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RESOLUTIONS

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(SESSION OF EDUCATION AND ENLIGHTENMENT-PATH TO

PEACE AND CREATIVITY)

TASHKENT, REPUBLIC OF UZBEKISTAN

17-18 MUHARRAM 1438H

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RESOLUTION No. 1/43-E
ON
COOPERATION IN THE DOMAIN OF
TRADE, INVESTMENT AND TOURISM

The Forty Third Session of the Council of the Foreign Ministers of the Organization of Islamic Cooperation (Session of Education and Enlightenment - Path to Peace and Creativity), held in Tashkent, Republic of Uzbekistan on 17-18 Muharram 1438H (18-19 October 2016),

Pursuant to the Charter of the Organization of Islamic Cooperation on intensification of intra-OIC cooperation in the socio-economic domain,

Recalling the OIC-2025 Programme of Action, adopted by the 13th Islamic Summit Conference, held in Istanbul, Republic of Turkey on 14-15 April 2016, and its support for promotion of trade and investment, transfer of technology, private sector development, industrialization, alleviation of poverty, among others,

Giving effect to the General Agreement for Economic, Technical and Commercial Cooperation among Member States of the OIC, adopted as per Resolution No.1/8-E of the Eighth Session of CFM held in Tripoli, Libya on 16-22 May 1977,

Reaffirming the Agreement for Promotion, Protection and Guarantee of Investments among the OIC Member States, which was adopted by the Twelfth Session of CFM held in Baghdad, Iraq on 1-5 June 1981,

Recalling the Resolutions on Economic Issues adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait, State of Kuwait, on 27-28 May 2015,

Reaffirming the relevant resolutions of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC), especially those adopted by the 31st Session of the COMCEC held in Istanbul, Republic of Turkey on 23-26 November 2015,

Commending the various initiatives launched by OIC Member States towards strengthening economic cooperation among the OIC Member States and their respective support for the implementation of relevant OIC resolutions,

Taking into account the reports on activities of the various OIC institutions in the economic domain, namely: SESRIC, ICDT, IDB Group, ICCIA and SMIIC,

Having considered the Report of the Secretary General,

A. INTRA-OIC TRADE AND INVESTMENT

Reaffirming the Resolution No.1/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait, State of Kuwait on 27-28 May 2015, with regard to intra-OIC trade,

Taking note of the relevant resolutions of the COMCEC, especially those adopted by the 31st Session of the COMCEC held in Istanbul, Republic of Turkey on 23- 26 November 2015,

Taking note of the decision of the Joint General Assembly of Subsidiary Institutions, particularly with regard to the activities of ICDT and SESRIC on trade and investment-related issues,

Expressing satisfaction at the steady increase in the total value of intra-OIC trade in commodities which has reached to US\$ 878 billion in 2015, compared to US\$ 802.25 billion in 2014, as well as the increase in the volume of intra-OIC trade from 19.33% in 2014 to 19.78% in 2015,

Noting with satisfaction the successful staging of 15th OIC Trade Fair in Riyadh, Kingdom of Saudi Arabia, on 22-26 May 2016, and various specialized trade fairs in OIC Member States in such areas as agribusiness industries, health, Halal food, Organic products and etc.,

Also noting with satisfaction the various actions and interventions of members of the IDB Group in the area of trade financing, which featured cumulative trade approvals by International Islamic Trade Finance Corporation (ITFC) to the tune of US\$ 6.047 billion in 2015, and the various business insurances by ICIEC amounting to US\$ 5.29 billion in 2015,

Commending the efforts of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) towards enhancing economic and commercial cooperation among the OIC Member States especially through the COMCEC Trade Working Group and the COMCEC Project Funding Mechanism,

Considering the outcomes of the Workshop on “Single Window Modality and E-trade and their role in promoting intra-OIC Trade” held in Casablanca, Kingdom of Morocco, on 9-10 November 2015,

Taking note with appreciation of the outcome of the Seminar on the Implementation of the TPS-OIC Rules of Origin organized by COMCEC Coordination Office and Turkish Union of Chambers and Commodity Exchanges (TOBB) for the participating member states in Ankara, Republic of Turkey on 26-27 January 2015,

Commending the efforts of the Secretary General for the increase coordination of activities trade and investment promoting agencies of OIC Member States and OIC institutions working in the domain of trade,

Taking note of the outcome of the OIC Stakeholders Forum on Unified Halal Standards and Procedures, held in OIC Headquarters, Jeddah, Kingdom of Saudi Arabia, on 9-10 December 2015,

Also taking note of the Report and Recommendations of the Second Forum of the Trade Promotion Organs (TPOs) of the OIC Member States, held in Riyadh, Kingdom of Saudi Arabia, on 23 May 2016,

Further taking note of the Report and Recommendations of the Forum of Investment Promotion Agencies (IPAs), organized by the OIC General Secretariat, ICDT and ICIEC, on the sidelines of the 15th OIC Trade Fair in Riyadh, Kingdom of Saudi Arabia, on 24 May 2016, particularly with regard to the creation of a permanent body for the purpose of arbitration of investment disputes among investors or corporate bodies operating in OIC Member States,

Commending Islamic Chamber of Commerce, Industry and Agriculture for the Successful convening of 9th Businesswomen Forum in Riyadh, Kingdom of Saudi Arabia on 25 May 2016,

1. **Invites** all OIC Member States and institutions to take all necessary measures towards the attainment of a new target of 25% for intra-OIC trade by 2025 as provided in the OIC;2025 Programme of Action, adopted by 13th Islamic Summit held in Istanbul, Turkey on 15 April 2016;
2. **Calls** for continued actions on enhancing intra-OIC trade through additional initiatives on trade promotion, trade financing, trade facilitation, development of strategic commodities and capacity building, among others,
3. **Also calls** for the expeditious implementation of the TPS-OIC, considering the completion of the legal requirements in this regard and invites the GCC Secretariat, on behalf of its six member states, and Morocco to convey their updated concession lists at their earliest convenience to the TNC Secretariat with a view to early realization of market access opportunities to be brought by the TPS-OIC;
4. **Further calls** for the adoption of the OIC/SMIIC Halal Standards related to products/services and procedures by the OIC Member States;
5. **Urges** OIC Member States, which have not yet done so, to consider acceding to the Articles of Agreement of the International Islamic Trade Finance Corporation (ITFC) and to the Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), respectively;
6. **Invites** trade and investment promotion agencies to meet regularly for the purpose of exchanging best practices, capacity building, promotion and attraction of intra-

OIC investment, implementation of the relevant OIC trade and investment agreements, and the organization of global and regional investment forums in collaboration with the General Secretariat, COMCEC and other relevant OIC institutions;

7. **Also invites** the ICCIA and other private sector entities in OIC Member States to participate actively in the biennial Islamic Trade Fairs and other OIC Specialized Trade Fairs, Exhibitions and Forums;
8. **Further invites** all Member States to continue to submit their inputs to the Annual Work Programmes of OIC Subsidiary Institutions to enhance inclusiveness and ownership of OIC programmes and projects;
9. **Requests** the Secretary General in consultation with Member States and relevant OIC organs/institutions including COMCEC to propose modalities for the creation of a permanent body for the settlement of disputes arising under the Agreement for Promotion, Protection and Guarantee of Investments among the OIC Member States;
10. **Takes note** of the decision of the 32nd meeting of the Follow Up Committee of the COMCEC held on 17-18 May 2016, which in line with the proposal made by H.E. Recep Tayyip Erdogan, President of the Republic of Turkey and Chairman of COMCEC, in his opening speech at the 13th Islamic Summit, welcomed the offer of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) on the establishment of an OIC Arbitration Center in Istanbul and requested ICCIA, in collaboration with the TOBB, to undertake the necessary work, and submit a report to the 32nd Session of COMCEC;
11. **Urges** OIC Member States to take effective measures, including through national legislation, that would prevent FDI (foreign direct investments), imports/exports, sale and realization of any goods or services produced in the occupied territories of the OIC Member States or goods and services which were produced through utilization of resources shipped from the occupied territories of the OIC Member States, as well as not to allow any sort of advertising and marketing activities of goods and services aimed at propagating the separatist regimes in the occupied territories of the OIC Member States.

B. TOURISM DEVELOPMENT

Pursuant to the provisions of the OIC Framework for Development and Cooperation in the Domain of Tourism among OIC Member States adopted by 6th Islamic Conference of Tourism Ministers (ICTM) held in Damascus, Syrian Arab Republic on 29 June - 2 July 2008,

Commending the Government of Republic of Niger for hosting the 9th Islamic Conference of Tourism Ministers, held in Niamey, Republic of Niger on 21-23 December 2015, and **taking note** of the outcome of the said conference, especially the adoption of the Executive Programme for the Implementation of the Framework for Development and Cooperation in the Domain of Tourism among Member States (2016-2017) and the selection of Madinah Al Munawwarah (Kingdom of Saudi Arabia) and Tabriz (Islamic Republic of Iran) as the OIC City of Tourism for 2017 and 2018, respectively,

Taking note of the relevant resolutions of the COMCEC, especially those adopted by the 31st Session of the COMCEC held in Istanbul, Republic of Turkey on 23-26 November 2015,

Commending the efforts of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) towards enhancing cooperation among the OIC Member States in the area of tourism especially through the COMCEC Tourism Working Group and the COMCEC Project Funding Mechanism,

Expressing satisfaction at the launch of the various activities commemorating the OIC City of Tourism Award 2016 to Konya city,

Also expressing satisfaction at the outcome of the Fourth OIC/COMCEC Private Sector Tourism Forum held in Istanbul, Republic of Turkey on 14-15 January 2016,

Welcoming the offer of the Arab Republic of Egypt to host the 3rd OIC Tourism Fair in Cairo on 18-21 October 2017,

Commending the contributions of the various OIC Institutions in the development of Tourism Sector, namely: SESRIC, ICDT, IRCICA, IDB Group, ISESCO, ICCIA and SMIIC,

1. **Welcomes** the attached Resolutions adopted by the 9th Islamic Conference of Tourism Ministers, held in Niamey, Republic of Niger on 21-23 December 2015;
2. **Also welcomes** the award to Madinah Al-Munawwarah as the OIC City of Tourism 2017 and a similar award to Tabriz as the OIC City of Tourism 2018, and **undertakes** to participate at the various commemorative ceremonies and activities aimed at promoting intra-OIC tourism in these awardee cities;
3. **Calls for** the early implementation of the Executive Programme for the Implementation of the Framework for Development and Cooperation in the Domain of Tourism among Member States (2016-2017), in particular the establishment of working groups on Islamic tourism and tourism marketing and the organization of a Forum for public and private investors in the area of tourism development, which will function in cooperation and collaboration with the COMCEC Tourism Working Group and OIC/COMCEC Private Sector Tourism

Forum. In this regard, **welcomes** the selection of the Republic of Indonesia as the Coordinator of the Working Group on Islamic Tourism and Malaysia as the Coordinator of the Working Group on Tourism Marketing;

4. **Urges** all Member States to organize annual events on Islamic tourism in order to promote intra-OIC tourist flows, through visa facilitation, investment promotion, branding and standardization, and capacity building;
5. **Calls on** OIC Member States and their respective Private Sector entities to promote intra-OIC tourism by actively participating in the Third OIC Tourism Fair, scheduled to be held in Cairo, Arab Republic of Egypt on 18-21 October 2017;
6. **Reiterates** its appreciation of the offer by the Government of the People's Republic of Bangladesh to host the 10th Islamic Conference of Tourism Ministers in 2017 and **calls on** all Member States to actively participate in the said Conference.

C. ROLE OF PRIVATE SECTOR:

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016, which prioritizes the role of the Private Sector for increasing investment and trade, economic growth, industrialization and structural transformation in OIC member states,

Reaffirming the relevant provisions of the Resolution No.2/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015,

Taking note of the relevant resolutions of the 31st Session of the COMCEC held on 23-26 November 2015 in Istanbul, Turkey,

Commending the efforts of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) towards enhancing cooperation among the OIC Member States in the area of private sector development especially through the COMCEC Working Groups and the COMCEC Project Funding Mechanism,

Also taking note of the activities under the ISFD with regard to micro-finance support for Small and Medium Enterprises,

Commending the role of the Islamic Corporation for the Development of the Private Sector (ICD), which started its operations in 1999, in supporting the economic development of

OIC Member States through the provision of finance for private sector projects, promoting competition and entrepreneurship,

Taking into account the report on activities of ICCIA, especially in the area of trade promotion, organization of specialized trade fairs and business forums, as well as capacity building workshops,

1. **Calls on** Member States to mainstream the role of the Private Sector for the advancement of socio-economic cooperation within the OIC, and requests the Secretary General to host a meeting of major Private Sector stakeholders for this purpose;
2. **Urges** OIC Member States, which have not yet done so, to consider acceding to the Articles of Agreement of the Islamic Corporation for the Development of the Private Sector (ICD) in its capacity as one of the members of IDB Group;
3. **Requests** OIC Member States to designate their umbrella Chambers of Commerce as accredited member of the ICCIA, in order to strengthen the membership of ICCIA as well as consolidating support for this important corporative representative of the OIC;
4. **Renews its call on** ICCIA to actively participate at the organization of the Islamic Tourism Forum in collaboration with other Public Sector establishments in OIC Member States;
5. **Calls upon** all OIC institutions working in the domain of trade promotion, to coordinate their respective actions with ICCIA with a view to enhancing the effectiveness and wider coverage of OIC trade fairs, exhibitions and specialized forums;
6. **Calls on** Islamic Corporation for the Development of Private Sector (ICD) to prepare the general catalogue on priority areas and investment projects in OIC Member States;
7. **Calls upon** Islamic Chamber of Commerce and Industry and Agriculture (ICCIA) to conduct analytical information on the best practices in the field of Small and Medium Enterprises.

D. GENERAL PROVISION:

Requests the Secretary General to follow up the implementation of this Resolution and submit a comprehensive report on each item appearing from A to C to the 44th Session of the Council of Foreign Ministers.

RESOLUTION No. 2/43-E
ON
DEVELOPMENT OF
AGRICULTURE, LABOUR AND TRANSPORTATION

The Forty Third Session of the Council of the Foreign Ministers of the Organization of Islamic Cooperation (Session of Education and Enlightenment - Path to Peace and Creativity), held in Tashkent, Republic of Uzbekistan on 17-18 Muharram 1438H (18-19 October 2016),

Pursuant to the Charter of the Organization of Islamic Cooperation on intensification of intra-OIC cooperation in the socio-economic domain,

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016,

Giving effect to the General Agreement for Economic, Technical and Commercial Cooperation among Member States of the OIC, adopted as per Resolution No.1/8-E of the Eighth Session of CFM held in Tripoli, Libya on 16-22 May 1977,

Reaffirming the Agreement for Promotion, Protection and Guarantee of Investments among the OIC Member States, which was adopted by the Twelfth Session of CFM held in Baghdad, Iraq on 1-5 June 1981,

Recalling the Resolutions on Economic Issues adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015,

Reaffirming the relevant resolutions of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC), especially those adopted by the 31st Session of the COMCEC held in Istanbul, Republic of Turkey on 23-26 November 2015,

Commending the various initiatives launched by OIC Member States towards strengthening economic cooperation among the OIC Member States and their respective support for the implementation of relevant OIC resolutions,

Taking into account the reports on activities of the various OIC institutions in the economic domain, namely: SESRIC, ICDT, IDB Group, ICCIA, SMIIC and OISA,

Having considered the Report of the Secretary General,

A. AGRICULTURE, RURAL DEVELOPMENT AND FOOD SECURITY

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016, especially those goals relating to agriculture, rural development and food security,

Also recalling the relevant provisions of the Resolution No.1/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015, particularly with regard to the inauguration of the Islamic Organization for Food Security (IOFS),

Taking note of the relevant resolutions of the 31st Session of the COMCEC held in Istanbul, Turkey on 23-28 November 2015,

Commending the efforts of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) towards enhancing cooperation among the OIC Member States in the area of agriculture especially through the COMCEC Agriculture Working Group and the COMCEC Project Funding Mechanism,

Reaffirming the Resolution on Promoting Food Security and Agricultural Development in OIC Member States adopted by the Seventh OIC Ministerial Conference on Food Security and Agricultural Development held in Astana, Republic of Kazakhstan, from 26 to 28 April 2016,

Taking note of the outcome of the Inaugural General Assembly of the Islamic Organization for Food Security (IOFS) held in Astana, Republic of Kazakhstan, from 26 to 28 April 2016,

Expressing its satisfaction at the increase in the number of signatories to the Statute of Islamic Organization for Food Security to 31 OIC Member States as well as the ratification of the same by 4 OIC Member States,

Emphasizing the role of the newly created Islamic Organization for Food Security, as an OIC specialized institution, in coordinating and implementing OIC policies and programmes on agriculture, rural development and food security,

Also emphasising the need to address the challenges posed by food insecurity in OIC Member States, through the implementation of an action plan that features creation of dedicated funds for SMEs and Research and Development in the domain of agriculture, rural development and food security,

Acknowledging the potential of the agricultural sector to generate wealth, social benefits and contribute to the development of national economies, and its importance in enhancing food and nutrition security in OIC Member States, in the face of increasing demand due to population growth and the rapid urbanization,

Considering the need to harness the benefits of OIC Member States' agricultural endowments through development of value chains, accelerated trade and marketing,

Expressing appreciation to the Government of the Republic of Kazakhstan for hosting the Seventh OIC Ministerial Conference on Food Security and Agricultural Development, and the Inaugural General Assembly of the Islamic Organisation for Food Security, in Astana, Kazakhstan on 26-28 April 2016, respectively,

Taking into account the reports on activities of the various OIC institutions in the domain of agricultural development and food security,

1. **Endorses** the attached Resolution on Promoting Food Security and Agricultural Development in OIC Member States, adopted by the Seventh OIC Ministerial Conferences on Food Security and Agricultural Development held in Astana, Republic of Kazakhstan on 26-28 April 2016, and **urges** all Member States and OIC institutions to effectively implement its provisions;
2. **Welcomes** the launch of Islamic Organization for Food Security (IOFS), a new specialized institution of the OIC, to serve as an executing agency for OIC programmes in the domain of agriculture, rural development and food security, in collaboration with COMCEC and other relevant OIC institutions;
3. **Invites** all OIC Member States and relevant OIC institutions to actively cooperate with IOFS within the field of its competence and support the latter in the implementation of various programmes under its 5-Year Plan of Action;
4. **Commends** OIC Member States, which have already signed and ratified the Statute of IOFS, and **urges** other OIC Member States to accede to the said statute expeditiously;
5. **Urges** IOFS signatories to finalize the ratification of the IOFS Statute;
6. **Recommends** to IOFS Member States to make voluntary contributions and donations to the IOFS in line with the Article 18 of IOFS Statute.

B. LABOUR, EMPLOYMENT AND SOCIAL PROTECTION

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016, especially those goals relating to labour, employment and social protection issues,

Reiterating the relevant provisions of the Resolution No.1/42-E adopted by the 42nd Session of the CFM, held in Kuwait City, State of Kuwait on 27-28 May 2015, with regard to labour, employment and social protection issues,

Pursuant to the provisions of the OIC Framework for Cooperation on Labour, Employment and Social Protection adopted at the Second Islamic Conference of Labour Ministers (ICLM),

Reaffirming the Resolution on Cooperation on Labour, Employment and Social Protection adopted by the Third Islamic Conference of Labour Ministers held in Jakarta, Republic of Indonesia, from 28 to 30 October 2015,

Also reaffirming the relevant provision of the Resolution on Cooperation on Labour, Employment and Social Protection of the Third Islamic Conference of Labour Ministers, which, *inter alia*, adopted the Statute of OIC Labour Centre in Baku, Azerbaijan and, to this end requested the Secretary General to submit the Statute to the Council of Foreign Ministers for approbation,

Considering the huge number of unemployed youth in OIC Member States and the need for all Member States to collaborate and exchange best practices with a view to reinforcing their national strategic plans, aimed at youth empowerment and skill acquisition,

Desirous of fast-tracking implementation of the Executive Programme for the Implementation of the OIC Framework for Cooperation on Labour, Employment and Social Protection,

Expressing appreciation to the Government of the Republic of Indonesia for hosting the Third Islamic Conference of Labour Ministers (ICLM),

Also expressing appreciation to the Government of the Kingdom of Saudi Arabia for its offer to host the Fourth Islamic Conference of Labour Ministers (ICLM) in 2017,

Further expressing appreciation to the Government of Malaysia for hosting the Occupational Safety and Health (OSH) Competency Management for OIC Countries from 25 July to 5 August 2016,

Commending the various OIC institutions for the implementation of capacity building and technical assistance projects in the field of labour, employment and social protection,

1. **Welcomes** the attached Resolution on Cooperation on Labour, Employment and Social Protection adopted by the Third Islamic Conference of Labour Ministers held in Jakarta, Republic of Indonesia, from 28 to 30 October 2015, and **urges** all Member States and OIC institutions to effectively implement its provisions;

2. **Requests** Member States, which sponsored specific projects under the Executive Programme for the Implementation of the OIC Framework for Cooperation on Labour, Employment and Social Protection, to support the effective and speedy implementation of these projects;
3. **Undertakes** to promote measures to encourage intra-OIC cooperation through exchanges of knowledge and expertise, training and capacity building programmes on labour, employment and social protection;
4. **Welcomes** the offer of the Government of Republic of Indonesia to organize a Workshop on Research and Studies of Islamic Concepts and Practices related to Employment Issues in 2017 and **invites** all Member States to actively participate in this event;
5. **Also welcomes** the offer by the Government of the Kingdom of Saudi Arabia to host the 4th Islamic Conference of Labour Ministers (ICLM) in 2017 and **calls on** all Member States to actively participate in the said Conference;
6. **Approves** the Statute of the Labour Centre of the Organization of Islamic Cooperation, which was adopted by the Third Islamic Conference of Labour Ministers held in Jakarta, Republic of Indonesia on 28-30 October 2015, and **invites** all OIC Member States to sign and ratify the Statute of OIC Labour Centre at their earliest convenience in order enable early take-off of the Centre;
7. **Recognizes** the need for the Labour Centre to interact with its Member States taking into consideration their national priorities and legislation;
8. **Commends** the Government of Azerbaijan for its valuable support for this initiative aimed at improving intra-OIC collaboration in the fields of labour, employment and social protection as well as the effective implementation of OIC joint action in this domain;

C. **TRANSPORT DEVELOPMENT**

Recalling the Resolution No.5/11-E (IS) adopted by the 11th Session of the Islamic Summit Conference held in Dakar, Republic of Senegal on 13-14 March 2008,

Pursuant to the relevant provisions of the Resolution No.1/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015, with regard to the OIC Dakar-Port Sudan Railway Project,

Taking note of the relevant resolutions of the 31st Session of the COMCEC held on 23-26 November 2015 in Istanbul, Turkey,

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016, which prioritizes development of transport as a key contributor to sustainable socio-economic development,

Recognizing that development of effective transportation infrastructure is instrumental in putting the OIC Member States on a path for sustained economic growth, productivity increase, widening national markets for goods and services, and international competitiveness;

Conscious of the fact that transportation infrastructure in the OIC Member States, with the exception of a few countries, is not keeping pace with demands or needs of their economies, and their transportation networks, as a whole, remain poorly connected,

Bearing in mind the submission by Senegal of its national component of Dakar-Bamako-Sikasso-Bobo-Dioulasso Railway project, which represents an important segment of the OIC Dakar-Port Sudan Railway corridor, to IDB for financing,

Commending the efforts of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) towards enhancing cooperation among the OIC Member States in the area of multimodal transport development especially through the COMCEC Transport and Communications Working Group and the COMCEC Project Funding Mechanism,

Also commending the support and contributions of the United Nations Office for South-South Cooperation (UNOSSC) under its South-South Global Assets and Technologic Exchange (SS-GATE) for the said OIC railway project,

Reaffirming the importance of cooperation and collaboration between OIC Member States towards developing regional transport networks and implementing cross-border projects,

Emphasizing the need to harmonize and improve multimodal transport and border-crossing infrastructure, facilities and services along the transport corridors in OIC Member States,

Recognizing the need for increased cooperation among OIC Member States to address the issues relating to transport and transit corridors as an important element of sustainable development,

Welcoming the efforts of the relevant institutions of the OIC, in particular the IDB, within their respective mandates, to develop multimodal transport corridors in OIC Member States, and **encouraging** them to further increase their efforts towards mobilizing financial and

technical assistance to OIC Member States for the development of multimodal transport corridors and networks,

1. **Calls upon** OIC Member States and development partners to further encourage and support the execution of the Dakar-Bamako-Sikasso-Bobo-Dioulasso Railway segment on Dakar-Port Sudan Railway corridor;
2. **Renews its call** on OIC Member States and development partners to extend financial and technical assistance to the concerned OIC Member States in the elaboration of feasibility studies of their national segments along the OIC Dakar-Port Sudan Railway corridor;
3. **Calls upon** OIC Member States to further strengthen cooperation for developing the International East-West Trans-Caspian as well as North-South multimodal transport corridors and **encourages** all relevant financial institutions to actively cooperate with the governments of the Member States in financing relevant multimodal transport projects.

