



PRESIDENCY OF THE REPUBLIC OF TURKEY  
INVESTMENT OFFICE



## ISTANBUL DECLARATION

We, the High Level Government and Business Representatives of the Member States of the Organization of Islamic Cooperation (OIC), having convened under the auspices of H.E. Recep Tayyip Erdoğan, at the OIC High Level Public and Private Investment Conference organized by the Presidency of the Republic of Turkey Investment Office, in cooperation with the OIC General Secretariat and the Islamic Development Bank Group (IsDB), on December 8-9, 2019, in İstanbul under the theme of “Unleashing Intra-OIC Investment Opportunities: Investment for Solidarity and Development”, are;

**Recalling** the long standing, historical, cultural, geo-political, social, economic, religious, and linguistic Solidarity ties among the OIC Member States, which formed the basis for our strategic partnerships, and expressing our determination to strengthen and consolidate these ties on the principles of equality, mutual interest, and respect;

**Reaffirming** our commitment to the common objectives of promoting cooperation among Member States to achieve sustained socioeconomic development for effective integration in the global economy leading to the eventual goal of the establishment of an Islamic Common Market, taking into account international and regional legal commitments of Member States, while advancing human wellbeing and human development in our Member States;

**Reaffirming** the General Agreement for Economic, Technical, and Commercial Cooperation among OIC Member States and the Agreement for Promotion, Protection, and Guarantee of Investments among the OIC Member States; as well as the importance of operationalization of the Trade Preferential System among the Member States, which would facilitate export oriented intra-OIC investment flows;

**Referring** to the priority area of the OIC 2025: Programme of Action on “Trade, Investment, and Finance”, which encourages facilitation of intra-OIC investments, including inward foreign direct investment flows by the public and private sectors;

**Reaffirming** our commitment to implement fully the UN’s 2030 Agenda for Sustainable Development, as a transformative action to achieve sustainable development in a balanced and integrated manner, with its economic, social, and environmental dimensions;

**Cognizant** of the need to deepen the inclusive transformation of the OIC Member States economies by encouraging inflow of quality foreign direct investment to the OIC region, which will contribute to the expansion of domestic production, the diversification of exports, the transfer of technology and know-how, the upgrading of local skills, the development of local innovation, and the deepening of regional and global economic linkages;

**Acknowledging** the regional integration advantages in unlocking the growth potential among OIC Member States as a means to address efficiently the imbalances and inequalities in the

economic development stages of our Member States, by enabling the public and private stakeholders to build, explore, and renew win-win strategic partnerships that take advantage of complementarities between sectors and emerging regional and global value chains;

**Recognizing** the global economic trends, including growing uncertainty in terms of global trends (lack of predictability), disruptions to trade flows, the need for an improved technological and innovation ecosystem, as well as climate change's negative impacts and associated risks of political instability;

**Acknowledging** with great appreciation the positive impact of the OIC Member States wide comprehensive policy for investment promotion, but noting at the same time with concern the trade and investment protectionism, in Member States, which hinders potentially the foreign direct investments flows, including but not limited to, tariff and non-tariff barriers, such as institutional capacity, cumbersome administrative procedures, visa regimes, and restriction on capital and profit transfers;

**Highlighting** the key role of regional harmonized tax policies at both the local and national levels in promoting and attracting investment;

**Desirous of** further strengthening the cooperation among the Member States and private and public stakeholders, in promoting intra-OIC investment and entrepreneurship, including through facilitating investment flows, improving the legal framework and governance, establishing regulatory as well as physical infrastructure, mutual capacity building programmes, and introducing political risk insurance schemes;

**Acknowledging** the need for continuous and concerted action of Governments and private and public stakeholders in the promotion of investment and creation of an inclusive and sustainable investment environment, which would lead as a major driver of sustainable development, employment, innovation, and productivity, enabling the complete socio-economic transformation of the Member States;

**Highly appreciating** the leading role of IsDB and its group members (ICIEC, ICD and ITFC), as well as prominent OIC organs, such as SESRIC, ICDT, ICCIA and ICYF in financing, promoting, and supporting the Member States and the public and private sectors toward achieving socio-economic sustainable development of the Member States, as well as their support and contribution to the successful convening of the Conference;

**Commending** with great appreciation the strategic role of COMCEC in enhancing and promoting economic and commercial cooperation among the Member States, and a unique and regular platform for projects, financing, deliberations and recommendations for the Member States and OIC institutions;

1. **Confirm** that Domestic and Foreign Direct Investments are a precondition for the creation of wealth, new employment opportunities, and improvement of the living standards of the citizens of the OIC Member States. Further, implementing enhanced business policies as well as private and public local and regional dialogue through SMEs development would lead to the facilitation and stimulation of investment flows, technology transfer, and innovation into the Member States through the adoption of comprehensive, harmonized investment policies and best practice guidelines.

