to the host authorities of Saudi Arabia and Malaysia to organize respective workshops and, second, to open the door to other Countries to host the meetings. In this regard, the TPI and ICDT are to request the assistance of WIPO and IDB in order to facilitate the implementation of all these projects.

Concerning the Project entitled "Incubator Management Training among OIC Member States", ICCI (the Coordinator of the Project), informed the Committee about the current situation of the project. Since no actions have been taken concerning this project, the Committee invited coordinating institutions to take necessary measures to implement it; otherwise, the Committee proposed to drop this project from Project Proposal List in its next meeting.

With respect to the Project entitled "Cooperation in the Area of Technical Development: Medium Range Regional Turbofan Airliner", the Representative of the Anadolu University informed the Committee about the latest developments of this projects. A representative from the OIC General Secretariat also informed the Committee about the relevant meeting that took place on the sidelines of the Islamic Commission in Jeddah in 2009.

After this presentation, a representative from Anadolu University informed the Committee about the background of this project in detail in

order to avoid any misunderstanding concerning this project. In this regard, it is understood that entitling the project “Cooperation in the Area of Technical Development: Medium Range Regional Turbofan Airliner” during COMCEC sessions may cause confusion, due to another project proposal of similar nature studied under COMSTECH. To this end, the Committee decided to change the project name to “Pre-Feasibility Study on Determining the Need for Regional Aircraft in OIC Member Countries”.

A representative from Anadolu University also informed the Committee that the project evaluated by COMCEC will consider only economic aspects for the development of regional airliners. Such aspect include the marketability of the airliner and its demand in OIC Member Countries or other countries; it does not take into consideration technical aspects. During implementation, if the abovementioned project achieved good results, then a second project should be started with the participation of at least five to six member countries to turn it into a full-scale feasibility study. The results of the “pre-feasibility” and “feasibility” studies can act as the basis for a production feasibility study; this is the way it is done by major aerospace manufacturers.

As mandated by the previous meeting of the Committee, CCO contacted the owners of the projects entitled "Low Cost Imaging-Based Mapping System Applications for Monitoring of Natural and Anthropogenic Changes in OIC Member Countries' Coasts", "Satellite Control and Monitoring Centre" (SATCMC) and "Low Earth Orbit Satellite". The Committee decided to drop these project from the project proposals list because of the lack of interest expressed by the Member Countries, Financial burdens involved and heavy workload imposed on the owners.

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 Republic of Korea (Korean Agency for International Development) and the UNWTO ST-EP Foundation granted some funds (US\$ 425,000 and US\$ 50,000, respectively) to undertake the feasibility study of this project; and to delivery of the report of the research firm “Sécheresse Consultants” regarding phase 1 of the study pertaining to the diagnostic assessment during the meeting held in Madrid in February 2009. Furthermore it should be duly noted that the OIC General Secretariat sent a verbal note to the IDB Group requesting it to provide additional financial contributions for the implementation of the said project.

Regarding the Project entitled "Technical Cooperation in the Field of Heritage Preservation" the Committee decided to drop this project from the project proposal list because IRCICA has been developing numerous programs aimed at bringing together the member countries for the preservation of heritages. This mission is in IRCICA's natural domain of competence.

Regarding the project "implementation of the OIC Dakar-Port Sudan Railways Line Project", the General Secretariat of the OIC informed the Committee that it organized a meeting in Jeddah in April 20-21, 2009 to finalize the draft project document based on the country data received from Member Countries concerned. Now all country data were received by the General Secretariat except the one of Cameroon. Also, the Great Socialist People's Libyan Arab Jamahiriya applied for membership of the Project. The final draft of the Project Document has been distributed on all Member Countries concerned. The General Secretariat of the OIC with the collaboration of the Government of the Republic of Sudan will organize a Ministerial level meeting on this important project in Khartoum, Republic of Sudan before the end of year 2009. The Islamic Development Bank (IDB) is requested to finance the consultant needed to prepare the Terms of Reference (ToR) for the pre-feasibility study of the project before the Khartoum Meeting.

6. Regarding the remaining projects, the Committee requested the member countries to adopt a more proactive approach and call upon their focal points to contact project owners and coordinators respectively, at the earliest convenience, so as to have these projects implemented.

Under Agenda Item 2:

7. The Representative of the General Secretariat briefed the Committee about two new project ideas, the First one is the Freight-Forwarders Associations to increase OIC Intra-Trade, especially in relation to Cross border Trades, including Mutual recognition, Custom Certification of Conformity and Single Window Custom (One-Stop-Shop). The Second one is on the association of Airline Companies of OIC Member Countries, especially in the areas of cargo, to boost OIC Intra-Trade.

8. A representative from CCO also raised two other project ideas; one is about establishing an e-market place enhancing intra-OIC trade. The other one is on establishing a grand OIC/IDB scholarship program in major academic fields to educate future trade bridgers. The Committee requested CCO to communicate officially with IDB and OIC on this project proposal for required action.

9. The Committee welcomed these ideas and requested the General Secretariat and CCO to present the concept papers on the above projects to the next Meeting of the Sessional Committee.

Under Agenda Item 3;

10. The COMCEC Coordination Office briefed the Committee on the preparations for the 25th Anniversary of the COMCEC. The Committee noted with satisfaction the preparations to that end.

11. 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 Managers Training Among OIC Member States	Turkey		ICCI
3.	Pre-Feasibility Study on Determining the Need for Regional Aircraft in OIC Member Countries	Turkey	Kazakhstan	SESRIC
4.	Creation of a Network of Cross-border Parks and Reserves in West Africa	Guinea	Gambia, Guinea Bissau, Mali, Mauritania, Senegal, Sierra Leone	ICDT/SESRIC
5.	Dakar-Port Sudan Railway Line Project	Sudan	Burkina Faso, Cameroon, Chad, Djibuti, Gambia, Guinea, Libya, Mali, Niger, Nigeria, Senegal, Sudan and Uganda	OIC General Secretary at

ANNEX

X

Original : English

**ANNUAL REPORT
ON
TRADE AMONG THE OIC MEMBER STATES
by ICDT**

Executive Summary

I- RETROSPECTIVE OF THE WORLD ECONOMY AND TRADE 2007/2008:

I-1.TRENDS OF THE WORLD COMMODITY TRADE IN 2007:

According to the Report of the WTO (2008) the world trade (exports+imports) experienced a slowdown in 2007 decreasing from 8.5% in 2006 to 6% in 2007 due to the reduction of demand of developed countries following a set of factors, of which particularly the beginning of the crisis of the financial sector, the fluctuations of commodities such as energy and agricultural products and the drop of the American dollar's parity in comparison with the other exchange currencies, especially the Euro.

- The world exports reached US\$ 13.8 trillion in 2007, i.e. an increase by 14.5% in comparison with 2006 due to the fluctuations of basic products prices. The main exporting regions are Europe with 42% of the world exports, Asia (28%) and North America (14%).

The slowdown of the world trade growth in 2007 is due to the reduction in imports demand, especially in the United States and in Europe and Japan.

The world trade has remained dynamic in most developing countries; in this instance those of Africa, the Middle East, the Commonwealth of Independent (CIS), Asia, South America and Central America. Thus, the soaring prices of basic commodities has contributed to improving the financial situation of some countries but is was offset in other countries by the rise in energy and food products, especially for the importing countries of these products giving rise to unprecedented social pressures, felt in the first quarter of 2008 in many developing countries.

The world imports of commodities amounted in 2007 to US\$ 14.3 trillion, i.e. an increase by 15.5% in imports predominantly carried out by Europe accounting for 43%, followed by Asia (25%) and North America (19%).

I-2. WORLD TRENDS OF TRADE IN SERVICE IN 2007

In 2007, the growth of trade in services increased more rapidly than that of commodity trade respectively recording 18 and 15%. This is mainly due to the growth of international supply of several services and by the rise in the transports prices, the rate of exchange, notably due to the increase in the Euro.

The services sector generates about two thirds of the world total value added, but its share in the world trade remains lower than 19%.

In 2007, trade in services was highly concentrated in North America, in Asia and in Europe, respectively 15.29 and 50% of the world total trade in services.

- The exports of commercial services cumulated in 2007 a value of US\$ 3.3 trillion of which 49% comprise transports and travel services;
- The imports of commercial services reached in 2007 US\$ 3.1 trillion, which are predominated by transports and travel services at the rate of 67%.

I-3. STATUS OF THE WORLD TRADE IN 2008:

The year 2008 was characterized by crises linked to the bursting of the real estate bubble in the United States, the credit crisis, the depreciation of the American dollar in comparison with other international currencies, the increase of taxes on oil products and to the aging of oil fields, the persistence of the price fluctuations of basic commodities, thus, the peak crude petroleum was reached in July 2008 estimated at 147 dollars per barrel and which was negotiated in January 2009 at less than \$40, i.e. its price of 2003, threatening thus several stock markets and the economies of developed and developing countries as well. The prices of raw materials, which have almost increased since 2003 have continued their strong growth in the first half of 2008, which started in 2007 reaching 80% of the price of the barrel, cereals (60%), fats and oils (34%) and of fertilizers (140%) then they experienced a strong drop since mid-November 2008 while absorbing all the gains of the first semester of 2008.

The drop of the price of oil barrel has also led to a decline of the prices of some agricultural products linked to bio-fuel, which resulted from the decrease of demand of the OECD countries during the second quarter of 2008.

I-4. ECONOMIC TRADE PROSPECTS IN 2009:

- The critical financial situation is still severely threatening the evolution of the world economic situation. The forceful measures taken by a great number of countries have prevented the collapse of the financial system. Yet, there are still numerous reasons to fear the negative repercussions on the economic activity of countries. According to the report of the IMF of January 2008, the world growth is expected to decrease from 3.7% in 2008 to 0.5% in 2009 and increase by 3% in 2010.

This recession could lead to the stabilization of oil prices to about US\$ 50 per barrel in 2009 while the prices of foodstuff and metals are expected to decrease by 23% et 26% respectively in comparison with 2008 contributing thus to reducing inflation.

II- RECENT EVOLUTION OF THE FOREIGN TRADE OF THE OIC MEMBER STATES

The OIC Member States recorded in 2007 a noticeable economic growth by about 6.3%, which is higher than the world average, which was estimated at 4.9%. Such a growth is propelled by that of the Member States of the Commonwealth of Independent States, which reached in 2007 a rate of 12.8%. Inflation in Member States reached about 7.8% in 2007.

In 2007, overall foreign trade (exports+imports) of Member States was estimated at US\$ 2.6 trillion (against 2.4 trillion in 2006), i.e. 9.1% of the world trade. The overall trade of Member States increased by 8.3% between 2006 and 2007 thanks to the trade of mineral fuels exporting countries.

II-1. TRENDS OF OVERALL EXPORTS

The total exports of the OIC Member States reached a value of US\$ 1.4 trillion, i.e. an increase by 17.2% in comparison with 2006 exceeding the growth of the world exports during the same period, i.e. **10%** of the world exports. This trend results from the high increase of energy and food products, which contributed to the rise of the foreign trade of the OIC countries but it is also due to the weakness of the value of the US dollar's parity in comparison with the other exchange currencies, such as the Euro.

The main products exported by Member States in 2007 are the following:

- The mineral fuels with a value of 767.4 billion US dollars (55% of the total exports of the OIC countries against 56.15% in 2006), i.e. a slight decrease by 2%. The main exporters are: Saudi Arabia, United Arab Emirates, Nigeria, Algeria and Iran;
- The miscellaneous manufactured products whose exports reached 307 billion US dollars in 2007, i.e. 22% of the total exports of the OIC countries against 21% in 2006, i.e. an increase by 4.3% during this period. The actors of the exports of these products are: Turkey, United Arab Emirates, Malaysia, Indonesia and Pakistan;
- Machinery and transport equipment with 11% of total exports (against 11.3% in 2006), i.e. a drop by 2.7%. The exports of these products reached 153.5 billion US dollars in 2007, the main exporters are : Malaysia, Indonesia, United Arab Emirates, Turkey and Saudi Arabia;
- The total exports of food products amounted to 69.8 billion US dollars in 2007, i.e. 5% of the total exports of the OIC countries against 4.7% in 2006, i.e. an increase by 6.4% thanks to the price surge of these products in the world market. The main exporters of food products are : Indonesia, Malaysia, Tunisia, Lebanon and Côte d'Ivoire;
- The chemicals exports of Member States account for 4% of total exports, i.e. a value of 55.8 billion US dollars in 2007 against a share of 3.9% in 2006, i.e. a slight increase by 2.6%. The main exporters are Saudi Arabia, Malaysia, Indonesia, Morocco and Qatar.
- Non edible raw materials account for about 3% of the total exports of the OIC countries in 2007, i.e. 42 billion US dollars, i.e. an increase by 3.4% in comparison with 2006.

In short, Member States essentially export basic products at the rate of 62.96%, i.e. a value of 878.5 billion US dollars against 63.72% in 2006, a drop by 1.2% in comparison with 2006. It can also be noted that 87% of these exported basic products originate from mineral fuels.

According to the data of 2007, the world exports of the OIC Countries are carried out at the rate of 70% by the Gulf and Asian Member States.

II-2. TRENDS OF GLOBAL IMPORTS:

The imports of the OIC Countries were estimated at 1.2 trillion US dollars in 2007, i.e. an increase by 23% in comparison with 2006, accounting for **8.1%** of the world imports. This share increased by 6.6% between 2006 and 2007. During the three last

years, the imports of Member States have almost doubled compared to the world imports, which increased only by one third during the same period due to the rigidity of the world demand and the economic slackening in some countries.

The main imported products by Member States are:

- Miscellaneous manufactured products, which totalled 36% of the overall imports, i.e. 419.3 billion dollars in 2007 against 31% in 2006, i.e. an increase by 16%. It can be noted that the main importers are : Turkey, United Arab Emirates, Iran, Malaysia and Saudi Arabia;
- Machinery and transport equipment accounted for 32% of total imports of the OIC Countries corresponding to 372.7 billion US dollars; the main importers are Malaysia, Saudi Arabia, United Arab Emirates, Turkey, and Indonesia. This share accounted for 34.9% in 2006, i.e. a decrease by 8.3%;
- The imports of mineral fuels of the OIC Member States reached in 2007 about 22.1 billion US dollars, i.e. 10% of total imports against 11.65% in 2006, i.e. a reduction by 14.2% due to the price of these products in the world market. The most important importers of these products are: Indonesia, Malaysia, Turkey, Pakistan and Morocco;
- Food products hold the fourth position in the imports of the OIC Countries, i.e. 9% of the world imports of these countries (i.e. a slight increase by 0.33% in comparison with 2006) cumulating 19.9 billion US dollars in 2007, the following countries are in the lead of imports : Saudi Arabia, Malaysia, Indonesia, United Arab Emirates and Algeria;
- Chemicals imports account for 9% of the total imports of the OIC Countries showing a reduction by 6.3% between 2006 and 2007 and totalling 19.9 billion US dollars, imports were ensured by order of importance by the following countries: Turkey, Malaysia, Indonesia, Saudi Arabia and the United Arab Emirates;
- Non edible raw materials account for 4% of the total imports of Member States in 2007, i.e. an increase by 4.4% in comparison with 2006 corresponding to 8.8 billion US dollars; the large part of these imports were carried out by: Turkey, Malaysia, Indonesia, Pakistan and Egypt.

The overall imports of the OIC Countries are essentially composed of manufactured products which accounted for about 77.38% in 2007 against 75.56% in 2006, i.e. a slight increase by 2.4% showing thus that the OIC Countries depend more on these products to support their growth and meet the needs of their population.

It can be noted that products imports by the OIC Member States are more than 50% carried out by Asian countries and those of the Gulf Cooperation Council.

II-3. OVERALL TRADE BALANCE:

The trade balance of the OIC Member States showed a surplus in 2007 amounting to 230.7 billion US dollars against 184.4 billion US dollars in 2006 (an increase by

25.8%) i.e., an import/export cover ratio of 120%. Thus in 2007, twenty two OIC Countries recorded a positive trade balance , by decreasing order these are: Saudi Arabia, Indonesia, Algeria, Libya, Malaysia, Kuwait, Iraq, Iran, Nigeria, Qatar, Kazakhstan, Oman, Turkmenistan, Gabon, Brunei, Bahrain, Chad, Cameroun, Côte d'Ivoire, Azerbaijan, Suriname and Guinea-Bissau. The countries whose trade balance showed a high deficit are: Turkey, United Arab Emirates, Morocco, Pakistan and Egypt.

According to the data of 2007, the trade balance by region of the OIC is showing a surplus, except for the Middle East region due to the important imports of Turkey, Egypt, Lebanon, Syria and Jordan. On the other hand, the trade of the GCC and Asia is still showing a large surplus making this the overall trade balance always positive.

III-TRADE IN SERVICES OF THE OIC MEMBER STATES:

In 2007, trade in services (debits+credits) of Member States accounted for about **4.7%** of the world trade in services, i.e. 300 billion US dollars corresponding to 11.6% of the OIC Member States global trade (trade in commodities and in services) is mainly composed of transport and travel services at the rate of 71%. Trade in services of transport and travels of Member States accounts for 6.45% of the world trade in transport and travels.

III-1.SERVICES EXPORTS:

In 2007, the services exports of the OIC Countries account for 4.3% of the world services exports. The total services exports (credits) of the Member States recorded a value of 142 billion US dollars in 2007 against 113.7 billion US dollars in 2006, i.e an increase by 24.8%, this is due to the growth of international supply of numerous services and by the price rise of transports and the variation of the exchange rate in US dollars whose parity decreased, enhancing thus the trade value. The services exports of transport and travels account for more than 75% of the total services exports of Member States and 6.58% of the world services exports of transport and travelling.

III-2. SERVICES IMPORTS:

The services imports of the OIC Member States account for about **5.1%** of the world services imports. The overall services imports (debits) of the OIC Countries reached 157.8 billion US dollars in 2007 against 118.65 billion US dollars in 2006, i.e. an increase by 33% for reasons previously mentioned. These imports were 67% composed of trade in services of transport and travel in 2007. The services imports of transport and travels of the OIC Countries account for 6.31% of the world services imports of transport and travels.

III-3. TRADE BALANCE OF SERVICES:

The trade balance of services of the OIC Member States showed a deficit of 16 billion US dollars in 2007 owing to the fact that most of the OIC Countries carry out more import than export services. The most important being: Saudi Arabia, Nigeria, Kazakhstan, Pakistan and Kuwait.

With respect to travel services, Member States are showing a surplus thanks to the incomes of the tourism sector notably of Turkey, Egypt, Malaysia, Morocco and

Tunisia. This kind of trade should be more developed and further increased to enhance intra-OIC trade in services in general and environmental and medical tourism in particular. It should be noted that tourism is well developed in the Gulf Countries, the Maghreb, the Middle-East and in Asian Countries and also in some African Countries, OIC Member States.