D. GENERAL PROVISION:

Requests the Secretary General to follow up the implementation of this Resolution and submit a comprehensive report on each item appearing from A to C to the 44th Session of the Council of Foreign Ministers.

RESOLUTION No. 3/43-E
ON
MICRO AND SOCIAL FINANCE, SPECIAL FUNDS AND REGIONAL ECONOMIC
PROGRAMMES

The Forty Third Session of the Council of the Foreign Ministers of the Organization of Islamic Cooperation (Session of Education and Enlightenment - Path to Peace and Creativity), held in Tashkent, Republic of Uzbekistan on 17-18 Muharram 1438H (18-19 October 2016),

Recalling the General Agreement for Economic, Technical and Commercial Cooperation among the OIC Member States, adopted as per Resolution No.1/8-E of the Eighth Session of CFM held in Tripoli, Libya on 16-22 May 1977,

Also recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016,

Also recalling the Final Communique of the 13th Islamic Summit Conference, held in Istanbul, Republic of Turkey, on 14-15 April 2016, emphasizing on the need for a comprehensive OIC infrastructure development policy in order to realize the vision of an integrated OIC economic community,

Taking note of the relevant resolutions of the 31st Session of the COMCEC held on 23-26 November 2015 in Istanbul, Turkey,

Reiterating the relevant provisions of the Resolutions on Economic Issues adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015,

Conscious of the importance of OIC special funds and regional economic programmes in supporting national efforts towards alleviating poverty, improving social services and infrastructures in OIC Member States,

Having considered the Report of the Secretary General,

A. DEVELOPMENT OF ISLAMIC MICRO- AND SOCIAL FINANCE

Reaffirming the relevant provisions of the Charter of the Organization of Islamic Cooperation that encourage activities for the increasing intra-OIC socio-economic cooperation,

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016, which, among others, prioritizes the development of Islamic financial products,

Recalling the General Agreement for Economic, Technical and Commercial Cooperation among the OIC Member States, adopted as per Resolution No.1/8-E of the Eighth Session of CFM held in Tripoli, Libya on 16-22 May 1977,

Also recalling the relevant provisions of the Resolutions on Economic Issues adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait, State of Kuwait, on 27-28 May 2015,

Taking note of the approval of US\$111.47 million by the Islamic Solidarity Fund for Development (ISFD) for financing a number of projects in the various OIC countries under its Microfinance Support Programme (MFSP),

Recognizing the imperatives of concessional financing for the purpose of economic empowerment of the vulnerable groups in OIC Member States,

Recognizing also that Islamic social finance can potentially meet the resource gap for poverty alleviation and addressing the problem of financial exclusion in OIC Member States,

Noting with appreciation the work of International Conferences on Zakah, which were held in various OIC Member States from 1984 to 2010, and **noting also** their key recommendation to establish a Forum among Zakah institutions,

Taking note of the outcome of the Seminar of Islamic Microfinance for Poverty Alleviation in OIC Member States, held in Bogor, Republic of Indonesia, on 14-15 May 2016,

Commending the continuous efforts of IDB Group, particularly IRTI towards developing Islamic social finance sector in OIC Member States as well as documenting national experiences in this direction,

1. **Requests** OIC Member States to create necessary legal and regulatory environment and supporting infrastructure in order to promote development of Islamic micro- and social finance industry;
2. **Invites** the General Secretariat and IDB to further develop the Program on Islamic Microfinance for Poverty Alleviation and Capacity Transfer (IMPACT), which is aimed at promoting information sharing, networking, advocacy, research and capacity building among OIC Member States on access to micro- and social finance for development purposes;
3. **Requests** the Secretary General, in collaboration with Member States and relevant OIC institutions, to organize a Forum of Zakah Institutions and Providers in OIC Member States with a view to examining ways and means of effective

utilization of Islamic social finance for financing development projects in OIC Member States.

B. ISLAMIC SOLIDARITY FUND FOR DEVELOPMENT (ISFD)

Recalling the relevant provisions of Final Communique of the 13th Islamic Summit Conference, held in Istanbul, Republic of Turkey, on 14-15 April 2016, with regard to the need to mobilize resources for the Islamic Solidarity Fund for Development (ISFD),

Reaffirming its relevant Resolutions on the mobilization of funds for the Islamic Solidarity Fund for Development (ISFD),

Noting the various interventions on poverty alleviation projects through ISFD which amounted to US\$ 565.8 million in 2015,

Conscious of the need for further mobilisation of funds in order to make-up for the funding gap of US\$ 7.74 billion to the Islamic Solidarity Fund for Development,

Emphasizing the need to increase disbursements on microfinance, vocational education and training, agriculture and food security programmes, and devising an Islamic model on investing the funds in undertakings and activities for poverty alleviation and development,

Also emphasizing the need to increase financial contributions to the Islamic Solidarity Fund for Development as a crucial way of expanding its activities towards alleviating poverty, improving social services and infrastructures in OIC Member States, through diversification of resources,

1. **Calls upon** OIC Member States to redeem their respective pledges to the Islamic Solidarity Fund for Development and to consider making additional commitments on a voluntary basis, including allocation of Waqf in favour of ISFD so as to achieve the target capital of the said Fund, which is US\$ 10 billion;
2. **Calls** for elaboration, through the committees of PRs, of guidelines and procedures on the Islamic model of investing and managing of ISFD with clearly defined criteria, principles, categories of beneficiaries, types of projects, disbursement and repayment modes, etc, in order to encourage private sectors, NGOs and philanthropists to contribute to ISFD and get involved in ISFD projects and activities;

3. **Also calls upon** Private and NGOs sectors , philanthropists, and high net-worth individuals in OIC Member States to actively participate in the Fund;
4. **Reiterates its request** to the OIC Secretary General and President of IDB to convene a fund mobilization session in order to mobilize additional funds for ISFD;
5. **Invites** the Secretary General to continue to report on the activities of ISFD.

C. **OIC PLAN OF ACTION FOR COOPERATION WITH CENTRAL ASIA**

Recalling relevant provisions of the Final Communiqué of the 13th Islamic Summit Conference, held in Istanbul, Republic of Turkey, on 14-15 April 2016, with regard to the implementation of OIC Plan of Action for Cooperation with Central Asia, and the elaboration of Special Programme for Central Asia,

Reaffirming the relevant provisions of the Resolution No. 3/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015, with regard to the implementation of OIC Plan of Action for Cooperation with Central Asia,

Recalling the Resolution No. 42/37-POL, of 37th Session of the Council of Foreign Ministers of the OIC, held in Dushanbe, Republic of Tajikistan, on 18-20 May 2010, with reference to creation of an OIC Plan of Action for Cooperation with Central Asia,

Taking note of the outcome of the Workshop on the Country Partnership Models with Central Asia organized by the COMCEC Coordination Office and Turkish Coordination and Cooperation Agency (TIKA) in Ankara, Republic of Turkey on 22-23 February 2012,

Commending the initiative of Islamic Development Bank Group in launching a Special Programme for Central Asia with an indicative financing package amounting to US\$ 6 billion,

Also commending the exemplary role of the various OIC institutions for the planning and execution of the OIC Plan of Action for Cooperation with Central Asia, thereby underscoring the efficacy of inter-agency collaboration for the implementation of OIC resolutions,

1. **Endorses** the attached Special Programme for Central Asia (SPCA) prepared by Islamic Development Bank Group (IDB), as a critical component of the OIC Plan of Action for Central Asia and calls for its speedy implementation;
2. **Invites** the Secretary General and other relevant OIC institutions to coordinate actions for the implementation of the OIC Plan of Action for Central Asia;

3. **Calls on** Member States to encourage their Public and Private Sectors as well as investment Agencies in OIC Member States to actively participate in the implementation of identified projects at the OIC Trade and Investment forums for Central Asia.

D. ISLAMIC INFRASTRUCTURE AND INTEGRATION POLICY (TRIPLE Is)

Recalling the relevant provisions of the OIC-2025: Programme of Action with regard to promoting activities aimed at achieving economic and social development in OIC Member States,

Also recalling the Final Communique of the 13th Islamic Summit Conference, held in Istanbul, Republic of Turkey, on 14-15 April 2016, on the need for a comprehensive OIC infrastructure development policy in order to realize the vision of an integrated OIC economic community,

Further recalling the provision of the said Communique, welcoming the proposal of H.E. Nursultan Nazarbayev, President of the Republic of Kazakhstan regarding the Islamic Infrastructure Integration aimed at advancement of sustainable and inclusive economic growth, regional integration, connectivity and cooperation among the OIC Member States,

Reiterating the provisions of the Resolution No. 3/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015, with regard to the execution of the Special Programme for Development of Africa (SPDA) and OIC Plan of Action for Cooperation with Central Asia (OIC-PACCA),

Noting with satisfaction the successful conclusion of the approval phase of SPDA in November 2012, under which IDB Group has committed a total amount of US\$ 5.01 billion for financing 480 projects in African OIC Member States, featuring human and infrastructure development, agriculture and social services,

Taking note of the outcome of the First Investment Forum on OIC Plan of Action for Cooperation with Central Asia, which was held in Dushanbe, Republic of Tajikistan on 27-28 October 2014, including the various projects recommended for execution in the next biennium,

Underscoring the importance of enhanced multimodal connectivity among OIC Member States to bring peoples, goods, services and capital closer together in accordance with the OIC Charter,

Emphasizing that multimodal physical and institutional connectivity can contribute to narrowing development gaps by expanding the frontiers of production/distribution networks and augmenting people-to-people connectivity among OIC Member States,

Conscious of the fact that in some OIC Member States the problems of poverty, low levels of social development, inadequate infrastructure and lack of capital still pose a serious challenge to their sustainable development,

Recognizing the need for elaboration of OIC infrastructure development and regional integration policy aimed at supporting and mobilizing resources for development of necessary physical and institutional infrastructures to foster the regional integration and economic growth in OIC Member States,

1. **Requests** the Secretary General, in collaboration with Member States and relevant OIC institutions, to submit a draft OIC policy paper for infrastructure development and regional integration, taking into account the achievements realized under the SPDA;
2. **Invites** Member States to actively participate in the development of an OIC framework for infrastructure development and regional integration;
3. **Encourages** Member States to initiate and implement joint projects that promote integrated cross-border infrastructure and regional multimodal connectivity through trade and investment facilitating infrastructure, potential reductions in trade related costs, and by facilitating people-to-people contact;
4. **Also encourages** Member States that have developed strategies to develop cross-border infrastructures and enhance regional multimodal connectivity to share their best practices and measures that could assist other Member States in their efforts in this direction;
5. **Supports** the efforts of the relevant institutions of the OIC, in particular the IDB, within their respective mandates, to develop cross-border infrastructures in OIC Member States as well as to foster regional connectivity among them, and **encourages** them to further increase their efforts towards mobilizing financial and technical assistance to OIC Member States in this area;
6. **Requests** the IDB, in collaboration with the General Secretariat and other relevant organs and institutions, to conduct needs assessment of the Member States in the field of infrastructure development and report to 44th CFM.

E. GENERAL PROVISION:

Requests the Secretary General to follow up the implementation of this Resolution and submit a comprehensive report on each item appearing from A to D to the 44th Session of the Council of Foreign Ministers.

RESOLUTION No.4/43-E
ON
ECONOMIC ASSISTANCE TO OIC MEMBER STATES AND
MUSLIM COMMUNITIES IN DISPUTED/OCCUPIED TERRITORIES AND NON-OIC
COUNTRIES WITHIN THE OIC MANDATE

The Forty Third Session of the Council of the Foreign Ministers of the Organization of Islamic Cooperation (Session of Education and Enlightenment - Path to Peace and Creativity), held in Tashkent, Republic of Uzbekistan on 17-18 Muharram 1438H (18-19 October 2016),

Recalling the relevant provisions of the Charter of Organization of Islamic Cooperation on enhancing and strengthening the bond of unity and solidarity among Member States,

Reaffirming the Resolution No.4/42-E adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015, with regard to Economic Assistance to the OIC Member States and Muslim Communities in non-OIC countries,

Being convinced that the development assistance from fellow OIC Member States is meant to support and supplement the national efforts of the needy OIC Member States in solving the most important problems of their socio-economic development,

Recognizing that requests for assistance on the part of the needy OIC Member States are steadily increasing in volume and in scope,

Having considered the Report of the Secretary General,

1. **Urges** OIC Member States and Financial Institutions to continue to extend all possible assistance to the needy OIC Member States and Muslim Communities in non-OIC countries;
2. **Requests** OIC Member States to submit, on an annual basis, information on their respective assistance pursuant to this and previous resolutions on this matter.

A. ECONOMIC ASSISTANCE TO OIC MEMBER STATES

A.1. Economic Assistance to the Republic of Azerbaijan:

Confirming full solidarity of the OIC Member States with the Government and people of Azerbaijan at this very critical time of the country's history,

Referring to the relevant UN Security Council Resolutions regarding this conflict,

Deploing the Armenia-backed aggressive separatism instigated in the Nagorno-Karabakh region of the Republic of Azerbaijan, followed by aggression and occupation by Armenia of about 20 percent of Azerbaijani territories and resulted in violent displacement of almost one million Azerbaijani people from their homes, which, as such, resembles the terrible concept of ethnic cleansing,

Conscious of the fact that economic damage inflicted upon Azerbaijan in its territories currently occupied by Armenia already exceeds US\$60 billion,

Welcoming and appreciating the assistance extended by some Member States and OIC relevant bodies, United Nations institutions and international organizations,

Emphasizing the fact that despite the efforts and achievements of the Republic of Azerbaijan in solving the problems of Internally Displaced Peoples (IDPs) and refugees, there is still a need for technical and financial assistance by donor countries and international organizations,

1. **Appeals** to the Member States, International Community and Islamic Institutions to make available to the Government of Azerbaijan the financial and technical assistance with a view of implementing development projects aimed at improvement of social and living conditions of IDPs;
2. **Calls upon** the international organizations to continue to support economic and social development activities of Azerbaijan.

**B. ECONOMIC ASSISTANCE TO MUSLIM MINORITIES AND COMMUNITIES
INDISPUTED/OCCUPIED TERRITORIES AND NON-OIC COUNTRIES
WITHIN THE OIC MANDATE**

B.1. Economic Assistance to the People of Jammu and Kashmir:

Recalling all previous resolutions of the Organization of Islamic Cooperation on assistance to the Kashmiri people, particularly Resolution 23/30-E of the Thirtieth Session of the Islamic Conference of Foreign Ministers,

Expressing deep sympathy to the victims, their families and people of Jammu and Kashmir who suffered huge loss of life and socio-economic and environmental damage from the massive earthquake that struck South Asia on 8 October 2005,

Expressing concern at the reports of Indian government's selective approach in Indian Occupied Kashmir in assisting flood victims of 2014 on communal basis and ignoring Muslims on the basis of religion,

Also expressing gratitude for the assistance, contributions and pledges of the international community, particularly the Member States for the relief and rehabilitation efforts

for the earthquake victims, which reflect the spirit of Islamic solidarity and cooperation to meet the challenges of unprecedented natural disasters,

Acknowledging the interest shown by the Secretary General's Special Representative on Jammu and Kashmir, Ambassador Abdullah Alim in extending financial assistance for development projects in AJK during his to the region in May 2016,

Welcoming the Secretary General's offers of financing development projects in AJK during his visit to Islamabad in 2014,

Further expressing deep appreciation for the assistance extended to the Kashmiris by some Member States and relevant OIC bodies,

1. **Calls** for expeditiously implementing the recommendations contained in the report of OIC Secretary General's Special Representative for Jammu and Kashmir on his visit to Azad Jammu and Kashmir in May 2016;
2. **Encourages** Islamic Solidarity Fund and Islamic Development Bank to finance through grants/soft loans, development projects in Azad Jammu and Kashmir;
3. **Appeals** to Member States and Islamic Institutions, such as the Islamic Solidarity Fund, Islamic Development Bank and Charitable Institutions, to grant generous humanitarian assistance to the Kashmiri people whose plight has been aggravated by the devastating earthquake of October 2005;
4. **Encourages** the international community, particularly donor countries, international financial institutions and relevant international organizations from the Islamic World to continue to provide necessary fund and assistance to support the ongoing rehabilitation and reconstruction work, in the affected areas of Jammu and Kashmir;
5. **Appeals** to Member States to contribute, wherever possible, to the rehabilitation of people affected by the earthquake disaster in order to facilitate the economic and social wellbeing since many means of livelihood have been damaged or destroyed;
6. **Also appeals** to Member States and the Islamic Institutions to grant scholarships to the Kashmiri students in different universities and institutions in the OIC countries.

C. **GENERAL PROVISION:**

Requests the Secretary General to follow up the implementation of this Resolution and submit a comprehensive report on each item appearing from A to B to the 44th Session of the Council of Foreign Ministers.

RESOLUTION No.5/43-E
ON
IMPLEMENTATION OF DECISIONS OF THE COMCEC

The Forty Third Session of the Council of the Foreign Ministers of the Organization of Islamic Cooperation (Session of Education and Enlightenment - Path to Peace and Creativity), held in Tashkent, Republic of Uzbekistan on 17-18 Muharram 1438H (18-19 October 2016),

Reaffirming the relevant provisions of the Charter of the Organization of Islamic Cooperation that encourage activities for the increasing intra-OIC socio-economic cooperation,

Recalling the General Agreement for Economic, Technical and Commercial Cooperation among the OIC Member States, adopted as per Resolution No.1/8-E of the Eighth Session of CFM held in Tripoli, Libya on 16-22 May 1977,

Also recalling to the Final Communiqué of the 13th Islamic Summit Conference, held in Istanbul, Republic of Turkey, on 14-15 April 2016

Further recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016,

Reiterating the relevant provisions of the Resolutions on Economic Issues adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015,

Recalling the relevant resolutions of COMCEC, in particular COMCEC Economic Summit in 2009,

Taking note of the resolutions of the 31st Session of the COMCEC held in Istanbul, Republic of Turkey on 23-26 November 2015,

Commending the Government of Turkey for its continued support for COMCEC activities,

Also commending COMCEC for its efforts for enhancing cooperation among the OIC Member States in the fields of trade, agriculture, transport and communications, tourism, finance, poverty alleviation and private sector development in the light of the COMCEC Strategy coordinated by COMCEC Coordination Office and in collaboration with various OIC Institutions in the economic domain, namely: SESRIC, ICDT, IDB Group, ICCIA, OISA and SMIC,

Having considered the Report of the Secretary General,

1. **Renews** its request to the Member States to further their efforts for the implementation of COMCEC's Resolutions, including the resolution of the 31st Session of the COMCEC No. OIC/COMCEC/31-15/RES as annexed hereto, in a manner consistent with the OIC Charter.

2. **Requests** the Secretary General to follow up the implementation of this Resolution and submit a comprehensive report thereon to the 44th Session of the Council of Foreign Ministers.

RESOLUTION No.6/43-E
ON
THE ACTIVITIES OF THE RELEVANT OIC INSTITUTIONS
WORKING IN THE ECONOMIC DOMAIN

The Forty Third Session of the Council of the Foreign Ministers of the Organization of Islamic Cooperation (Session of Education and Enlightenment - Path to Peace and Creativity), held in Tashkent, Republic of Uzbekistan on 17-18 Muharram 1438H (18-19 October 2016),

Pursuant to the relevant provisions of the Charter of the Organization of Islamic Cooperation on follow-up of the implementation of OIC decisions, resolutions and recommendations, including coordination and harmonization of the work of relevant OIC organs,

Reaffirming the Resolution on Activities of the OIC Institutions Working in the Economic Domain adopted by 42nd Session of the Council of Foreign Ministers held in Kuwait City, State of Kuwait on 27-28 May 2015,

Recalling the OIC-2025: Programme of Action, adopted by the 13th Islamic Summit Conference held in Istanbul, Republic of Turkey on 14-15 April 2016, particularly the role of OIC institutions working in the economic domain towards attaining the goals of the Programme in the economic domain,

Taking note of the outcome of the First Annual Coordination Meeting of OIC Institutions (ACMOI) held at the OIC Headquarters in Jeddah, Saudi Arabia on 7-8 December 2015,

Taking into account the reports on activities of the various OIC institutions in the economic domain, namely: SESRIC, ICDT, IDB Group, ICCIA, OISA and SMIIC,

Having considered the Report of the Secretary General,

A. STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTRE FOR ISLAMIC COUNTRIES (SESRIC)

Recalling the Resolution No.2/8-EC adopted by the Eighth Islamic Conference of Foreign Ministers held in Tripoli, Libya in May 1977, with regard to the creation of the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC),

Conscious of SESRIC's role in preparing background reports and studies on the various agenda items of the relevant OIC Ministerial Conferences and meetings,

Acknowledging the noticeable increase in the number of training and capacity building programmes and publications of the SESRIC in the recent years,

Bearing in mind the continuous efforts of SESRIC towards initiating and implementing a wide range of capacity building programmes and training courses in different fields and areas of interest to the Member States with a view to enhancing the capacities and quality of their human resources,

Taking note of the outcome of the 37th Meeting of SESRIC's Board of Directors, which was held in Istanbul, Turkey on 8-9 October 2015,

Having taken note of the Report of the Secretary General as well as the report of the Joint General Assembly of the Subsidiary Organs,

1. **Calls upon** the Member States to endeavour to implement the recommendations and project proposals contained in the reports and studies of SESRIC submitted to the relevant OIC Ministerial Conferences and meetings;
2. **Invites** SESRIC to continue to conduct joint research projects with relevant regional, international and national research and think-tank institutions and universities on developmental issues of interest to the Member States with a view to generating proposals that will initiate and enhance cooperation among them;
3. **Calls upon** SESRIC to initiate research projects on industrial development within OIC region with a view to preparing recommendations on comparative advantages of the region;
4. **Calls upon** the Member States to participate in, and support, the activities of SESRIC through activating the role of their National Focal Points (NFPs) in the OIC-VET Programme;
5. **Urges** SESRIC and the Islamic Development Bank (IDB) Group to enhance and increase their cooperation to facilitate the implementation of a wide range of training activities within the framework of the OIC-VET Programme;
6. **Calls upon** the Member States to actively participate in the Annual Meetings of the Central Banks and Monetary Authorities of the OIC Member States, as well as the annual Sessions of the OIC Statistical Commission (OIC-StatCom);
7. **Requests** SESRIC and IDB to consider supporting Afghanistan in the area of disaster management, particularly in preparing a comprehensive study on past natural disasters as well as recommendations on possible strategies to prevent and mitigate natural disasters in this country;

8. **Commends** the continuous efforts of SESRIC in cooperation with the Member States towards enhancing the technical capacities of National Statistical Organisations (NSOs) of the OIC Member States within the framework of the Centre's Statistical Capacity Building Programme (OIC-StatCaB);
9. **Urges** the Member States, which have not done so thus far, for the on-time and regular payment of their annual mandatory contributions to the budget of the Centre, and to act for the settlement of their outstanding arrears, if any, at the earliest;
10. **Requests** SESRIC to intensify its efforts in the field of health through the research and capacity building activities, in particular cancer and organ transplantation in cooperation with the relevant specialized governmental and non-governmental organizations.

B. ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

Recalling the Resolution No. 2/3-E (IS) adopted by the Third Islamic Summit Conference held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia on 25-28 January 1981, with regard to the creation of the Islamic Center for Development of Trade (ICDT);

Bearing in mind the outcome of the First Meeting of the ACMOI Trade and Investment Sub-Committee, which was held in Marrakech, Kingdom of Morocco on 17 – 18 March 2016;

Noting with satisfaction the organization by ICDT of specialized exhibitions on Health, African Business Halal, Agribusiness Industries, and Higher Education;

Noting with satisfaction the organization by ICDT of Seminars on TPS-OIC, OIC Single Window, and WTO Trade Facilitation Agreement; as well as organization by IDB of the post-WTO 10th Ministerial Conference Multilateral Trade Negotiations;

Taking note of the outcome of the 13th Meeting of the Steering Committee of the Regional Project on Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa, which was held in Casablanca, Morocco on 15-17 February 2016;

Taking into account the outcome of the 33rd Meeting of ICDT's Board of Directors, which was held in Marrakech, Kingdom of Morocco, on 14-15 March 2016;

Welcoming the successful conclusion of the 15th Islamic Trade Fair of OIC Member States, which was held in Riyadh, Kingdom of Saudi Arabia, on 22-26 May 2016;

Also welcoming the offer made by the Republic of Iraq and the State of Kuwait to host the next editions of the Trade Fair of the OIC Member States in Baghdad from 2 to 7 April 2017, and in Kuwait city from 6 to 10 February 2018, respectively;

Taking note of the outcomes of the Second Forum of the OIC Trade Promotion Organs (TPOs), held in Riyadh, Kingdom of Saudi Arabia, on 23 May 2016;

Also taking note of the outcomes of the First Forum of OIC Investment Promotion Agencies (IPAs), held in Riyadh, Kingdom of Saudi Arabia, on 24 May 2016;

Having considered the activity report submitted by the ICDT;

1. **Calls on** ICDT to continue extending the technical assistance to the Member States in the context of the multilateral trade negotiations and coordinating the positions of Member States within the WTO in close cooperation with IDB Group;
2. **Requests** the ICDT to hold more sector-specific exhibitions and to keep on utilizing professional expertise in these activities, especially in the area of Tourism, Halal, Maritime, Logistics and Sport. Also, requests ICDT to prepare regularly progress reports and to submit them to the relevant OIC fora;
3. **Also requests** ICDT to carry on organizing the Training and Awareness raising Seminars on the TPS/OIC and its Protocols in the different regions of the OIC in a bid to sensitize the Member States to complete their membership to the TPS/OIC;
4. **Invites** ICDT, SESRIC and IDB Group to conduct a technical study on the impact of BREXIT on OIC Member States and submit their report to the relevant OIC fora;
5. **Further requests** ICDT to conduct a survey on the state of play of Single Window in the OIC Countries and to identify best practices to share and **invites** ICDT to benefit from the relevant on-going work under COMCEC Trade Working Group in this regard;
6. **Takes note** of the appeal made by the Director General of ICDT to Member States to grant voluntary contributions to ICDT in order to finance the new activities entrusted to the Centre;
7. **Endorses** the ICDT draft work programme for the year 2017, which was adopted by the 33rd Meeting of ICDT's Board of Directors held in Marrakech, Kingdom of Morocco, on 14-15 March 2016.

C. ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY AND AGRICULTURE (ICCIA)

Commending the efforts of the ICCIA in organizing Forums, Training Program, B2B Meetings, Seminars and Workshops in order to galvanize the role of the Private Sector to expand their network and increase their trading and investment opportunities,

Bearing in mind the programmes of ICCIA in the areas of Halal, Innovation and Excellence Award (ITQAN), SMEs Development, Entrepreneurship Development, Poverty Alleviation, Microfinance and Development of Women and Youth-led- Enterprises,

Taking note of the outcomes of 8th and 9th Forum of Businesswomen in Islamic Countries held in Kampala, Uganda and Riyadh, Kingdom of Saudi Arabia on 26-27th October 2015 and 25th May 2016, respectively,

Noting with appreciation the cooperation of ICCIA with OIC Institutions and the UN Specialized agencies, namely UNIDO, UNDP and UN Office for South-South Cooperation,

Having noted the activity report submitted by the ICCIA,

1. **Calls upon** all interested parties to collaborate with the ICCIA in the areas of Halal, Innovation and Excellence Award (ITQAN), SMEs Development, Arbitration, Entrepreneurship Development, Poverty Alleviation, Microfinance and Development of Women and Youth-led- Enterprises;
2. **Also calls upon** the relevant stakeholders to undertake efforts for the realization of the proposed recommendations of the forums of Businesswomen in Islamic Countries;
3. **Invites** ICCIA to cooperate on Halal Standard Issues with the SMIIC as the technically competent and authorized platform for the Halal Standard issues;
4. **Also invites** the OIC Member States to encourage their private sector establishments and other stakeholders to actively participate in the ICCIA organized events during the year, particularly: the 17th Private Sector Meeting of the OIC Countries, 2016; 10th Businesswomen Forum in Islamic Chamber; Workshop on Key Infrastructure Development for Rural Growth for OIC Countries, Istanbul, Turkey, 2016; Sector-wise Trade Exchange Forum among Islamic Countries; and Innovation and Excellence Award (ITQAN);
5. **Further invites** OIC Member States to encourage their private sector establishments and other stakeholders to actively participate in the Specialized Workshop on (Food Security/Entrepreneurship Development & IT/Development

of SMEs); Forum/Workshop for Private Sector Investors in the area of Development of Islamic Tourism; Conference on Muslim Business-Owners; and Chambers of Commerce Forum, among others.

D. STANDARDS AND METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES (SMIIC)

Commending the activities of Standards and Metrology Institute for Islamic Countries (SMIIC) in the area of standardization, metrology, accreditation and their impact on trade facilitation, trade promotion and capacity building,

Welcoming the establishment of the new SMIIC Technical Committee (TC) 10 on Halal Supply Chain,

Also welcoming the approval of SMIIC Strategic Plan 2016 – 2020 as review and planning tool to set priorities, focus energy and resources, strengthen operations, ensure that stakeholders are working toward common goals, establish agreement around intended outcomes/ results, and assess and adjust the SMIIC's direction in response to the changing environment,

Taking note of SMIIC Capacity Building activities for OIC Member States in the fields of Quality Infrastructure elements,

Acknowledging the role of SMIIC for the achievement of goals defined in the OIC - 2025 Programme of Action to promote trade exchanges among the OIC Member States, increase production and competitiveness of products as well as to increase intra-OIC trade,

Welcoming the organization of SMIIC Halal Conference on 14-15 December 2015 in Malaysia jointly by the SMIIC General Secretariat and Department of Standards Malaysia (DSM) with the objective of providing a platform for SMIIC Members to discuss and exchange views and experiences in the development and implementation of OIC/SMIIC standards,

Expressing its appreciation for the organization of the 1st meeting of the SMIIC Committee on Standards for Conformity Assessment (SMIIC/CCA) on 23-24 March 2016 in İstanbul and appreciating the efforts of the General Secretariat for the implementation of SMIIC Information System (IS) and welcoming the organization of SMIIC IS training on 19-21 April 2016 in İstanbul,

Welcoming the establishment of the SMIIC Accreditation Scheme which enables SMIIC Accreditation Committee (AC), reaching 26 members, to act as an umbrella organization to provide peer evaluations for halal issues to the accreditation bodies which was encouraged in 42nd Session of CFM,

Also welcoming the organization of Legal Metrology Training in Tunisia on 3-5 November 2015 and Scientific Metrology Training on 22-26 February 2016 in Turkey in coordination with SMIIIC Metrology Committee (MC), SMIIIC General Secretariat and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC),

Having noted the report on the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC),

1. **Invites** the Member States to accede to the membership of SMIIC and to actively participate in its technical committees (TCs), Metrology and Accreditation Committees;
2. **Requests** the Member States to engage in close cooperation with SMIIC and OIC Institutions in order to improve the quality infrastructure systems of the OIC Least Developed Countries (LDCs);
3. **Invites** SMIIC Member States to adopt the OIC/SMIIC Standards as their national standards in order to aid the harmonization of standards and eliminate the technical barriers to trade among OIC Member States;
4. **Calls upon** the Member States to participate in the Forum with the theme of “Exchanging Experiences of SMIIC Member States’ on Halal Certification and Related Issues”, to be held on the sidelines of the 10th SMIIC General Assembly Meeting, in November 2016;

E. ORGANISATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

Recalling the Resolution No. 4/3-E (IS) adopted by the Third Islamic Summit Conference held in Mecca Al-Mukarramah, Kingdom of Saudi Arabia on 25-28 January 1981, with regard to the creation of the Organization of the Islamic Shipowners Association (OISA),

Taking note of the outcome of the 36th Executive Committee and 27th Session of the General Assembly of the Organization of the Islamic Shipowners Association held in Dubai, United Arab of Emirates on 12 November 2014,

Acknowledging the role of maritime training institutions in providing the maritime transport market with highly trained and qualified personnel in compliance with the international standards in order to ensure the success of the maritime transport development plans in OIC Member States,

Conscious of the need to increase marine academies and training centers to train citizens of OIC countries in order to enable them serve on vessels owned by shipping companies of OIC Member States and other international shipping companies,

Emphasizing the need to increase financing infrastructure projects in the maritime industry, including identifying different methods of financing for the building and purchasing of ships to strengthen the maritime commercial fleet in OIC Member States,

1. **Urges** investors and financing institutions to support the development of marine transport, including maritime commercial fleet in OIC Member States;
2. **Requests** OIC Member States to encourage their shipping companies to register their tonnage with the Islamic P&I Club (IPIC) and benefit from its services;
3. **Also requests** OISA to reactivate its Bakkah Shipping Company in order to promote shipping transportation and starting permanent shipping line between OIC Member States;
4. **Urges** OIC Member States to encourage their shipping companies to utilize Arab Shipbuilding and Repair Yard (ASRY), Turkish Shipbuilders' Association (GISBIR) and other shipyard companies in OIC Member States for building, repairing and maintenance of their vessels;
5. **Requests** OIC Member States to encourage their shipping companies to register their under construction vessels and new buildings with Emirates Classification Society (TASNEEF) in order to utilize their best classification services.

F. **GENERAL PROVISION:**

Requests the Secretary General to follow up the implementation of this Resolution and submit a comprehensive report on each item appearing from A to E to the 44th Session of the Council of Foreign Ministers.



OIC/9-ICTM/2015/RES/FINAL

Original: *English*

**RESOLUTION
ON
TOURISM DEVELOPMENT AMONG
THE OIC MEMBER STATES**

ADOPTED BY

**THE 9TH SESSION OF THE ISLAMIC CONFERENCE OF
TOURISM MINISTERS (ICTM)**

NIAMEY, REPUBLIC OF NIGER
21-23 DECEMBER 2015



RESOLUTION
ON
TOURISM DEVELOPMENT AMONG THE OIC MEMBER STATES

The Ninth Islamic Conference of Tourism Ministers (ICTM), held from 21 to 23 December 2015, in Niamey, Republic of Niger;

Recalling the General Agreement for Economic, Technical and Commercial Cooperation among Member States of the OIC, adopted as per Resolution No.1/8-E of the Eighth Session of CFM held in Tripoli, Libya on 16-22 May 1977,

Pursuant to the OIC Ten-Year Programme Action adopted by the Third Extraordinary Summit, held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia in December 2005,

Re-affirming the Framework for Development and Cooperation in the Domain of Tourism between OIC Member States adopted by the Sixth Session of Islamic Conference of Tourism Ministers, held in Damascus, Syrian Arab Republic, on 29 June- 2 July 2008,

Also re-affirming the resolutions adopted by the various sessions of the Council of Foreign Ministers (CFM), particularly, resolution No. No 1/42-E of the Forty Second Session of CFM, held in Kuwait City, State of Kuwait, on 27-28 May 2015,

Recalling the resolutions adopted by the previous Sessions of the ICTM,

Conscious of the central role of tourism in promoting economic, social and cultural interactions among nations, and in contributing to international peace, security and understanding,

Re-iterating the relevance of sustainable tourism to the actualisation of OIC poverty eradication strategies and policies and as a potential contributor to sustainable development,

Considering the outcome of the Forth Coordination Committee Meeting on Tourism for the implementation of the Framework Document on Tourism, held in Jakarta, Indonesia, on 3 June 2014, particularly the selection of the OIC Cities of Tourism for 2015 (Al-Quds Al-Sherif, Palestine) and 2016 (Konya, Turkey),

Also considering the outcome of the Fifth Coordination Committee Meeting on Tourism, held in Niamey, Republic of Niger on 22 December 2015 with regard to the selection of the OIC City of Tourism Awardees for 2017 and 2018 respectively,

Expressing appreciation to the Republic of Turkey for organising the Second Meeting of OIC/COMCEC Private Sector Forum, held in Istanbul, Turkey on 16-17 December 2013,

Also expressing appreciation to the State of the United Arab Emirates for hosting the “2nd OIC Tourism and Travel Fair” in Sharjah, on 8-10 December 2015, and commending the role of ICDT in this regard,

Commending IRCICA for the successful organization of the International Conference on Preservation of Islamic Heritage in Al-Quds, in Istanbul, Turkey, on 27-28 November 2014 as well as the Exhibition on “Al-Quds in the Memory” held in Ramallah, State of Palestine, on 4-5 January 2015 on the sidelines of the inauguration ceremony of the OIC City of Tourism 2015, which is Al-Quds Al-Sherif,

Noting with appreciation of the efforts of IRCICA in the implementation the Mechanism and Criteria for the Award of OIC Seal of Excellence for Handicrafts,

Taking note of the activities of the relevant OIC institutions towards implementation of the resolutions of the ICTM, particularly those relating to the commemoration of Al-Quds Al Sherif, as the OIC City of Tourism 2015, capacity- building programmes in the domain of tourism within the framework of the OIC-VET Programme, and implementation of the Regional Project on “Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa”,

Considering the recommendations of the Workshop on Exploring Tourism Potential of Al-Quds Al-Sherif City” held on 24-25 November 2015 in Istanbul, Turkey,

Taking note of the Report and Recommendations of the First OIC International Forum on Islamic Tourism, held in Jakarta, Republic of Indonesia, on 2-3 June 2014, and commending SESRIC for its presentation on Islamic Tourism in OIC Member States,

Also taking note of the Reports presented by the Republic of Turkey and Malaysia on Tourism Occupational Skill Standards, and OIC Tourism Marketing Strategy respectively,

Having considered the report of the Secretary General on the implementation of the ICTM resolutions on tourism development:

1. **Expresses** appreciation to H.E. Issoufou Mouhamadou, for his patronage of the Conference and for the facilities provided by the Nigerien Government to ensure the success of the Conference.
2. **Commends** the opening speech of H.E. Issoufou Mouhamadou, which addressed the problems of tourism in its human, economic, security, cultural and religious dimension, and **decides** to consider the document as a reference document of the Conference.
3. **Approves** the Executive Programme for the Implementation of the OIC Framework for Development and Cooperation in the Domain of Tourism among Member States 2016-2017 and **undertakes** to implement the projects and actions in a timely fashion.
4. **Invites** relevant OIC institutions to support the implementation of the Executive Programme for the Implementation of the OIC Framework, including the establishment of an OIC Tourism Portal and the staging of cultural festivals in OIC Member States.
5. **Renews** commitment to increase public awareness about existing tourist attractions in their countries through exchange of documentary films and allocation of airtime by OIC Member States.
6. **Approves** the selection of Madinah al-Munawwara as the OIC City of Tourism, 2017, and Tabriz as the OIC City of Tourism, 2018.
7. **Commends** the elaborate plans by the relevant OIC institutions for the commemoration of Konya City, Turkey as the OIC City of Tourism 2016 and **urges** OIC Member States to announce their respective plans in this regard.
8. **Agrees** to consider nominations by member states for OIC City of Tourism Award only upon ascertaining that none of their cities has won the Award within the past five years.
9. **Approves** the establishment of a Working Group on Islamic Tourism comprising the Republic of Indonesia (Coordinator), People's Republic of Bangladesh, SESRIC, and IUT, and **welcomes** the offer of SESRIC to carry out a project on "Strategic Plan for the Development of Islamic Tourism in OIC Member Countries".
10. **Requests** the General Secretariat to convene a meeting to elaborate an appropriate plan of action for the implementation of the valuable report on OIC Tourism Marketing Strategy.

11. **Condemns** the spate of destruction, theft and pillage of historical and heritage monuments and artefacts due to acts of terrorism, and armed extremism which have affected OIC member states, particularly Iraq, and other countries and **requests** the Secretary General in collaboration with international stakeholders to work for the repatriation of these stolen artefacts and restoration of the destroyed monuments.
12. **Welcomes** the offers of the Government of the Arab Republic of Egypt and the Government of the Islamic Republic of Iran to host the 3rd and 4th Tourism Fairs of the OIC Member States to be jointly organized by the ICNT in 2017 and 2019 respectively, and **urges** Member States to actively participate in these events.
13. **Calls upon** the OIC Member States and private sector entities to actively participate in the Fourth Meeting of the OIC/COMCEC Private Sector Tourism Forum, to be held in Istanbul, Republic of Turkey on 14-15 January, 2016.
14. **Requests** the participating Member States in the “Regional Project on Sustainable Tourism Development in a Network of Cross-Border Parks and Protected Areas in West Africa” to submit the respective national segments of the project to the 13th Steering Committee Meeting, to be held in Casablanca, Kingdom of Morocco on 15-17 February, 2016.
15. **Welcomes** the offer of the Government of the Kingdom of Morocco to host, and ICNT and SESRIC to organize, a Training Seminar on the “Training workshop on setting-up bankable tourism project” in Casablanca, Morocco, on 15-17 February 2016, as well as the 13th Steering Committee Meeting of the Project, and **requests** the concerned Member States to actively participate in these events.
16. **Calls on** the Member States, IDB Group and other funding institutions, bilateral and multilateral development assistance bodies, enterprises and institutions of the private sector and concerned OIC institutions to actively participate in the Second Donors’ Conference to be organized in 2016 in a bid to mobilize resources for the implementation of the Regional Project in West Africa.
17. **Emphasises** the need to rigorously implement earlier ICTM resolutions on the

Mechanism and Criteria for the Award of OIC Seal of Excellence for Handicrafts and the Heritage Center for Islamic Countries.

18. **Also calls** on all Member States and concerned OIC institutions to promote Islamic Tourism through the development of Sharia-compliant hotel and resorts, Halal food, entertainment and sport facilities, in addition to branding Islamic Tourism in the international fora.
19. **Expresses** its profound thanks and gratitude the Government and the people of Republic of Niger for their warm hospitality and excellent arrangements made for the successful conclusion of the Ninth Session of the ICTM.
20. **Welcomes** the offer by the People’s Republic of Bangladesh to host the Tenth Session of the Islamic Conference of Tourism Ministers (ICTM) in 2017.
21. **Requests** the OIC Secretary General to follow up the implementation of this Resolution and submit a report to the Tenth Session of the Islamic Conference of Tourism Ministers.

Niamey, 23 December 2015



OIC/7-MCFSAD/2016/ RES-FINAL

RESOLUTION

OF

THE SEVENTH OIC MINISTERIAL CONFERENCE

ON

FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

ASTANA, REPUBLIC OF KAZAKHSTAN
26-28 APRIL 2016
19-21 JUMADA AL-AKHIR 1437H

**RESOLUTION
ON
FOOD SECURITY AND AGRICULTURAL DEVELOPMENT
IN OIC MEMBER STATES**

*The Seventh OIC Ministerial Conference on Food Security and Agricultural Development, held in Astana, Republic of Kazakhstan on 26 to 28 April 2016/
19-21 Jumada Al-Akhir 1437h,*

Considering the relevant provisions of the Charter of the Organization of Islamic Cooperation that encourage activities for the increasing intra-OIC cooperation in the socio-economic domain,

Recalling the General Agreement for Economic, Technical and Commercial Cooperation among Member States of the OIC, adopted as per Resolution No.1/8-E of the Eighth Session of Council of Foreign Ministers held in Tripoli, Libya on 16-22 May 1977,

Also recalling the Ten Year Programme of Action adopted by the Third Extraordinary Session of the Islamic Summit Conference held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia on 7-8 December 2005, and its support for industrialization, promotion of trade and investment, transfer of technology, and alleviation of poverty, among others,

Reaffirming the previous resolutions on agriculture, rural development and food security, especially the Resolution adopted by the Sixth OIC Ministerial Conference on Food Security and Agricultural Development held in Istanbul, Republic of Turkey on 3-6 October 2011,

Also reaffirming all relevant resolutions adopted by Council of Foreign Ministers' Sessions, especially those relating to programmes, projects and activities in the domain of agriculture and food security,

Recalling the adoption of the Statute of Islamic Organisation for Food Security by the 40th Session of the Council of the Foreign Ministers of the OIC held in Conakry, Republic of Guinea on 9-11 December 2013,

Noting that 31 OIC Member States signed the Statute of Islamic Organisation for Food Security, and 4 OIC Member State ratified the same,

Emphasizing the role of the newly created Islamic Organization for Food Security, as an OIC specialized institution, in coordinating and implementing OIC policies and programmes on agriculture, rural development and food security,

Reiterating the earlier call on OIC Member States to synchronize their national agricultural development plans with OIC priorities on agriculture, rural development and food security,

Renewing the call on OIC Member States to allocate a minimum of 6% of the national budgets to agricultural development and food security programmes,

Noting that low agricultural productivity coupled with food insecurity still poses serious socio-economic challenge both for households and policy makers in many OIC Member States,

Acknowledging the potential of the agricultural sector to generate wealth, social benefits and contribute to the development of national economies, and its importance in enhancing food and nutrition security in OIC Member States;

Considering the need to harness the benefits of OIC Member States' agricultural endowments through development of value chains, accelerated trade and marketing;

Reiterating the need for synergy, coordination and implementation of all OIC food security programmes, including country-driven and regional programmes,

Recalling the outcomes of the various symposia, workshops and expert group meetings on agriculture, rural development and food security organized by the various OIC Member States and institutions,

Taking into account the reports on activities of the various OIC institutions, namely: SESRIC, IDB Group, ICCIA and SMIIC, in the domain of agricultural development and food security,

Also taking into account the outcome of the Inaugural Session of the General Assembly of Islamic Organization for Food Security held concurrently in Astana, Republic of Kazakhstan on 26-28 April 2016,

Expressing appreciation to the Government of the Republic of Kazakhstan for hosting the Seventh OIC Ministerial Conference on Food Security and Agricultural Development,

Having considered the Report of the Secretary General,

7. **Welcomes** the establishment of Islamic Organization for Food Security (IOFS), a new specialized institutions of the OIC, to serve as an executing agency for implementing OIC resolutions and programmes in the domain of agriculture, rural development and food security;
8. **Commends** OIC Member States, which have already signed and ratified the Statute of IOFS, and **urges** other OIC Member States to conclude all necessary arrangements to accede to the said Statute at their earliest convenience;
9. **Welcomes** the adoption of a Plan of Action of IOFS for short-term projects on agriculture and food security by the First Session of General Assembly of IOFS and **urges** Member States of the Organization to contribute effectively to the implementation of planned activities;
10. **Invites** all OIC Member States and relevant OIC institutions to actively cooperate with IOFS within the field of its competence;
11. **Urges** all OIC Member States to:
 - a) invest in infrastructure for market and value-chain development at national and regional levels, including, local manufacturing transport, energy, ICT, post-harvest handling, processing, storage and distribution;
 - b) support production and utilization of cost-effective and quality agricultural inputs, mechanization and agrochemicals that are affordable and accessible to all stakeholders;
 - c) invest in efficient and effective water management and irrigation infrastructure to facilitate a stable and predictable water supply system, as well as affordable, reliable renewable energy for agricultural production;
 - d) undertake investor-protection measures in the domain of agriculture and food security as well as ensure such protection across the OIC Member States;
 - e) put in place measures and mechanisms for ensuring equal access to opportunities, including land, productive assets, knowledge information and skills, for women, the youth and other socially disadvantaged groups;

- f) support professionalization of smallholder producers and family agriculture through providing vocational training programmes and access to inputs.
12. **Reiterates** the need for the OIC Member States to allocate more resources from their national budgets to agricultural development and food security programmes in line with the relevant OIC resolution;
13. **Renews its call** on OIC Member States and their Private Sector Organisations to accord priority to agricultural investment, capacity building and technology transfer in needy OIC Member States;
14. **Also renews its call** on the concerned Member States to resubmit their respective cotton projects in a comprehensive bankable format, approved under the OIC Cotton Action Plan, and to show considerable interest in the new projects being identified to enhance cooperation in this vital economic sector;
15. **Requests** the Islamic Organization for Food Security to:
- a) further study the creation of OIC Food Security Reserve as recommended by the Fourth OIC Ministerial Conference on Food Security and Agricultural Development and submit a relevant proposal to this effect;
 - b) conduct a detailed study with regard to creation of an OIC cooperation framework that will be actionable, result oriented, inclusive, time-framed and comprehensive, and, based on this study, propose an appropriate framework and its implementation modalities.
16. **Urges** OIC Member States to continue to support cross-border and regional projects aimed at enhancing intra-OIC cooperation in the area of agriculture, rural development and food security;
17. **Requests** the esteemed OIC Member States to communicate their desire to host the Eighth OIC Ministerial Conference on Food Security and Agricultural Development in 2018 to the General Secretariat at their earliest convenience;

18. **Also requests** the Secretary-General to follow-up the implementation of this Resolution and submit a report thereon to the Eighth OIC Ministerial Conference on Food Security and Agricultural Development.