2. **Encourage** active cooperation, engagement, and dialogue between the governments and the private sector and other stakeholders in the OIC Member States to take stock of the international benchmarks in the investment policy measures and regulatory frameworks at both national and OIC levels to boost the public and private initiatives and partnerships while enhancing the investment environment, that will contribute in the effective implementation of the OIC 2025: Programme of Action;
3. **Request** the IsDB Group and other relevant OIC institutions, to initiate a dialogue among all relevant stakeholders towards the development of OIC investment policy tools and methodologies, including the evaluation of existing legal and institutional frameworks, accurate diagnosis of private sector development in the OIC and beyond, as well as a guideline for approaches to investment promotion and facilitation and their impacts;
4. **Recognize** the key role of investment promotion agencies (IPAs) as effective one-stop-shops in investment decisions, particularly in decreasing the administrative burdens and costs of investment, and **emphasize** the need for coordination, consultation, and networking among the IPAs of the Member States, including developing capacity building and experience-sharing programs to support the relevant Member States in the establishment and strengthening of IPAs;
5. **Encourage** the organization of investment events at the regional and OIC levels, such as regional investment forums, business forums, exhibitions, fairs, and congresses, and the active participation of government representatives and the business community in these events, with a view to addressing challenges and identifying new areas of investment partnership;
6. **Call upon** the Member States to devise comprehensive policies for foreign direct investments that would conform to national development plans as well as take into account the requirements by investors, especially administrative procedures, non-discrimination, equitable taxation and incentives, provision of intermediate inputs, and insurance of guarantee, as well as halal compliant schemes;
7. **Underscore** the obligation of investors to abide by the national and international investment laws, including but not limited to, environmental, social, and governance (ESG) that respect social rights, and to act responsibly, by identifying, preventing, and avoiding potential adverse impacts of their activities in the Member States;
8. **Stress** the importance of providing simplified, streamlined, and efficient procedures, as well as reducing the burden of regulatory/administrative procedures and transaction costs in achieving a favorable investment environment and **call upon** IsDB to prepare a handbook of best practices in this domain;
9. **Emphasize** scaling up the access of SMEs to long-term and diversified financial services to enable their foreign direct investments, in light of their substantial contribution to innovation and job-creation, as well as the utilization of their full growth potential in Member States; calls upon ISDB Group to develop reverse linkages programmes for SME industrial zones among member states, and step up its financing of SME industrial zones;

10. **Recognize** the critical importance of the untapped investment potential of vibrant and competitive private sector in sustainable, inclusive and fair development of OIC Member States, and **request** IsDB Group and SESRIC to prepare a joint report on Private Sector Diagnostics of OIC Member States to be submitted to COMCEC Ministerial Session;
11. **Reiterate** the leading role played by the IsDB Group as the financing arm of OIC Member States and re-emphasize the importance of providing appropriate Islamic financial support by providing adequate financing schemes, investment and trade insurances to support cross-border investment projects as well as the investment inflows from the rest of world to the OIC Member States.
12. **Call upon** the governments, relevant OIC organs, including the IsDB, the private sector, and finance institutions to cooperate with a view to analyzing and introducing alternative sources of investment financing, particularly Islamic social finance;
13. **Request** SESRIC and IsDB Group, in consultation with the OIC General Secretariat to be submitted to COMCEC Ministerial Session, to prepare an Investment Outlook Report outlining the comparative situation of Member States, the trends in the investment ecosystem, priority sectors for investment, and the impacts of investment funds;
14. **Reiterate** the crucial role of human resources development in increasing the competitiveness of the Member States in attracting investment and **request** SESRIC to emphasize it in its activities skill development and job training programs, including on-the-job training;
15. **Request** the IsDB Group to design institutional arrangements for cooperation with other regional and international organizations and stakeholders, including multilateral investment and development banks, to step up efforts to attract sustainable foreign direct investments;
16. **Express** profound appreciation and support for the gracious call of H.E. Recep Tayyip Erdoğan, President of the Republic of Turkey, on the public and private sector from the OIC Member States to take humanitarian responsibility to help alleviating the sufferings of the people of Albania due to the recent earthquake by means of providing financial and material assistance.
17. **Extend** our gratitude to the Government of Turkey for the hospitality accorded to the participants and highly appreciate the OIC General Secretariat, Islamic Development Bank Group and Presidency of the Republic of Turkey Investment Office for their cooperation and support for the organization of the Conference and its significant contributions to the advancement of economic solidarity and cooperation among the OIC Member States.
18. **Call on** the holding of the OIC High Level Public and Private Investment Conference every two years in one of the willing Member States.

**İstanbul, December 9, 2019**