IV-MAIN TRENDS OF INTRA-OIC TRADE

Intra-OCI overall trade (exports + imports) recorded an important increase in 2007 by about 26.2% in value going up from 333.4 billion US dollars in 2006 to **420.60 billion** US dollars in 2007, i.e. a net intra-OIC trade value of **210** billion US dollars during this period. Consequently, the share of intra-OCI Member States in the overall trade of the OIC Member States improved by 1.8% going up from 16.3% in 2006 to **16.6%** in 2007. The main actors of intra-OIC trade in 2007 are: Saudi Arabia, United Arab Emirates, Turkey, Indonesia, Malaysia, Iran, Pakistan, Syria, Egypt and Kuwait.

Countries	Intra-OIC Trade in billion US dollars	share
Saudi Arabia	46.96	11.16%
United Arab Emirates	42.71	10.15%
Turkey	41.72	9.92%
Indonesia	29.67	7.05%
Malaysia	29.16	6.93%
Iran	24.48	5.82%
Pakistan	21.62	5.14%
Syria	20.79	4.94%
Egypt	13.67	3.25%
Kuwait	11.48	2.73%
TOP 10	282.26	67.11%

These ten countries accounted for about 282 billion US dollars, i.e. 67% of intra-OIC trade half of which is carried out by 3 countries, namely, Saudi Arabia, United Arab Emirates and Turkey.

IV-1. INTRA-OIC EXPORTS:

The value of intra-OIC exports recorded a progression by 23.25% increasing from 162.44 billion US dollars in 2006 to **200 billion US dollars** in 2007. This rise resulted from the growth of the exports of the following countries accounting for more than 72.85% of intra-OIC exports : Saudi Arabia, which exported to Member States 35 billion US dollar, i.e. 17.5% of intra-OIC exports, United Arab Emirates with 22 billion US dollars (11%), Turkey (20 billion US dollars; 10%), Malaysia (15.4 billion US dollars; 7.7%), Indonesia (13 billion US dollars; 6.5%), Iran (10 billion US dollars; 5%), Syria (9.9 billion US dollars; 4.9%), Kuwait (7.1 billion US dollars; 3.6%), Pakistan (6.7 milliards US dollars; 3.4%) and Egypt (6.4 billion US dollars; 3.2%).

Besides, it can be noticed that the six first OIC exporting countries have kept the same position as that of 2006, these are: Saudi Arabia, United Arab Emirates, Turkey, Malaysia, Indonesia and Iran.

The share of intra-OIC exports in the overall exports of Member States recorded an upward trend of 5.2% rising from **13.65%** in 2006 to **14.35%** in 2007. This growth was caused by the following countries between 2006 and 2007: Saudi Arabia (12.9%), United Arab Emirates (13%), Turkey (34.8%), Malaysia (29.8%), Indonesia (22%), Iran (5.7%), Syria (125.5%), Kuwait (16.3%), Pakistan (27.6%) and Egypt (30.7%).

Intra-OIC exports were essentially composed of primary products at the rate of 51.5% in 2007 against 56.15% in 2006, i.e. a decrease by 8.3%, they comprise mineral fuels, food products, and non edible raw materials with an overall value of 103 billion US dollars in 2007 against 91.2 billion US dollars in 2006, i.e. an increase by 13% as a result of the price increase of these products in the world market.

Manufactured products accounted for 48.5% intra-OIC exports in 2007 against 43.85% in 2006, i.e. an increase by 10.6% showing thus the OIC Countries are more oriented towards the exports of these products with a high value added. In terms of value, intra-OIC exports of manufactured products reached respectively 99 and 71 billion US dollars in 2007 and 2006, i.e. an increase by 39% corresponding to 28 billion US dollars increase during this period. Manufactured products are composed of chemicals, machinery and transport equipment, personal articles and other industrial products (electronic, textiles, plastic, mechanical, wood articles....).

INTRA-OIC TRADE STRUCTURE:

The main products exported to the OIC zone in 2007 are by order of importance:

- ✓ **Mineral fuels** with 36.17% against 38.61% in 2006, a decrease by 6.3% of intra-OIC exports. These products totalled a value of 72.4 billion US dollars, i.e. an increase by 15.45% in comparison with 2006, this is due to the increase in energy products prices in the world market and to the drop of the dollar's parity compared the other exchange currencies;
- ✓ **Miscellaneous manufactured products** exported to the OIC countries accounted for a share of 25.62% in 2007 against 24.17% in 2006, i.e. an increase by 6%, corresponding to 51.3 billion US dollars in 2007 and 39.3 billion US dollars in 2006, i.e. an increase by 30.6%;
- ✓ Les **machinery and transport equipment** such as the products of electronic, mechanical and telecommunications products accounted for about 13.21% of intra-OIC exports in 2007 against 9.34% in 2006, i.e. a jump of 41.33% corresponding to a value of 26.4 billion US dollars in 2007 against 15.2 billion US dollars in 2006, i.e. a rise by 74.3% during this period. This growth is due to the increase in the intra-OIC exports of the following countries: United Arab Emirates, which exported to the OIC Countries 9.1 billion US dollars, i.e. 34.5% of intra-OIC exports of these products, Saudi Arabia (6.5 billion US dollars; 24.5%), Malaysia (3.5 milliards US dollars; 13.2%), Turkey (3.4 billion US dollars; 13%) and Indonesia (1.9 billion US dollars; 7.3%);
- ✓ Intra-OIC exports of **food products** reached 25 billion US dollars in 2007 against 25.6 billion US dollars in 2006, i.e. a decrease by 2.6%. Food products accounted

for 12.5% in 2007 against 15.8% in 2006, i.e. a decrease by 21%. This results from the decrease of intra-OIC exports of some countries in benefit of local consumers (rice in Pakistan, Bangladesh...) the food crisis linked to the drop of the world stocks, the edapho-climatic conditions, abandonment of some governments of the agricultural sector, which was formerly the lung of some national economies of the OIC countries;

- ✓ The exports of **chemicals** to the OIC zone accounted for 9.68% of intra-OIC exports in 2007 against 9.33% in 2006, i.e. a rise by 3.8%. The value of intra-OIC exports of these products reached 19.4 billion US dollars in 2007 against 152 billion US dollars in 2006, i.e. an increase by 28%;
- ✓ The exports of **non-edible raw materials**, which are generally made up of agricultural non-food products accounted for 2.87% in 2007 against 2.79% in 2006, i.e. a slight increase by 2,9%. In value, they totalled about, 5.7 billion US dollars in 2007 against 4.5 billion US in 2006, i.e. a rise by 26.7%. These products contain an intra-OIC export basis in some OIC Countries such as Mozambique (74.5%), Suriname (62.7%), Mali (41.3%), Albania (35.9%) and Benin (30.6%).

- Intra-OIC exports were more than 65% carried out between the GCC and the OIC Asian Countries in 2007.

IV-2. INTRA-OIC IMPORTS:

Intra-OIC imports have progressed more rapidly than Intra-OIC exports, i.e. a rise by 29% going up from 171 billion US dollars in 2006 to **220.40 billion US dollars** in 2007. The share of intra-OIC imports in the overall imports of Member States recorded an increase by 4.8% rising from 18.06% in 2006 to **18.92%** in 2007. This growth is due to the considerable increase in intra-OIC imports between 2006 and 2007 of the following: Turkey (12.6%), United Arab Emirates (34.6%), Indonesia (25.9%), Malaysia (25.2%), Pakistan (23.1%), Iran (23.3%), Saudi Arabia (28.2%), Syria (29.4%), Iraq (15.4%) and Egypt (22.5%).

The main intra-OIC importing countries in 2007 are : **Turkey**, which imported from Member States a value of 21.6 billion US dollars, i.e. 9.8% of total intra-OIC imports and the major part of which is composed of manufactured products and chemicals, **United Arab Emirates** with 20.6 billion US dollars, i.e. 9.4% of total intra-OIC imports, of which 62% are composed of manufactured products, **Indonesia**, which accounted for 7.5% of intra-OIC imports, i.e. 16.6 billion US dollars, of which 80% comprise mineral fuels, **Pakistan** accounted for 14.9 billion US dollars of imports from the OIC Countries, i.e. 6,8% of total intra-OIC imports, 62% of which are mineral fuels based, **Iran**, which accounted for 14.5 billion US dollars of intra-OIC imports, i.e. 6.6% of total intra-OIC imports composed of manufactured products and food products. These five countries totalled more than 40% of intra-OIC imports in 2007.

We have also noted that intra-OIC imports were mainly composed of raw materials at the rate of **51.94%** in 2007 against 51.22% in 2006, i.e. a slight rise by 1,4% but in terms of value, these imports totalled 114.5 billion US dollars in 2007 against 87.54 billion US dollars in 2006, i.e. a perceptible increase by 30,8% owing to the price

increase of primary products in the world market and the weakness of the dollar's parity in comparison with the other international exchange currencies. Manufactured products accounted for **48.06%** in 2007 against 48.78% in 2006, i.e. a slight decrease by 1.48% but in value intra-OIC imports of manufactured products have exceeded 105.9 billion US dollars in 2007 against 83.37 billion US dollars in 2006, i.e. a noticeable rise by 27%.

INTRA-OIC IMPORTS STRUCTURE:

Intra-OIC imports are composed of the following products:

- ✓ **Mineral fuels** accounted for 35.47% of intra- imports in 2007 against 33.3% in 2006, an increase by 6.52% and in monetary value, 78.2 in 2007 against 56.9 billion US dollars in 2006, i.e. an increase by 37.4%;
- ✓ **Miscellaneous manufactured products** represented 26.2% of intra-OIC imports in 2007 against 27.8% in 2006, i.e. a reduction by 5.8%. Intra-OIC imports of miscellaneous manufactured products reached in 2007 a value of 57.7 billion US dollars against 47.6 billion US dollars in 2006, an increase by 21.4%;
- ✓ **Food products** accounted for 12.51% of intra-OIC imports in 2007 against 13.15% in 2006, i.e. a decrease by 4.9%. In fact, Intra-OIC imports of food products reached 27.57 billion US dollars in 2007 against 22.5 billion in 2006, i.e. an increase by 22.7% due to the price soar in 2007 in the world market;
- ✓ **Machinery and transport equipment** accounted for about 11.8% of intra-OIC imports in 2007 against 11.3% in 2006, i.e. an increase by 4.3% to meet the industrial needs in equipment of Member States. Intra-OIC imports of machinery and transport equipment reached 26 billion US dollars in 2007, i.e. a 34.5% increase in comparison with 2006;
- ✓ Intra-OIC imports of **chemicals** were estimated in 2007 at 22.2 billion US dollars against 16.5 billion US dollars, i.e. an increase by 34.6%. These products represented 10% of intra-OIC imports in 2007 against 9.7% in 2006, i.e. an increase in the share by 4.4%;
- ✓ **Non Edible Raw materials** accounted for 3.96% of intra-OIC imports in 2007 against 4.77% in 2006, i.e. a reduction by 17% showing that Member States import less and less these products between them for the benefit of manufactured products. The intra-OIC imports of non-edible raw materials reached in 2007 a value of 8.7 billion US dollars against 8.2 billion US dollars in 2006, i.e. an increase by 7%.

It can be noted that more than 85% of intra-OIC imports originate from Asian countries, the Middle-East and the GCC.

IV-3. INTRA-OCI TRADE BALANCE:

In 2007, fourteen OIC Member States recorded a surplus trade balance, by decreasing order, these are: Saudi Arabia, Kazakhstan, Kuwait, Malaysia, United Arab Emirates, Brunei, Nigeria, Turkmenistan, Uzbekistan, Algeria, Gabon, Azerbaijan, Côte d'Ivoire and Suriname.

Besides, the countries, which have experienced a high deficit of intra-OIC trade balance of more than 2 milliards US dollars are : Pakistan (14.8 billion US dollars), Iraq (9.5 billion US dollars), Iran (4.6 billion US dollars), Morocco (4.2 milliards US dollars), Bangladesh (3.7 billion US dollars), Indonesia (3.5 billion US dollars), Jordan (2.9 billion US dollars), Yemen (2.8 billion US dollars), Afghanistan (2.4 billion US dollars) and Lebanon (2.3 billion US dollars).

The analysis of the intra-OIC trade balance indicates that only the GCC region shows a surplus intra-OIC trade balance (23.3 billion US dollars) thanks to the massive imports of oil products to the other Member States, important deficits were observed in the Asian regions (14.5 billion US dollars) and the Middle-East (19.7 billion US dollars).

IV-4. INTRA-REGIONAL TRADE:

The intra-regional trade of Member States recorded a growth by 33.4% going up from 64.7 billion US dollars in 2006 to 86.3 billion US dollars in 2007 thanks to the increase of intra-regional trade during this period of Asian Countries (33%), the GCC Countries (28.4%), the Middle-East (44.5%), Sub Sahara African Countries (28.7%) and the AMU Countries (29.8%).

It can also be noted that intra-regional trade in intra-OIC trade recorded a noticeable increase by 8.3% rising from 39.8% in 2006 to **43.1%** in 2007 showing that the OIC Countries carry out more trade transactions within their region to reduce their transport costs and integrate their economies thanks to bilateral agreements, which facilitate their business transactions.

This growth is further strengthened thanks to the increase in the inter-regional trade share in intra-OIC trade of the following areas: Asia (9.9%), the GCC (4.1%), the Middle-East (17.3%), Sub Saharan Africa (4.4%) and the AMU (5.3%).

According to the data of 2007, the intra-regional trade of the OIC countries is predominated by Asian countries with 36%, i.e. 31 billion US dollars, the GCC countries totalled 25.7 billion US dollars of intra-regional trade of the OIC countries i.e. 30%, the Middle-East-countries accounted for 22% of intra-regional trade of the OIC countries, i.e. 19.1 billion US dollars, Sub Sahara African countries recorded 8% of intra-regional trade of the OIC countries, i.e. 7.4 billion US dollars and the AMU countries with 4% of intra-regional trade of the OIC countries, i.e. 3.1 billion US dollars in 2007.

IV-5. INTER-REGIONAL TRADE:

The Inter-regional trade of the OIC Member States recorded a growth by 16.5% rising from 97.8 billion US dollars in 2006 to 113.9 billion US dollars in 2007, this growth results from the increase of inter-regional trade of the CCG (8%), Asian countries (22.8%), the Middle-East countries (37.8%), Sub Sahara African countries (8.2%) and to a weak growth of inter-regional trade of the AMU countries (0.9%).

Besides, it can be noted that despite the increase of the value of the intra-regional trade its share of inter-regional trade of the OIC countries in intra-OIC trade has experienced

a decrease by 5.5% falling from 60.2% in 2006 to 56.9% in 2007 due to the reduction of trade flows during this period of the GCC (-12.4%), Asian countries (-0.4%), the AMU countries (-18.2%), Sub Sahara African countries (-12.2%) despite the growth of inter-regional trade of the Middle-East countries (11.8%).

According to the data of 2007, the inter-regional trade of the OIC countries is carried out at the rate of 43% by the GCC countries, i.e. 49.1 billion US dollars, Asian countries accounted for 27% of inter-regional trade countries corresponding to 30.4 billion US dollars, the Middle-East countries totalled 23.8 billion US dollars, i.e. 21% of inter-regional trade of the OIC countries, the AMU countries with 7 billion US dollars, i.e. 6% of inter-regional trade of the OIC countries and finally Sub Sahara African countries recorded a value of 3.6 billion US dollars, i.e. 3% of inter-regional trade of the OIC countries.

IV-6. TRENDS OF INTRA-OIC TRADE IN 2008:

Taking into account the food and financial crises of 2008 and according to the forecasts of ICDT, the OIC Member States are expected to experience a very weak expansion of the share of intra-OIC trade of about 1.4% rising from 16.64% in 2007 to 16.87% in 2008. Therefore, intra-OIC trade could reach 427 billion US dollars in 2008 against 420.6 billion US dollars in 2007, i.e. a net intra-OIC trade amounting to 213 billion US dollars.

ANNEX

XI

Original : English

**REPORT OF
THE CONSULTATIVE MEETING OF THE OIC INSTITUTIONS
ON ENHANCING INTRA-OIC TRADE**

- 1. In the context** of the implementation of the Ten Year Plan of Action adopted by the 3rd extraordinary Islamic Summit;

Following the consultations between the Islamic Centre for Development of Trade (ICDT), the COMCEC Coordination Office and the International Islamic Trade Finance Corporation (ITFC), in Istanbul on 24th October 2008 on the sidelines of the 24th Ministerial Session of the COMCEC;

and in the context of the implementation of the “*Road Map for Enhancing intra-OIC Trade*” adopted by the Expert Group Meeting on “enhancing intra-OIC trade” held in Ankara on 5th and 6th July 2008;

The ICDT organized a “consultative meeting of the OIC Institutions on Enhancing intra-OIC trade” at ICDT’s headquarters in Casablanca on 11th and 12th February 2009.

- 2.** The following Institutions attended this meeting:

- ✓ The General Secretariat of the Organisation of the Islamic Conference (Department of Economic affairs);
- ✓ The COMCEC Coordination Office;
- ✓ The Islamic Development Bank GROUP :
The International Islamic Trade Finance Corporation (ITFC)
The Islamic Corporation for Insurance of Investments and Export Credit (ICIEC)
The IDB (Cooperation Office)
- ✓ The Islamic Centre for Development of Trade;
- ✓ The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC);
- ✓ The Organization of Islamic Ship-owners Association (OISA)
- ✓ The Islamic Chamber of Commerce and Industry (ICCI).

This meeting was also attended by:

- ✓ The Saudi Fund for Development
- ✓ The International Trade Centre
- ✓ The Regional Office of IDB in Rabat

(The list of participants is in annex 1)

A/ OPENING SESSION :

3. After the recitation of verses from the holy Koran, the message of H.E Mr. Abdellatif MAÂZOUZ, Minister of Foreign Trade of the Kingdom of Morocco, was read out by Mr. Khalid SAYAH, Director of International Trade Relations.

In his message, the Minister Abdellatif MAÂZOUZ extended his warm welcome to all participants, wishing them a pleasant stay. He then conveyed his deepest congratulations to the Islamic Centre for Development of Trade for hosting this important meeting. He then expressed the satisfaction of the Kingdom of Morocco at the laudable efforts the Centre has been making for the development of Intra-OIC Trade, laying stress on the importance of the Ten Year Programme of Action. He then added that this meeting constitutes another opportunity to outline the great importance the Kingdom of Morocco is giving to the Islamic common action in the economic and commercial fields.

After recalling the efforts made by the OIC Member States aiming at strengthening cooperative relationships among them, H.E the Minister Abdellatif MAÂZOUZ underlined that this meeting is of a great importance and shall contribute to achieving the target of enhancing the level of intra-OIC Trade to 20% in 2015.

H.E. the Minister also added that level of intra-OIC trade doesn't reflect the potentialities of OIC Countries and expressed his hope that this meeting will come out with practical projects in order to reach the target of 20%.

The Minister also put special emphasis on the utmost importance of coordination among OIC Institutions in order to avoid duplication and the wasting of resources. He also added that each OIC Institution should concentrate on its core competences and avoid expanding its activities in the other areas where other Institutions are more specialized.

4. His Excellency Prof. Dr. Ekmeleddin IHSANOGLU, the OIC Secretary General, addressed a message to participants, which was read out by Mr JAKHONGIR KHASANOV, from the department of Economic Affairs at the OIC General Secretariat. In his message, His Excellency Prof. Dr. Ekmeleddin IHSANOGLU conveyed his deepest thanks to the Islamic Centre for Development of Trade for organizing this meeting. He also conveyed his appreciation to the COMCEC Coordination Office, ITFC and other OIC and International Institutions.