Issued at Astana, 28 April 2016 (21 Jumada Al-Akhir 1437H)



OIC/3ICLM/2015/RES/FINAL

**RESOLUTION
OF THE
3RD ISLAMIC CONFERENCE
OF LABOUR MINISTERS**

**JAKARTA, REPUBLIC OF INDONESIA
15-17 MUHARRAM 1437H
(28-30 OCTOBER 2015)**

RESOLUTION
ON
THE COOPERATION ON LABOUR, EMPLOYMENT AND SOCIAL PROTECTION
AMONG THE OIC MEMBER STATES

The Third Session of the Islamic Conference of Labour Ministers, held from 15 to 17 Muharram 1437H (28-30 October 2015), in Jakarta, Republic of Indonesia,

Considering the relevant provisions of the Charter of the Organization of Islamic Cooperation that encourage activities for the increasing intra-OIC cooperation in the socio-economic domain,

Recalling the General Agreement for Economic, Technical and Commercial Cooperation among Member States of the OIC, adopted as per Resolution No.1/8-E of the Eighth Session of Council of Foreign Ministers held in Tripoli, Libya on 16-22 May 1977,

Also recalling the Ten Year Programme of Action adopted by the Third Extraordinary Session of the Islamic Summit Conference held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia on 7-8 December 2005, and its support for activities aimed at achieving economic and social development in OIC Member States,

Reaffirming the previous resolutions on labour, employment and social protection, especially the Resolution adopted by the Second Islamic Conference of Labour Ministers held in Baku, Republic of Azerbaijan on 25-26 April 2013,

Considering the provisions of the OIC Framework for Cooperation on Labour, Employment and Social Protection adopted at the Second Islamic Conference of Labour Ministers,

Also considering the outcome of the 1st Steering Committee Meeting on the implementation of the OIC Framework for Cooperation on Labour, Employment and Social Protection, held in Baku, Republic of Azerbaijan on 17-18 June 2014,

Bearing in mind all relevant resolutions adopted by Council of Foreign Ministers' Sessions, especially those relating to programmes, projects and activities in the domain of labour, employment and social protection,

Noting that the unemployment remains one of the serious challenges for development efforts of many OIC Member States,

Considering the huge number of unemployed youth in OIC Member States and the need for each country to develop its own strategic plan to develop the relevant skills of youth,

Also noting that the causes of unemployment in many OIC Member States are attributed to shortage of job opportunities, skills mismatch, low productivity, macroeconomic instability, seasonality of jobs, disconnect between the demands of employers and the output of education systems, among others,

Acknowledging the need to fast-track the execution of the Executive Programme for the Implementation of the OIC Framework for Cooperation on Labour, Employment and Social Protection, which was finalized by the 1st Steering Committee Meeting,

Taking into account the reports on activities of the various OIC institutions, particularly SESRIC and IDB, in the domain of labour, employment and social protection,

Expressing appreciation to the Government of the Republic of Indonesia for hosting the Third Islamic Conference of Labour Ministers,

Having considered the Report of the Secretary General,

1. **Expresses support** for the continued implementation of the Executive Programme for the Implementation of the OIC Framework for Cooperation on Labour, Employment and Social Protection;
2. **Commends** the contributions of the various sponsoring states and institutions on six technical cooperation projects in the area of Occupational Health and Safety;
3. **Renews** the desire to sponsor training and capacity building programmes among OIC Member States, while expediting action on the implementation of other identified projects relating to establishment of a database on migrant workers; an OIC Labour and Professional Training Observatory; and a job market information unit, among others;
4. **Adopts** the Statute of OIC Labour Centre in Baku, Azerbaijan and, to this end, **requests** the Secretary General to submit the same to Council of Foreign Ministers for approbation;
5. **Undertakes** to enhance technical cooperation and exchange good practices in the domain of labour, employment and social protection in order to take advantage of

valuable expertise accumulated by Member States over the years in this important domain;

6. **Also undertakes** to take necessary steps to improve and increase responsiveness of the education and training systems to labour market needs in order to address the pervasive and structural skills mismatch;
7. **Agrees** to further improve the protection of workers within OIC Member States, including their social protection through relevant national laws and regulations;
8. **Also agrees** to promote international principles and practices of labour for the protection of workers;
9. **Encourages** Member States to strengthen the implementation of occupational safety and health of the workers;
10. **Calls for renewed efforts** to promote fair, safe and orderly labour migration through relevant national laws and regulations and in accordance with ILO principles;
11. **Recognizes** the need to support any effort to lower the remittance fees for migrant workers and to streamline remittance procedures,
12. **Also recognizes** the need to promote policies to maximize the benefits and minimize the risks of work-based migration and to eliminate identifiable detriments of labour;
13. **Supports** youth and women self-employment and entrepreneurship, through better training in basic business skills and a business environment that is responsive to the needs and expectations of youth and women;
14. **Calls for renewed efforts** to improve conditions and reduce obstacles faced by the youth, women and people with disabilities in finding and maintaining decent work;
15. **Calls upon** Member States to provide, with regard to the cause of Palestine, training and capacity building for Palestinian workers to improve their livelihood, including financial support for the Palestinian employment and social protection fund;

16. **Requests** SESRIC to initiate and submit a Labour Market Strategy proposal, which is beneficial to all OIC Member States, to the next session of the ICLM;
17. **Also requests** the Islamic Development Bank to increase its financing in areas crucial for growth and job creation and the strengthening of the competitiveness of OIC Member States;
18. **Reiterates its call** on the Islamic Development Bank to expand its Youth Employment Support Programme to all OIC Member States;
19. **Endorses** the General Guidelines on Occupational Safety and Health (OSH) and urges Member States to be guided by their provisions in carrying out their national operations;
20. **Requests** the Standards and Metrology Institute for Islamic Countries (SMIIC) to undertake relevant studies for the “standardisation of Guidelines on OSH”;
21. **Takes** note with appreciation the OIC Labour Market Report 2015 prepared and presented by SESRIC, which provides detailed account of labour market conditions in OIC Member States as well as assesses the major problems and challenges in the labour markets of OIC Member States;
22. **Appreciates** and **supports** SESRIC for its activities within the framework of OIC Occupational Safety and Health Network (OIC-OSHNET), Occupational Safety and Health Capacity Building Programme (OSHCaB) and Capacity Building Programme for Public Employment Services (PESCaB) within the framework of OIC-VET Programme; and calls upon the relevant institutions in Member States to actively participate in the implementation of this Programme;
23. **Welcomes** the proposal made by Turkey on the establishment of an OIC OSH Centre in Ankara, and **requests** the Secretary General to consult with Turkey on the modalities for the actualization of the proposal;

24. **Also welcomes** the offer by Indonesia to organize in 2016 a Workshop on Research and Studies of Islamic Concepts and Practices related to employment issues, and expresses the readiness of Member States to participate in this Workshop;

25. **Requests** the Secretary General to consult with Member States on the venue and date of the 4th Islamic Conference of Labour Ministers (ICLM) scheduled for 2017;

26. **Requests** the Secretary General to follow-up the implementation of this Resolution.



Special
Program for Central Asia
(SPCA)



Enhanced Competitiveness, Increased Trade and Economic Growth
(2016-2020)

PART I
The Program

© April 2016

ANNEX.-IV
SPECIAL PROGRAM FOR CENTRAL ASIA (SPCA)

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Executive Summary

The Special Program for Central Asia (SPCA) is a regional program of the Islamic Development Bank Group (IDBG) that is aimed at supporting the cooperation efforts of its member countries in Central Asia. The Program is inspired by the Organization of Islamic Cooperation (OIC) Plan of Action for Cooperation with Central Asia (PACCA) and the IDB 10-Year Strategy, and is anchored on three of the seven priorities of PACCA and four of the six pillars of the 10-Year Strategy. It covers six member countries, namely, Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

The location of Central Asia on the landmass joining Asia and Europe adjacent to fast growing neighbors presents a significant opportunity that has contributed to making the Region dynamic. However, challenges abound. The economies are still not adequately diversified in addition to the lack of intrinsic economic complementarities, low intra-regional trade, low inter-country foreign direct investment flows, and limited regional cooperation. In this context, the intervention logic of the SPCA is based on the premise that trade offers countries one of the most obvious ways to sustainable development and is motivated, among other things, by three drivers viz; production of tradable goods; producing at competitive costs; and the ability to move the products from the production sites to markets. In the case of SPCA, the trade drivers are increased production of agricultural, industrial and SME goods; increased efficiency in production through increased energy supply; and the construction of an extensive transport network. Providing support for the production of agricultural, industrial and SME goods will result in excess supply that could be traded across borders. The reason for choosing these products is that a significant proportion of the population in the Region are engaged in agriculture and/or SME sector and by increasing incomes in these areas, the resulting economic growth can be made more inclusive. To enable the trading of the excess production across borders, the exports have to be produced more cheaply at the country of origin. In the case of Central Asia, energy loss resulting from aging infrastructure limits energy supply, thereby increasing the unit cost of production. Therefore, efficiency improvements and exchanges in the energy sector would result in competitive production in the Region. Once commodities are competitively produced, they could be moved across the borders through an extensive transport network. To address these constraints, SPCA will be supporting increased intra-regional and international trade, increased agricultural and industrial production, enhanced regional energy security, and an expanded regional transport network. SPCA will complement the ongoing regional cooperation efforts of the development partners, with particular focus on the productive sectors of the economy, and the Region's further integration into global value chains.

For the implementation of the SPCA, a total financing of US\$ 6 billion is targeted for the period 2016-2020, comprising US\$ 2.5 billion of ordinary financing, US\$ 375 million of concessional financing, US\$ 1.25 billion for trade financing, and US\$ 500 million of private sector financing. Additionally, conventional and innovative resource mobilization efforts and co-financing with development partners is estimated to yield over US\$ 1 billion. The SPCA will be monitored

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through regular implementation reviews and progress towards competitiveness will be monitored using the World Economic Forum's Global Competitiveness Index. To engage with the Governments and other SPCA partners on a structured basis, Annual Stakeholder Meetings will be organized. To leverage technical and financial resources from the development partners, donor community and member countries, particularly for the non-lending interventions, a tripartite cooperation mechanism will be set up, as a supplement to IDBG's regular business channels.

When effectively implemented, SPCA is expected to contribute to increased production, competitiveness and trade in the Central Asia Region and through these, enhanced inclusive economic growth.

1. INTRODUCTION

1. The Special Program for Central Asia (SPCA) is a regional program of the Islamic Development Bank Group (IDBG) that is aimed at supporting the cooperation efforts of its member countries in Central Asia to facilitate trade, enhance competitiveness and promote economic growth in pursuance of the Sustainable Development Goals (SDGs) (Annex 1). It is inspired by both the Organization of Islamic Cooperation (OIC) Plan of Action for Cooperation with Central Asia (PACCA) (Annex 2) and the IDB 10-Year Strategy (Annex 3). It is anchored on three of the seven priorities of the Plan of Action and four of the six pillars of the Strategy.
2. The SPCA covers six countries, namely: Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. Even though Azerbaijan is geographically located in South Caucasus, it is included in the Program due to its socio-economic commonalities with other target countries. Throughout the report, any use of the terms “Region” or “Central Asia Region (CAR)” refers to the cluster of the six above-mentioned IDB Member Countries.
3. The SPCA documentation is in two parts. Part I is this document, which contains the Program with all its elements. Part II comprises the four independent analytical studies undertaken by four consultants on the sector analytics, which informed the formulation of Part I. The Program (Part I) is presented in seven sections including this introduction. A look at the regional context of recent economic developments and some key development challenges of relevance to the SPCA are given in section 2. The logic, strategic anchors and frameworks of the Program are outlined in section 3, while the sector analysis and priorities are contained in section 4. The indicative financing and implementation mode are given in section 5, followed by the monitoring and evaluation framework in section 6. The conclusion and recommendation are presented in section 7.

2. REGIONAL CONTEXT

1. Overview

4. The Central Asia Region (CAR) has a population of about 77 million living in an area of just over 4 million km² that stretches from Azerbaijan on the western coast of the Caspian Sea to Kazakhstan on the most easterly front, including Kyrgyz Republic, Tajikistan, Uzbekistan and Turkmenistan.
5. Nested between Iran and Russia, and bordering the Caspian Sea, Azerbaijan covers 86,600 km². The country is home to a population estimated at 9.5 million inhabitants in 2014. The Azerbaijani population is young, with a median age of 30. The country has achieved strong economic growth rate in recent years, with an average annual growth rate of 14.15% between 2009 and 2014. Industry, notably the oil and gas sector, is the major contributor to growth with a share to GDP of 58.3%. Services and agriculture account, respectively, for 36% and

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5.7% of GDP. In terms of Human Development, Azerbaijan ranks 76th out of 187 with a Human Development Index (HDI) value of 0.747, placing the country in the high human development category. The country's GDP per capita was estimated at US\$ 7,884 by the World Bank in 2014.

6. Kazakhstan is the largest landlocked country in the world, covering 2.72 million km². The country is home to 17.3 million inhabitants sparsely distributed across its vast territory, as evidenced by a population density of 6.4 people per sq. km. Kazakhstan is endowed with various natural minerals and metals such as zinc, copper, uranium. The country also boasts of substantial reserves of fossil fuels, which have been the main drivers of growth. Kazakhstan has proven coal reserves of nearly 37 billion tones, or 3.9% of the world's total coal reserves. Currently, industry accounts for 36% of GDP, while service and agriculture represent 59.4% and 4.6% respectively. Although agriculture accounts for less than 5% of GDP, the sector employs nearly 30% of the labor force. In 2014, GDP per capita stood at US\$ 12,276, and the country ranked 70th with a HDI value of 0.757, placing the country in the high human development category.
7. The Kyrgyz Republic shares borders with China, Kazakhstan, Uzbekistan and Tajikistan. The country covers 199,950 km². Its population is estimated at 5.8 million people. The country's GDP per capita is US\$ 1,269. The Kyrgyz Republic ranks 125th out of 187 countries on the HDI rank, with an HDI value of 0.628. The economy is dominated by the service sector, industry (minerals extraction) and agriculture (cotton, tobacco, wool). Service accounts for 56% of the country's GDP, industry represents 26.7% of the GDP, while agriculture accounts for 17.3% of Kyrgyz GDP. Remittances of migrant workers are major sources of economic revenue in the Kyrgyz Republic.
8. Tajikistan covers 144,100 km² with a population density of 59.3 people per sq. km. The country has a population of 8.3 million inhabitants, with a GDP per capita of US\$ 1,114. The Tajik economy is heavily dependent on remittances, mainly from Tajik migrants in Russia. In 2014, remittances from close to 1 million Tajik migrants contributed by as much as 40% to the GDP. Agriculture is a significant contributor to the country's GDP, representing 27.4% according to the latest statistics. The sector employs 30% of the labor force.
9. Stretching over 488,100 km², Turkmenistan is bordered by the Caspian Sea to the West, with an estimated 1,768 km of coastline, and four countries in Central Asia: Kazakhstan to the Northwest, Uzbekistan in the North and East, Afghanistan to the Southeast, and Iran to the South. Turkmenistan is home to 5.3 million people. Economic activity is driven by industry (48.4% of GDP) and agricultural production (14.5% of GDP). Turkmenistan is endowed with large oil resources, with an estimated 600 billion barrels of proven oil reserves as of January 2015. Furthermore, the country is the second largest dry gas producer in Eurasia. GDP per capita stands at US\$ 9,031.5, and Turkmenistan ranks 103rd on the HDI rank with an HDI value of 0.698, placing the country in the medium human development category.

ANNEX.-IV
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10. As a doubly landlocked country, Uzbekistan covers 447,400 km² and is bordered by five landlocked countries: Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and, Turkmenistan. The country has a large population size, with 30.7 million inhabitants, and a population density of 72.3. Like many other countries in the region, Uzbekistan has proven reserves of natural gas, oil, and coal. Industry accounts for 33.7% of the GDP, while services and agriculture account for 47.5% and 18.8%, respectively. Uzbekistan is ranked in the medium human development category, with an HDI value of 0.661. GDP per capita amounts to US\$ 2,037.7.
11. The region is estimated to have one of the largest energy resources, which could be one of the drivers of growth and prosperity. Azerbaijan and Kazakhstan hold significant levels of oil and coal reserves while Turkmenistan holds many years of natural gas reserves, with Tajikistan and Kyrgyz Republic holding huge renewable energy potential. The Kyrgyz Republic has the 8th largest goldmine in the world, while Tajikistan holds large silver and aluminum reserves. The region also has huge production capacity in agriculture. It has one of the largest arable lands in the world and accounted for 4% of the world wheat production in 2008. Uzbekistan, Tajikistan and Turkmenistan possess significant cotton production and export capacity.

Box 1 – Examples of natural resource endowments in the Region

Azerbaijan, the oldest known oil-producing region in the world, experienced an oil boom at the beginning of the 20th century and later served as a major refining centre in the former Soviet Union. Currently, Azerbaijan boasts of reserves of 7 billion barrels of oil, and 30 trillion cubic feet of gas.

Kazakhstan has abundant raw materials and natural resources. With 50 billion barrels of proven reserves, Kazakhstan is 11th in the world in oil reserves and 14th in gas reserves with 2.407 trillion cubic meters. Kazakhstan owns 12 % of world's uranium and produces 36.5 %, which is the largest share of world's uranium supply. Kazakhstan is the most coal abundant country in Central Asia and 8th in the world with proven reserves of 31.3 billion tons.

Turkmenistan is the main gas exporter and possesses the largest gas deposits in Central Asia and one of the richest in the world. Turkmenistan is 6th in the world in natural gas reserves and 20th in gas production. Turkmenistan has proven natural gas reserves of approximately 265 trillion cubic feet and oil reserves of roughly 600 million barrels.

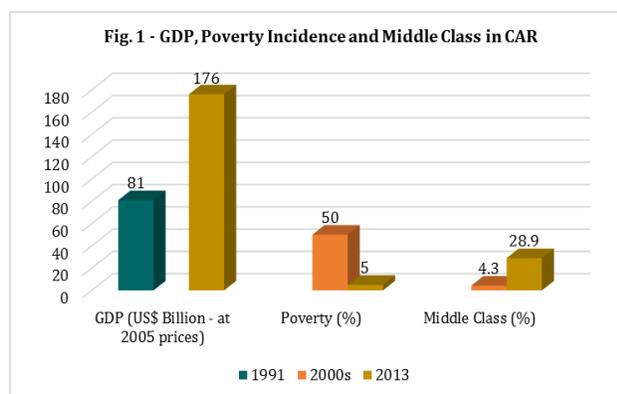
Uzbekistan has 594 million barrels of proven crude oil reserves and has 1.841 trillion cubic meters of proven natural gas reserves. Uzbekistan is rich in hydrocarbon resources, and about 60 % of its territory possesses potential oil and gas reserves. Uzbekistan ranks 3rd among the countries of the CIS and 15th in the world in terms of annual natural gas production.

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12. It is important to note that despite the significant progress made by the countries towards modernization, industrialization and urbanization, the region remains highly agrarian, with 40% of the population living in rural areas and agriculture accounting for over 45% of total number of employed and nearly 25% of the [GDP](#) on average. Therefore, agriculture continues to be critical for rural poverty reduction, employment, economic growth and food security in Central Asia and Azerbaijan. Agricultural production, processing, and related services remain an important source of income approaching 20% of the GDP in the majority of Central Asia.
13. Of particular importance to the Program will be the neighboring countries of Afghanistan, Iran and Pakistan who are also members of the IDB Group. Afghanistan is already involved in some of the regional projects and is therefore, a very important player in the region and one of the candidates for inclusion in an expanded SPCA.

2. Recent economic trends and developments

14. The region has experienced tremendous economic growth for more than two decades. From 1991 to 2013, the GDP in the region more than doubled, from US\$ 81 billion in 1999 to US\$ 176 billion in 2013 (constant 2005 US\$) (see Fig. 1). The economies remained resilient despite the global financial crisis. Per capita GDP in the region has maintained an upward trend over the past five years and countries such as Turkmenistan and Uzbekistan have achieved impressive growth rates in recent years (10.2% and 8% respectively in 2014).



15. On human development, the countries in the Central Asia Region have seen welfare indicators improve as their economies expanded. Kazakhstan has seen its GDP per capita increase from US\$ 7,165 in 2009 to US\$ 12,276 in 2014. Relative to other oil rich countries in the region, Kazakhstan has been successful in redirecting oil and gas revenues towards sectors such as machinery, chemicals and food processing. Azerbaijan has made significant progress in addressing poverty and inclusiveness issues. Poverty incidence is estimated to have decreased from close to 50% in the early 2000s to about 5% in 2013. Concurrently, the middle class has expanded from 4.3% to 28.9% of the population.

3. Key development challenges

16. The immediate to medium-term challenges facing the Region include diversification of the

product base and exports, meeting infrastructure needs, enhancing competitiveness, and ensuring environmental sustainability. The Region also needs further social and economic infrastructure investment, and policy and capacity development support to create an enabling environment for business and investment, improve governance, form an effective incentive structure for efficient distribution of resources, and strengthen the degree of competitiveness of those key sectors that have significant impact on their economic growth and development.