H.E Prof. Dr. Ekmeleddin IHSANOGLU, recalled in his statement the outcomes of the third Extraordinary Islamic Summit Conference, held in Mecca Al-Mukarramah, Kingdom of Saudi Arabia, in December 2005, which prioritized the strengthening of the economic and commercial cooperation among Member States and mandated the COMCEC to increase the level of intra-OIC trade from 14.5% in 2004 to 20% in 2015.

In this respect, His Excellency noted with satisfaction that in the course of recent years Intra-OIC trade has risen to 16.44% in 2007 from its 14.5% level in 2004 and concrete progress has been made in establishing a Trade Preferential System among OIC Countries (TPS-OIC).

His Excellency, Prof. Dr. Ekmeleddin IHSANOGLU outlined that increasing intra-OIC trade is crucial to secure higher economic growth and prosperity of our countries. The many obstacles and challenges facing OIC intra-trade are well diagnosed and

these have been addressed in different meetings and platforms. The last meeting devoted to this issue was held in Ankara, Republic of Turkey on 5-6 July, 2008, which made concrete and specific recommendations in the form of a Road Map for Enhancing Intra-OIC Trade. The Roadmap places emphasis on trade financing, trade promotion, trade facilitation, trade capacity building and promoting and developing strategic commodities originating from OIC Member States. In this regard, H.E. Prof. Dr. Ekmeleddin IHSANOGLU asserted that with effective implementation of the Roadmap we can achieve not only the target of 20% by 2015, but even a higher level.

His Excellency Prof. Dr. Ekmeleddin IHSANOGLU added that when the PRETAS becomes effective, a new era will be heralded for intra-OIC trade, because this framework forms the basis for the realization of our goal: creating a free trade zone which covers all Islamic Countries. As a result, we will be able to harmonize the rules of trade and put in place a common trade system, and we will all come to realize that matters will be easier from then onwards, thus, laying down the foundations of deeper economic cooperation among OIC Member States.

5. H.E. Dr. Waleed AL-WOHAIB, Chief Executive Officer of the International Islamic Trade Finance Corporation (ITFC), addressed the Meeting. In his statement, he expressed his thanks and appreciation to the Government of the Kingdom of Morocco for hosting and ICDT in organizing this important meeting.

He informed the Meeting that the strategic direction of the ITFC focuses on five main areas: trade finance, trade facilitation, trade promotion, capacity building and developing strategic products and commodities.

H.E. Dr. Waleed AL-WOHAIB expressed his hope that this meeting will give impetus in order to deploy more efforts to reach the goals of the Islamic Ummah.

H.E. Dr. Waleed AL-WOHAIB affirmed that we need new initiatives which will have a great impact on intra-trade and that OIC Institutions should play a more proactive role notably in trade facilitation and investments financing. In this regard, he informed the meeting that ITFC will joint its efforts to other commercial banks to reach some segments notably SMEs.

H.E. Dr. Waleed AL-WOHAIB expressed the will and readiness of the ITFC to strengthen its cooperation with all the relevant OIC Institutions and to explore more concrete and effective ways and means for enhancing intra-OIC trade and achieve the targets put by the Ten Year Programme of Action.

6. H.E. Mr. Ferruh TIGLI, Director General of the COMCEC Coordination Office took the floor expressing his thanks and appreciation to ICDT for the excellent arrangements made for this important event.

H.E. Mr. Ferruh TIGLI informed the meeting that the COMCEC is celebrating this year it's Silver Anniversary, crowned by the achievements of many projects, and he expressed his hope that the COMCEC will continue to achieve more practical and implementable new projects and programmes in the near future.

Underlining the importance of giving concessional financing for Intra-OIC Trade, Mr. TIGLI expressed that despite the international financial crisis OIC he is confident that Member States can still reach the target of 20%.

At the end of his speech he expressed the will of the COMCEC to make every effort for a successful implementation of the Road Map adopted by the EGM held in Ankara in July 2008.

7. Mr. Allal RACHDI, Director General of the Islamic Centre for Development of Trade, welcomed participants and conveyed his thanks to them for having kindly accepted to participate in this meeting and contribute to the efforts aiming at enhancing intra-OIC trade, which constitutes one the most important pillars of intra-OIC Cooperation in General and of the OIC Ten Year Programme of Action in particular.

The aim of this expert group meeting, he added is intended to follow up the implementation of the Road Map adopted by the Expert Group Meeting on “enhancing intra-OIC trade” held in Ankara on 5th and 6th July 2008.

Mr. Allal RACHDI, recalled to the participants that the “*OIC Ten Year Action Plan to meet the challenges facing the Islamic Ummah in the 21st Century*” has set two main objectives in the trade field firstly to enhance the share of intra-OIC trade in the overall trade from 14% to 20% by the year 2015 and secondly to explore the possibility of establishing an intra-OIC Free Trade Area.

Then, he underlined the actions undertaken by the Centre in several fields aiming at boosting trade among Member States, especially, in the areas of trade and investment promotion, the preparation of trade negotiations within the framework of the TPS/OIC, trade information.

Mr. RACHDI underlined also in his speech that the creation within IDB of the International Islamic Trade Finance Corporation 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.

The Director General added that he strongly hopes that this meeting will constitute a corner stone in the process of speeding the implementation of the ten year programme of Action in order to achieve the targets within the timeframe set by the plan.

Concluding his speech, the Director General conveyed his deepest thanks to the Government of the Kingdom of Morocco, the OIC General Secretariat, the COMCEC Coordination Office, the ITFC, IDB Group and to all the participants.

B/ ADOPTION OF DRAFT AGENDA AND THE PROGRAMME (Annex 2):

8. The meeting adopted the draft agenda and the draft programme submitted by the Islamic Centre for Development of Trade as follows:

- Presentation of the Projects to be Implemented by OIC Institutions Within the Framework of the Roadmap for Enhancing Intra-OIC Trade
- Trade Financing
- Trade Promotion
- Trade Facilitation
- Development of Strategic Commodities
- Capacity Building
- Elaboration of Projects Matrix (Synthesis Document)

- Adoption of the Report and recommendations
- Closing session

(The agenda is in annex 3)

C/ PRESENTATION OF THE PROJECTS TO BE IMPLEMENTED BY OIC INSTITUTIONS WITHIN THE FRAMEWORK OF THE ROADMAP FOR ENHANCING INTRA-OIC TRADE:

Following the opening ceremony, and during four working sessions, the participants examined the projects to be implemented by each OIC Institution within the framework of the OIC Ten Year Programme of Action and the Roadmap for enhancing intra-OIC trade.

(The list of projects is in annex 4)

The sessions were chaired respectively by:

- Working Session 1* : H.E Allal RACHDI, Director General of ICDDT
Working Session 2 : H.E Ferruh TIGLI, Head of the COMCEC Coordination Office
Working Session 3 : H.E. Dr. Waleed Abdulmuhsen AL-WOHAIB, Chief Executive Officer of the ITFC
Working Session 4 : H.E Allal RACHDI, Director General of ICDDT

Three sessions were held in the first day of the Meeting for the consideration of the following agenda items:

9. WORKING SESSION 1: TRADE FINANCING

ITFC and ICIEC presented their projects during this session:

ITFC:

ITFC (IDB Group) introduced new mechanisms/tools aimed at increasing financing for SMEs and LDMCs.

The aim of those tools is to ensure that SMEs access better and easily to financing and that they reaching more SMEs in member countries, these tools are related to:

- ✓ Two Step Murabaha Financing (2SMF) Lines for Member Countries' banks;
- ✓ Establishment of the ITFC Branches;
- ✓ Appointment of Focal Points in the existing IDB Regional Offices
- ✓ Introduction of new trade finance products such as L/C Opening and other related services that are Shariah compliant.

ITFC will organise in 2009 four meetings in the area of Trade Finance.

ICIEC:

ICIEC is currently contacting Member Countries' financial Institutions and Central Banks to consider ICIECs insurance policies as collaterals to extend financing for intra-OIC trade transactions.

Recently, ICIEC launched the “Documentary Credit Insurance policy” (DCIP), which is a tool to ease the risk linked to the Letter of credit.

ICIEC and ITFC also set up a joint task force with a view to exploring ways and means to develop new structures and products.

COMCEC:

The COMCEC Cooperation Office suggested several recommendations in order to alleviate the financial impediments to intra-OIC trade expansion, among those recommendations COMCEC highlights inter alia the urgent need to solve the problems related to the confirmation of Letter of Credits (LC's); Supporting Member Countries exports to OIC Markets through concessional financing, introducing medium term trade financing for certain product groups.

COMCEC Coordination Office suggested to the IDB Group to consider introducing LC confirmations in Intra-OIC trade by starting with pilot applications.

SAUDI FUND FOR DEVELOPMENT:

Mr. AHMED BEN MOHAMED AL GHANNAM, the representative of the Saudi Fund for Development (SFD), expressed the readiness of the SFD to strengthen its cooperation with all the relevant OIC institutions and to explore ways and means for co-financing projects aiming at enhancing intra-OIC trade.

10. WORKING SESSION 2:

A/ TRADE PROMOTION:

Within this agenda sub item, the COMCEC, ICDT, ITFC and ICCI, took the floor to introduce and explain the projects to be implemented within the framework of the Road Map adopted by the EGM held in Ankara in July 2008.

COMCEC:

While stressing the importance of flows of information among the private sector, COMCEC Coordination Office offered to increase communication by building a dynamic web portal.

This web portal will enable the private sector to publicize their products and needs.

ICDT:

The ICDT's presentation highlights the activities of the Centre in the field of trade promotion, notably the organization of the Trade Fair of OIC Countries (OIC EXPO) and the Tourism Fair of Islamic Countries (OIC-Tourism) on regular basis once every two years, the holding of specialized exhibitions and buyers/sellers workshops and Organization of trade missions (for buyers and investors) to some supplying Countries.

ICDT informed the meeting that it is planning to organize **22** promotional events between 2009 and 2015 i.e 3 events per year:

- **Five** Multisectoral trade Fairs,
- **Seven** specialized exhibitions and buyers/sellers workshops
- **Five** Tourism Fair,

- **Five** Specialized exhibitions in trade in services

The projects submitted by ICDT cover not only goods but also services.

ITFC:

In the field of trade Promotion, ITFC submitted several activities, to promote and enhance intra-trade and trade cooperation, revolving around the following:

- ✓ Strengthening brand awareness and promoting products made in OIC MCs
- ✓ encouraging and facilitating annual buyers-sellers meetings (business matching, trade bridging)
- ✓ Encouraging MCs to increase participation in trade fairs and activities organized by ICDT

ICCI:

In order to promote trade among OIC Member Countries, the Islamic Chamber will organize several activities revolving around the following:

- ✓ Strengthening brand awareness and promoting products made in OIC MCs.
- ✓ TPOs to encourage the conduction of annual buyers sellers meetings (Business Matching Bridging)

B/ TRADE FACILITATION:

Within this agenda sub item the COMCEC, ICDT, ITFC and ICCI, took the floor to present their projects in the field of trade facilitation.

COMCEC:

The COMCEC Coordination Office submitted several proposals relating to trade facilitation including:

- Expediting the ratification of PRETAS protocol through formal and informal follow up.
- A model of cross border cooperation programme based on the experience of Turkey with Syria for modernizing Customs infrastructure, capacity enhancement, increasing the commercial and cultural interaction among borders areas.
- The urgent need to operationalize the Standardization and Metrology Institute for Islamic Countries (SMIIC), of which the Statutes were so far signed by 11 countries and ratified by 7 countries (the quorum for the entry into force is 10 ratifications). We need to accelerate this process via proactive and informal negotiations with our relevant institutions.
- The importance of adopting OIC Halal Food standards, which will also enhance and facilitate intra OIC trade. Issuance of Halal standards based upon accreditation criteria by a structure under the SMIIC or by a unit within the OIC General Secretariat may also be considered.
- Organizing a series of Ministerial Meetings and EGMs on transportation to diagnose and address transportation problems impeding trade.

OISA:

In the field of transportation OISA stated that it will promote Shipping & Trade to connect Islamic ports with permanent Shipping Lines through the following actions:

- ✓ Expand the relationship between Bakkah Shipping Company (OISA Project); Islamic Development Bank Group and Islamic Trade and Finance Corporation
- ✓ Opening new branch of Islamic Protection & Indemnity Club "IPIC" (OISA Project) in Jakarta Indonesia
- ✓ Invite member states and their maritime companies and request their support to register their suitable tonnage with Islamic P&I Club branches in Tehran, Dubai and Jakarta

ICDT:

The projects presented by ICDT cover four areas of trade facilitation:

- Procedures, transportation and investment,
- Market Access,
- Trade Information Network of Islamic Countries (TINIC),
- Electronic Commerce

The main goal of ICDT through its trade facilitation programme within the OIC Member States is to facilitate international transactions thanks to the simplification and harmonization of procedures and information flows and to contribute thus to the expansion of intra-OIC trade.

As regards Market access, which is the keystone of any trade liberalization and expansion, ICDT put emphasis on the urgent need for the elimination of Tariff, para-tariff and non tariff measures among OIC Countries through the following measures:

- ✓ Urgently implementing the results of trade negotiations that were held within the framework of the Trade Preferential System of the Organization of the Islamic Conference;
- ✓ To strive for more substantial trade negotiations, which have a real impact on intra-OIC trade;
- ✓ To urgently launch a comprehensive study on the feasibility of an intra-OIC free trade area, which was recommended by the Third Extraordinary Summit Conference, held in Makkah Al Mukarramah in December 2005 on the basis of the report submitted by ICDT on this issue at the 23rd Ministerial Session of the COMCEC.

ITFC:

In the field of trade facilitation, ITFC stressed the importance of assisting OIC Member Countries to improve the efficiency of the administrative and logistics and enhance the simplification and harmonization, and automation of procedures to move goods by the following measures:

- ✓ To conduct meetings on specific infrastructure issues which will have a direct impact on trade facilitation
- ✓ To enhance partnership with TPOs in MCs
- ✓ To encourage MCs to utilize the existing platform within the OIC organs such as ICDT's trade network (TINIC)

ICCI:

For ICCI, the success of trade facilitation requires four key factors:

- ✓ A strong political will and commitment;
- ✓ A clear strategic plan;
- ✓ An effective public-private partnership.
- ✓ Well-funded and long-term technical assistance based on a partnership between donor and recipient.

ICCI pointed out that the following measures and programmes are of a great importance:

- ✓ Enhancement of partnership with TPOs in the Member Countries
- ✓ Continuation of holding annual meetings for TPOs in Member Countries
- ✓ Mutual recognition for certification and testing bodies (MRA)
- ✓ facilitation of movement of the businessmen among OIC member countries, in order to encourage investments and promotion of intra OIC trade
- ✓ Establishment of an OIC Network of SME Agencies (ONSA)

11. WORKING SESSION 3:

A/ DEVELOPMENT OF STRATEGIC COMMODITIES:

ITFC:

In the field of development of strategic commodities, ITFC stressed to assist Member Countries to develop their trade capacities and capabilities and competitiveness in the sectors and commodities where they have a competitive advantages announced that it will undertake the following initiatives:

- ✓ facilitate the establishment of funds for investment in agriculture and other strategic commodities with a view to increasing food self sufficiency;
- ✓ Expedite the implementation of the Action Plan in cotton development and develop new action plans for development of other strategic commodities;
- ✓ Organize meetings on the Member Countries' strategic commodities in coordination with international and regional concerned organizations.

B/ CAPACITY BUILDING:

COMCEC:

The COMCEC Coordination Office submitted to the meeting a proposal to set up an OIC/IDB Grand scholarship programme in major academic fields to be sponsored by IDB and some individual and Institutional donors for enhancing undergraduate students exchange among OIC Countries.

The overall goal of this proposal is to contribute educating future trade bridges.

ICDT:

Within the framework of capacity building of Member States' human resources, ICDT will continue the organization of training workshops notably in collaboration with the IDB Group and other international and regional organizations in the following areas:

- Workshops on “*Techniques of international trade and management of foreign trade operations*”
- Sector-based seminars on “*Trade in specific products in the OIC Member States*” for the benefit of the private sector;
- Training seminars on “*the Trade Preferential System among the Member States to bring out the results of the negotiations rounds and the expected effects of this agreement on the economies of participating countries*”.

ITFC:

ITFC informed the meeting that it will enhance trade support capacities in OIC Member Countries as a source for sustainable national trade development that can also be used to strengthen private/public sectors competitiveness and international markets and organize the following activities:

- ✓ more training programs for MCs/enterprises in trade related areas
- ✓ on the-job-trainings and seminars on 'best practices' for MCs;
- ✓ Create a sustainable training capacity in Member Countries by developing training entities /organizations.

ICCI:

ICCI acknowledged that it will undertake the following:

- ✓ Organize more training programs for MCs/Enterprises in trade related areas
- ✓ Organize seminars on best practices for MCs.

ITC:

The representative of ITC, Mr Abdeslam AZUZ, Officer in Charge of the Office for Arab States (OAS), Bureau of Policy and Programme, informed the meeting of the readiness of ITC to provide the OIC Institutions with its expertise, its tools and its know-how to work out the documents of projects and to implement them in the field of trade promotion, capacity building and the development of strategic projects. In this regard, ITC can play the role of partner in the projects, consultant or service provider.

SESRIC:

The Representative of SESRIC informed the Meeting of the possibility of making use of SESRIC twining capacity Building Training programme through designing and circulating a questionnaire on needs and capacities of the Member Countries in the area of trade. The results of this questionnaire should be analysed and in the light of these results, short twining capacity building training programmes should be organized to match the needs and capacity of the Member Countries in different and specific areas of trade. Priority should be given, first, to the utilization of the capacities and expertise available in the Member Countries. If not possible, experts for relevant international and/or regional organizations should be invited to contribute to such training courses. In this context, the questionnaire on the needs and capacities of the Member Countries in the area of trade should be jointly prepared by ICDT and SESRIC and circulated by them to all relevant institutions in OIC Countries, mainly the TPOs. Based on the results of the questionnaire, a list of priority areas related to capacity building in trade should be prepared to start implementing such training programme.

D/ RECOMMENDATIONS:

12. The meeting duly noted the efforts being done by all OIC Institutions but was of the view a more proactive and tangible approach needed to be taken to make these meetings more meaningful or coordinative approach needs to be taken by all OIC Institutions to make the road map more effective.

Following the three working sessions, where the OIC Institutions presented their activities individually, the Meeting devoted the second day to examine the whole proposed activities put in a matrix and in addition to the observations introduced in the previous parts of this report, the following general recommendations have been made:

1. To give the priority as far as possible to skills and competencies within the OIC Institutions and OIC Member States in all areas of trade cooperation;
To encourage and support OIC Member States in adopting policies and measures to facilitate intra-OIC trade and trade generally of OIC countries,
2. Including improving market access conditions, removing market entry barriers, avoiding trade distorting practices and providing support to TPOs. A special attention shall be given to the OIC Least Developed Countries;
3. To promote The Framework Agreement on Trade Preferences among OIC Countries (TPS/OIC) and PRETAS which are the key instrument that can bring new dynamism to intra-OIC trade and thus OIC countries need to actively implement PRETAS so as to make a significant impact on intra-OIC trade;
4. To better coordinate the implementation of the activities and projects adopted by the EGM on intra-OIC trade through tripartite mechanism involving: financial institutions (IDB Group and other Funds etc.), implementing Institutions (like ITFC, SESRIC, ICCI, ICDT and ITC) and donor or host countries;
5. To entrust ICDT with the task of assuming the Secretariat of the Executive Programme of the Road-MAP for Achieving intra-OIC Trade Targets on Intra-OIC trade;
6. To prepare a progress report on the implementation of the Road Map and to hold two EGM on intra-OIC trade meetings every year: one at the level of OIC Institutions and the other open to OIC Member States;
7. To urge OIC Member States, which have not done so, to sign the Statute of OISA”;
8. To include in the programmes of OIC Institutions, projects that will deal with the issue of enhancing production and quality of targeted goods with high trade potential;
9. To hold the seminar on “the project of the OIC Free Trade Area” to be organised by IDB Group (Cooperation Office) and the Ministry of Industry and Trade of Malaysia-MITI (within the framework of the MOU signed by the IDB and Malaysia-BNM) in collaboration with ICDT and SESRIC with a view to exploring the ways and means to fulfil the salient recommendation of the 3rd Islamic Extraordinary Summit;
10. To examine the feasibility of setting up an OIC e-market place for buyers and sellers for the Member States as well as buyers from other countries through the web-portal, COMCEC Coordination Office will take the responsibility of further studying the issue and reporting to the Sessional Committee Meeting;

11. To request ITC to keep informed the OIC on the Aid for Trade process and any other recommendation for the executing of this implementation programme;
12. To invite the International Trade Centre to consider the possibility of supporting OIC institutions in implementing the projects adopted within the framework of the Road Map notably in the following areas:
 - capacity building component by assisting small enterprises and communities to reach global markets with products and services;
 - developing trade promotion activities by developing the capacity of trade support institutions to back up SMEs export businesses, especially by organising buyers/sellers meetings;
 - the development of commodities strategies by providing methodologies and tools for designing and implementing export strategies;
 - the area of trade information and all export advisory services.
13. To consider the possibility of finalising the OIC Halal Food Standards at the 25th Session of the COMCEC;
14. To expedite the operationalization of Standardization and Metrology Institute for Islamic Countries (SMIIC);
15. To set up a Grand OIC/IDB Scholarship Programme in major academic fields for contributing education of future trade bridges;
16. To sustain and support Bakkah Shipping Company which belongs to the Organisation of the Islamic Ship-owners Association (OISA) and requests the Islamic Financial Institutions to grant financing for the construction of big ships for the Company, especially as the latter was created in compliance with a resolution of the Islamic Conference of Foreign Ministers in Karachi in 1991;
17. To hold an annual meeting of the head of training department in OIC Institutions in order to assess the training needs of OIC Countries, to adopt an unified calendar of activities and follow up its implementation;
18. To examine the possibility of setting up a special fund within IDB Group in order to boost capacity building in OIC Member States;
19. To promote the objectives of the OIC Network of SME's Agencies created by the ICCI for the development and promotion of SMEs;
20. To invite the relevant International and regional Institutions to attend the up coming Meetings on Intra-OIC Trade;
21. To invite the financial international and regional institutions to the up coming meetings on intra-OIC trade;
22. To strengthen and enhance the financial capabilities of OIC Institutions (SESRIC, ICDT, ICCI, OISA) in order to achieve the targets of the OIC Ten Year programme of Action.

E/ ADOPTION OF THE REPORT

13. The Participants adopted the report along with the recommendations and the projects and requested the Director General of ICDT to submit it to the Competent Organs of the Organisation of the Islamic Conference notably the Islamic Commission of Economic, Cultural and Social Affairs, the COMCEC Meetings (Ministerial Session and the Follow up Committee) and to the meetings of the Task Force on intra-OIC Trade.

F/ MOTION OF THANKS:

14. At the end of the meeting, participants requested the Minister of Foreign Trade of the Kingdom of Morocco to convey to His Majesty Mohamed the Sixth, King of Morocco, their high esteem and profound gratitude as well as to the Moroccan Government and Moroccan people for the warm hospitality and facilities that were extended to them.

The participants also conveyed their deepest thanks to His Excellency Prof. Dr. Ekmeleddin IHSANOGLU, the Secretary General of the OIC, for the important message that His Excellency addressed to participants and for his sustained efforts to achieve the goals sent by the 3rd Extraordinary Islamic Summit Conference.

The participants have also extended their deep congratulations to the Director General of the Islamic Centre for Development of Trade and to his staff for the efforts they have made to provide the best conditions, which ensured the success of this meeting.

ANNEX

XII

Original: English

**EXECUTIVE PROGRAMME
OF
THE ROAD-MAP FOR ACHIEVING INTRA-OIC TRADE TARGETS**

Area	Recommended Action	Projects/ Programs/Activities	Date/Location	Initiator	Partners
1. Trade Financing Coordinator: ITFC	1.1 Develop and introduce new mechanisms/ tools aimed at increasing financing for SMEs and LDMCs	Introduce new lines of financing in addition to the existing ones in 1430H (2009)	2009	ITFC	ICIEC
		a. Opening of Dubai Branch and then others	2009	ITFC	ICIEC
		b. "ITFC Focal Points" will be nominated in existing IDB Regional Offices	Needs Further Details	ITFC	IDB
	1.2 Enhance ITFC field presence	c. "ITFC Customer Days" will be organized in some MC's	Needs Further Details	ITFC	MC's
		a. Meeting of Financial Institutions on Resources Mobilization	2009	ITFC	MC's
	1.3 Introduce new trade finance products	b. Meeting/Brainstorming to discuss creation of Specialized Funds	2009	ITFC	MC's
		c. Workshop on ITFC's Lines of Finance: Challenges and Opportunities	2009	ITFC	MC's
		d. Meeting for Trade Finance and Insurance of Credit Institutions.	2009	ITFC	ICIEC
		e. Workshop on LC Confirmations and Possible Role of IDB Group in this regard for enhancing intra-OIC Trade	2009	ICIEC	MC's
		f. Training Programme for Central Banks and Financial Institutions to enhance the awareness of export credit insurance and its benefit in facilitating trade finance	2009	ICIEC	MC's
		g. Promotion of DCIP (Documentary Credit Insurance Policy) among the OIC Financial Institutions to enable them to increase their exposure in relatively high risk countries	Needs further details	ICIEC	Needs further details
		h. Possibility to consider ICIEC's insurance policies as collaterals to extend financing for Intra-Trade	2009	ICIEC	OIC Financial Institutions and Central Banks
	2. Trade Promotion Coordinator: ICDT	2.1 Strengthen brand awareness and promote products made in OIC MCs	i. Exploring the ways and means to develop new structures and products which will help in meeting the market demand and accessing new segments	2009	ICIEC
a. Showroom of OIC products and Services			Needs Further Details	ICDT	ITC
2.2 Encourage MCs to utilize the existing platform within the		b. Prepare a study on establishing an e-marketplace	2009	COMCEC Coordination Office	MC's
		a. Enhancement of virtual exhibition	Needs Further Details	ICDT	MC's
		b. OIC-Tijari Exchange (with a view to complement TINIC)	2010	ICDT	ITC

		2009	ICDT	ITFC, TPOs, ITC	
2.3 TPOs to encourage and facilitate annual buyers-sellers meetings, trade matching, trade bridging)	a. Specialized exhibition and supply/demand workshop on agribusiness products	2009, Egypt	ICDT	ITFC, TPOs, ITC	
	b. Cotton	2009, Saudi Arabia	ICDT	ITFC, TPOs, ITC	
	c. Agro-industry	2010, Senegal	ICDT	ITFC, TPOs, ITC	
	d. Building and construction services	2010, Tunisia	ICDT	ITFC, TPOs, ITC	
	e. Pharmaceuticals, medical equipment and services	2011, Egypt	ICDT	ITFC, TPOs, ITC	
	f. Clothing industry	2012, Turkey	ICDT	ITFC, TPOs, ITC	
	g. Furniture	2013, Tangiers or Dubai	ICDT	ITFC, TPOs, ITC	
	h. Logistics and transportation	2009, Kuala Lumpur	ICCI	MUSIAD, ICDT, KESH DIA, TUSKON, MATRADE, MC TPO's, ITC, ITFC	
	i. World Halal Forum	2009, Istanbul			
	j. Turkey, Africa, Foreign Trade Bridge	2009, Kuala Lumpur			
	k. Intra-Trade Malaysia	Needs Further Details	ICDT	ITFC, SESRIC, ICCL, ITC	
	Study to identify Potential services to traded among OIC Countries				
	Specialized Exhibitions and Partnership forum on High trading potential services on:				
2.4. Promotion of Trade in services	a. Architecture /Construction/Engineering	2010, Senegal	ICDT	MC's	
	b. E-commerce, IT and related services	2009, Morocco	ICDT	MC's	
	c. Distribution services: franchising	2010, UAE	ICDT	MC's	
	d. Health related services	2010, Tunisia	ICDT	MC's	
	e. Education and training	2012, UAE	ICDT	MC's	
	a. 12 th Islamic Trade Fair	2009, Egypt	ICDT	MC's	
		2011, UAE	ICDT	MC's	
		2013, Iran	ICDT	MC's	
		2015, Guinea	ICDT	MC's	
		2017, Arab World	ICDT	MC's	
2.5 Encourage MCs to increase participation in trade fairs and activities organized by ICDT	b. Trade Fairs of OIC Countries (OIC EXPO)	2009, Lebanon	ICDT	MC's	
		2010, Egypt	ICDT	MC's	
		2012, Syria	ICDT	MC's	
		2014, Iran	ICDT	MC's	
		2016, Africa/Asia	ICDT	MC's	
	d. Tourism Fair of Islamic Countries (OIC TOURISM)				

2. Trade Promotion Coordinator: ICDT

			2009	COMCEC	OIC General Secretariat, MC's
3.1 Expedite the ratification of PRETAS by the MCs	a. Implementation of PRETAS		2009	COMCEC	COMCEC Coordination Office
	b. Training Seminar on PRETAS for North Africa (CENCAD, AMU and Middle East)		2009	ICDT	COMCEC Coordination Office
	c. Training Seminar on PRETAS for Central Asia and ECO Countries		2010	ICDT	COMCEC Coordination Office
	d. Training Seminar on PRETAS for WAEMU Countries		2011	ICDT	COMCEC Coordination Office
	e. Training Seminar on PRETAS for ECOWAS Countries		2012	ICDT	COMCEC Coordination Office
	f. Training Seminar on PRETAS for South East and South Asia Countries		2013	ICDT	COMCEC Coordination Office
	g. Training Seminar on PRETAS for COMESA Countries		2014	ICDT	COMCEC Coordination Office
	a. Forum on "Trade Efficiency and the Role of the Customs in the Context of International Trade		Every Two Years	ICDT	COMCEC, ITFC, WCO, MC's
	b. Seminar on "Transport Facilitation and Intra-OIC Trade"		Every Two Years	ICDT	OISA, ITFC, UNCTAD
	c. Expand the relationship between Bakkah Shipping Company (OISA Project); IDB Group and ITFC		Needs Further Details	OISA	IDB, ITFC
	d. Opening new branch of Islamic Protection and Indemnity Club "IPIC" (OISA Project) in Jakarta, Indonesia		Needs Further Details	OISA	MC's
	e. Signing the Statute of OISA by the member states which have not done so		Needs Further Details	OISA	MC's
	f. Registration of member states maritime companies' suitable tonnage with Islamic P&I Club Branches in Tehran, Dubai and Jakarta		Needs Further Details	OISA	MC's, COMCEC
	3.2 Conduct meetings on specific infrastructure issues which will have a direct impact on trade facilitation	a. Meeting of the TPO's for evaluation of export performance and competitiveness of OIC-Member Countries		October 2009, Egypt	ICDT
b. 1 st Annual Meeting of the Export Promotion Centers of French Speaking OIC Member Countries			2009, Guinea	ICDT	MC's, ITFC, ICCI
c. Establishment of Trade Information Facilitation System			2009	ITFC	ITC
d. Meeting on Aid-for-Trade for ESCWA Region			2009	ITFC	WTO, ESCWA
e. Expert Meeting on Aid-for-Trade Road Map for SPECA Region			2009	ITFC	WTO, UNDP, Azerbaijan
f. Ministerial Meeting on Aid-for-Trade Road Map for SPECA Region			2009	ICDT	ITFC, ITAP/ICIEC, World Bank
g. Meeting of Investment Promotion Agencies for the Evaluation of Investment Performance and improvement of doing business in OIC Member Countries			2009	ICCI	ICDT, ITC
h. Development of a database in order to facilitate commercial exchanges as well as cooperation and coordination			2009	SESRIC	OIC's Institutions
i. preparation of a framework for statistical activities coordination among OIC Institutions			Needs Further Details	ICDT	MC's, ITFC
j. Launching of a trade facilitation Programme (Needs Further Details)			Needs Further Details	ICDT	Needs Further Details
k. Setting up of an observatory on procedures of Intra-OIC trade (Needs Further Details)			2009, Malaysia	ITFC	ICDT, MC's, ICCI, ITC
OIC TPO's Meeting					
Establishment of Business Owners Union			2009	ICCI, COMCEC	IDB Group
3.3 Enhance partnership with TPOs in MCs		3.4 Continue to conduct annual meetings for TPOs in MCs			
	3.5 MCs to ease visa processes for member country businessmen				
3. Trade Facilitation Coordinator: ICDT					

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		r. Competition trade intelligence and export decision making	2012	ICDT	IDB, ITC
		s. Training course on enterprises strategy and international marketing	2013	ICDT	IDB, ITC
		t. Export Auditing and capacity building of the SMEs for Arab States.	2014	ICDT	IDB, ITC
		u. Seminar on "The Project on the Intra-OIC Free Trade Area	2009	ICDT	IDB Cooperation Office, MC's
		v. Launching of feasibility study on "the project of intra-OIC Free Trade Area"	2010	ICDT	IDB Cooperation Office, MC's
		w. Seminar on Regional economic grouping within the OIC: Current status and prospects	Needs Further Details	Needs Further Details	Needs Further Details
		x. Training courses and forum on e-commerce and technical assistance (Needs Further Details)	Needs Further Details	ICDT	ITFC
		y. Follow up of the Multilateral Trade Negotiation in this sector and coordination of Member States' positions with a view to setting up of a common negotiations platform	Needs Further Details	ICDT	Needs Further Details
	5.2 Organize seminars on 'best practices' for MCs	a. OJT for staff of TPOs of MC's on Foreign Trade Bridges	2009, Turkey	ITFC	ITC, ICDT, ICCI, FTTC, MCs, TUSKON, Chambers of Commerce
		b. OJT for Officials and staff of Chamber of Commerce of the AMCs	2009, Saudi Arabia	ITFC	ITC, ICDT, ICCI, FTTC, MCs, TUSKON, Chambers of Commerce
		c. OJT for Trade Mapping	2009, Egypt	ITFC	ITC, ICDT, ICCI, FTTC, MCs, TUSKON, Chambers of Commerce
		a. Develop High Trade School of Tunisia	2009, Tunisia	ITFC	ITC
	5.3. Cost sharing schemes for marketing and enhancing of exports	b. Training Seminar on Doha Development Round	2009	ITFC	ITC
		c. Help to develop the training Department of IGEME	2009, Turkey	ITFC	ITC
		d. Help to develop the training department of MATRADE	2009, Malaysia	ITFC	ITC

ANNEX

XIII

Original : English

**WTO-RELATED TECHNICAL ASSISTANCE AND
CAPACITY BUILDING PROGRAMME FOR
THE OIC MEMBER STATES**

by IDB

I. BACKGROUND

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 foster cooperation among multilateral institutions.

In addition to the original “General Agreement on Tariffs and Trade” (GATT) 1947 as subsequently amended., the WTO’s mandate also includes 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 other plurilateral trade agreements. 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 these developments, the IDB Group embarked upon an intensive Technical Assistance and Capacity Building Program (WTO-TAP) to help OIC member countries to upgrade their human and institutional resources on WTO issues. The resolutions adopted at the subsequent sessions of the COMCEC provided further guidance to the IDB's efforts in that direction.

IDB 1440H Vision, under which one of the strategic thrusts titled “*Facilitate Integration of Member Country Economies among Themselves and with the World*”, encourages the IDB to significantly enhance the capacity of the IDB Group to provide

training, technical expertise and policy advice to the LDMCs to assist them in WTO negotiations and accession,

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 ranges from providing basic awareness modules on WTO Agreements and related matters and organizing expert meetings on various issues, to consultative meetings at the highest level.

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. 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 Country Members' suggestions/inputs as, essentially, this has always been and remains a demand-driven program.

In fact, and in response to the increasing demands of the OIC members, 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 processes. 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)

Having regard to the different needs and priorities of the 57 OIC Member Countries (out of which 40 are members of the WTO and 13 are in the accession process), and guided by the objective of enhancing both the institutional and human capacity member countries, 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.

Consultative Meetings

The IDB has organized 24 consultative meetings to date for the OIC member countries chiefly in preparation for the WTO Ministerial Conferences, but evaluation meetings are also organized after Ministerial Conferences, 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.

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 under negotiation, such as market access, customs and trade administration, agriculture, textile and clothing, sanitary and phyto-sanitary measures, technical barriers to trade, government procurement, 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.

IDB has organized 16 trade policy courses. One course is also planned for this year.

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.

So far; IDB has organized 38 seminars and 20 workshops.

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.

With a view to ensure that these studies are fully adapted to the needs of the OIC member countries, the IDB consults with the OIC member countries on the outlines of preparing the Terms of Reference (TORs) of these studies and holds brainstorming sessions where the drafts of these studies are discussed and reviewed by a pool of experts from the OIC member countries and other specialized institutions (WTO/UNCTAD/ESCWA/ITC etc).

In response to a request by the GCC Secretariat in June 2008, the IDB is now in the process of finalizing a study on the impact of tariff reduction in Non-agricultural

Market Access (NAMA) and agricultural negotiations on GCC common external tariff and bound rates.

In addition, IDB (Cooperation Office-WTO Unit) occasionally produces 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.

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.