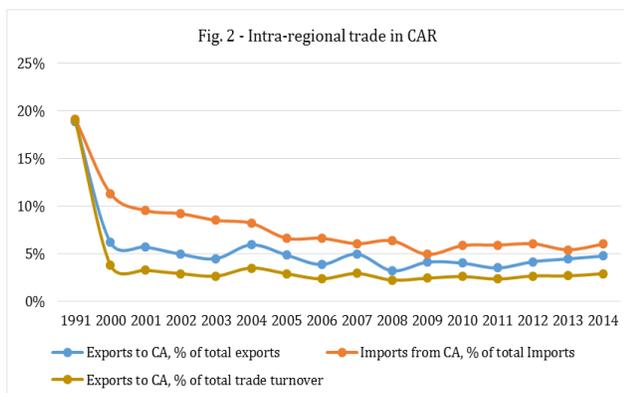
17. Key development challenges that are primarily related to regional competitiveness are briefly analyzed below, focusing on trade and transport, energy, and agriculture sectors. Structured around these three areas, the following review essentially covers the main factors of production and trade, which can be addressed through politically and economically feasible interventions at regional scale. Some other relevant areas such as human development, urban development, labor force productivity are to be analyzed in depth through IDBG's country-specific Member Country Partnership Strategies (MCPS), for IDBG's further interventions at country level.

Trade and Transport

18. The landlocked nature of Central Asian countries is a key challenge for the region when it comes to shipping goods and products. Moreover, the difficult topography complicates transport logistics to other parts of the world. This is exacerbated by the poor quality of transportation services and difficulties with transit through neighboring countries. The average distance between major cities in the region and the nearest ports, such as those in the Black Sea, the Arabian Sea and the Persian Gulf, is over 4,000 km.
19. Transportation routes from Central Asia to external markets always cross neighboring territories. Therefore, the construction/rehabilitation of transport infrastructure requires coordination and cooperation with neighbors. Similarly, the reforms in customs and border crossing rules and procedures, the elimination of technical barriers to trade and other trade facilitation measures can be effective only in the context of regional cooperation. Regional cooperation in trade policy and mutual opening of domestic markets is needed to expand intra-regional trade and bring it from informal to regular regime. SMEs and individual traders, who cannot afford high trade costs, mostly drive this trade.
20. As a reflection of the consequences of the above-mentioned challenges, the intra-regional trade in Central Asia has significantly declined over the years. For instance, in 1991 intra-regional trade turnover, exports to and imports from the region were each at 20%, but these have declined over the years to around 5% (see Fig. 2). The reduction of intra-regional trade was, in part, due to the disappearance of some enterprises and sectors, especially

manufacturing as well as to trade diversion to markets outside the region, especially in the case of exports of primary commodities. One of the key issues in trade development to be resolved is high trade costs, which undermine the competitiveness of manufactured exports from the region and prevent many Central Asian enterprises from fully participating in global value chains. The trade costs are

high for many reasons including the region's geography (low density of the population and long distances between economic activity centers), poor quality of transport infrastructure, limited transport network, underdeveloped trade services, cumbersome customs administration, and insufficient economies of scale.



Agriculture

21. There has been a doubling of the demand for food as the population of the region increased from 47 to 77 million in the last 30 years. By 2025, the population of the region is projected to be about 91 million. This has almost doubled the demand for food while arable land is very small. Out of the total agricultural land of about 288 Mha, (72% in Kazakhstan, 12% in Turkmenistan, 9% in Uzbekistan, 4% in Kyrgyz Republic, and 2% in Azerbaijan and Tajikistan), only 31 Mha is arable land, including 11.3 Mha under irrigation. Except rain-fed wheat in northern Kazakhstan, over 90% of crops is grown in the region under irrigation, which highlights the importance of water resources for agriculture. In addition to these, the Aral Sea Basin is considered the most water-short region. Renewable water resources of the region exceed 200 km³, of which a significant part is trans-boundary. These resources belong to the rivers flowing through the territory of several states of the region and their neighbors, thereby complicating the optimal use by any single country.
22. Despite favorable climate conditions for diversifying crops, only one or two crops, wheat and cotton, dominate on the irrigated soils. For example: wheat covers 44% of the irrigated land in Azerbaijan; winter wheat and cotton cover 64% of the irrigate land in Uzbekistan; 77% in Tajikistan, and; over 90% in Turkmenistan. At the same time, there are good signs of crop diversification in Kyrgyz Republic, where in 2011 dry beans accounted for 25% and potato 9%; in Tajikistan dry onions accounted for 13% and dry fruits 9%; and grapes and fresh fruits in Uzbekistan accounted for 11% and 10%, respectively, of the total agricultural export of the country. Lack of forage and poor quality of available feedstuff, degradation of rangelands, and small-scale farming units, among other factors (World Bank 2004; FAO 2010) hamper livestock development despite the potential. The inability for meat and dairy products from the region to meet international food-quality standards compounds this challenge. At the

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same time, the fishing industry has faced significant decline since the 1980s due to the reduction of flows and the shrinking of natural lakes.

23. Since the global food crisis in 2006/07, several shocks have made food security in the region more fragile. The main concerns surrounding food security in Central Asia are three-fold: low agricultural productivity in the region, relatively high levels of poverty in some countries and vulnerability to earthquakes, floods, land degradation and scarcity of water. Food insecurity manifest itself in low birth weights in the region (6% in Kazakhstan, 5% in Kyrgyz Republic and Uzbekistan, 4% in Turkmenistan and 10% in Tajikistan (Sedik 2011) against 17% on average in developing countries (FAO 2009) and undernourishment in children (8.6% and 7.8% among male and female groups, respectively).

Energy

24. The existing power related infrastructure in Central Asia, including generation facilities and transmission networks, is in disrepair or inefficiently operated as a majority of it dates back to the early era of the former Soviet Union. More than 77% of Kazakhstan's and 87% of Kyrgyz Republic's power generation assets are at least 20 years old, while for Tajikistan and Uzbekistan, the percentage of more than 20 years old equipment is 86% and 88%, respectively all resulting in huge energy and financial losses.
25. There has been only a marginal increase in the installed generation capacity of the region during the last 5 years. The only noticeable increase in installed capacity has been in Azerbaijan where it went up from 5.8 GW (in 2008) to 7.1 GW (in 2012) and, to a lesser extent, in Uzbekistan where it grew by 9% (from 11.6 to 12.6 GW) during the same 5-year period. On a cumulative basis, the 6 countries of Central Asia witnessed a mere 3.5% increase in generation capacity (from 45.7 to 49.3 GW) during the period from 2008 to 2012. This is a very low growth rate, especially when compared to the rest of the world which has recorded a 19.3% increase in total generation capacity during the same 5-year period.
26. Regarding regional energy exchanges, there was a dramatic reduction in power trade from 25 GWh in 1990 to 2.3 GWh in 2010, a 90% aggregate reduction in 20 years. This has led to wasteful use of natural resources and suboptimal operation of power sector assets. Sub-optimal dispatch resulting from inefficient interconnections leads to an increase in operation expenses. Countries with large thermal generation are spending more money on fuel to maintain active reserves in the system needed to cover daily peaks. On the other hand, countries with significant hydro resources spill water in summer due to excessive levels of water and insufficient storage capacity. This results in wasted resources and lost revenue (see Box 2). The region was not able to realize huge economic benefits that would have resulted from power cooperation.

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goods for now, because of the limited time of the program (5 years) and the need for focus and selectivity of the Program for maximum development impact.

28. Increased agriculture, industrial and SME production are the goods that are considered by SPCA. The reason for choosing these products is that a significant proportion of the population in the Region is engaged in agriculture and SMEs and by increasing incomes in these two areas, the resulting economic growth can be made more inclusive. SPCA will support the excess production of these goods, which will be traded across borders. In addition, excess energy generated will also be traded for regional energy security.
29. Excess production on its own is not enough to ensure trade. To enable the trading of the excess production across borders, the production cost of exports has to be lower in the country of origin than in the country of destination. In other words, the unit cost of production in country A has to be lower than the unit cost of production in country B. As in all parts of the world, one of the significant factors in the production of any good is the cost of energy and the Central Asia Region is no exception. However, energy loss resulting from aging infrastructure reduces the limits of the energy supplied, thereby making its production very costly. This translates into higher energy cost for agriculture and SME producers and higher unit cost of production, which reduces their competitiveness. By supporting efficiency improvements (by plugging the leakages) and exchanges in the energy sector, SPCA would contribute to increasing energy supply, reducing its cost of production which will hopefully result in reduced tariffs and lower unit cost of production for the agriculture and SME producers. In the same vein, SPCA will support the transmission infrastructure needed to move and trade the energy across borders from countries of excess supply to those with excess demand. These interventions will result in a competitive region.
30. Once commodities are competitively produced, they have to be moved across the borders. Otherwise, excess supply could be created in the local markets resulting in a fall in price equilibrium and subsequently, a fall income, thereby adversely affecting the producers that SPCA wants to support. To address this concern, the Program will support the development of an extensive transport network in the region to facilitate the easy movement of the goods produced across the region. Because of these, SPCA will be supporting the key elements of the cycle that will result in increased production, competitiveness and trade and through these, enhanced economic growth in the Region.

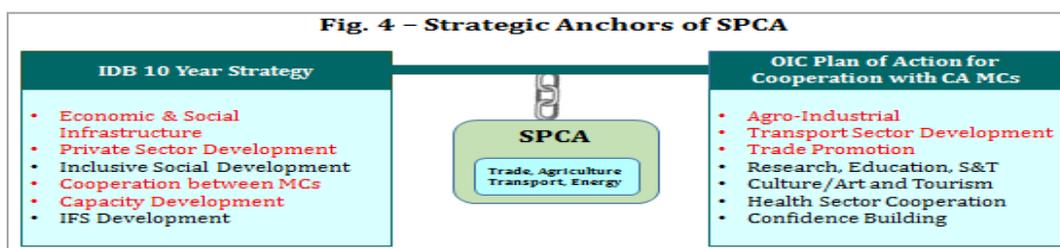
2. Strategic anchors

31. Both the Organization of Islamic Cooperation (OIC) Plan of Action for Cooperation with Central Asia Member Countries (PACCA) and the IDB 10-Year Strategy inspire the formulation of the SPCA. The OIC-PACCA is aimed at improving cooperation with Central Asia in the areas of agro - industrial sector, transport sector, trade promotion, poverty alleviation, vocational training, capacity building, research, education, science and

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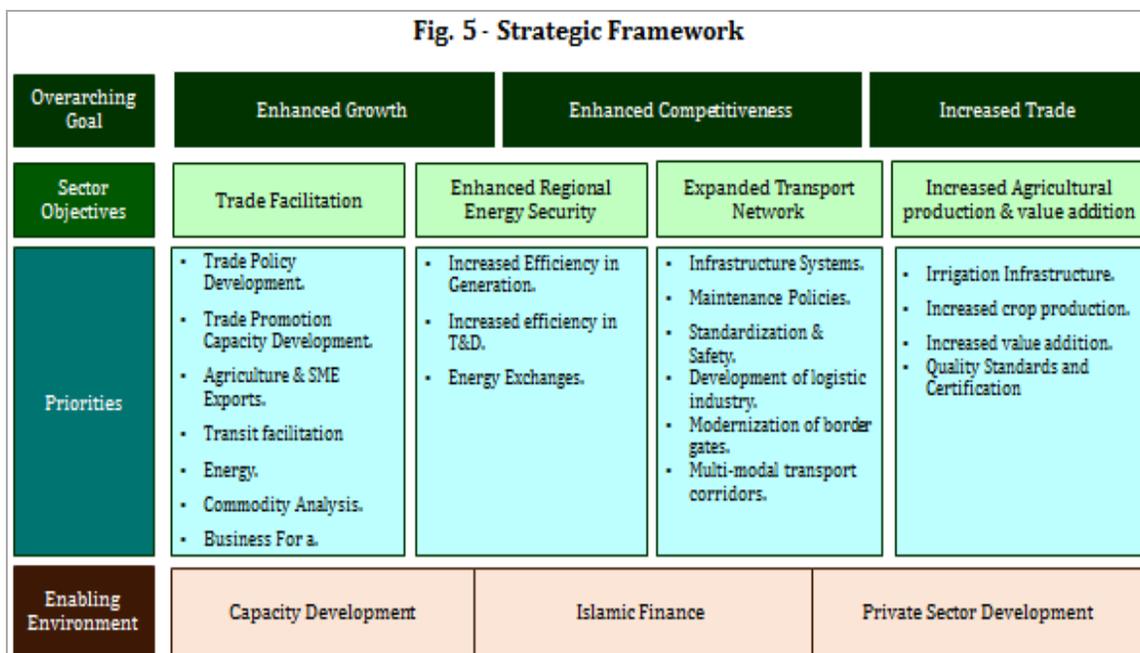
technology, culture/art and tourism, health sector and confidence-building measures.

32. With respect to the IDB 10 Year Strategy, it has the strategic objectives of fostering inclusive growth; deepening connectivity in and between member countries and promoting the growth of Islamic Financial Services. These are anchored on six pillars of Economic and Social Infrastructure, Cooperation between Member Countries, Private Sector Development, Capacity Development, Inclusive Social Development and Islamic Financial Sector Development. The 10-Year Strategy is guided by six principles: managing for results, selectivity, strategic link to budget and resources, building capabilities in strategic pillars, resource mobilization and financial sustainability.
33. As mentioned above, the SPCA is anchored on three of the seven priorities of the OIC-PACCA and four of the seven strategic pillars of the IDB 10-Year Strategy as depicted in Fig. 4.



3. Strategic framework

34. Given the development challenges identified above, the SPCA will focus its regional interventions in three sectors: Energy, Transport, and Agriculture for the purpose of enhanced competitiveness, greater trade within the region and increased economic growth. Within the context of the energy sector interventions, the SPCA will finance projects that will increase energy supply and exchange through the rehabilitation of existing energy infrastructure to improve efficiency and/or the construction of new ones. Priority will be given to energy plants, transmission and distribution networks in addition to energy exchanges to facilitate regional energy trade and enhance security.
35. In the realm of trade and regional interconnection, the SPCA will support policy development particularly in the area of trade facilitation, and the adaptation of international rules and regulations into national laws that will enhance their access to regional and international markets. Customs gates modernization and reform projects, establishment of electronic single window system, will also be supported with a view to reducing trade and transport costs to improve export competitiveness of the countries in the international markets. Furthermore, the program will also support the development of quality infrastructure, by assisting countries in adopting international quality standards, modernization of transport equipment, and implementation of maintenance policies and safety measures.
36. With respect to agriculture sector interventions, the SPCA will support the rehabilitation of existing irrigation infrastructure for increased efficiency as well as increased production of the critical commodities for food security and exports. At the same time, the SPCA will also



promote value-addition to agricultural production by supporting SMEs in their efforts to fulfill export requirements with regards to quality, certification and packaging. It will also support the modernization of production and packaging lines, which will create new jobs and employment in the agriculture sector and enhance productivity (see Fig. 5).

4. SECTOR ANALYSIS AND PRIORITIES

4.1. Trade

4.1.1. Current state

37. Trade has always been in the fabric of the region. For many centuries, the historic Silk Road was the most crucial land route connecting Asia, Middle East and Europe. Stretching over a vast expanse, the Silk Road was a unique path that not only became a source of prosperity and trade relationships, but also promoted exchange of knowledge and experience as well as cultural interaction among different communities. Presently, for many countries located on the ancient Silk Road, particularly landlocked Central Asia, the historic Silk Road-like trade system is one of the most vital alternatives to ensure sustainable growth and developmental resurgence.

38. In 2000-2013, Central Asia demonstrated very good growth in foreign trade. The total exports of the region increased from US\$ 17 billion in 2000 to US\$ 141 billion in 2013. For the same period, their imports increased from US\$ 12 billion to US\$ 99 billion – 8 times increase for both exports and imports. However, this trade growth was not uniform among the countries of the region. Oil and gas exporting countries (Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan) have seen exports grow by 100-200 %.¹ The Kyrgyz Republic and Tajikistan have very little of mineral energy resources and are net energy importers; their

¹ Here and below all measures of trade dynamics are based on 2013 prices and exchange rate values.

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export growth was either close to zero (Kyrgyz Republic), or negative (Tajikistan). Imports grew fast in all countries of the region being financed mostly by either exports (Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan), or foreign direct investment (Azerbaijan, Kazakhstan, Kyrgyz Republic, Turkmenistan), or migrant workers' remittances (Kyrgyz Republic, Tajikistan, Uzbekistan).

39. The three largest trade partners of the region for both exports and imports are the European Union (EU), China and Russia. In the past decade, the EU and Russia have been gradually losing their status as the main export destinations, while China has become a very important partner for energy exporters. However, the recent economic slowdown in China and the impact of lower commodity prices are reversing earlier trends.
40. The trade performance of Central Asian countries is closely related to the region's geography, population, resource endowment, existing economic structure, macroeconomic and trade policies of the Governments, etc. All six countries are landlocked and rely on transit through the territories of one or more neighboring countries to trade. Uzbekistan is even doubly-landlocked, i.e. all its neighbors are landlocked countries. The Kyrgyz Republic and Tajikistan are effectively doubly-landlocked too, because with the currently existing infrastructure they cannot make transit to sea ports of China; all other transit routes require crossing borders of two or more countries. Being landlocked means increased trade costs and challenging export and import flows.

41. It is not surprising then that trade costs are extremely high in the region. Table 1 shows an aggregate measure of trade costs with major economies on the North (Russia), South (India), West (Germany) and East (China) of the region. This measure includes all transport costs, import and export tariffs, the costs of non-tariff measures and other costs associated with international trade. As evidenced by the data, geographical proximity and traditional economic linkages do matter - the costs of trade between Kazakhstan and Russia are much lower than with other partners.

	Trade partner									
	China		Germany		India		Russia		Kazakhstan	
	2000	2010	2000	2012	2000	2012	2000	2012	2000	2012
Azerbaijan	304.1	202.1	188.1	160.4	379.8	232.9	77.4	94	117.7	105.7
Kazakhstan	111.8	85.5	115.2	91.9	188.1	167.7	66.8[1]	56.1	n/a	n/a
Kyrgyz Republ	165.7	145.9	146.7	190.8	247.5	332.4	91.8	90.5	92.3	60
Tajikistan	229.6	152.6	235.4	253.9	264.7	222.5	86.3	133.2	109.6	86.9
Uzbekistan	241.3	125.7	158	179.2	265.4	213.9	62	90.2	110.9	72.2

Source: World Bank – UNESCAP trade costs database
[\[1\] Data for 2002.](#)

4.1.2. Proposed priority interventions

42. Trade interventions under the SPCA would include:

- Trade policy development and integration to global value chains (towards creation of quality jobs, poverty reduction, and achievement of social & environmental sustainability);
- Capacity development for export promotion both in the public and private sectors (primarily focusing on Government Export Promotion Agencies and SMEs);
 - These capabilities would help to increase production potential especially in higher value-added manufacturing, and enhance Central Asian entrepreneurs' access to markets (compliance with technical requirements of foreign markets, development of web-portals, dissemination of market information, etc.).
- Support to SMEs in the development of export-oriented products through appropriate financial and institutional mechanisms (special economic zones/industrial parks, entrepreneurship development, PPP arrangements, providing medium and long term trade finance, etc.);
- Implementation of international trade facilitation agreements/conventions and development and implementation of trade facilitation programs based on strategic priorities (in close cooperation with relevant regional and international organizations);
- Conducting commodity analysis and business forums/trade fairs to identify niches for exports, and bringing together buyers and sellers of strategic tradable commodities from Central Asia to other IDB Member Countries (B2B communication);
- Facilitation of transit for truck drivers and other transport personnel as well as introduction of simplified visa or visa-free regimes for business travelers and tourists;
- Energy trade among member countries.

43. For more details on trade in the Region, refer to Annexes 4 and 5 and the sector report on trade and transport in Part 2.

4.2. Energy

4.2.1. Current state

44. Central Asia is endowed with rich natural resources, especially fossil fuels and hydropower potential, having 6.5% of the world's proven reserves of natural gas and about 2.3% of its crude oil reserves. Turkmenistan is the fourth largest country in the world in terms of natural gas reserves, after Iran, Russia and Qatar. Although the region holds a significant part of total global natural gas reserves, actual production does not match this level. The region's total natural gas production is only 4.7% of net global production. This ratio has remained unchanged since 2000, implying that the region has large untapped natural gas reserves that need to be developed.

45. In addition to its rich natural gas resources, the region has also substantial oil reserves. The total proven oil reserves of Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan are estimated at approximately 38.2 billion barrels. Kazakhstan and Azerbaijan are the two main

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countries in the region in terms of oil production, accounting for about 90% of total regional oil production. Kazakhstan holds the largest (79%) of the region's proven reserves. Azerbaijan also has significant oil reserves, and revenue earned from their exports is an important source for its economic growth. In terms of production, the region has substantially increased its share in world oil markets over the last decade.

46. The key renewable energy resource of Central Asia is hydropower which has not been adequately exploited as evident from the fact that only 10% of the total potential of 450 Terrawatthours (Twh) is being actually put to use. The region's hydropower basically comes from water sources of the two largest rivers, Syr Darya and Amu Darya, on which more than 40 hydropower stations are installed which constitute the main source of electricity for Kyrgyz Republic and Tajikistan.

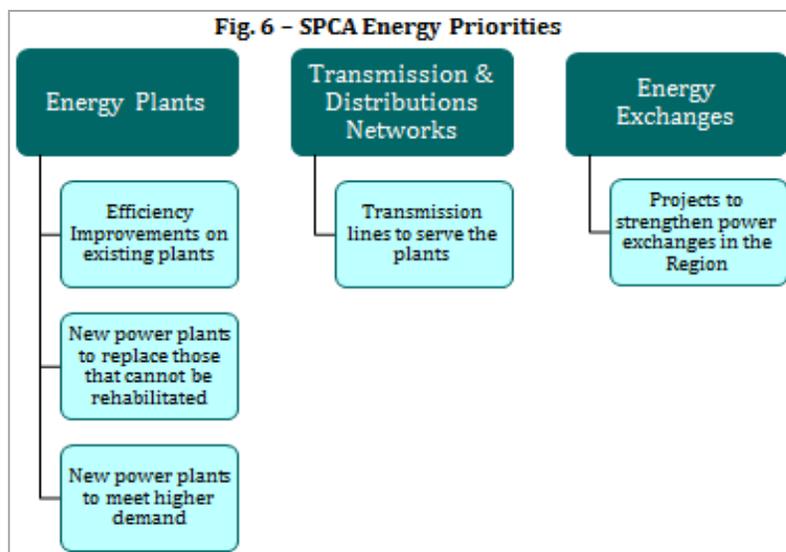
47. The distribution of energy resources in the Central Asia region is non-uniform and its countries can be stratified based on their dependence on hydropower or fossil fuels for their respective demands for electricity. The Kyrgyz Republic and Tajikistan possess a huge hydropower potential, but have scarce resources of commercially viable fossil fuels. On the other hand, Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan have significant, but varying, amounts of oil, gas, and/or coal reserves and, therefore, these resources figure prominently in these countries' planning outlook. Hydropower based generation accounts for nearly 90% of the energy supply in Kyrgyz Republic and Tajikistan, while in the remaining four countries more than 80% of energy generated is through the burning of fossil fuels - oil, gas and coal. The "skewed" nature of the energy resources is both a challenge and an opportunity. If the countries amicably share their available resources, the entire region can benefit through a sustainable development of its energy sector.

4.2.2. Proposed priority interventions

48. Informed by the regional initiatives currently existing, and the involvement of other MDBs in the energy sector, the SPCA was conceptualized to complement these existing initiatives for greater development results. Active cooperation among international financial institutions is essential to meet the funding requirements for developing regional projects. The main goal of the energy interventions under the SPCA is to enhance regional energy security through efficiency improvements, energy saving measures, generation capacity increase, and energy exchanges.