Activities organized Under IDB's WTO-TAP since the 24th Meeting of the Follow-up Committee of COMCEC till the 25th Meeting of the Follow-up Committee of COMCEC

1. *Seminar on "Dispute Settlement, Anti-Dumping, Subsidies, Safeguards and Countervailing Measures", 1-4 June 2008, Riyadh, Saudi Arabia*
2. *Seminar on "Negotiations on Market Access", 3-5 June 2008, Bahrain.*
3. *Seminar on the "Use of TRIPs flexibilities", 9-12 June 2008, Casablanca, Morocco.*
4. *Seminar on "Development dimensions of the Doha Agenda", 21-23 July 2008, Tunis, Tunisia.*
5. *The fifteenth Trade Policy Course for Arabic speaking countries, Muscat, Oman, 11-29 October, 2008.*
6. *Workshop on "ACP/EU Economic Partnership Agreements for selected African Countries", Dakar, 13-16 October 2008.*
7. *Seminar on "Emergence of E-Commerce and its impact on economies of OIC Member Countries" 28-30 October 2008 Istanbul, Turkey.*
8. *The Sixteenth Trade Policy Course for French Speaking countries, Burkina, Faso, 2-20 February, 2009.*
9. *Seminar on "Rules of Origin", Egypt: 22-24 February, 2009.*
10. *Seminar on "Preference Erosion and Multilateral Trade Negotiations" (French-African Member countries) Dakar, 11-14 May, 2009.*

WTO-TAP Activities Planned for the rest of 2009

11. *Seminar on "Multilateral Negotiations under GATS"*
12. *Seminar on "Multilateral Trade Negotiations related to the Trade in Services" for African Member Countries*

13. *Trade Policy Course* for English speaking countries
14. *Workshop* on “Trade and Environment”
15. *Seminar* on “Non-tariff Barrier Impact on Market Access”
16. *Seminar* on “Accession”
17. *Seminar* on “Trade Facilitation”
18. *Consultative Meeting* for Geneva-based Missions
19. *Seminar* on “FTA’s and RTAs”
20. *Workshop* on “Impact of NAMA and Agricultural Negotiations on GCC Tariff Regime”

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	11 April 2000		
19. Kuwait	1 January 1995		
20. Kyrgyz Republic	20 December 1998		

WTO Members	Date of Accession	Observers	No Status
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		
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

XIV

Original: French

REPORT ON
THE ISSUES RELATING TO THE ACTIVITIES
OF THE WORLD TRADE ORGANISATION

by ICDT

B A C K G R O U N D

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.

I/ 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.

¹ This report takes stock of WTO negotiations as of 31st October 2005.

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.

II/ 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 timetable.

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 wells 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 RACHDI, 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:

- Humayun 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.

I/ 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.

II/ 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 little 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 determining 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

² The G20 includes 4 OIC member States: Egypt, Indonesia, Nigeria and Pakistan.

flexibilities, particularly in the case of sensitive products, but the situation is less clear with respect to special products.

- 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.

- Failure of WTO Negotiations, Geneva, July 29th, 2008:

At the end of nine days of negotiations in Geneva on trade liberalization at world level, the participating countries failed to agree on reducing agricultural subsidies and tariffs on agricultural and industrial products.

The special safeguard mechanism (SSM) was widely seen as the immediate cause of the breakdown of negotiations. Blocking this mechanism had not allowed other issues, including cuts in cotton subsidies and protections of food names based on domain names, to be dealt with during discussions.

Indeed, divergence on the size, which imports should have in order to justify the highest safeguards measures, proved to be irreconcilable after discussions, despite "more than 60 hours of negotiations" devoted to attempts to reduce gaps. Those who feared that the backup would lead to a disruption of normal trade wished this backup to be as high as possible. Those who feared that the backup is not operational, if it was too burdensome, wanted a trigger down.

According to the G-33, which includes India and China, 'trigger' was too high to guarantee that farmers would not be affected by outbreaks of subsidized agricultural imports from developed countries. The group wished that the highest MSS measures would be triggered by increases in import volumes by 10% or more with the safeguard rights ceiling to 30% above consolidated current levels.

According to some sources, one option would have meant an increase of 15 to 20% of import volumes as 'trigger', with corrective measures equivalent to 30% of consolidated current rates or 8 percentage points. A consecutive trigger of 35 to 40% of import volumes has been linked to corrective measures or 50% of consolidated tariff levels, or 12 percentage points. The difference between the percentage of consolidated rates and the number of percentage points would be particularly relevant for countries seeking to export to China which has low tariff levels because of its accession terms (to add 8 points percentage to the tariff ceilings 8% is equivalent to an increase of 100%, to add 30 percentage points to reach 38%, is considered a much higher increase).

The United States would not have changed their position, arguing that a 40% increase in import volumes was the lowest trigger possible, which they could accept for the MSS corrective measures, which go beyond current consolidated tariff ceilings.

With the failure of the summit in Geneva, the next step for the Doha round, already in its seventh year, is not yet clear. It may need to wait long for any renewal in world trade talks. The U.S. presidential election in November will restrict decision on trade issues for the rest of the year, and many fear that the year 2009, in the context of political changes in the U.S. and Europe, and elections in India, world trade would be put on hold.

SECTION II

THE OIC MEMBER STATES WHOSE ACCESSION TO THE WTO IS IN PROCESS

The total number of the WTO Member reached 153 countries with the accession of Cape Verde on 23rd July 2008 of which 39 are OIC Members, that is to say more than 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 adhesion 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-mémoire 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.

A Summary of Points raised — an informal document outlining the discussions in the Working Party — was prepared by the Secretariat and circulated in December 2008.

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.

A draft Working Party Report was circulated in October 2008. Bilateral market access

negotiations are underway on the basis of revised offers on goods and services. The sixth meeting of the Working Party was held in February 2009.

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.

At this fifth meeting of the working party for Lebanon's accession to the WTO, members agreed to draft a first report, which will outline the terms of its membership.

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.

On 24 October 2008, WTO members reviewed Yemen's legislative reforms to bring its trade regime in line with WTO rules. Members also evaluated the progress made in the ongoing bilateral negotiations on market access for goods and services.

They also acknowledged Yemen's least-developed country (LDC) status and will take it into account in their negotiations to determine Yemen's concessions on market access and time-frames for implementing its commitments on rules. As an LDC, Yemen can also avail itself of technical assistance for reforming its trade regime and implementing its WTO obligations. In this regard, Yemen's Trade Minister stated that "Yemen seeks this Working Party's kind consideration to avail itself of all the flexibilities and special arrangements provided to LDCs, including transitional periods and technical assistance". The Members announced that a 7 million technical assistance program will be devoted to Yemen's accession.

Review of trade legislation:

Yemen has passed new legislation on intellectual property and is currently reforming its customs law.

Members requested more information regarding the reforms undertaken on trading rights, investment regime, import restrictions, customs valuation, subsidies, technical barriers to trade, and the trade-related aspects of intellectual property rights.

Bilateral negotiations:

Yemen has concluded its bilateral negotiations with China. Negotiations are ongoing with Australia, Canada, the EC, Japan, the Republic of Korea and the US.

In this regard, the Members stated that the goods negotiations were close to completion while some questions remained pending on services.

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).

Comoros has not yet submitted a Memorandum on the Foreign Trade Regime. The Working Group has not met.

Country	Date of the setting up of a working group	Chairman of the working group
Afghanistan	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

Summary Table of Ongoing Accessions (Updated April 2009)

	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	Apr 2009							
Algeria	Jun 1987	Jun 1987	Jul 1996	Apr 1998/Jan 2008	10	Feb 2002	Nov 2007	Mar 2002	Nov 2007	Jun 2006
Azerbaijan	Jun 1997	Jul 1997	Apr 1999	Jun 2002/Dec 2008	6	May 2005	Feb 2008	May 2005	Mar 2007	Dec 2008 (FS)
Comoros	Feb 2007	Oct 2007								
Iran	Jul 1996	May 2005								
Iraq	Sep 2004	Dec 2004	Sep 2005	May 2007/April 2008	2					
Kazakhstan	Jan 1996	Feb 1996	Sep 1996	Mar 1997/Jul 2008	10	Jun 1997	May 2004	Sep 1997	Jun 2004	Jun 2008
Lebanese Republic	Jan 1999	Apr 1999	Jun 2001	Oct 2002/Feb 2009	6	Nov 2003	Jun 2004	Nov 2003	Jun 2004	Oct 2008
Libyan Arab Jamahiriya	Jun 2004	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)
Syria	Oct. 2001									
Tajikistan	May 2001	Jul 2001	Feb 2003	Mar 2004/Oct 2006	3	Feb 2004	Mar 2009	Feb 2004	Mar 2009	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/Oct 2008	5	Sep 2005	Aug 2008	Aug 2005	Aug 2008	Aug 2008

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 Qualité (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.

- Training Seminar on the “Use of TRIPS flexibilities by DCS provided for in the TRIPS Agreement”: 9-12 June 2008, Casablanca-Morocco.

Within the framework of the technical assistance of IDB extended to the Member Countries of the Organisation of the Islamic Conference (OIC) aiming at contributing to the efforts deployed by them to further enhance the capacity building of their human resources and institutions, the Islamic Development Bank (IDB) and the Islamic Centre for Development of Trade (ICDT), jointly organized a training seminar on the “Use of TRIPS flexibilities by DCS provided for in the TRIPS Agreement”. This seminar took place under the auspices of the Ministry of Commerce, Industry and the new technologies of the Kingdom of Morocco and in collaboration with the World Intellectual Property Organization from 9th to 12th June 2008 in Casablanca-Kingdom of Morocco.

The aim of this seminar is to inform participants on the flexibilities provided for in the implementation of the Agreement on the Trade Related Intellectual Property Rights and the means put at the disposal of Developing countries to enable them to benefit from it and hence achieve their developmental goals. The seminar also offered the opportunity to study the impact of the bilateral and regional Free Trade Agreements on the capacity of Developing countries to effectively profit by the indicated flexibilities in the Agreement, notably in the field of the protection of public health and traditional knowledge.

During the proceedings of this seminar, participants examined the practices, which impede competition and the relation of the Agreement with the Treaty of biodiversity, protection of the traditional knowledge, as well as the consequences of the Said Agreement on national policies in the field of Intellectual Property and the needs in the field of technical assistance of DCs and the LDCs.

Fifty officials representing 21 Member Countries of IDB, including Morocco took part in this seminar as well as experts from the different specialized world international and regional organizations (WIPO) moderated the different topics dealt with during the seminar.

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

XV

Original : English

**REPORT ON THE EXPANSION
OF INTRA-OIC TRADE
by ITFC**

Background

1. Since its establishment in 1395H (1975), the Islamic Development Bank's (IDB) has had as one of the main objective to promote and enhance intra-OIC trade and trade cooperation among member countries (MCs) in order to support economic development and integration of Ummah. This pursuit led to the recent establishment an autonomous international trade finance entity within IDB in order to effectively deal with trade finance and trade promotion in MCs - the International Islamic Trade Finance Corporation (ITFC).
2. The ITFC with an Authorized Capital of US\$3 billion and Subscribed Capital of US\$500 million took over all the trade finance business and trade cooperation programs of the IDB Group and under a single umbrella. The principal objective of the ITFC is to promote and enhance trade of member countries and to supplement the activities of the IDB by providing trade finance and engaging in activities that facilitate intra-OIC trade and international trade of MCs. The ITFC delivers these objectives through two parallel lines of approach: trade finance operations and trade cooperation and promotion program.
3. The ITFC fulfills its objective by undertaking the following functions:
 - finance trade, alone or in cooperation with other source of finance,
 - assist OIC MCs and institutions to have access to private and public funds, international markets for the purpose of financing trade,
 - assist in the development of investment opportunities in MCs to enable them enhance their international trade capabilities,
 - develop and diversify financial instruments and products for trade financing,
 - provide technical assistance and training to financial institutions and trade promotion organizations in MCs
 - encourage, promote and facilitate intra-OIC trade and international trade of MCs.

Trade finance operations and approvals

4. As explained above, the ITFC is charged with the responsibility for providing trade financing for economic operators in OIC MCs with particular emphasis on financing intra-OIC trade. As at date, the cumulative IDB Group trade financing stands at US\$31.8 billion with intra-OIC trade financing representing 75 percent of this total trade financing. ITFC commenced business activities at the beginning of 2008 and during this first year of operations, 70 trade finance operations in 24 OIC member countries were approved for a total of US\$ 2.5 billion. The total share of intra-OIC trade finance approval in 2008 was 83 per cent, representing a modest increase from 77 per cent achieved the previous year. A summary of IDB group trade finance approvals, from inception to date 1397H-1429H (1977-2009), is presented in below:
 - i. Import Trade Financing Operations (ITFO) US\$ 23.71 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\$ 906 million
 - v. ITFC Trade Finance Operations (1429H-2008G) US\$ 2.505 billion

5. Financing for small and medium size enterprises (SMEs) and LDMCs in member countries is one of the highest priorities for ITFC. In this regard, 44 per cent of total approvals in 2008 were in favor of entities in the SMEs category and 43 per cent went to LDMCs and assisting them to mainly import raw and semi-finished industrial products used the manufacture meant mainly for export markets.

6. Another area of focus for ITFC is the development of strategic commodities MCs particularly in LDMCs in order assist these countries alleviate poverty and sustain the jobs available in agro-industry sectors. Financing extended to the cotton sector in particular covers pre-harvest (input) and post-harvest (seed-cotton) purchase from farmers. By providing funds for production and trade of strategic commodities, the IDB Group (through ITFC) directly and positively impacts on poverty alleviation, creates new business opportunities, builds investment confidence in the LDMCs and enhances the export capabilities in MCs.

7. In 2008, the total direct financing extended by the ITFC to the cotton industry was US\$121 million. Similar financing is currently being explored for beneficiaries in other cotton producer member countries such as Turkey and

with time, the ITFC will expand this financing to other MCs from Central Asia and Sub Saharan Africa.

8. The SMEs are the main driving forces of the economies of many MCs, particularly for LDMCs and it is for this reason that ITFC is keen to promote new financing tools to boost financing for LDMCs and SMEs:
 - Two Step Murabaha Financing (2SMF) Lines for MCs' banks. A number of banks in Turkey and other countries have been availed with these Lines
 - Introducing new trade finance products such as L/C Opening, Supply Chain Trade Financing for strategic commodities (such as cotton);
 - Mobilizing resources from the market to meet the increasing funding requirements;
 - Strengthening ITFC's capabilities in structured trade financing;
 - Expanding the reach of ITFC with the planned establishment of branches;
 - Appointment of Focal Points in the existing IDB Regional Offices.

Trade Promotion

9. In addition to providing trade financing to member country governments and public, private enterprises in member countries to support their socio-economic development, the ITFC supports economic development of the Ummah through promoting and enhancing intra-trade and trade cooperation among OIC MCs. For this reason, the ITFC, on behalf of IDB Group, is charged to promote and enhance intra-trade and trade cooperation among Islamic Countries through its' Trade Cooperation and Promotion Program (TCPP).
10. TCPP is the trade promotion arm of ITFC. It is designed to deliver trade related technical assistance programs in cooperation with its international, regional and local trade partners under four business lines; trade promotion, trade facilitation, capacity building and development of strategic commodities. In 2008, ITFC through TCPP organized and/or supported 27 activities/projects under the four business lines of the program. A total of 36 member countries participated in these activities and/or received financial support from ITFC. The activities undertaken in 2008 include the following:
 - Meetings that cover trade information facilitation, capacity building, Aid-for-trade, intra-trade promotion, Halal food, development of strategic products, food crisis;

- Training courses on export strategies and international marketing were conducted for the benefit of some exporting companies/establishments (SMEs) in some member countries;
 - On-the-job trainings for the benefit of selected Trade Promotion Organizations (TPOs) and selected Chambers of Commerce;
 - Participation and facilitation of international trade exhibitions and business matching events with the participation of TPOs, exporting companies and establishments (SMEs);
11. The ITFC has positioned itself as a facilitator, catalyst and network builder among the TPOs and other trade related institutions of MCs. In this regard, the ITFC through TCPP is the first organization to bring TPOs of MCs together for the purpose of improving intra-trade. In 2008, the ITFC organized two meetings where TPOs of Arabic and French Speaking MCs were invited to discuss intra-trade issues and solutions for intra-trade development. In the current year, annual meeting of TPOs will be organized in November 2009 in coordination and cooperation with MATRADE where TPOs of all MCs will be invited.
 12. As part of the implementation of the OIC Ten Year Plan of Action under the Makkah Declaration 2005, the IDB Group ITFC and in collaboration with the COMCEC Coordination Office, SESRIC and the TOBB (Union of Chambers and Commodity Exchanges of Turkey) organized an Experts Group Meeting on 5-6 July 2008, in Ankara, Turkey to explore practical ways and means of helping achieve the 20% intra-OIC trade volumes target by 2015.
 13. The meeting prepared a Roadmap consisting of recommendations stated under five focus areas (Trade Finance, Trade Promotion, Trade Facilitation, Capacity building and development of strategic commodities) to help achieve the 20% intra-OIC trade volumes target and also put in place a monitoring mechanism to track progress. This Roadmap was subsequently adopted by the 24th COMCEC Ministerial Meeting in Istanbul in October 2008.
 14. Following the adoption of this Road-map, the first Consultative Meeting on this plan was held on 11-12 February 2009 at the ICDT Headquarter in Casablanca, Morocco. During the working sessions of the meetings, OIC organs, ITFC, ICDT, ICCI, SESRIC and OISA presented their activities and projects to be implemented in 2009 and subsequent years. The extended/detail implementation program of the EGM Road Map on enhancing intra-OIC trade was prepared.
 15. The IDB Group through ITFC continues to attach special importance to capacity building activities with particular emphasis on the needs of LDMCs and has since extended the number and geographic coverage of the related training programs. In 2008, ITFC with its training partners organized total of eleven

training seminars on export strategies and international marketing for SMEs and on job training programs for TPOs and chambers of commerce from MCs.

16. The IDB Group through ITFC enhanced its role in capacity building to advanced stages by leading and initiating technical assistance projects for strengthening and developing the training departments of some advance TPOs that will act as regional training centers for the benefits of other OIC MCs through offering on job training and specialized training programs on regular bases.
17. The ITFC also continues to build on partnerships and strategic alliances with other OIC institutions and with national organizations engaged in trade promotion activities. In this respect, in 2008, the following MoUs were signed and under implementation:
 - MoU with the Islamic Center for Development of Trade (ICDT) aimed at cooperating in trade promotion, facilitation and capacity building;
 - MoU between with TOBB aimed at organizing joint trade promotion and capacity building program as well as supporting Turkish entities venture into more trade relations with OIC member countries/entities;
 - ITFC and MATRADE agreed to sign an MoU to strengthen their cooperation and coordination in the planning and implementation of trade related activities.

ANNEX

XVI

Original: French

REPORT ON ISLAMIC TRADE FAIRS

by ICDT

A. 11th TRADE FAIR OF ISLAMIC COUNTRIES (TFOIC)

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 Côte d’Ivoire;
- Arab Republic of Egypt;

- Republic of Gabon;
- Republic of The Gambia;
- Republic of Guinea;
- Republic of Guinea Bissau;
- Republic of Indonesia;
- Islamic Republic of Iran (Private sector);
- State of Kuwait;
- Great Socialist People's Libyan Arab Jamahiriya;
- Malaysia;
- Republic of Mali;
- Islamic Republic of Mauritania;
- Kingdom of Morocco;
- Republic of Niger;
- Republic of Nigeria;
- Islamic Republic of Pakistan;
- Kingdom of Saudi Arabia;
- Republic of Senegal;
- Republic of Sudan;
- Syrian Arab Republic;
- Republic of Tunisia;
- Republic of Turkey;
- 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 4h 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.

2. 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 also to the efforts of the organisers; exhibitors from 32 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...

3. 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.

**B. THE 12th TRADE FAIR OF ISLAMIC COUNTRIES (OIC/EXPO)
(Egypt, from 11th to 16th October 2009)**

GENESIS:

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 14th 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;
- The 12th Trade Fair of the Organisation of the Islamic Conference Member Countries (OIC/EXPO) will be organised 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.

2/ 2nd Coordination Meeting:

Upon an invitation addressed by the General Organisation for International Exhibitions and Fairs (GOIEF) in Egypt, a delegation of the Centre paid a visit to the headquarters of the GOIEF to hold this meeting on 14th and 15th July 2008.

Both parties discussed the different ways and means to promote the Fair in the Member Countries of the Organisation of the Islamic Conference (OIC). In this regards, both parties discussed and agreed on a schedule, which was submitted by ICDT, for the promotional activities that shall be undertaken by them. At the outcome of the discussions, ICDT and GOIEF agreed on several points, particularly:

- ✦ ICDT shall provide GOIEF with a draft official letter /invitation that shall be sent by the Minister of Trade and Industry in Egypt to his counterparts in the OIC Member Countries;

- ICDT shall provide GOIEF with the addresses and contacts of the Ministries in charge of foreign trade in the OIC Member Countries;
- GOIEF shall prepare all the documents related to the Fair in the nearest future (exhibitor guide, brochures,).
- GOIEF shall submit to ICDT a list of touristic companies that might be able to offer services to the participants during the Fair. ICDT has to choose one of these companies to be an official partner;
- ICDT will organise a meeting with the Ambassadors of the OIC Member States accredited to Morocco to introduce the Fair. A delegation from GOIEF will attend this meeting.
- ICDT shall submit a proposal to GOIEF to define the missions that shall be conducted by each party in different Member States to promote the Fair. Some of these missions will be ensured by a joint delegation from ICDT and GOIEF.

2-1. The Press Conference:

Mr. Allal Rachdi, the Director General of ICDT and Mr. Sherif Abderrahmane Salem, Chairman of the GOIEF's Board of Directors held a press conference to officially announce the organisation of the 12th Trade Fair of the OIC Member States (Cairo, 11-16 October 2009). A large number of journalists and reporters attended this conference which was held in GOIEF's Headquarters in Cairo. While the Chairman of the Board of Directors affirmed that he is deeply confident and determined to ensure all the necessary conditions to make of the 12th Fair an exceptional edition to be crowned with an unprecedented success, Mr RACHDI highlighted the experience of ICDT in organising trade and specialized Fairs and the role of this kind of events in promoting trade and investment.

Finally, both parties agreed to hold the 3rd Coordination Meeting at ICDT's Headquarters in Casablanca in the first week of November 2008.

- Third Coordination Meeting:

Within the framework of the preparations of the 12th Trade Fair of the OIC Member States and following an invitation of ICDT, a Representative of the General Organisation for International Fairs and Exhibitions (G.O.I.E.F) from the Arab Republic of Egypt, paid a working visit to the Centre's headquarters from 1st to 3rd December 2008.

During this meeting, both parties agreed on the following tasks:

- ICDT has committed itself to promote this event in the AMU countries, in West Africa, in Sub Sahara African Countries and in Turkey;
- The G.O.I.E.F shall promote this event in the Gulf Countries, in Central Asia and in OIC South-East Asian Members Countries;
- The G.O.I.E.F shall prepare the documents relating to the Fair (the Exhibitor's manual, brochures...) in consultation with ICDT;
- Both parties will promote this fair through their respective web sites. A Special « Tijaris » will be devoted to this event ;
- Both parties shall promote this event at the OIC Institutional meetings, Fairs and Forums organised by both parties;
- The G.O.E.I.F undertakes to promote this event through its commercial

representations in the OIC Member states;

- ICDT and GOIEF will lead joint missions in Member States to promote this Fair.
- ICDT and G.O.E.I.F shall organise promotional meetings of the Fair intended to the Embassies of the OIC Member States accredited to Rabat and in Cairo.

Both parties have agreed to organise the following events on the sidelines of this event:

- Forum on “Trade and Investment in the Cotton Sector in the OIC Member States”; in implementation of resolution n°1, item 10 paragraph 7 of the 24th Session of the COMCEC held in Istanbul in October 2008;
- 7th Meeting of the TPOS of the OIC Member States:

At the end of this meeting, both parties agreed to organise the 4th Coordination Meeting at the headquarters of the G.O.E.I.F in Cairo in March 2009.

- 4th coordination meeting:

A delegation from ICDT visited Cairo on March 9th - 10th, 2009 to hold the 4th coordination meeting for the organization of this event.

This meeting, which was chaired by Mr. Abderrahman Salem Sheriff, Chairman of the Board of Directors of the GOIEF, was devoted mainly to discussions of various items of the agenda presented by the Egyptian side.

At the end of this meeting, both sides agreed upon the following points:

- ✓ ICDT undertakes to promote this meeting in the AMU Countries, in West Africa, in Sub Sahara African Countries and in Turkey ;
- ✓ The GOIEF will promote this event in the Gulf Countries, in Central Asia and in South-East Asian Countries, OIC Member States.
- ✓ The GOIEF undertakes to send to ICDT the Exhibitor’s Manual at the latest in Mid-April 2009, the Fair’s brochures in the 3 OIC languages were given to ICDT;
- ✓ A special « Tijaris » essentially devoted to this event will be prepared by ICDT in consultation with the Egyptian counterpart;
- ✓ ICDT and the GOIEF will promote this event in the institutional meetings of the OIC, the Fairs and Forums organised by both parties as well;
- ✓ The ICDT and the GOIEF will carry out joint missions in some Member States to promote this Fair.

Both parties have agreed to organise on the sidelines of this Fair the following events:

- ✓ Forum on « Trade and Investment in the cotton Sector in the OIC Member States», in implementation of resolution n°1, Item 10 paragraph 7 of the 24th Session of the COMCEC held Istanbul in October 2008;
- ✓ The 7th meeting of the TPO’s of the OIC Member States. In this connection a draft programme of this meeting was given by ICDT to the GOIEF.

At the end of this meeting, both parties agreed to hold the 5th Coordination Meeting at ICDT’s headquarters in Casablanca in May 2009.

**C. 13TH EXHIBITION FOOD/ HOTEL/ PROPAC ARABIA
(Jeddah, Kingdom of Saudi Arabia, 18-22 May 2008)**

In the context of the implementation of the objectives set by the 3rd Extraordinary Summit of the OIC, held in Mecca Al Moukarramah on 7th and 8th December 2005, in particular, the increase of intra-OIC Trade by 20% in the global trade of the OIC Member States by the year 2015;

And Following the Cooperation Agreement signed by the Islamic Centre for Development of Trade (ICDT) and the Saudi Company “Al-Harithy Company for Exhibitions Limited” In Jeddah on 18th May 2008, with the distinctive presence of H.E Prof Dr. Ekmeleddin IHSANOGLU, Secretary General of the Organisation of the Islamic Conference (OIC);

The Islamic Centre for Development of Trade and Al-Harithy Company for Exhibitions Limited, organised the 13th Food/ Hotel/ Propac Arabia from 18th to 22nd May 2008 in Jeddah, this Exhibition was attended by a dozen OIC Member States as well as by 10 Countries from Europe and Asia.

Reminder:

Further to the letter of the OIC General Secretariat dated 31st October 2007, asking ICDT to coordinate with Al-Harithy Company for Exhibitions Limited, “*in the organisation of the OIC pavilion where OIC Member Countries will have the opportunity to exhibit their productions*” at the 13th Food/ Hotel/ Propac Arabia held in Jeddah from 18th to 22nd May 2008, ICDT initiated a cooperation programme with Al-Harithy Company based in Jeddah, Kingdom of Saudi Arabia.

In this context, ICDT sent an invitation to Al-Harithy Company to participate in the 11th Trade Fair of the OIC Member States, jointly organised by the Islamic Centre for Development of Trade and the International Centre for Foreign Trade of Senegal from 21st to 25th November 2007 at "the International Exchange Centre of Dakar". The aim of this invitation was to hold the first coordination meeting between ICDT and the Company but also to promote Food Arabia 2008 at the level of the participants of OIC Member States.

As agreed in the first coordination meeting, the Islamic Centre for Development of Trade took many steps to promote this important exhibition, mainly:

- ✦ Forwarding of official invitations to all the OIC Member States to participate in this event;
- ✦ Sending of invitations to Trade Promotion Organs in the OIC Member States to participate in Food Arabia 2008.
- ✦ Promotion of this event on the web site of ICDT and its magazine TIJARIS

The Second Coordination Meeting took place at ICDT's Headquarters in Casablanca in February 18th, 2008. Both parties evaluated the level of OIC Countries' participation in this event and agreed on many other actions. During this meeting, both Al-Harithy Company and ICDT, being motivated by their long experience in the field of exhibitions' organisation and trade promotion, have decided to enhance their cooperation and to exchange their experiences by signing a cooperation agreement on the organisation of Trade Fairs and economic events in the OIC Member States.

In compliance with the provisions of the Cooperation Agreement, both parties will draw up a list of events and sector-based shows and Exhibitions to be jointly organised in the OIC Member States in order to contributing to the expansion of intra-OIC trade and make known the market potentialities in the different Member Countries.

Both parties drew up a 2009/2010 work programme for the joint organization of sector-based exhibitions and seminars on trade and investment in the OIC member States, notably the organization of the following events:

- Forum on "innovation, Entrepreneurship and Franchising" December 2009, Dubai-United Arab Emirates;
- Exhibition on "Investments and Real Estate Projects in the OIC Member States" February 2010-Qatar;
- Exhibition on Handicrafts in the OIC Member States;
- Business Forum between Sub Sahara African Countries and the Rest of the OIC Member States, Casablanca 2010.

**D. 2nd TOURISM FAIR OF THE OIC MEMBER STATES
(Lebanon, 26th – 28th June 2009)**

1/ BACKGROUND:

In compliance with the recommendations of the 2nd and 3rd Islamic Conferences of Tourism Ministers of the Member States of the organisation of the Islamic Conference (OIC), held respectively in Malaysia (12-13 October 2001) and in Saudi Arabia (6-9 October 2002) and to the resolutions of the 18th Session of the Standing Committee for Economic and Commercial Cooperation among the OIC Member States (COMCEC), held in Istanbul from 22nd to 25th November 2002, the Islamic Centre for Development of Trade (ICDT) organises the Second Tourism Fair of Islamic Countries (OICTOURISM- 2007) in Lebanon.

It should be recalled that ICDT organised the 1st Tourism Fair of Islamic Countries (OICTOURISM), which was a tremendous success from 24th to 26th November 2005 at CNR-EXPO in Istanbul. The first edition was attended by 15 OIC Member countries and by about 350 operators representing the different services linked to tourism.

The main objective of the Fair is to promote and encourage tourism among the Member states of the Organisation of the Islamic Conference while taking into consideration the vital role of the tourism sector in the development of economy and the intensification of trade flows.

2/ PRELIMINARY MEETINGS:

During the First Edition of the **OICTOURISM** held in November 2005, the Islamic Centre for development of Trade held a preliminary meeting with the officials of the Republic of Lebanon, with a view to discussing the modalities of the preparations of the 2nd edition of the Fair, which was scheduled to be held in Beirut in 2007.

During this meeting, both parties have agreed to start as soon as possible the preparations of the 2nd edition of the Fair and launch a promotional campaign with reasonable deadlines. To that effect, Mr. Allal RACHDI, Director General of ICDT gave to the Lebanese officials a draft Memorandum of Understanding that will be discussed at a subsequent meeting.

During this meeting, both parties had agreed to organise the OICTOURISM-2007 in the first week of June 2007 and to keep the theme of the Fair for the next edition: “OICTOURISM: a meeting point of peace and tolerance”.

3/ FIRST COORDINATION MEETING:

Upon the invitation of the Ministry of Tourism of the Republic of Lebanon, the organizational committee of the 2nd Tourism Fair of the OIC Member States, held a meeting at the headquarters of the Ministry in Beirut, the Republic of Lebanon from January 30th to February 1st, 2006 and discussed the following agenda items:

2. The adoption of a draft Memorandum of Understanding;
3. The incentives offered to participants;

4. The promotional Campaign;
 5. The fair's opening programme;
 6. The date and venue of the 2nd coordination meeting.
1. Strongly willing to ensure the best conditions of success to this event, both parties examined the items of the draft memorandum of understanding in a friendly atmosphere marked with good comprehension. After its adoption, the memorandum was initialled by both parties. It will be submitted for final signature at the 2nd coordination meeting scheduled to be held in Casablanca in June 2006.
 2. In compliance with the provisions of the Memorandum of Understanding, the Lebanese party shall grant facilities and incentive rates to participants as regards transport, freight, and stay and customs clearance. With a view to inciting the OIC Member States to participate massively in the fair, the Lebanese part will also fix an adequate cost for the square meter at "Beirut International Exhibition & Leisure Center" (BIEL) on the basis of the costs which were applied in similar events held in the Republic of Lebanon. Fares will be conveyed to ICDT within 15 days after the end of the meeting.
 3. Both parties convened that the promotional campaign for the organisation of the fair will be launched as soon as possible in order to ensure the largest possible participation of the OIC Member States. The campaign will also concern the most important institutional meetings of the OIC as well as the regional and international exhibitions in which the republic of Lebanon will take part. Joint actions could also be led by both parties during this event. Common delegations shall be sent to meet the competent authorities in Member States so as to incite them to massively participate in the second edition of the Tourism Fair of Islamic Countries (*OICTOURISM*). To that effect, the Lebanese party will prepare, in collaboration with ICDT, the necessary promotional products within 15 days from the date the Memorandum of Understanding has been initialled.
 4. H.E. the Minister of Tourism of the Republic of Lebanon will officially invite his counterparts in the OIC Member States to attend the fair's opening ceremony which will be held under the aegis of H.E. the Prime Minister of the Republic of Lebanon. The Lebanese party will also convey official invitations to the eminent personalities of the OIC Member States. To that effect, ICDT will convey to the Lebanese party a list of the names of the personalities to be invited, namely H.E. the Secretary General of the Organisation of the Islamic Conference who must be specially treated. For its part, the Islamic Centre for Development of Trade will send invitations to the Tourism Ministries of the OIC Member States and to the tourism institutions in these countries.

ICDT will organise a workshop on the sidelines of the fair under the theme: "Partnership and the promotion of tourism industry in the OIC Member States ", the program of this event was conveyed by ICDT to the Lebanese party. The latter will prepare a conference room for this purpose.

The Memorandum of Understanding being initialed on 1st February 2006, His Excellency the Minister of Tourism of the Republic of Lebanon announced solemnly during a press conference organised to that effect, the holding of the 2nd Edition of the

Tourism Fair of the OIC Member Centre at Beirut International Exhibition & Leisure Center” (BIEL) in Beirut from 22nd to 24th June 2007 as well as the launching of the preparatory works of this event.

Besides, participants visited the Biel Exhibition Centre of Beirut where they held a meeting with Mr. Rami JOUEIDI, Biel Deputy General Manager who has kindly accepted the request of ICDT concerning the granting of incentive rates to exhibitors for the 2nd Tourism Fair of the OIC Member States with a view to inciting them to massively participate in this event.

It is worth mentioning that the Beirut International Exhibition & Leisure Center (Biel) consists of 10,000 sq m, indoor space and of 25,000 sq m of outdoor space. Biel is one of the largest and most modern complexes of its kind in the region. It is ideally located at the heart of downtown Beirut and on the waterfront of the Mediterranean Sea. It is equipped with an ample parking with a capacity of 3000 vehicles.

e) Both parts agreed that the second coordination meeting for the organisation of the 2nd Tourism Fair of the OIC Member States will be held in Casablanca by July 1st, 2006 at the latest.

4/ PROMOTIONAL CAMPAIGN:

In compliance with the Memorandum of Understanding concluded between the Islamic Centre for Development of Trade and the Lebanese Ministry of Tourism for the organisation of the 2nd Tourism Fair of the OIC Member States (OICTOURISM-20007, from 22nd to 24th June 2007 in Beirut), the Centre launched a promotional campaign of this event, on the occasion of the “Arab Travel Market-2006”, which was organised from 2nd to 5th May 2006 in Dubai World Trade Centre.

During this show, which is renowned as being the 3rd biggest tourism show in the world, the ICDT’s representative accompanied by the representative of BIEL Centre, held two meetings with the delegations of 17 participating Member Countries, at which he tackled the OICTOURISM, the success of the 1st edition while laying stress on the advantages offered by the participation in the second edition. The delegations that were contacted have expressed their wish to participate in this event.

5/ SECOND COORDINATION MEETING:

The second coordination meeting that was initially scheduled to be held in July 2006 has been postponed because of the “Israel” attacks perpetrated against Lebanon. Organisers have agreed to hold this meeting in the holy month of Ramadan. Besides, ICDT sent invitations to Ministers and senior officials of Tourism in the OIC Member States to take part in this event.

However, in view of the late events experienced by Lebanon in July 2006, it has been decided to defer the holding of the Fair until the year 2008 in compliance with a proposal made by the Ministry of Tourism of the Republic of Lebanon. Upon this decision, both parties have agreed to organise the Second Tourism Fair of the member States of the Organisation of the Islamic Conference from 6th to 8th June 2008.

In compliance with the resolution of the 23rd Session of the COMCEC held from 14th to 17th November 2007 in Istanbul, which called on the Republic of Lebanon to

confirm its offer to host the 2nd Tourism Fair of the OIC Member Countries, ICDDT organised the 2nd Preparatory Meeting of the Fair in Beirut on 14th and 15th December 2007 with the Lebanese Ministry of Tourism and BIEL Centre.

At this meeting, discussions dealt with the following points:

- Confirmation of the offer of the Republic of Lebanon to host the 2nd Tourism Fair from 25th to 27th July 2008 in BIEL Centre in Beirut. The Lebanese party has asserted that this new date has been decided taking into account the particular circumstances undergone by the country;
- Drawing up of promotional and organisational programme by organisers;
- Preparation of an exhibitor's manual, brochures and other promotional materials by BIEL Centre;
- Holding of the 3rd Coordination Meeting at ICDDT's headquarters on 22nd and 23rd January 2008.

In compliance with the results of the 2nd Coordination Meeting, ICDDT sent official letters to the OIC Member States informing them of the new date and inviting them to participate in this event.

6/ Third Coordination Meeting:

A Delegation from BIEL Centre went to Casablanca on 22nd and 23rd January 2008 to attend the 3rd Coordination Meeting for the organisation of the 2nd Tourism Fair in the OIC Member States.

At this meeting, both parties have discussed the promotional programme of the Fair, particularly the participations in specialised exhibitions and targeted visits to a number of the OIC Member Countries. Both parties have also agreed the following:

- BIEL Centre has undertaken to send to ICDDT new brochures of the fair containing the new date of the fair before the end of February;
- Both parties will carry out a joint mission to participate in the tourism show in Istanbul (EMITT 2008), scheduled from 14th to 17 February 2008;
- The Lebanese party and ICDDT will promote the event at the 11th Ordinary Summit Conference of the OIC heads of States, scheduled from 13th to 15th March 2008 in Dakar.