49. A key investment that countries can make is to rehabilitate their existing power plants, transmission lines, substations and distribution network. Besides, converting simple cycle turbines to combined cycle turbines and minor retrofits to HPPs will lead to energy efficiency improvements. Years of neglect have caused a reduction in the capacity of HPPs and rehabilitating them will come at a high cost. If not done, it poses the greatest challenge to the

security of the entire power system of Central Asia. Rehabilitation of existing power assets deserves the highest priority while developing future energy sector plans of the region. Five priorities are identified for system expansion as shown in Fig. 6. They relate to energy systems, transmission and distribution networks and energy exchanges between countries in the Region. For the first, the priority is to



rehabilitate existing plants to make them more efficient, and then replace those that could not be rehabilitated and/or build additional ones if needed. Rehabilitation of the existing energy infrastructure essentially offers the highest rate of return on investment. The priority under the transmission lines would link these power stations to consumers (households and industries). The fifth priority will ensure that excess production is traded with other countries in the peak periods so that energy is used efficiently in the region.

50. The region has immense partnership and investment opportunities in renewable energy. However, they require varying levels of assistance to develop this potential namely capacity building, and strengthening of policy and regulatory environment, and most importantly developing an investment program. The region has abundant hydropower particularly in Kyrgyzstan and Tajikistan, wind power potential, especially the entire Caspian Sea coastal areas as well as the rest of Kazakhstan, and solar power, which has bigger potential in Tajikistan, Turkmenistan and Uzbekistan and is becoming increasingly viable for off-grid locations across the whole region. All countries of the region have strong commitment to materialize their potential in meeting domestic and regional energy needs. More than 95% of electricity generated in Tajikistan and Kyrgyzstan for domestic needs and regional markets come from hydropower. Uzbekistan has made it a goal to become the region's solar knowledge and technology hub, and it is targeting 21% renewable energy capacity by 2031, with at least 4 GW of solar capacity. The competitive cost of renewable energy generation, especially wind and hydropower is making these technologies attractive and worth consideration on a large scale. The induction of wind and solar power projects offers the opportunity to diversify the generation mix and gain energy security in a sustainable way. Active pursuance of PPP arrangements and Government facilitation are key, as renewable energy projects are considered attractive by the private sector due to their short gestation period. Besides, the possibility of cooperation in the PPP knowledge exchanges exists within the region and the sharing of good practices will benefit all countries. In the same vein, the sharing of water resources of the region in an amicable way would contribute to the

development of the region's energy potential for the benefit of all countries.

51. For more details on energy in the region, refer to Annexes 6 and 7 and the sector report on energy in Part 2.

4.3. Transport

4.3.1 Current state

52. Roads remain the dominant modes of transportation in the region. They serve about 85% of total freight traffic and 99% of passenger traffic. The role of road transportation has increased considerably between 2000 and 2013. Railways are important for long-haul freight traffic (the average distance for goods transported by railways is 670 km vs. 44 km for roads); and aviation serves long-haul passenger traffic. The region also has potential to benefit from a combination of transport and high-speed communication infrastructure projects. In general, economies of the region have experienced sustained growth in transport during last 10-15 years. Freight and passenger traffic has increased between 2000 and 2013 in all countries and for almost all transportation modes. Pipelines are very important for countries exporting crude oil and natural gas (Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan). Water transport is much less important. Besides, urban transport requires special attention with increasing population.

53. With respect to transport programs, countries of the region are implementing an ambitious program of transport infrastructure development, coordinated by the Central Asia Regional Economic Cooperation Program (CAREC)². This includes the construction, rehabilitation and modernization of railways and roads, airports and logistical centers. All CAREC transport infrastructure projects have been organized into six transport corridors, which connect the region in all directions. These corridors include virtually all regionally important roads and railways. The countries of the region are also participants in other initiatives in the area of transport infrastructure including Transport Corridor Europe-Caucasus-Asia (TRACECA,) and Asian Highway Network (AHN).

4.3.2 Proposed priorities interventions

54. Complementing the ongoing national and regional initiatives, transport interventions under the SPCA would include:

- **Development of quality transport network**, by assisting countries in the construction of missing links, upgrading existing transport infrastructure, and adopting international quality standards;
- **Provision of adequate maintenance policies and necessary equipment** for transport infrastructure to avoid the risk of degradation of newly built/rehabilitated roads, railways, airports etc.; while public-private partnerships in new infrastructure and

² CAREC Program, initiated by the Asian Development Bank, is a partnership of 10 countries and six multilateral development partners, including the Islamic Development Bank, working to promote development through cooperation, leading to accelerated economic growth and poverty reduction.

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maintenance would be piloted and scaled up;

- **Implementation of safety measures**, including national and regional awareness campaigns;
- **Modernization of border gates and transport equipment** (including rolling stock, vessels, and transportation fleet), in order to make them compliant with modern economic and environmental requirements inside and outside the region;
- **Development of logistics industry** through development of a regional network of interconnected dry ports/logistics centers;
- **Promotion of regional institutional partnership** among the logistics and transport operators and public sector authorities, and integration of national projects (including development of region-wide standards, technical regulations, and costing benchmarks);
- Reduction of time and cost of transportation from/to Central Asian countries through **development and promotion of multimodal transport corridors** with a focus on the connection to maritime ports of the neighboring coastal countries;
- Implementation of **regional and international transport facilitation agreements/conventions** in the region.

55. Technical assistance and capacity building activities will be closely coordinated with the other related regional and international development organizations.

56. For more details on transport in the region, refer to Annex 8 and the sector report on trade and transport in part 2.

4.4. Agriculture

4.4.1. Current state

57. Agriculture is crucial for employment and food security in Central Asia. The rural population, most of which is associated with agriculture, averages 58% of the total for the region. It exceeds 63% in Kyrgyz Republic, Tajikistan and Uzbekistan and is below 51% in Azerbaijan, Kazakhstan and Turkmenistan. Even the share of agriculture in the national GDPs is less than 6% in Azerbaijan and Kazakhstan, and is in the range of 14-20% in Kyrgyzstan, Turkmenistan and Uzbekistan and at 27% in Tajikistan. The GDP per capita per year in agriculture-driven economies in Kyrgyzstan, Tajikistan and Uzbekistan is low, less than USD 1,000. The high percentage of rural population and low GDP per capita indicate high poverty levels among the rural communities of the region.

58. Potential agricultural land totals about 288 million hectares (Mha), out of which 31 Mha is arable land, including 11.3 Mha under irrigation. Except rain-fed wheat in northern Kazakhstan, most of crops are grown in the region under irrigation. Most of the irrigated land, or 9.92 Mha, is spread in Aral Sea basin covering south and southwestern part of Central Asia.

59. Renewable water resources of the region exceed 200 km³, of which significant part recently became trans-boundary and belong to the several basins. Two rivers, Syrdarya River and Amudarya River, originating in the mountain zone are shared between the states for beneficial use. Key reservoirs, installed in the mountain zone regulate the rivers' flow for the upstream and the downstream needs. These water resources support irrigation, which is highly energy-consuming. For example, 50% of the irrigated land of Uzbekistan and 40% in Tajikistan are under lift irrigation, where big pump stations lift water for irrigation of crops on foothills and highlands. Unfortunately, most of the irrigation schemes needs revitalizing to reduce water losses because they are old and lack appropriate maintenance. This makes the schemes very inefficient.
60. In addition, intensive leaching of salt-affected irrigated land leads to high return flow from the irrigated land to the rivers causing degradation in water quality and water salinization. About 30% of the water intake from the rivers returns back and deteriorates the river water quality downstream. The increasing salinity of the river adversely affects yields of agricultural crops in downstream localities and household water supply, especially in rural areas. Revitalizing options for the irrigation schemes could include no-energy groundwater capture schemes; groundwater development; installing drip and sprinkler systems; shifting to low water-consumptive market-oriented crops, among others.

Box 3 - Building Capacity through select Regional Centers of Excellence

Center of excellence on biological agriculture. Establishing Centers of Excellence on biological agriculture under the leading Universities of the Region could aim at: developing new types of bio-fertilizers, mineral fertilizers and bio-pharmaceuticals; generating and disseminating databases on environmental friendly technologies and products; certification for organic clean agricultural products; and capacity building.

Center of Excellence on Salinity Management. A Genetic Bank of plants tolerant to salinity is important to develop new varieties of crops to grow under saline environments. Establishing a laboratory of Plant Biotechnology and a laboratory of Plant tolerance to salinity could be very instrumental in the region.

Center of Excellence on Advanced Irrigation Technologies. There are needs in the region to establish centers with the capacity to produce irrigation technologies such as drip irrigation or micro-sprinkler technologies, offer demonstration to farmers and capacity building. Such centers could be established in collaboration with the Kazakh Research Institute of Water Management, Tashkent Institute of Irrigation and Melioration and Azerbaijan Irrigation

4.4.2. Proposed priority interventions

61. In response to the above-mentioned regional challenges faced in the agriculture sector,

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IDBG's interventions under the SPCA would focus on the following priorities with a regional perspective, in addition to the regional capacity building interventions (see Box 3). Joint programs will be developed with other donors and partners. Besides, OIC's food security agenda will be promoted, and particular attention will be paid to the regional environmental issues, including those related to the Aral Sea basin.

- **Upgrading irrigation infrastructure and ground water management:** Old irrigation schemes are now inefficient in terms of both water-loss and energy-consumption. Lift irrigation covers 50% of the irrigated land in Uzbekistan and 40% in Tajikistan. Groundwater development, for irrigation purposes, mitigates competition for trans-boundary surface water resources; in lift irrigation projects areas; and in irrigated and residential areas prone to salinization and waterlogging;
- **Enhancing cooperation on trans-boundary river management** between CA states and with the neighboring states by promoting dialogue on trans-boundary water management (considering water quality and quantity issues, and need for improving monitoring system, these activities can be linked with Aral Sea Program);
- **Increased crop production** through diversification, development of a regional seed market, integrated pest management programs, pasture management, soil fertility management, and combatting livestock diseases;
- **Implementation of quality standards and certification**, including Halal certification (establishing laboratories for Agricultural Quality Standards and certification, including seed quality standards, certification of livestock and plant products, etc.);
- **Development of storage, distribution, and consolidation hubs** for agricultural and other products;
- **Value addition by supporting agro-processing industries and SMEs** to widen market opportunities and integrate into the global value chains;
- **Supporting risk and disaster management** and improving monitor systems at all levels;
- **Promoting knowledge sharing among the states** in potential areas of further development, including pest management and organic farming.

62. For more details on agriculture in the region, refer to Annexes 9 to 13, and the sector report on Agriculture in Section 2.

4.5. Enabling environment

63. A number of priorities are essential to create an enabling environment for the effective implementation of SPCA. These include private sector development, capacity development and Islamic Finance.

4.5.1. Private sector development

64. Private sector plays a critical role in the socio-economic development of the Central Asian

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countries. Although the private sector tends to be the main driver of economic growth, its contribution to economic development in the region's economies has remained stagnant. The region-specific economic and structural challenges including the sectoral diversification, competitiveness, employment and accelerated growth underscores the need for a more effective supporting policies and interventions for private sector development in the region.

65. Private sector Entities of IDBG, namely, the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC), and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) are equipped with a wide range of investment tools and advisory services to maximize the utilization of the unrevealed potential of the private sector in Central Asia. In addition to ITFC's trade financing and trade promotion activities under the "trade" pillar of the SPCA, further interventions by ICD would help to support the private sector of Central Asia within the framework of the SPCA.
66. **Easing private sector access to finance, particularly SMEs:** The channel strategy of ICD bears appropriate mechanisms for addressing the financial requirements of the private sector. The strategy provides full-fledged framework to target banks and non-bank financial institutions of the region with the aim of extending Line of finance as well as equity investment. These investment modes are tailored to provide adequate financial and physical capital to SMEs which are the ultimate beneficiaries.
67. **Enabling the business environment and building capacity through advisory services:** The types of advisory services provided by ICD include guiding financial institutions on realigning their operations to comply with Shariah guidelines, helping governments and government-linked companies to gain access to capital, supporting capital markets and advising on large scale project finance transactions. ICD also has Industry and Business Environment Support (IBES) program, which is customized to address the capacity related constraints of private sector actors and governments at different levels. Through the IBES program, ICD can provide the following set of interventions:
- At national level, to support business environment enhancements;
 - At spatial level, to support special economic zones initiatives;
 - At sectoral level, to support value chain enhancements;
 - At firm level, to support firm productivity and innovation.
68. **Addressing various industry-specific needs through dedicated equity funds:** Currently, ICD is in the final stages of operationalizing two major funds that could to be very efficient tools for assisting the corporate sector and vibrant industries with initial and growth capital. These funds include Renewable Energy Fund, Food & Agriculture Fund, and SMEs Fund.
- Renewable Energy Fund: This is the first regional initiative of ICD that focused on the

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renewable energy sector of the Central Asia. ICD has been able to achieve a first close of US\$ 50M for the Fund that is managed in partnership with strong local partners: The Lancaster Group, a premier business group of Kazakhstan and National Agency for Technological Development (NATD), a Kazakhstani government institution for the development of renewable energy projects in the region. The Fund structure allows ICD to attract external capital and multiply the developmental impact of its investment in this strategically vital sector in Kazakhstan, Azerbaijan, Turkmenistan, Tajikistan, Kyrgyzstan, Uzbekistan, Turkey, Albania, Bosnia and Herzegovina and Kosovo.

- Food and Agriculture Fund: ICD is in the final stages of achieving its first close of US\$ 300 million in the Food & Agribusiness Fund which is expected to be launched in the beginning of 2016. The fund invests in equity and quasi-equity in selected food and agribusiness companies across the full value-chain to (a) generate attractive commercial returns; while (b) promoting the development of the food and agribusiness sector in the various target countries. The fund is set up in partnership with top tier regional private equity fund firm in Dubai and with knowledge partnership from Rabobank, a Dutch-based global leader in Food and Agribusiness financing and sustainability oriented bank.
- SMEs Fund: Given the vital importance of SMEs in a broad range of facets of development, ICD offers a solution of “access to finance” for its region’s underserved SMEs Sector through deployment of mezzanine capital in well planned, properly capitalized and skillfully managed businesses. Over the past two years, 2014-2015, ICD was able to launch two SMEs funds across selective high growth geographic markets (Saudi Arabia and Tunisia). Going forward, ICD looks for opportunities to launch similar funds in other countries of its operation, including the countries of Central Asia region.

69. Regarding investment and export credit insurance, the region’s benefit from ICIEC’s available products and services have been limited so far (see Box 4). Among six countries covered under the SPCA, only Kazakhstan is currently a member of ICIEC. ICIEC has already covered some trade credit insurance operations for imports of mining machinery and also extended reinsurance cover to the country’s Export Credit Agency for the export of diesel freight locomotives to Azerbaijan Railways. If other Central Asian countries join ICIEC. ICIEC can enhance trade and investments among these countries as well as from other parts of the world.

70. Studies reveal a lot of investment opportunities in Central Asia. As such, the investment promotion agencies (IPAs) of the region need to intervene in order to improve and invigorate the inflow of foreign direct investment to the sectors identified. The IDBG Investment Promotion Technical Assistance Program (ITAP) could assist in building the institutional capacity of IPAs in CAR. In addition, ITAP could provide technical assistance in the identification of investment opportunities; organizing targeted marketing campaigns and country promotion events related to the sectors identified. OIC's ongoing efforts to organize

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Investment Forums in Central Asia will complement IDBG's activities and interventions to mobilize and galvanize intra-OIC and international support for the implementation of the OIC Plan of Action for Cooperation with Central Asia.

4.5.2. Capacity development

71. Underpinning the successful implementation of the interventions above will be member countries that have the capacity to implement them. In view of this, IDBG shall support capacity development in the member countries to effectively implement the Program. The capacity development needs for all sectors of the SPCA can be divided into three broad categories:

- The need for stronger national policies and regional strategies to solve critical capacity development issues in the energy, trade, transport and agriculture sectors;
- The need for enhanced institutional capacities to sustain the development gains from interventions that will be undertaken as part of the SPCA;
- The need to update the skills of professionals in all four sectors in line with their regional contexts, as well as international best practices so that they are able to effectively and efficiently manage their institutional affairs and contribute positively to creating an enhanced enabling environment that will sustain development gains.

Box 4 - How Central Asian countries can benefit from ICIEC

If they become members, the countries will benefit immensely from ICIEC. The potential benefits are summarized under four main categories as follows:

1) Equity Investments:

ICIEC can insure political risks of foreign direct investors up to 15-20 years. Political risks are A) war, civil disturbance B) transfer restrictions C) expropriation D) breach of contract by the host government. The idea behind this insurance is to attract foreign direct investment (FDI) to member countries.

If an investor from anywhere in the world, is making a green-field investment in a member country or expanding its existing investment or purchasing shares from a third party of an existing investment, then, this investor is eligible for ICIEC's Foreign Investment Insurance (FII).

2) Financing of Investments:

The above-mentioned investments can be financed by foreign banks. Then the financing foreign banks are eligible for ICIEC's cover up to the financing amounts. If the financing is for a public project and the host country government itself or a sub-sovereign entity (such as municipalities) is the counter party of a loan agreement, then, ICIEC can cover the banks under the Non Honoring of Sovereign Financial Obligation (NHSFO) policy. Please note that for conventional financings ICIEC's cover is only for the principal amount of the loan. Project financings in infrastructure investments are eligible for ICIEC cover.

3) Trade Credit Insurance:

ICIEC can support its member countries in their exports of all goods and services to anywhere in the world. ICIEC insures the non-payment risk of the buyers due to commercial and political reasons. The tenor can be short-term or medium-term (up to 7 years).

ICIEC can support its member countries in their imports of capital goods (equipment, machinery) and strategic commodities (oil, gas, wheat, rice etc.) from non-member countries. Here, ICIEC insures the non-payment risk of the buyers in member countries due to commercial and political reasons. The tenor can be short-term or medium-term (up to 7 years).

ICIEC can support its member countries' banks in their exports operations by insuring Letters of Credit that they are receiving from all over the world. ICIEC insures the non-payment risk of the Letters of Credit issued by other banks due to commercial and political reasons. The tenor can be short-term or medium-term (up to 7 years).

4) Support to local Export Credit Agencies (ECAs)

ICIEC can support its member countries' exports by re-insuring the local ECAs. This way, the local ECA is increasing its capacity for more insurance. ICIEC can also extend technical support if the member country is planning to establish an ECA.

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72. More specifically, in the short term, IDBG seeks to support the following capacity development needs:

- Assist governments in building their agriculture, transport, energy and trade policies and strategies by providing advisory services and technical assistance grants;
- Improve energy efficiency by transferring expertise from other Member Countries through the Technical Cooperation Program (TCP) and Reverse Linkage (RL) modalities, specifically aiming to make better use of the existing hydropower potential as well as enhancing power trade between countries of the region;
- Improve agricultural productivity, specifically targeting efficient use of arable land, trans boundary water management, advanced irrigation and farming techniques by transferring expertise and technology from Member Countries through TCP and RL modalities;
- Contribute to the development of the transport sector by helping establish national quality infrastructure systems and support their management by bringing in expertise from other Member Countries on road infrastructure management and maintenance as well as implementation of road safety measures;
- Formulate regional RL and TA projects in order to design regional strategies to provide solutions for acute issues affecting cross-border trade, efficient and fair use of water resources, joint customs management, as well as other areas of regional interest;
- Develop capacity in existing national/regional Resource Centers (RC) in all four priority sectors identified under the SPCA. Whenever it is identified that RCs in particular sectors/sub-sectors are non-existent, IDBG will facilitate the creation of new ones. This will ensure that the development results achieved by the SPCA are sustainable in the long-term by the Member Countries' own institutions.

73. IDBG shall utilize the following instruments in order to fill the capacity development gaps of the Member Countries targeted by the SPCA:

- Provide TAs for the development of sector policies and strategies, as well as other capacity development interventions, at the national as well as regional levels;
- Enable the establishment of “reverse linkages” with institutions in Member Countries of choice for the transfer of expertise, technology and resources in order to solve specific development challenges;
- Provide grants from the Technical Cooperation Program as well as other suitable programs to build individual capacity by promoting expert exchanges, on-the-job training, and attending important networking events;
- Build capacity to enhance regional and international trade and align the existing business

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environment with international standards via the programs of IDBG entities such as ICIEC, ICD and ITFC.

74. While using IDBG’s regular business models for the capacity development interventions, a tripartite cooperation mechanism will be also set up between the IDB Group, Member Countries, and development partners. The modus operandi of this cooperation mechanism is further explained in the following chapter on financing and implementation.

5. FINANCING AND IMPLEMENTATION

5.1. Indicative financing

75. The SPCA shall support projects with high regional impact, by using various conventional and innovative financing modes, including ordinary and concessional resources, PPP financing, direct investment, as well as other mobilization mechanisms such as co-financing, establishment of special trust funds and project development funds, issuing sukuk, and other off-balance sheet resources. Total financing estimated for the Program amounts to US\$ 6 billion as detailed on table 2.

Type of Financing	Annual Approval	Total
Ordinary Capital Resources	500	2,500
Regional Concessional Allocation (including mobilized concessional resources)	75	375
Trade Finance	250	1,250
Private Sector Financing	100	500
Resource Mobilization/Co-financing		1,375
Total	925	6,000

Source: IDB Staff Projections

76. The program aims to raise an average of US\$ 500 million per year from the Bank’s ordinary capital resources (OCR) during the 5-year implementation of the SPCA considering: (i) the Bank’s positive approval trend in the region during the past 20 years, and (ii) the existing pipeline in the eligible areas of intervention based on the Bank’s recent programming activities in the region. Therefore, total OCR financing is projected to amount to US\$ 2.5 billion for the five years of the Program.

77. The Bank is assumed to earmark 15% of the SPCA financing envelope to concessional

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resources³ for eligible regional activities, including financing infrastructure and agriculture development projects, providing technical assistance, preparing feasibility studies, and capacity building. Five percent of the concessional funds, totaling US\$ 18.75 million for the 5-year period, will be allocated for soft-type non-lending interventions as a grant component of the total financial envelope.

78. For regional projects in infrastructure (transport & energy) and agriculture development, the IDB will provide ordinary and PPP financing coupled with soft loans and feasibility study grants for targeted Member Countries. Resource mobilization efforts and co-financing with international partners, including the Arab Coordination Group, UN Agencies, European Union, Asian Development Bank, World Bank (through the Deep Dive Initiative) and philanthropic engagement (through the Lives and Livelihood project with the Gates Foundation) is estimated to yield over US\$ 1 billion with concessional and non-concessional contributions.
79. IDBG shall provide trade financing lines to banks, import and export financing to corporations, structured commodity trade financing, and trade related technical assistance interventions in order to promote intra-regional trade and trade with other IDB Member Countries. This is estimated to be US\$ 1.25 billion in total for the implementation period.
80. IDBG shall support private sector development in the region through equity participation in Shariah compliant leasing companies, investment companies and banks, providing lines of financing for SME development, providing Shariah compliant microfinance services, and making joint investments in the private sector together with national Governments and international investors to lower the risks and to leverage resources.
81. IDBG shall also introduce and support applicable national and regional Islamic Financial Services. It is envisaged that Sukuk will be issued for at least two projects in the region

³ The proposed indicative financing envelope and instruments, including special fund for regional projects, are fully consistent with the practices of other MDBs in effective promotion of regional cooperation. For instance, the share of concessional and ordinary funding earmarked for regional projects at Asian Development Bank (AsDB) reached nearly 25% of the total approvals in 2010 before settling back to 22% in 2014. AsDB's medium-term Strategy 2020 targets to increase the share of regional operations to 30% of the total by 2020, mainly by supplementing conventional modalities with innovative financing with private sector and using PPP models. Another comparator financial institution, African Development Bank (AfDB) also prioritized promoting regional cooperation in Africa by earmarking around 22% of its funding to regional projects, in accordance with its Regional Integration Policy and Strategy for 2014-2023.