Towards this end, the mission relating to the second point was effectively carried out. In fact, a Joint Delegation composed of the Representatives of ICDDT and the BIEL Centre have participated in the 12th Edition of the "**East Mediterranean International Tourism and Travel**" that was organised from 14th to 17th February 2008 in Istanbul. During this event, the concerned Delegation has contacted the officials of Stands and heads Delegations from all participating countries in EMITT 2008. During these meetings the 2nd Tourism Fair of the OIC Member States was presented to participants, as well as the opportunities it provides to participants, particularly, in the field of trade relations and trade and investment opportunities in the field of tourism.

7/ Postponing of the holding of the Fair:

Taking into consideration the election of a new President of the Republic of Lebanon and the consultations regarding the government formation, a new Tourism Minister was appointed less than two weeks from the date of the holding of the Fair. In this regards, and in order to ensure the best conditions for the organization of the mentioned event, the Ministry of Tourism in Lebanon has decided, in coordination with the ICDT, to postpone the organization of the 2nd Tourism Fair for OIC Member Countries (OICTOURISM-2009) till the year 2009.

Consultations between both parts continue in order to fix a convenient date for the holding of this Fair with full success.

ICDT received on 17th June 2008 an official letter from the Ministry of Tourism of the Republic of Lebanon informing it of the decision of its country to defer the holding of the 2nd Tourism Fair of the OIC Member States to a subsequent date.

In this respect, the Islamic Conference of Tourism Ministers held from 29th June to 2nd July in Damascus in Syria adopted a resolution confirming the postponement of the holding of the 2nd Tourism Fair of the OIC member States until the year 2009. Following this resolution, ICDT sent an official letter to the Lebanese Ministry of Tourism to agree in common on the new date of this event.

After consultations, both parties agreed to hold the Second Tourism Fair of the OIC Member States (OIC/Tourism) from 26th to 28th June 2009 in BIEL Centre in Beirut.

8/ 4th coordination meeting :

Upon an invitation by the Ministry of Tourism of the Republic of Lebanon, a Delegation from ICDT went to Beirut on 12th and 13th March to hold a coordination meeting with the Ministry of Tourism of the Republic of Lebanon and the Officials of the Beirut International Exhibition & Leisure Center” (BIEL) for the organisation of the 2nd Tourism Fair of the OIC Member States scheduled to be held from 26th to 28th June 2009 in Beirut, Republic of Lebanon.

During this meeting discussions focused on the following points:

- ✓ Confirmation of the holding of the 2nd Tourism Fair of the OIC Member States from 26th to 28th June 2009 in BIEL Center in Beirut;
- ✓ Transmission of the official letters by the Lebanese Ministry of Tourism to its counterparts in the OIC Member States;
- ✓ Promotional Campaign of this event in the OIC Institutional Meetings , Fairs and Forums organised by both parties ;
- ✓ Preparation of the Exhibitor’s Manual, brochures and other promotional material by BIEL Center ;
- ✓ Activities on the sidelines of the Fair ;
- ✓ Date and venue of the 5th coordination meeting.

Following these discussions, the BIEL Center has committed itself to send to ICDDT new brochures of the Fair containing the new date of this event and to insert in the Exhibitor's Manual all the facilities concerning transport, freight, hotels and the customs clearance of commodities. Incentives will be provided by the Lebanese Ministry of Tourism concerning the accommodation of participants so as to ensure a massive participation of Member States.

Joint Delegations shall be sent to some Member States with a view to inciting the authorities of these countries to participate in the second edition of the Tourism Fair of the OIC Member States.

On the sidelines of this event a workshop on « Partnership and the Development of the Tourism Industry in the OIC Member States » will be organised. ICDDT will convey a draft programme to the Lebanese party, which will provide to the workshop an equipped Meeting Room.

At the end of this meeting, both parties agreed to hold the 5th coordination meeting at ICDDT's Headquarters in Casablanca in May 2009.

ANNEX

XVII

Original : English

**REPORT ON THE
ACTIVITIES OF THE ISLAMIC CHAMBER
by ICCI**

PREAMBLE

The global economic situation is presenting challenges which need to be addressed. In order to face these challenges in an effective manner private sector can play an important role, and they can steer the economy gradually to a productive end.

Islamic Chamber being the major representative of the private sector has formulated its programs to meet these economic crises. As a mechanism to implement the OIC 10-Years Program of Action the Islamic Chamber has made its 10-Year Work Plan. The progresses achieved in this regard are as follows:

1. Under the **International Islamic Company for Exploration of Investment Opportunities & Promotion of Intra-Trade (FORAS)**, the company has initiated 24 projects in Africa, namely Sudan, Egypt, Benin, Senegal, Mali, Uganda, and Mauritania.

Keeping in view of the global food crisis and to address the food security in OIC Member States, Islamic Chamber emphasizes the importance of investing in this sector by establishment of companies under FORAS in the member countries with comparative advantage in food production.

Within the framework to formulate a Common Framework for Integration and Coordination of Policy & Strategy of Science & Technology for Development among OIC Institutions and Member Countries, ICCI is actively participating in the Meetings of the OIC Task Force for Vision-1441 for S&T. FORAS has taken up the responsibility of implementing the Four Mega Projects.

2. In order to facilitate business community of Islamic World, ICCI has established **Business Owners Union (BOU)** and its membership has been obtained by 18 Federations and Chambers.
3. **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.
4. **Tourism Forum:** The Second Forum of Tourism in Islamic Countries has just been concluded in Tehran from 28-30 April, 2009, in cooperation with Islamic Development Bank (IDB), Ministry of Tourism, Islamic Republic of Iran, Iranian

Privatization Organization and Iran Chamber of Commerce, Industries & Mines (ICCIM). As the positive outcome of the First Forum a Tourism Promotion Company has been declared with a capital of US\$100 million and was duly launched during the Second Forum.

5. In order to implement ICCI's 10-Year Work Plan and as well as for the economic future of the Islamic World, ICCI has initiated a project "**Ommar Al-Ard**". The objective of the project is to involve the youth of the Ummah, 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.
6. **Private Sector Meetings:** Since 1994, Islamic Chamber is regularly organizing these meetings. Within the Islamic World, it was a pioneering concept introduced by the Islamic Chamber to provide a common platform for the private sector of the Islamic countries to converge, meet and discuss areas of mutual cooperation, to find new markets, new investment areas and new trading partners. Till now 12 Private Sector Meetings have been held. The 12th Private Sector Meeting was held in Uganda on 16-18 June 2008. The meeting was attended by around 600 delegates from 26 OIC Member States, 5 non-OIC Countries including the General Secretariat of the Organization of the Islamic Conference and its Institutions. During these meetings some very important recommendations were emerged, which were duly taken up by the concerned institutions and governments.

The 13th Private Sector Meeting (Second OIC Business Forum) would be held in Damascus, Syria from 21-23 May, 2009 concurrently with the 36th Council of Foreign Ministers.

7. **Businesswomen Forum:** Realizing the economic potential among the businesswomen and also to endorse the Millennium Development Goals on gender issues the Islamic Chamber 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. So far four (4) Meetings have been held. These Meetings have been held with the collaboration of the Islamic Development Bank, the related local chambers and Women Associations. The Special Unit for South-South Cooperation (SU-SSC), UNDP is also extending financial support for these Forums. It may be mentioned that the successes of the Businesswomen Forums and the recommendations adopted therein were duly followed and implemented which led to the establishment of:
 - Businesswomen Information Network (www.oic-bin.net);
 - Family Bank in Sudan with a capital of US\$35 million;
 - Incubation Center and Buying House in Pakistan;
 - Islamic Solidarity Fund for Development for poverty reduction by IDB with the capital of US\$10 billion.

In addition, keeping in view the enthusiasm of the women entrepreneurs, it is expected that the future Businesswomen Forum would have greater success and would achieve more positive outcomes.

The Fifth Forum for Businesswomen in OIC Countries would be held in Arab Republic of Egypt in December 2009.

8. **Activities related to the collection and dissemination of statistical information:**
 - a. **OIC Businesswomen Information Network (www.oic-bin.net):** Islamic Chamber in collaboration with the Islamic Development Bank has developed a dedicated web portal for the businesswomen in OIC Countries (www.oic-bin.net).
 - b. **ICCI-DataBank:** With the support of IDB and UNDP's Special Unit for South-South Cooperation, Islamic Chamber is working on the modalities of the DataBank with the objective to collect up-to-date economic data and the mission is to disseminate statistical information year-wise, in addition to provide comprehensive information about the investment opportunities in the Islamic world, especially about industries, trade, agriculture. In this regard, ICCI has signed an MOU with UNDP's Special Unit for South-South Cooperation on the occasion of 5th Annual United Nations Day for South-South Cooperation and Global South Development Expo 2008.
 - c. Islamic Chamber is also a member of the **Statistical Working Group** which emanated from one of the recommendations of the Expert Group Meeting on Statistical Capacity Building. The objective is to monitor progress of goals and targets set in the OIC Ten-Year PoA, and work together in the core areas of statistical activities (data collection, data processing, and data dissemination).
9. **Technology Transfer:** Islamic Chamber is collaborating with SS-GATE System in implementation of a broad project of UNDP's Special Unit for South-South Cooperation Technology for exchanges of assets, equity, technology, and financial resources among SMEs in developing countries. 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 Malaysia, Nigeria, Pakistan, Turkey and Uganda have been trained on the system, while in the second phase POs from Bahrain, Egypt and Kingdom of Saudi Arabia have been invited to attend the training program. The main thrust of the project is to transfer technology from South to South countries.
10. **OIC Task Force Meeting on SMEs:** The Sixth and Final OIC Task Force Meeting on SMEs was held in Bangkok - Thailand on August 15-17, 2008, in collaboration with the Islamic Development Bank (IDB), Thai Islamic Trade and Industrial Association (TITIA) and Assumption University of Thailand (AU). The Meeting put forward a strategic plan for the promotion and development of SMEs. This Plan

envisages focusing on some major areas of SMEs, which need to be addressed. The Task Force proposed following specific initiatives, which it conceptualized and developed in its in-depth deliberations of priority issues confronting SMEs and their future development.

- (i) Establishment of a SME Fund under IDB
- (ii) Establishment of an Islamic SME Credit Guarantee Fund (IGF)
- (iii) Establishment of Database on Business Angels and creating linkages with SME Investment Opportunities
- (iv) Establishment of Technology & Business Incubators
- (v) Creation of a Conducive Regulatory Environment for SME Development
- (vi) Human Resource Development

On the recommendation of the Task Force to enhance the **capacity development** of the private sector, Islamic Chamber have organized two workshops:

- “Promotion of Export of value-added Fishery Products” in Cotonou, Republic of Benin on 21-22 March 2009. The outcome of the workshop were:
 - a. Create awareness among the participants;
 - b. Benin Chamber of Commerce and Industry has agreed to create a Livestock department within the Chamber and they are working on its modalities.
 - c. Looking into the possibility of providing ice-boxes to the fishermen for transfer of fish in good quality from sea to the processors/exporters.
 - d. Bring awareness about the importance of fish farming and in this regard Royal Fish Farmers in Benin has agreed to provide its technical consultancy for establishing more fish farms in Benin and in regional countries.
- “SMEs Cluster Development for OIC Member Countries” in Lagos, Republic of Nigeria on 24-27 March 2009. The outcome of the workshop were:
 - a. Create awareness about the importance of Cluster Development and identifying the obstacles for the successful formulation and development of clusters;
 - b. In the first step NASSI has identified Fishery, Cassava, Leather and Fruit processing Clusters to be formed. As these sectors are already network and are in the same region, therefore very little efforts are required to establish these clusters.
 - c. In addition, NASSI would be giving presentations to the Provincial and Federal Governments for the role they have to play in developing clusters in Nigeria.
 - d. During the workshop, 3-MoUs were also signed by NASSI for acquiring technical assistance and enhancing the capacity development for Cluster

Development in Nigeria in the areas of Automobile sector, Automobile parts, marble and granite industry, food and fruit processing industry from: SMEDA, Pakistan; Clear Insight Technology Sdn Bhd, Malaysia; and Iran Confederation's of Employers Association.

- e. While NASSI has also sought cooperation from KOSGEB, Turkey and in this regard KOSGEB has advised NASSI to contact Turkish Embassy in Abuja, as before signing this cooperation agreement the Government of Turkey would contact its Embassy and collect the information about NASSI and other implementing institutions.

While the following capacity development workshops would also be implemented in the coming months:

- “Training Program on Micro Finance Sector Development” in Khartoum, Republic of Sudan, in July 2009.
- “Regional Training Program for the Staff of Member Chambers of African Countries” in Uganda in the second week of September 2009.
- “Coffee Processing” in Uganda, in the second week of September 2009;
- “Small-scale Food Processing” in Islamabad, Islamic Republic of Pakistan in 2009;
- “Oilseed Processing for Small-Scale Producers” in Islamabad, Islamic Republic of Pakistan in 2009; and
- “Export Competitiveness” in 2009 (date and venue has not been finalized).

The other recommendation of OIC Task Force Meeting on SMEs, has also been implemented by the Islamic Chamber with the establishment of **OIC Network of SME Agencies (ONSA)** in cooperation with Islamic Chamber Research and Information Center (ICRIC), an affiliated organ of the Islamic Chamber of Commerce and Industry.

As per the recommendations of the 6th Board of Directors Meeting of ICCI, under ONSA a section on Investment opportunities in SMEs will also be included.

11. **Commercial Arbitration:** Islamic Chamber has already initiated contacts with the Member Chambers for giving us a mechanism to provide arbitration and reconciliation services for the settlement of commercial disputes among the private sector. Qatar Chamber of Commerce and Industry is preparing the guideline in this regard.
12. **Investment and Privatization Conference:** With the objective of enhancing intra-investment level, and to encourage private sector participation in the privatization process, Islamic Chamber is organizing these Conferences on regular basis on the invitation of the OIC Member Countries. The 3rd Conference has recently been concluded in Tehran – Islamic Republic of Iran on 28- 30 April 2009.

13. **International Islamic Economic and Cultural Conference:** Till now two International Islamic Economic and Cultural Conferences have been held while the third is expected to be held in Islamic Republic of Pakistan. Dates are still not finalized.
14. **ICCI's Cooperation with Other OIC Institutions:** The General Secretariat of the ICCI is also closely cooperating with OIC Institutions for the collective promotion of the common objectives and goals. Once again, Islamic Chamber would like to express its deep appreciation and gratitude to:
 - The General Secretariat of the Organization of Islamic Conference and particularly to His Excellency the Secretary General, for taking keen interest in the activities of the Islamic Chamber and gracing us with his presence during different events of the Islamic Chamber.
 - The Islamic Development Bank and all its departments namely IRTI, WID Unit, ITFC, ICIEC, and ICD for playing an important role in assisting Islamic Chamber in carrying out all its activities. The General Secretariat appreciates their efforts in this respect and conveys it's thanks to H.E. Dr. Ahmed Mohammad Ali, for taking personal interest in the activities of the Islamic Chamber.

Cooperation Sought:

The tasks undertaken by the General Secretariat of the Islamic Chamber are its efforts to promote and strengthen economic cooperation and at the same time to implement the tasks assigned to it in the OIC 10-year Plan of Action. However, the initiatives of the Islamic Chamber are a part of the joint strategy and hence their effective implementation also needs collective efforts.

Through this august house, the Islamic Chamber **appeals** to the Honorable Members to **call upon** their chambers and private sector to strengthen Islamic Chamber, by actively taking part in its activities and support the projects of the Islamic Chamber that are initiated with an aim for strengthening economic cooperation. The private sector may also come forward with their views of how they can assist the Islamic Chamber in implementing its projects.

ANNEX

XVIII

Original: English

**THE MID-TERM REVIEW OF THE FIVE YEAR
OIC COTTON PLAN OF ACTION**

by OIC General Secretariat

The OIC General Secretariat gives prime importance to the development of the cotton industry in the Member States. The OIC Ten-Year Programme of Action emphasized that special attention needs to be given to Least Developed OIC Countries. 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. These objectives could be achieved inter-alia by adding value to local production in particular agricultural products. The Secretary General of the OIC, during his tour in African Countries in April 2005, discussed the important question of adding value to local production by developing cotton, textile sector and food processing industries.

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.

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 Five Year OIC Cotton Plan of Action (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 Plan of Action 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 financing for the cotton sector activities. The 22nd Session of the COMCEC also endorsed the Action Plan. About Thirty OIC Member States are participating in this Cotton Plan of Action.

In implementing the Five-Year OIC Cotton Plan of Action, the Republic of Turkey hosted the Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector among the OIC Member States. The Forum established the Steering Committee and the Project Committee for the implementation of the Cotton Program. The OIC General Secretariat, in collaboration with the Government of the Republic of Turkey and concerned OIC institutions, organized the First Meeting of the Steering Committee on Cotton, which was held in Antalya, Turkey, on 12 May 2008, prior to the 24th COMCEC Follow-up Committee Meeting. The Forum and the Steering Committee identified the 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 Forum designated Nazilli Cotton Research Institute of the Republic of Turkey to coordinate research activities in cotton and textile.

The Nazilli Cotton Research Institute of Turkey in collaboration with the OIC General Secretariat, SESRIC, ICDT, IDB and ICCI, organized the Meeting Bringing Together the Six Centers of Excellence and the R&D Centers in the OIC Member Countries, in Izmir, on 2-5 February, 2009. After presentations and discussions on country reports, the Meeting discussed the working methods and principles of work sharing between centers of excellence. The Meeting also evaluated and approved of some project proposals, for submitting to the Project Committee Meeting.

The Government of the Republic of Turkey, in collaboration with the OIC General Secretariat and its concerned institutions namely SESRIC, ICDT, IDB and ICCI, organized the First Meeting of the Project Committee on Cotton, which was held in Izmir, Turkey, on 3-4 February, 2009. At the said Meeting by the respective owners of these projects from Turkey (3), Senegal (1), Egypt (2), Bangladesh (1), Uganda (1), BOAD (2), and ICDT (1) submitted 11 project proposals for consideration of the Committee.

The Second Steering Committee Meeting on Cotton was held on 4 February 2009 in Izmir, on the sidelines of the Meeting Bringing Together the Six Centers of Excellence and the R&D Centers in the OIC Member Countries. The Meeting adopted two Project Proposals, which were approved by the First Project Committee Meeting on Cotton. The General Secretariat of the OIC submitted of these Projects to the IDB, ITFC, Arab Bank for Economic Development in Africa (BADEA) and the Common Fund for Commodities (CFC) for financing.

Moreover, the OIC General Secretariat, in collaboration with the Government of the Arab Republic of Egypt, the Steering Committee on Cotton and the ICDT, are planning to organize a sectoral fair on cotton-related equipment on the sidelines of the 12th Edition of the Trade Fair of the OIC Member States, to be held in Cairo, Egypt, on 11-16 October, 2009.

Besides, there are also other steps that overlap with the objectives and strategies of the Plan of Action. ITFC has started implementing a new financing model for developing cotton trade in Burkina Faso. Turkey is implementing a multi dimensional program for improving the cotton production capacity in Sudan.

The Second Project Committee Meeting and the Third Steering Committee Meeting on Cotton will be held in Izmir, Turkey on 11 May 2009. The Second Project Committee Meeting approved the project proposals from Uganda (1), Turkey (2), Senegal 1, Egypt (1), Cameroon (6) and Syria (1).

The Third Steering Committee Meeting on Cotton was held on 11 May 2009 in Izmir, prior to the 25th Meeting of the Follow-up Committee of COMCEC. The Meeting adopted twelve Projects, which were approved by the Second Project Committee Meeting on Cotton. The General Secretariat of the OIC will be submit of these Projects to the Islamic Development Bank (IDB), International Islamic Trade Finance Corporation (ITFC), Arab Bank for Economic Development in Africa (BADEA), the Common Fund for Commodities (CFC) and other international financial institutions for financing.

Measures To Be Taken Regarding the Plan of Action and Suggestions:

1. There is necessity for establishment of a defined resource of financing for the development of Projects towards Plan of Action measures and meeting the management costs of the Plan. A call for support should be made to IDB, the ITFC and member states who have not withheld their support so far.
2. There is need for Centers of Excellency to boost the cooperation among them, and work more actively.
3. Designation of Member States who are willing and open to cooperation as targets for implementation of the Plan of Action measures, and launching the projects in these countries, will quicken the progress.

The General Secretariat will continue its efforts with regard to the implementation of the Five Year OIC Cotton Plan of Action for the development of cotton and textile sector in the Member States.

ANNEX

XIX

Original: English

**REPORT
OF THE THIRD MEETING OF THE STEERING COMMITTEE
FOR THE IMPLEMENTATION OF THE
OIC COTTON ACTION PLAN**

(İzmir, Republic of Turkey, 11 May 2009)

1. The Third Meeting of the Steering Committee for the implementation of the OIC Cotton Action Plan was held on 11 May 2009 in İzmir, Republic of Turkey, for the final approval of the project proposals and suggestions presented in the Second Project Committee Meeting.

2. The Meeting was chaired by Mr. Mehmet Vehbi GÜNAN, 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 States attended the Meeting as members of the Steering Committee:

- The Republic of Turkey
- Arab Republic of Egypt
- Burkina Faso

Islamic Republic of Pakistan did not attend the subject meeting. The final report will be delivered to all concerned Member States and OIC Institutions.

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: Annex-1

- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)
- Islamic Center for the Development of Trade (ICDT)
- Islamic Development Bank (IDB)
- Islamic Chamber of Commerce and Industry (ICCI)
- Islamic Trade Finance Corporation (ITFC)

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 General Secretariat, Ambassador Nabika DIALLO, Advisor to the Secretary

General, also addressed the meeting. He also commended good outcome of the Second Project Committee on Cotton which was chaired by IDB representative.

6. The Meeting adopted and considered the following Agenda Items:
 - 1- Approval of the projects adopted by the Project Committee
 - 2- The Mid-Term Review of the “Cotton Action Plan”
 - 3- Monitoring of the Implementation Plan of 2009
 - 4- Uniting the Cotton Fair under the regular Trade Fair organized by ICDT
 - 5- Composing a budget for the organizational expenses of the Project and Steering Committee Meetings
 - 6- Allocation of a fund for the implementation of Cotton Action Plan
 - 7- Recommendations about the 3rd Project and the 4th Steering Committee Meetings going to be held in Cairo-Egypt
 - 8- Rotation of the coordination of the Centers of Excellence among the designated countries (Turkey, Pakistan, Nigeria, Senegal, Egypt, Syria)
 - 9- Briefing the meeting about the Cotton Web Portal
 - 10- Any other business

Under Agenda Item 1:

7. The meeting adopted the Report of the Project Committee meeting which was held on 11 May 2009 and decided to submit the approved project proposals to the international finance institutions through OIC General Secretariat. The report of the Second Project Committee meeting is in the Annex-2.

Under Agenda Item 2:

8. The meeting adopted a report “the Mid-Term Review of the Five Year OIC Cotton Action Plan” presented by the OIC General Secretariat in collaboration with the Steering Committee Chairmanship. The said report is in the Annex-3.

9. The meeting underlined to the importance given to the Cotton Action Plan by the OIC General Secretariat and called upon concerned OIC Member States and OIC Institutions to give full support for the implementation of this plan.

10. The meeting decided that the Mid-Term Review Report on the implementation of the OIC Cotton Action Plan to be presented to the 25th Meeting of the Follow-Up Committee of COMCEC.

Under Agenda Item 3:

11. The meeting reviewed the Implementation Plan of 2009 which had been approved in the previous Committee Meeting. The revised Implementation Plan of 2009 is adopted by the meeting. The Implementation Plan for 2009 is in the Annex-4.

Under Agenda Item 4:

12. The meeting called on IDB and ICDT to take necessary action concerning Cotton Fairs and decided the Cotton Fair to be organized in the sidelines of the regular OIC Trade Fair.

13. The meeting decided that the Cotton Forum and Cotton Project Committee which were scheduled to be held in Cairo-Egypt on the sidelines of the 12th Islamic Trade Fair. The meeting recommended the Cotton Forum to be held only in case of need.

14. The meeting decided the Cotton Fair to be held in the sidelines of the Trade Fair going to be organized by ICDT in October 2009 in Cairo-Egypt.

Under Agenda Item 5:

15. The meeting recommended that the participants for the future Project and Steering Committee Meetings to cover their own travel and board-lodging expenses unless the host country or any other institution offer assistance in this regard.

16. The meeting recommended that an annual budget be prepared for both meetings.

Under Agenda Item 6:

17. The meeting conveyed special thanks to IDB and ITFC for their financial contributions regarding the Cotton Action Plan and encouraged them to continue their action in this domain.

18. The meeting called on IDB and the other financial institutions to provide funding for the OIC Cotton Program on better conditions in view of the special situation of the cotton sector.

Under Agenda Item 7:

19. The meeting decided to postpone the planned 3rd Project and the 4th Steering Committee meetings initially supposed to be held in Cairo in October 2009, to a date in 2010 to be announced later on by the OIC General Secretariat.

Under Agenda Item 8:

20. The meeting decided this rotation to be early for discussion.

Under Agenda Item 9:

21. The OIC General Secretariat briefed the meeting on the studies of developing a new web portal for the Cotton Action Plan. The committee encouraged all

concerned member states and OIC Institutions to finalize the process at the earliest. The meeting called the member states to support these studies by their proposals and to provide documentary information to be presented on the web portal.

Any other business;

22. The Meeting concluded by expressing thanks to the Chairman and the members of the Steering Committee and H.E. Prof. Emeleddin İhsanoglu, the Secretary General of the OIC, for his valuable support for the implementation of the OIC five year Cotton Action Plan. The meeting also expressed thanks to the IDB for their financial contribution as well as to the COMCEC Coordination Office for their warm hospitality.

ANNEX

XX

Original: English

**REPORT OF THE
“SECOND PROJECT COMMITTEE MEETING OF THE OIC COTTON ACTION PLAN”
(Izmir, Turkey, 11 May 2009)**

1. The second meeting of the Project Committee was held on 11 May 2009 prior to 25th COMCEC Follow-up Meeting which was held on 12-14 May 2009 in Izmir, Turkey.
2. Mr. Elmostafa AITAMOR, from the IDB, Chaired the second Project Committee meeting.
3. Also took part at this meeting OIC General Secretariat, COMCEC Coordination Office, OIC concerned institutions, namely SESRIC, ICDT, ICCL, project owners, and ITFC.
4. Opening the meeting, the Chairman made a brief introduction on the importance of the deliberations of the Project Committee. He also recalled the work and recommendations of the 1st Project Committee Meeting.
5. After adoption of the Agenda, the following projects were presented and examined.

	COUNTRY	INSTITUTION	PROJECT TITLE	TOTAL BUDGET	Remarks
1	UGANDA	Cotton Development Organization	Funding Pesticides, Spray Pumps and Fertilizers to Small Holder Cotton Farmers in Uganda	82.260.000 US\$	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
2	SENEGAL	Cotton Research Development Center	Development Programme for the Cotton and Textile Sector in OIC Member States	2.177.609 Euros	The Committee cleared this project, in principal, and submitted to the Steering Committee for necessary action but requested the owner to coordinate with other concerned Member States-West African in this matter.

3	SUDAN	Ministry of Agriculture and Forestry	Cotton Development Program	40.000.000 US\$	The project was not examined due to absence of the project owner
4	CAMEROON	Cotton Development Company	Chemical Delighting of Cotton Seeds in Cameroon	2.675.480 Euros	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
5	CAMEROON	1-Cotton Development Company 2-Agricultural Research Institute for Development 3-International Research Center for Agronomy Development	Improvement of the Quality of Cotton Fiber in Response to Marketing Changes	2.260.057 Euros	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
6	CAMEROON	1-Cotton Development Company 2-Agricultural Research Institute for Development 3-International Research Center for Agronomy Development	Strengthening the Capacity of the Ectomology Laboratory of Garoua	668.222 Euros	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action

7	CAMEROON	Organization of Producers of Cotton in Cameroon	Mechanism of Risk Management Associated to the Volatility of Cotton Prices	9.324.000 Euros	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
8	CAMEROON	1-Organization of Producers of Cotton in Cameroon 2-Development Corporation of Cotton in Cameroon	Reinforcing the Fertilizer Support fund for Cameroon's Cotton Sector	13.300.000 Euros	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
9	CAMEROON		Revitalization of Cameroon's Textile Cotton Sub-Sector		The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
10	EGYPT	Cotton Research Institute Agricultural Research Center	Cotton Quality Evaluation as a Key Role to Integrate Cooperation and Improving the Competitiveness of the Cotton Produced in OIC Countries	644.700 US\$	This project to be re submitted to the next Committee meeting after consultation with other Centers of Excellence
11	EGYPT	1-Cotton Research Institute 2-Agricultural Research Center	A Training Course for Improvement in Cotton Breeding, Production and Technology in OIC Countries	106.950 US\$	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action, with a recommendation that priority should be given to LDC Member Countries

12	TURKEY	Bornova Plant Protection Research Institute	Cotton Integrated Pest Management Education and Implementation	1.100.000 US\$	The Committee cleared this project and decided that it as submitted to the Steering Committee for necessary action
13	TURKEY	The Ministry of Agricultural and Rural Affairs – Southeastern Anatolia Agricultural Research Institute	Effects of Drought and High Temperature Stress on Cotton Yield, Fiber, Quality and Some Morphological and Physiological Characters	320.000 US\$	This project to be re submitted to the next Committee meeting after consulting and including some other parties from other regions
14	TURKEY	Ege University – Faculty of Agriculture – Department of Agricultural Machinery	Determination of Agricultural Structure and Mechanization Levels of Cotton Producing Countries of the Organization of the Islamic Conference; Finding out Problems and Recommendations for Solutions	927.100 US\$	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action with a recommendation to consult Centers of Excellence with a view to become a joint project
15	INDONESIA	1-Indonesian Tobacco and Fiber Crops Research Institute 2-Indonesian Agency for Agricultural Research and Development	Improvement of Cotton Development Program and Facilities in Indonesia	325.000 US\$	The Committee agreed that some aspects of this project to be incorporated in other projects, while others could be re submitted in the next meeting

16	SYRIA	1-Cotton Research Department in the General Commission for Scientific Agricultural Research 2-Ege University-Faculty of Agriculture	Scientific and Technical Cooperation Project in the Field of Integrated Mechanization and Techniques Introduction and Circulation for Cotton Crop in Syria	900.000 US\$	The Committee cleared this project and decided that it is submitted to the Steering Committee for necessary action
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6. On the point of the agenda number 3, related to the current stage of the 2 approved projects, from Ege University and ICDT) in the 1st Project Committee Meeting, waiting for financial contribution, the Committee took note of the status of the Ege University project. The Committee requested OIC Secretariat and Steering committee to follow-up with IDB and other institutions on this issue and report to next meeting.

Regarding the Forum on Trade and Investment in Cotton Sector Among the OIC Member States to be held on the sidelines of the 12th OIC Expo in Cairo, 11-16 October 2009- EGYPT, ICDT's representative took the floor to report on the latest development and he pointed out the following :

- This forum will be composed of four (4) tracks :
 - The Cotton fair
 - The seminar
 - The buyers/sellers meeting
 - Visit to some leading cotton and textiles plants in Egypt.

- The cotton fair will be organized by ICDT and the GOIEF which is the specialized organization in charge of trade fairs in Egypt ;
- As far as the financial aspects are concerned, ICDT informed the committee that the financial contribution pledged so far by ITFC (20,000 US\$) is not enough to cover the budget of the Forum on Trade and Investment in Cotton Sector Among the OIC Member States.

The committee called on IDB and other financial institutions to contribute to the expenses of this important event.

7. concerning agenda item number 4 related to the working procedures of the Project Committee Meeting, the Committee recommended the following:
 - a. all project proposals should be submitted to OIC General Secretariat;
 - b. all project proposals should be submitted, at least, two months before the date of the Project Committee Meeting. Any project proposal submitted after this date, it will be sent to the following Project Committee meeting;
 - c. Centers of Excellence are highly requested to submit their opinion, view, appreciation, comments on the project proposals.
8. With regard to agenda item 5 on the organization and budget of further Project Committee Meetings that will be held in the future, the Committee recommended that participants, institutions and project owners, should endeavor to meet their own expenses for the coming meetings, unless the host country or any other institution offer assistance in this regard.

ANNEX

XXI

Original: English

**DRAFT AGENDA
OF THE TWENTY-FIFTH SESSION
OF THE COMCEC
(İstanbul, 05-09 November 2009)**

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
 - Crisis on World Financial Markets and its Implications on OIC Member Countries
 - Impact of Fluctuating Commodity Prices on the Economies of the Member Countries
 - Developments on the Global Energy Markets and their Implications on 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 Meeting
5. The Outcome of the Study by CCO and SESRIC to Enrich the Agenda and Substance of the COMCEC

Trade and Investment Related Issues

6. The Trade Preferential System among the OIC Member States (TPS-OIC)
7. Intra-OIC Trade
 - i. Recent Developments in Intra OIC Trade
 - ii. Trade Financing Activities
 - iii. Trade Fairs of Islamic Countries and Other Trade-Promotion Activities
 - iv. Private Sector Meetings
 - v. Matters related to the World Trade Organization (WTO) Activities

8. Financial Cooperation among the OIC Member Countries and Enhancing Intra-OIC Investment Flows
 - Report by IDB
 - Cooperation among the Stock Exchanges of the OIC Member Countries
 - Cooperation among the Central Banks of the OIC Member Countries
9. Development of the OIC Halal Food Standards and Procedures
10. E-government applications and their economic impact on the OIC Member Countries

Poverty Alleviation and Economic / Technical Assistance to OIC Member Countries

11. Review of the Implementation of the Islamic Solidarity Fund for Development (ISFD)
12. Review of the Implementation of the “Action Plan for OIC Cotton Producing Countries’ Cooperation Development Strategy (2007-2011)”
13. Vocational Education and Training Programme for OIC Member Countries

Exchange of Views

14. Exchange of Views on the “Impact of Food Crisis on the Economies of OIC Countries”
 - Follow-up of the Resolutions of the Previous Exchange of Views Sessions
15. Date of the 26th Session of the COMCEC
16. Any other business
17. Adoption of the Report
18. Closing Session

ANNEX

XXII

Original: English

**CLOSING STATEMENT BY H.E. HALİL İBRAHİM AKÇA,
ACTING UNDERSECRETARY OF THE STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY**

**Twenty Fifth Meeting of the Follow-Up Committee
of the COMCEC
(İzmir, 14 May 2009)**

Distinguished Members of the Follow-up Committee,
Distinguished Delegates,

We have successfully completed the Twenty Fifth Meeting of the Follow-up Committee after intensive deliberations. We have drawn up the agenda of the 25th Session of the COMCEC and have taken into consideration important items necessary for realizing our economic and social potentials as well as enhancing cooperation among the OIC Member Countries.

This year, we are celebrating our Silver Jubilee amidst the worst economic crisis witnessed since the Great Depression. Thus, we will not only have the opportunity to evaluate what we have achieved over the course of these 25 years, but we will also be elaborating on how we will cope with the serious challenges caused by the crisis and how we can minimize its effects on our economies and even turn them into opportunities. To this end, the joint initiative of the COMCEC Coordination Office and SESRIC to conduct a study entitled “New Potential Areas for Economic and Commercial Cooperation among the OIC Member Countries” which aims at enriching the agenda and substance of the COMCEC, as well as the Meeting of the Central Banks of OIC Countries and the Economic Summit within the framework of the 25th Session of the COMCEC are all efforts exerted to achieve this cause.

Distinguished Delegates,

It would not be an exaggeration to claim that COMCEC’s reason of existence is to enhance trade among us. In the next 6 years while taking a greater share in world trade, our mandate would be to increase the intra-OIC trade from its current level of 16.8% to 20%. To enhance such trade, some mechanisms, such as the establishment of the ITFC, have already been established. Nevertheless, we are yet to operationalize the Trade Preferential System which is one of the strongest instruments necessary for the achievement of this purpose. It is a matter of prestige for us to win 3 outstanding

ratifications by the date of convention of the 25th Session of the COMCEC and hopefully then we will be able to announce the operationalization of the TPS-OIC in November at the latest.

We are all well aware of the fact that the driving force of economic development comes from the activities of the private sector. The dynamism and synergy of the private sector should be injected into our multilateral economic and commercial relations. Within this framework, it is crucial to align private sector activities with all relevant OIC Meetings and Fora; furthermore, due attention should be given to the needs, problems and demands of the private sector. Seizing this opportunity, I would like to thank OIC institutions for their efforts to involve the private sector, through the introduction of trade fairs and other private sector activities, in OIC economic cooperation. Within this context, I would like to highlight that COMCEC will maintain its determination to attain cooperation in this area.

The points we have reached in the implementation of the Cotton Plan of Action are highly satisfactory. The outcomes of the latest Steering and Project Committee Meetings are a clear sign of the huge potential for cooperation in this important field. In this context, I would also like to express my thanks and appreciation for the present and future financial support of the IDB and ITFC to the projects.

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

Another important project that we can finalize before the 25th Session of the COMCEC is the development of the OIC Halal Food Standards. The Standardization Expert Group will hold another meeting in September and hopefully they will be able to present the final draft of the Halal Food Standards to the 25th Session of the COMCEC. Meanwhile, we need only one more ratification for the establishment of the Standards and Metrology Institute for the Islamic Countries (SMIIC). Here, I would like to invite the member states who have not yet done so, to sign and / or ratify the statute of the SMIIC.

As you know, this year's exchange of views theme will be the impact of the food crisis on the economies of OIC countries. We will be able to dwell on the different aspects of the matter, such as the fluctuations in food prices, achieving food safety and food security.

Distinguished Delegates,

Before concluding my statement, I would like to thank the OIC General Secretariat, the IDB Group, ITFC, ICIEC, ICDT, ICCI, SESRIC, IUT, UNIDO and FAO for their participation and valuable contributions to the meeting. I would also like to thank our colleagues in the COMCEC Coordination Office, staff on duty in this Organization, interpreters, revisers and translators for their untiring efforts which helped render this meeting successful. I wish you had a pleasant stay in this magnificent city of İzmir and hope to meet together with you again at the 25th Session of the COMCEC to be held in November in Istanbul. I wish you all a pleasant and safe journey back home.

Thank you.