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during the program implementation. Besides, IDBG shall support the establishment of Shariah compliant leasing companies, Shariah compliant investment companies and Banks through equity participation, providing lines of financing, and leveraging resources of its partners in the Gulf countries. Technical Assistance Grants will be provided to the Governments interested in introducing or expanding Islamic Financial Services. As of now, Tajikistan and the Kyrgyz Republic are introducing Islamic Financial Services and establishing relevant Islamic Financial Service Institutions. Kazakhstan has also declared its interest in becoming the regional center for Islamic Financial Services as a part of Astana International Financial Center.

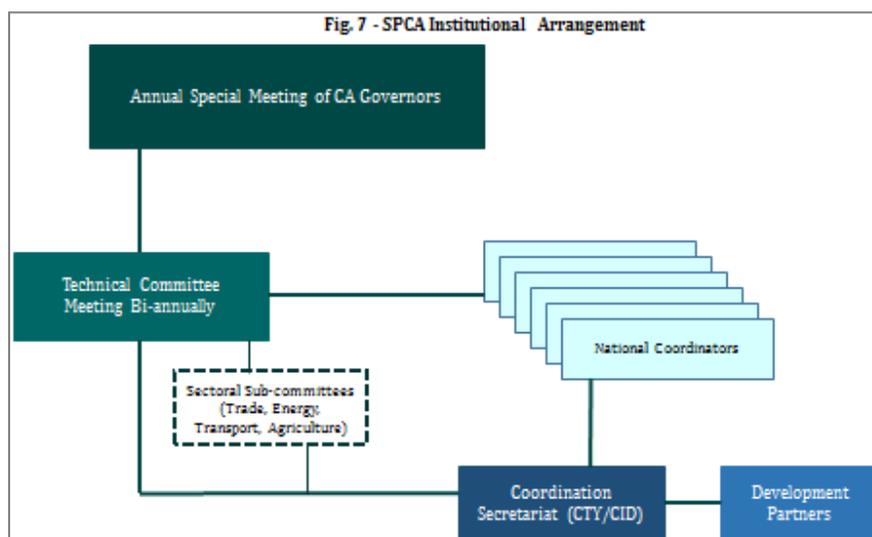
82. In addition to financing, SPCA will support the Member Countries with non-financial support including policy-relevant knowledge products and reverse linkage opportunities.

5.2. Program implementation

83. Drawing from experience and lessons learnt from similar initiatives in the Region and beyond, the following principles will guide the implementation of the SPCA:

- effectiveness and simplicity, to minimize unnecessary formal arrangements and to maximize practical results;
- fairness, ensuring shared benefits for all the countries involved;
- flexibility in accommodating the unique and specific conditions and requirements of each participating country; and
- Sustainability.

84. The Program will be implemented through regular fora of joint high-level (policy) and technical (operations) (Fig. 7) discussions by all stakeholders, including government representatives, IDB and partner organizations on the overall direction and key policy decisions. The six Ministers of Finance (IDB Governors) of the Region will meet annually to give policy direction, and overall strategic guidance as well as decide on new regional initiatives (e.g. programs, projects, activities).



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85. At the operational level, a Technical Committee made up of senior officials of the six member countries, will meet bi-annually to implement the decisions of the Special Meeting of CA Governors. Accordingly, the main responsibilities of the Technical Committee will include: reviewing and assessing regional, cross-sectoral and other operational issues, and making recommendations to the Ministerial-level Meetings for approval, in addition to preparing for the Special Meetings of CA Governors. Four sectoral sub-committees⁴ will be formed. They will be tasked with preparing the draft sector action plans for the endorsement of the Technical Committee. Teams of experts would support and backstop the Technical sub-committees when necessary.
86. To support the administration of the Program, the Bank will create a permanent Secretariat that will be responsible for providing technical, administrative and coordination support for program implementation, including organization of policy and operational level meetings. It will also prepare annual progress reports on the SPCA to be presented to the Special Meeting of SPCA Governors.
87. To ensure the effective follow-up at the national level, each country will designate a National Coordinator for the SPCA program whose key role will be to ensure effective coordination among concerned government agencies and departments as well as other interested parties in matters related to the program. The National Coordinator should be in a senior and authoritative position to more effectively coordinate all the stakeholders. The Coordinator should also dedicate all his/her energy on delivering the objectives of the SPCA, and not distracted by too many other functions. The National Coordinator will be the main contact person on technical and operational matters with IDB Group.
88. The meetings of the Technical Committee will serve as a forum to discuss the progress, review the tentative SPCA project pipeline, share good practices, disseminate knowledge products, and mobilize further resources from the international development finance community. This will help to ascertain that the program is on course and to institute remedial actions, if necessary, to reset the course of implementation. Mechanisms for knowledge exchange through quarterly meeting and frequent informal knowledge exchange would be built into the Program.

⁴ Trade, Energy, Transport and Agriculture

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89. Projects identification will be done through development of Sector-Specific Action Plans by the Technical Committee in close consultation with the Governments and IDB Group including the Regional Office in Almaty at its bi-annual Stakeholder Meetings. The Sectoral Action Plans will consist of regional projects and non-lending activities with defined outputs and timelines for delivery. The national components of the Action Plans as well as selected projects will be based on the needs, potentials and national development plans of the Member Countries. The selected regional projects will feature in national priorities and captured in Member Country Partnership Strategies (MCPS) or country programs.
90. To ensure the complementarity between the national level operations and ongoing and future regional initiatives, regional projects identified by the Sectoral Action Plans will follow the existing project cycle of the Bank with higher priority in resource allocations. Based on an agreed eligibility criteria, a special screening process will classify the projects under the following three main categories: (i) multi-country regional investment, (ii) single-country investment with cross-border/regional impact, (iii) soft regional partnership initiative. The concessional element of the total financing will vary depending on the type of the intervention.
91. The interventions will focus on the areas where countries' interests are compatible. The built-in governance process will ensure active participation of the Member Countries in the decisions, which essentially aims at building country ownership. The key elements of the governance process will be trust, transparent communication, joint monitoring, and clear definition of the roles of the national, regional and international institutions.
92. Whenever feasible, tripartite arrangements, as found in technical cooperation and reverse linkage projects, will be used to deliver soft-type non-lending interventions. The tripartite arrangements will consist of Member Countries willing to transfer knowledge, expertise and resource to Member Countries of the SPCA to address development challenges through cooperation and capacity development. IDBG will enable and facilitate these exchanges by providing seed funding, as well as by leveraging resources from development partners and donor community. The tripartite cooperation mechanism will be instrumental in leveraging technical and financial resources from the SPCA partners.
93. Calls for project proposals, for a predetermined time period will be made with project selection and appraisal undertaken by a project selection committee comprising the relevant IDBG Departments/Complexes/Entities and partnering development organizations. The funding decision will be based on an agreed selection criteria and project implementation will be monitored based on the implementation partnership agreements with the project

owners and implementation support agencies.

6. MONITORING AND EVALUATION

94. The over-arching goal of SPCA is to enhance growth, competitiveness and trade across the region. The progress towards competitiveness will be monitored using the World Economic Forum's (WEF) Global Competitiveness Index (GCI) for the countries⁵ covered under this index. The GCI is one of many definitions of competitiveness that abound in the literature. Yet, its popularity augmented by the traction that the World Economic Forum has garnered over the years, has made it one of the most quoted references on competitiveness. It is in this regard that the definition of the WEF is used for measuring competitiveness for SPCA.
95. SPCA will directly affect economic growth (GDP) through increased agricultural production (both of bulk commodities as well as value addition to agricultural production) and SME output. Similarly, SPCA's contribution to increased trade will be monitored through increased trade of agricultural and SME products financed through the Program. The targets and indicators are given in Fig. 8. The main interventions of the Program will be in infrastructure because as seen above, even for agriculture, the rehabilitation of irrigation systems to reduce water-loss will be key. This will be in addition to the energy and transport interventions.
96. Infrastructure is one of the twelve pillars⁶ of the GCI identified by WEF as determinants of competitiveness. This pillar looks at the quality of overall infrastructure, which is informed by the quality of roads, railroad, port, air transport, electricity supply, available airline seats, mobile phones subscriptions and fixed-telephone lines. Of the 12 pillars, the first four are considered basic requirements, while the next six are efficiency enhancers and the last two are innovation and sophistication factors.
97. In terms of development stages, countries are grouped according to the factors driving their development: factor-driven, efficiency-driven, innovation-driven and transitions between two stages. Kyrgyz Republic and Tajikistan are among 35 economies categorized under the first, factor driven process. Meanwhile, Azerbaijan and Kazakhstan, along with 14 more economies, are in transition from the factor-driven to the efficiency-driven (stage 2). Innovation-driven is stage 3. Different weights are given for the factors of development⁷. For

⁵ The WEF GCI covers Azerbaijan, Kazakhstan, Kyrgyzstan and Tajikistan. Turkmenistan and Uzbekistan are not covered.

⁶ The pillars are Institutions, Infrastructure, Macroeconomic environment, Health and Primary Education, Higher Education and Training, Goods market efficiency, Labour market efficiency, Financial market development, Technological readiness, market size, Business sophistication and Innovation.

⁷ Weight for basic requirements is 60% for stage 1 and 40-60% for Transition to stage 2; weight for efficiency enhancers is 35% for basic requirements and 35-50% for Transition to stage 2; and that for innovation and sophistication factors, the weights are 5% for stage 1 and 5-10% for the transition stage.

ANNEX.-IV

SPECIAL PROGRAM FOR CENTRAL ASIA (SPCA)

the two stages relevant to the Region, infrastructure is a basic requirement and is critical for a country's competitiveness.

Fig. 8 - Results Framework Anchors

Over Arching Goal	Enhanced Competitiveness and Increased Trade			
Expected Outputs	Increased Competitiveness <ul style="list-style-type: none"> Improved GCI 	Improved Infrastructure <ul style="list-style-type: none"> Energy Transport Irrigation 	Increased Production (Growth) <ul style="list-style-type: none"> Agricultural Commodity Value-addition SME output 	Increased Trade <ul style="list-style-type: none"> Trade Investment
Targets From 2017-2021	Increased/Improved <ul style="list-style-type: none"> Value of Infrastructure pillar of GCI for each country Ranking of Infrastructure pillar of GCI for each country. Trade & Transport cost & time reduced. 	Increased <ul style="list-style-type: none"> energy generation by X%. KM of Roads constructed by X% KM of Rail laid by X%. Airline Seats by X%. Water retention by XX% (Reduced water loss by XX%). area cultivated by XX%. 	Increased <ul style="list-style-type: none"> production of commodities by XX% value-addition to agricultural production by XX%. SME output by XX%. New jobs created. 	Increased <ul style="list-style-type: none"> Trade Investment
Indicators	<ul style="list-style-type: none"> Number of documents required for export/import reduced, Customs clearance time reduced, No. of SMEs with quality certificate increased Other Indicators TBD. 	TBD	TBD	TBD

SPECIAL PROGRAM FOR CENTRAL ASIA (SPCA)

98. By positively affecting the infrastructure architecture of the region, SPCA will directly contribute to the competitiveness of the member countries in the region. As baseline, the 2015-2016 Global Competitiveness Report data on the four countries (see table 3), will be used. SPCA is expected to contribute to the increase in the index and improve the ranking of each respective category over time.

Table 3- Value and rank (out of 140) of infrastructure pillar

	Azerbaijan		Kazakhstan		Kyrgyzstan		Tajikistan	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Quality of overall infrastructure	4.8	41.0	4.2	62	3.3	104	3.8	85
Quality of roads	4.0	72.0	3.1	107	2.6	131	3.6	82
Quality of railroad infrastructure	3.8	41.0	4.2	27	2.4	77	3.4	46
Quality of port infrastructure	4.3	61.0	2.9	114	1.5	138	2.1	133
Quality of air transport infrastructure	5.0	43.0	4.0	85	2.9	126	4.1	78
Quality of electricity supply	4.9	65.0	4.6	74	2.9	115	3.2	106

Source: The Global Competitiveness Report 2015-2016, World Economic Forum

99. Within the context of the Sustainable Development Goals (SDGs) and targets, the effective implementation of SPCA will positively contribute towards the achievement of nine⁸ out of the 17 goals and about 30 of the 170 targets. Furthermore, the targets and indicators of the projects in the Action Plans will be inspired by the targets and localized indicators of the SDGs for the member countries.

7. CONCLUSION

100. In order to address key regional development challenges in Central Asia, the Islamic Development Bank Group's support under the SPCA shall focus on trade, transport, energy, and agriculture sectors, along with the cross-cutting areas of private sector development and capacity development. An indicative package of US\$ 6 billion is estimated for the SPCA implementation for the period 2016-2020. When fully and effectively implemented, SPCA is expected to result in increased production and value addition of agricultural, industrial and SME products, increased trade within the Region, increased regional energy security, and an expanded transport network in the Region. All these would be contributing to enhanced competitiveness and economic

⁸ SDG 1: End poverty in all its forms everywhere; SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture; SDG 6: Ensure access to water and sanitation for all; SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all; SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all; SDG 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation; SDG 11: Make cities inclusive, safe, resilient and sustainable; SDG 12: Ensure sustainable consumption and production patterns; and SDG 17: Revitalize the global partnership for sustainable development.

growth.

101. In view of the above, the SPCA is hereby submitted for Management's approval.

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**RESOLUTION
OF THE THIRTY-FIRST SESSION
OF THE COMCEC
(İstanbul, 23-26 November 2015)**

The Thirty-First Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) was held on 23-26 November 2015 in İstanbul, Turkey;

Recalling the relevant Resolutions of the Islamic Summit Conferences, the Council of Foreign Ministers (CFM) and the COMCEC, including the 12th Session of the Islamic Summit Conference, the 4th Extraordinary Islamic Summit Conference, the COMCEC Economic Summit in 2009, the 42nd Session of the Council of Foreign Ministers, and the 30th Session of the COMCEC;

Reaffirming the commitment of all Member States to the OIC Ten-Year Programme of Action (TYPOA) adopted at the 3rd Extraordinary Session of the Islamic Summit Conference held on 7-8 December 2005 in Makkah Al-Mukarramah, and to the COMCEC Strategy adopted by the 4th Extraordinary Islamic Summit Conference held on 14-15 August 2012 in Makkah Al-Mukarramah;

Taking note of the submission of the progress reports, working papers and studies on the different agenda items submitted by the OIC General Secretariat, the COMCEC Coordination Office, the Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC), the Islamic Center for Development of Trade (ICDT), the Islamic Development Bank (IDB) Group, the Islamic Chamber of Commerce Industry and Agriculture (ICCIA) and the Standards and Metrology Institute for Islamic Countries (SMIIC);

Expressing its appreciation to the Member States for hosting Ministerial Conferences, Meetings, workshops, fairs and other activities in the cooperation areas;
Commending the efforts made by the OIC General Secretariat, the COMCEC Coordination Office and the OIC institutions working in the area of economic and commercial cooperation, namely SESRIC, ICDT, IDB Group, ICCIA, OISA and SMIIC.

Report on the COMCEC Strategy and Its Implementation (Agenda Item: 2)

1- **Welcomes** the Progress Report submitted by the COMCEC Coordination Office highlighting the progress achieved in the implementation of the Strategy, and **requests** the Member States and OIC Institutions to extend their full support to the implementation of the Strategy.

- 2- **Welcomes** the progress achieved in the implementation of the projects that were funded under the first and second calls of the COMCEC Project Funding. **Also welcomes** the third project call, made by the COMCEC Coordination Office in September 2015.
- 3- **Requests** the COMCEC Coordination Office to regularly report the progress in the implementation of the COMCEC Strategy to the COMCEC Sessions and to the Follow-up Committee Meetings.
- 4- **Welcomes** the activities organized by the relevant OIC Institutions (SESRIC, ICDT, IDB Group, ICCIA, and SMIIC) in 2015 in line with the COMCEC Strategy.
- 5- **Requests** the Member States which have not done so, to register to the COMCEC Working Groups and actively participate in the upcoming Meetings of the Working Groups.
- 6- **Also Requests** the Member States which have registered to the COMCEC Working Groups to actively participate in the upcoming Meetings of the relevant Working Groups and utilize from the COMCEC Project Funding for realizing their cooperation projects.
- 7- **Welcomes** the holding of the Third Annual Meeting of the COMCEC Working Group Focal Points, organized by the COMCEC Coordination Office on 10-11 June 2015 in Ankara.
- 8- **Calls on** the COMCEC National Focal Points and working group focal points to work more closely with the COMCEC Coordination Office for effective coordination and communication.
- 9- **Commends** the efforts of the Working Groups towards approximating policies among the Member States in their field of competence and **welcomes** the policy recommendations of the Working Group Meetings.
- 10- **Calls upon** the Member States to take into consideration the policy recommendations prepared by Working Groups and welcomed by the COMCEC Session and **requests** the OIC institutions to support the implementation of the policy recommendations.
- 11- As highlighted by the Member States in the Third Annual Meeting of the COMCEC Working Group Focal Points **calls upon** the concerned Member States to respond to the “Evaluation Form” circulated by the COMCEC Coordination Office on July 30th, 2015, with a view to following-up the implementation of the Policy Recommendations of the COMCEC Working Groups.

12- **Expresses** its appreciation to the COMCEC Coordination Office, SESRIC, ICDT, IDB Group, ICCIA, and SMIC for their efforts towards the implementation of the COMCEC Strategy.

13- **Adopts** the recommendations of the 31st Meeting of the Follow-up Committee of the COMCEC.

OIC Ten Year Programme of Action (TYPOA) (Agenda Item: 3)

14- **Reaffirms** its commitment to the realization of the objectives of the TYPOA and **calls upon** the Member States and the OIC Institutions to extend required efforts towards reaching the objectives of the TYPOA.

15- **Recalling** the relevant resolution of the 30th Session of COMCEC, **reiterates its request** the OIC General Secretariat, in preparing the new 10-Year Programme of Action, to facilitate the involvement of all member states and OIC Organs and to give due regard to the COMCEC Strategy in formulating the economic and commercial sections as well as the implementation mechanism to avoid duplication.

16- **Recalling** the relevant resolution of the 41st Session of the Council of Foreign Ministers, **reiterates** its request to the OIC General Secretariat to submit a comprehensive evaluation report to the 32nd Follow-up Committee Meeting of the COMCEC on the implementation of the economic and commercial component of the 10 Year-Programme of Action during the last 10 years, with specific emphasis on the achievements and challenges, as well as recommendations for the successor programme.

17- **Also requests** the OIC General Secretariat to submit a progress report on the adoption and inception of the successor Programme of Action to the 32nd Follow-up Committee Meeting of the COMCEC.

18- **Underlines** the importance of the active follow-up of the economic and commercial section of the new 10-Year Programme of Action by the COMCEC.

World Economic Developments with Special Reference to the OIC Member States (Agenda Item: 4)

19- **Entrusts** the SESRIC to continue monitoring the world economic developments and their implications on the Member States and to report thereon to the annual sessions of the COMCEC.

20- **Takes note with appreciation** of the sectoral outlook reports prepared by the COMCEC Coordination Office and submitted to the relevant Working Group meetings.

21- **Welcomes** the main theme of 2015 edition of SESRIC's annual economic report as investments and **requests** the SESRIC to focus more on intra-OIC investments in its future reports.

22- **Taking into consideration** various barriers to investment including regulatory restrictions, inadequate financial and human capital, insufficient infrastructure, weak technology and coordination and information failures; **calls upon** the Member States to improve their investment environment and enhance the efficiency of related public and private institutions with a view to increase the FDIs, leverage domestic investments and investment efficiency.

Intra-OIC Trade (Agenda Item: 5)

23- **Takes note with appreciation** of the holding of the Fifth Meeting of the COMCEC Trade Working Group on March 26th, 2015 in Ankara with the theme of "*Improving the Role of Eximbanks / Export Credit Agencies (ECAs) in the OIC Member States*" and **welcomes** the policy recommendations of the Working Group, namely:

- Member States are encouraged to examine and assess the financing needs of their exporters
- Member States are invited to enhance transactional cooperation among their ECAs
- Member States are encouraged to review the soundness of their ECAs with the aim of improving the overall performance of the ECAs
- Member states are called on to empower their private sectors and encourage its participation within the ECA context
- Member states are encouraged to initiate capacity building activities for strengthening institutional and human capacities of their ECAs

(Ref: Document code OIC/COMCEC/D(9))

24- **Also takes note with appreciation** of the holding of the Sixth Meeting of the COMCEC Trade Working Group on September 17th, 2015 in Ankara with the theme of “*Establishing Well-Functioning National Trade Facilitation Bodies (NTFBs) in the OIC Member Countries*”, and **welXcomes** the policy recommendations of the Working Group, namely:

- Establishing effective communication systems within the framework of the work of the NTFBs
 - Involving the private sector in the activities of the NTFBs
 - Extending technical assistance to the member states for establishing/maintaining NTFBs
 - Designing Performance Evaluation Criteria for the Existing NTFBs
- (Ref: Document code OIC/COMCEC/D(10))

25- **Calls upon** the Member States which have registered to the COMCEC Trade Working Group to attend the Seventh Meeting of the COMCEC Trade Working Group to be held on February 25th, 2016 in Ankara with the theme of “*Strengthening the Compliance of OIC Member States to International Standards*”, and the Eighth Meeting to be organized on October 6th, 2016 with the theme of “*Improving the Border Agency Cooperation among the OIC Member States for Facilitating Trade*”.

26- **Requests** the Member States to actively participate in the trade activities to be organized by the COMCEC Coordination Office, SESRIC, ICDT, IDB Group (ITFC), ICCIA, and SMIIC in 2016 and **requests** these institutions to send invitations and documents to the Member States sufficiently in advance of their meetings so as to ensure the widest possible participation.

27- **Commends** the ICDT and IDB for successfully co-organizing the following events:

- Seminar on new generation of free trade agreements on 4-6 May 2015 in Casablanca, Morocco,
- Seminar on the new generation of free trade agreements on 25-27 May 2015 in Istanbul, Turkey,
- Workshop on the Single Window Modality and E-Trade on 09-10 November 2015, Casablanca, Morocco.

i) TPS-OIC

28- **Calls upon** the Member States which have not yet signed or ratified TPS-OIC Agreements, namely the Framework Agreement, PRETAS and Rules of Origin, to do so at their earliest convenience.

29- **Invites** all participating states which have ratified the TPS-OIC Agreements and submitted the concession lists, to finalize the necessary procedures which include updating the previously submitted concession lists and notifying the TNC Secretariat on the relevant internal measures to be undertaken for implementation of the TPS-OIC Rules of Origin by March 1st, 2016 for the full implementation of the TPS-OIC.

30- **Also welcomes** the consultative meeting of the Ministers of Commerce and Heads of Delegation of the 12 participating states, held upon the invitation of the Minister of Economy of the Republic of Turkey, on the sidelines of the 31st Session of the COMCEC which has reached a common understanding on the deadline of March 1st, 2016 for the full implementation of the TPS-OIC.

31- **Requests** the Trade Negotiating Committee (TNC) to consider convening its session in 2016 upon the completion of the relevant procedures by the participating states.

32- **Expresses** its appreciation for the successful convening of the training seminar on the implementation of the TPS-OIC Rules of Origin, which was organized by the COMCEC Coordination Office in cooperation with the Union of Chambers and Commodity Exchanges of Turkey (TOBB), on 26-27 January 2015 in Ankara.

33- **Commends** the ICDT for organizing following sensitizing events towards increasing awareness on the benefits of TPS-OIC among the government officials and the private sector in the Member States;

- Training Seminar on TPS/OIC for ECO Countries in Istanbul on 7-9 April 2015, organized in collaboration with the CCO and the IDB Group.
- Training Seminar on “Trade Preferential System among OIC Member States and its protocols PRETAS and Rules of Origin” in Doha on 13-14 April 2015 organized in collaboration with the Ministry of Economy and Commerce State of Qatar.
- Awareness-raising Seminar on TPS/OIC and its protocols for the benefit of the Public and Private sectors of the Republic of Suriname and the Republic of Guyana in Paramaribo on June 4th, 2015.

ii) Islamic Trade Fairs

34- **Commends** the improvements in the number and quality of Islamic Trade Fairs and Exhibitions, and **expresses** its thanks and appreciation to the following Member States for hosting Islamic Trade Fairs and Exhibitions in cooperation with ICDT:

- The Kingdom of Morocco for hosting and ICDT and the Association of Exhibition Industry (UFI) for organising a seminar on “Exhibition Industry in Middle/East Africa Region” in Marrakesh on 23rd-24th March 2015,

- The Kingdom of Saudi Arabia for hosting the “8th Exhibition of Agribusiness Industries of the OIC Member States” on 13- 16 April 2015,
- The Republic of Tunisia for organizing the 1st Exhibition of Organic and Local Products of the OIC Member States on 28 October -1st November 2015,

35- **Welcomes** the offer of the following Member States to host Islamic Trade Fairs and Exhibitions in cooperation with ICDT in 2015/2019 and **requests** the Member States to encourage active participation of their private sector and relevant institutions in these events:

- The State of the United Arab Emirates (Emirate of Sharjah) to host the 4th OIC Halal Expo & Congress respectively on 8 - 10 December 2015,
- The State of the United Arab Emirates (Emirate of Sharjah) to host the “2nd Tourism and Travel Exhibition” in Sharjah on 8th-10th December 2015,
- The Kingdom of Morocco to host the “3rd OIC Health Expo” in collaboration with OFEC in Casablanca on 24th-26th March 2016,
- The Republic of Senegal to host the “2nd Higher Education Expo and Forum” in Dakar on 9th-12th May 2016,
- The Arab Republic of Egypt to host the “3rd Tourism Fair of the OIC Member States” in 2017,
- The Republic of Iraq to host the 16th edition of the Trade Fair of the Islamic Countries in 2017,
- Republic of Guinea to host the 17th Trade Fair of Islamic Countries in 2019.

36- **Welcomes** Saudi Arabia’s invitation to the member states to participate, with special pavilions, in the 15th Islamic Fair to be held under the auspices of the Custodian of the Two Holy Mosques in Riyadh, in 22-26 May 2016; and **calls upon** member states to actively participate in this fair.

37- **Reiterates** its request to ICDT to continue holding sector specific fairs in cooperation with the Member States and submit regular progress reports on the fairs to the COMCEC Sessions.

iii) Road Map for Enhancing Intra-OIC Trade

38- **Takes note** of the report of the 7th and final Meeting of the Consultative Group for Enhancing Intra-OIC trade held in Casablanca, Kingdom of Morocco, on 2-3 March 2015.

39. **Expresses** its appreciation to the ICDT and other Members of the Consultative Group for successfully concluding its mandate in 2015 and **takes note** of the comprehensive evaluation report prepared in collaboration with other relevant OIC

Institutions in line with the relevant resolutions of the COMCEC on the implementation of the Road-Map.

40- **Welcomes** the offer of the Kingdom of Saudi Arabia and ICDT to organize “the Conference of the TPOs Network” in Jeddah on 23 May 2016, on the sidelines of the 15th Trade Fair of the OIC Member States.

41- **Welcomes** the offer of the Republic of Senegal to host and of the ICDT, the Ministry of Trade, Informal Sector, Consumer Affairs, Promotion of Local Products and SMEs of the Republic of Senegal and the International Exhibition of the Muslim Business (SIBM) to organize the African Halal Business Forum in Dakar 2016 and urges the Member States to actively participate in this event.

42 - **Reiterates** its request to the Member States to keep on providing the ICDT with data relating to trade and investment statistics and regulations.

iv) WTO Related Technical Assistance

43. **Calls on** IDB and ICDT to continue providing technical assistance to the Member States on WTO-related issues and to carry on their efforts in raising the awareness of Member States on the importance of the WTO trade negotiations and their impact on economies and **requests** them to pool and coordinate their efforts to reinforce the human and institutional capacities of the OIC Member States, so as to facilitate their full integration into the multilateral trading system on an equitable and fair basis.

44- **Calls on** non-WTO members of the OIC to accede to WTO and **requests** the WTO-members of the OIC to assist them in their accession process.

45- **Requests** the OIC General Secretariat, to exert the necessary efforts for ICDT’s observer status within the World Trade Organization (WTO), in order to help the follow-up WTO matters, including studies, research, capacity building and reports to OIC Fora.

46. **Expresses** its thanks and appreciation to the IDB Group for organizing various activities, such as, workshops and seminars, under its WTO programme since the 30th Session of the COMCEC for the benefit of the OIC Countries.

47- **Also thanks** the IDB for regularly organizing the WTO consultative meeting of the OIC Trade Ministers on the Sidelines of the WTO Ministerial Conferences, the upcoming one being organized on 14 December 2015 on the sidelines of the 10th WTO Ministerial Conference to be held on 15-18 December 2015 in Nairobi, Kenya and **invites** the Member States to participate in this event.

48- **Welcomes** the offer of the Kingdom of Morocco to host and ICDT and the Department of Cooperation and Integration of IDB to organize a workshop on the “Administration of RTAs and the prospects of Regional Integration in the OIC Member States” in Casablanca on 21st-23rd December 2015 **urges** the Member States to actively participate in this event.

v) Trade Financing Activities

49- **Appreciates** trade finance and trade promotion activities of ITFC and the mobilization of funds from the international market for funding the trade operations in the Member States, contributing towards the achievement of intra-OIC trade target of 20 percent.

50- **Commends** the efforts of ITFC in financing the SMEs, Least Developed Member Countries, and diversifying into new markets with innovative financing products and programmes.

51- **Calls upon** the Member States to complete their membership requirements for the institutions of the IDB Group (ITFC and ICIEC) so that the IDB Group implements its mandate successfully.

52- **Takes note** of the progress on the implementation of AFTIAS and Arab Africa Trade Bridge Program of ITFC and **invites** the concerned Member States to actively participate and support the implementation of these initiatives.

53- **Welcomes** the efforts of IDBG (ITFC) for the preparation of the Special Program for Central Asia and **invites** other OIC Institutions and concerned Member States to actively participate and support the implementation of this initiative.

54- **Takes note** of the efforts of the ITFC to organize a Trade Development Forum to raise awareness of the private sectors of the Member States on the trade financing facilities of the ITFC and **encourages** Member States actively participate in the Forum.

55- **Takes note** of the Strategic Partnership on the Deep Dive Initiative between the World Bank Group and IDB Group.

vi) Trade Related Activities of SMHC

56- **Welcomes** the increased activity of the SMIIC through organizing capacity building activities in its field of competence and **requests** the Member States which have not done so far, to join SMIIC to benefit from its services.

57- **Takes note with appreciation** of the activities of the Accreditation Committee and **requests** the SMIIC Member States to actively participate in the meetings of the Accreditation Committee as well as other technical committees under SMIIC with their national competent authorities.

58- **Welcomes** the organization of SMIIC Accreditation Committee (AC) Lead Assessor/Assessor training programme which will be held on 25-27 November 2015 in Istanbul, Turkey to establish an expert pool for the involvement of relevant Muslim stakeholders in the Halal accreditation.

59- **Commends** the organization of SMIIC Forum 2015 which was held in Dubai, United Arab Emirates, on 5 May 2015, to raise the awareness of conformity assessment and halal activities throughout the Member States.

Enhancing the Role of Private Sector in Economic Cooperation (Agenda Item:6)

60- **Takes note** of the pivotal role played by the private sector in the economic development of the Member States and **commends** the role of the Islamic Chamber by introducing projects aimed at the development of private sector in the Member States under the auspices of the COMCEC.

61- **Requests** the ICCIA to undertake an overall assessment of its organization, functions and activities with a view to enhance its outreach so as to better serve to private sector according to its original mandate and objectives and submit a report to the 32nd Follow up Committee Meeting and 32nd Session of the COMCEC on the matter.

62- **Calls upon** the Member States to support and actively participate in ICCIA's work on the revision of its functions and activities, and encourages their Chamber of Commerce to involve actively in the ICCIA's activities.

63- **Welcomes** the holding of the 17th Private Sector Meeting, in Riyadh, Kingdom of Saudi Arabia, along with the 15th Islamic Trade Fair from 22-26 May 2016.

64- **Welcomes** the offer of the Republic of Turkey to host the Second Workshop on “Enhancing Cooperation among the Trade Registry Agencies in the OIC Member States” in September 2016.

65- **Commends** the ICCIA for the successful organization of the 8th Businesswomen Forum in cooperation with the Islamic Development Bank (IDB) and the Uganda National Chamber of Commerce & Industry (UNCCI) and the workshop on “Development of a Mechanism for Joint Ventures and partnerships among Women-led Enterprises through South-South Cooperation” in collaboration with Perez-Guerrero Trust Fund (PGTF)/United Nations Development Programme (UNDP) and Uganda National Chamber of Commerce and Industry (UNCCI) both held in Kampala, Republic of Uganda respectively on 26-27 and 28-29 October 2015.

66- **Calls upon** the private sector of the Member States to actively cooperate and interact with the ICCIA in order to fulfill its tasks.

67- **Takes note** of the following activities to be organized by the ICCIA and **calls upon** the private sector of the Member States to actively participate in these activities;

- The 17th Private Sector Meeting, in Riyadh, Kingdom of Saudi Arabia, along with the 15th Islamic Trade Fair from 22-26 May 2016,
- The 9th Businesswomen Forum for Islamic Countries in Riyadh, Saudi Arabia from 22-26 May 2016,
- Senior Managers Leadership Training Program (transforming Good Managers into Great Leaders. (Dates/Venue to be determined),
- Food Trade Exchange Forum among Islamic Countries,
- Annual Halal Conference,
- Excellence Award,
- Specialized Workshop on (Food Security/Entrepreneurship Development/Promotion of Tourism Opportunities/Development of SMEs),
- Conference on Muslim Business-owners’ Union.

68. **Expresses** its appreciation and thanks to the Republic of Tunisia for organizing a seminar on “Competition Policy in the OIC Member States” in collaboration with the ICDT in Tunis on June 2-3, 2015.

Improving Transport and Communications (Agenda Item: 7)

69. **Takes note with appreciation** of the convening of the Fifth Meeting of the COMCEC Transport and Communications Working Group on February 12th, 2015 in Ankara with the theme of “*Evaluating the Ownership, Governance Structures and Performances of the Ports in the OIC Member States*” and **welcomes** the policy recommendations of the Meeting, namely;

- Member states are invited to enhance the private sector participation in the port sector,
- Member states are encouraged to establish port regulators,
- Member states are called on to promote intermodal container transportation.

70. **Also takes note with appreciation** of the convening of the Sixth Meeting of the COMCEC Transport and Communications Working Group on October 22nd, 2015 in Ankara, Turkey with the theme of "*Urban Transport in the OIC Megacities*" and **welcomes** the policy recommendations of the Meeting, namely;

- Working on Public-Private Partnerships (PPPs) for Urban Transport Financing,
- Enhancing ICT Applications for Traffic Management in OIC Cities,
- Improving institutional structure to ensure the delivery of a sustainable transport strategy

71. **Requests** the Member States to participate in the Seventh Meeting of the Transport and Communications Working Group to be held on March 24th, 2016 with the theme of "*Enhancing Road Maintenance in the OIC Member Countries*", as well as its eight meeting to be held on October 27th, 2016 with the theme of "*Improving Road Safety in the OIC Member Countries*".

72- **Appreciates** the efforts of the OIC General Secretariat to sensitize the concerned OIC Member States to the need to include the respective national segments along the OIC Dakar-Port Sudan Railway corridor in their national development plans and **requests** the concerned Member states to submit their well-designed feasibility studies for securing adequate technical support and financing for this project.

Developing a Sustainable and Competitive Tourism Sector (Agenda Item: 8)

73- **Takes note with appreciation** of the convening of the Fifth Meeting of the COMCEC Tourism Working Group on February 5th, 2015 in Ankara with the theme of "*Travel Facilitation for Enhancing Mobility in the OIC Member Countries*" and **welcomes** its following policy recommendations;

- Encouraging visa facilitation among the Member States
- Developing air linkages and increasing the airline capacity in the Member States

74- **Also takes note with appreciation** of the convening of the Sixth Meeting of the COMCEC Tourism Working Group on September 3rd, 2015 in Ankara with the theme of

“Effective Tourism Marketing Strategies: ICT-Based Solutions for the OIC Member Countries” and **welcomes** its following policy recommendations;

- Building and strengthening a skilled workforce on ICT-based tourism marketing in the Member States,
- Enhancing cooperation between the government and private sector on ICT usage and diffusion in tourism marketing,
- Developing comprehensive and effective digital marketing strategies in the Member States.

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75- **Requests** the Member States which have registered to the COMCEC Tourism Working Group to actively participate in the Seventh Meeting of the COMCEC Tourism Working Group to be held on February 4th, 2016 with the theme of “*Muslim Friendly Tourism: Understanding the Demand and Supply Side in the OIC Member Countries*” as well as its Eighth Meeting to be held on September 1st, 2016 with the theme of “*Muslim Friendly Tourism (MFT): Developing and Marketing MFT Products and Services in the OIC Member States.*” and **requests** the Member States, which have not done so yet, to register to the COMCEC Tourism Working Group.

76- **Welcomes** the offer of the Republic of Niger to host the 9th Session of the Islamic Conference of Tourism Ministers on 21-23 December 2015 and **calls upon** the Member States to actively participate in this event.

77- **Takes note** of the report of the Third Meeting of the OIC/COMCEC Private Sector Tourism Forum held on 29-30 January 2015 in İstanbul with the theme of “International Branding of Tourism Destinations in the OIC Member Countries.”

78- **Welcomes** the offer of the Republic of Turkey to hold the 4th Meeting of the OIC/COMCEC Private Sector Tourism Forum on 14-15 January 2016 in İstanbul with the theme of “Promoting Muslim-friendly Tourism Products and Services in the OIC Member Countries” and **requests** the Member States to encourage their private sector representatives in tourism sector to actively participate in this event.

79- **Welcomes** the offer of the Islamic Republic of Iran to host the 5th OIC Health Tourism Conference in Mashhad in 2016 and **requests** the Member States to actively participate in this event.

Increasing Productivity of Agriculture Sector and Sustaining Food Security (Agenda Item: 9)

80- **Takes note with appreciation** of the convening of the Fifth Meeting of the COMCEC Agriculture Working Group on March 5th, 2015 in Ankara with the theme of “*Improving Institutional Capacity: Strengthening Farmer Organizations in the OIC Member Countries*” and **welcomes** its following policy recommendations; (*Check Arabic: full para.*)

- Research and extension services of the farmer organizations need to be improved for increasing agricultural productivity,
- The capacity of farmer organizations to have access agricultural market information and dissemination of the market information to their members need to be improved.

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81- **Also takes note with appreciation** of the convening of the Sixth Meeting of the COMCEC Agriculture Working Group on October 8th, 2015 in Ankara with the theme of “*Promoting Agricultural Value Chains in the OIC Member Countries*” and **welcomes** its following policy recommendations;

- Adopting/developing quality standards, implementing quality control and identifying market opportunities for standard compliance of agricultural products,
- Improving transport and storage facilities for promoting value chain development in the Member States through well-developed public-private partnerships,
- Supporting agro-processing and packaging industries to increase the value added of agricultural products.

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82- **Urges** the Member States which have registered to the COMCEC Agriculture Working Group to actively participate in the Seventh Meeting of the Agriculture Working Group to be held on March 3rd, 2016 with the theme of “*Reducing On-farm Food Losses in the OIC Member Countries*”, as well as its Eighth Meeting to be held on October 13th, 2016 with the theme of “*Reducing Post-Harvest Losses in the OIC Member Countries.*” and **requests** the Member States, who have not done so yet, to register to the COMCEC Agriculture Working Group.

83- **Welcomes** the organization of “*The Workshop on Capacity Building on Value Chain Analysis for Agri-Business*” on 1-3 December, 2014 in Ankara, Turkey by SESRIC, in collaboration with the Islamic Chamber of Commerce, Industry & Agriculture (ICCIA), (FAO) and Perez-Guerrero Trust Fund (PGTF) of UNDP.

84- **Notes with appreciation** the efforts of the Republic of Turkey and SESRIC in organizing training courses on different technical agricultural and food security aspects in the Member States within the framework of the OIC Agriculture Capacity Building Programme.

85- **Welcomes** the offer of the Republic of Kazakhstan to host the OIC Ministerial Conference on Food Security and Agricultural Development and the Inaugural General Assembly of Islamic Organization for Food Security on 26-28 April, 2016 and **calls upon** the Member States to actively participate in this event.

86- **Calls upon** the Member States which have yet done so to sign and ratify the Statute of the Islamic Organization for Food Security.

87- **Takes note** of the organization of Expo 2016 in Antalya, Republic of Turkey and **invites** the private sector and public authorities of the Member States to participate in this organization.

Eradicating Poverty (Agenda Item:10)

88- **Takes note with appreciation** of the convening of the 5th Meeting of the Poverty Alleviation Working Group on February 26th, 2015 in Ankara with the theme of “*Activation Policies for the Poor in the OIC Member States*” and **welcomes** the following policy recommendations;

- Increase the capacity of the institutions providing Public Employment Services (PES) in the Member States through enhancing the quality and quantity of the human resources and developing information technology (IT) infrastructure of the PES institutions as well as an effective partnership with the relevant stakeholders in delivering activation measures.

- Promoting employer engagement in the preparation/implementation of the activation programmes through establishing a sound mechanism for ensuring the active involvement of the relevant stakeholders, and conducting employer surveys to identify the skills/needs in the labour market.

(Ref: Document code OIC/COMCEC-FC/31-15/D(26)-CCO)

89- **Also takes note with appreciation** of the convening of the 6th Meeting of the Poverty Alleviation Working Group held on September 10th, 2015 in Ankara, with the theme of “*Improvement of Basic Services Delivery in the OIC Member States*”, and **welcomes** the policy recommendations of the Meeting.

(The policy recommendations of the Meeting are integrated to the Policy Recommendations Document prepared specifically for the Exchange of Views Session of the 31st COMCEC Ministerial Session which is annexed .8)

90- **Requests** the Member States to actively participate in the Seventh Meeting of the Working Group to be held on February 11th, 2016 in Ankara with the theme of “*Accessibility to Social Protection Programmes for the Vulnerable Groups in the OIC Member Countries*”, as well as its 8th Meeting to be held on November 3rd, 2016 with the theme of “*International Forced Migration in OIC Countries: The Policy Framework Adopted by Host Countries*”.

- i) *Islamic Solidarity Fund for Development (ISFD) and Special Program for the Development of Africa (SPDA)***

91- **Reiterates** its request to the Member States which have pledged to the ISFD to fulfill their commitments and make fresh pledges on a voluntary basis so as to enable it to finance more projects in Member States and commends the Member States which have already fulfilled their pledges.

92- **Requests** the Member States that have not announced their pledges so far to announce their commitments and in accordance with their economic and financial abilities pay those pledges to enable the Fund to implement its programmes in the Member States.

93- **Also requests** the ISFD to increase its efforts for resource mobilization and advocacy from different resources including the private sector in the Member States.

94- **Welcomes** the efforts of the Islamic Development Bank (IDB) for mobilization of resources from different financing institutions for the implementation of the Special Programme for the Development of Africa (SPDA).

ii) OIC Cotton Plan of Action

95- While appreciating the positive interest of the IDB for the OIC Cotton Plan of Action, **requests** the IDB to finalize its consideration for the funding of the capacity building project which combines 14 cotton projects into one project, submitted to the IDB in accordance with the relevant resolution of the 30th Session of COMCEC.

96- **Takes note of** the efforts of SESRIC in organizing training courses on various cotton-related aspects in the Member States within the framework of the OIC Cotton Training Programme (OIC-CTP), and urged the Cotton Research Centers of Excellence to enhance their cooperation with SESRIC in implementing these training courses.

iii) OIC-VET Program

97- **Appreciates** the continuous efforts of SESRIC towards initiating and implementing various capacity building programmes and training courses in different fields and areas of interest to the Member States with a view to enhancing the capacities and quality of human resources in these countries and **calls upon** SESRIC to mobilize more financial resources towards the programme.

98- **Requests** SESRIC and IDB to continue developing and implementing new projects and initiatives under the OIC-VET sub-programmes, and **calls upon** the Member States to participate and support the various capacity building programmes of SESRIC under the

OIC-VET Programme through activating the role of their National Focal Points (NFPs) in this important Programme.

Deepening Financial Cooperation (Agenda Item: 11)

99- **Takes note with appreciation** of the convening of the Fourth Meeting of the COMCEC Financial Cooperation Working Group on March 19th, 2015 in Ankara with the theme of “*Improving Banking Supervisory Mechanisms in the OIC Member Countries*” and **welcomes** the policy recommendations of the Working Group, namely;

- A credit risk data collection strategy for the OIC Member States needs to be developed for reducing risks during episodes of economic turbulence and the risk assessment capacity of the OIC Member States should also be developed in line with the international best practices.
- An Effective Deposit Insurance Scheme for the Banking Sector needs to be developed for achieving a higher degree of financial stability and financial inclusion.
- A Regulatory and supervisory Framework needs to be developed specifically for Islamic Banking in order to benefit from the significant growth potential of Islamic Banking System.

(Ref: Document code OIC/COMCECD(48))

100- **Also takes note with appreciation** of the convening of the Fifth Meeting of the COMCEC Financial Cooperation Working Group on October 15th, 2015 in Ankara with the theme of “*Retail Payment Systems in the OIC Member Countries*”, and **welcomes** the policy recommendations of the Working Group, namely;

- Increasing awareness of the benefits of modern retail payment systems through providing education on basic financial controls and prudence as well as increasing transparency in order to protect consumer rights,
- Exploring ways to further decrease the cost of retail payments and seeking ways for interoperability,
- Establishing/maintaining OIC payment systems data collection and reporting framework.

(Ref: Document code OIC/COMCEC/D(49))

101- **Requests** the Member States to actively participate in the Sixth Meeting of the Financial Cooperation Working Group to be held on March 17th, 2016 with the theme of “*Developing Islamic Finance Strategies in the OIC Member Countries*”, as well as its Seventh Meeting to be held on October 20th, 2016 with the theme of “*National and Global Islamic Financial Architecture: Problems and Possible Solutions for the OIC Member Countries*”.

i) OIC Member States' Stock Exchanges Forum

102- **Takes note** of the report of the Ninth Meeting of the OIC Member States' Stock Exchanges Forum held on November 19th, 2015 in İstanbul.

103- **Welcomes** the offer of the Borsa Istanbul as the Secretariat of the OIC Stock Exchanges Forum, to host the 10th Meeting of the Forum in 2016 in İstanbul and **requests** all the Member States to actively participate in this Meeting.

104- **Requests** the Member States and IDB to support the promotion of both the S&P OIC/COMCEC Index and sub-indices.

105- **Welcomes** the report on “Gold Market Initiative for the OIC Member Countries” prepared by the OIC Member States' Stock Exchanges Forum and **requests** it to further study, through its Task Force on Precious Metals, to accelerate the process of integration of exchanges and harmonization of regulatory frameworks with a view to establishing a gold exchange among the OIC Member Countries and submit a report on this issue to the 32nd Session of the COMCEC.

ii) Cooperation among Capital Markets' Regulatory Bodies

106- **Takes note** of the report of the Fourth Meeting of the COMCEC Capital Market Regulators Forum held on November 19th, 2015 in İstanbul.

107- **Welcomes** the efforts carried out by the Task Forces of COMCEC Capital Market Regulators Forum on Islamic capital market challenges, database, financial literacy as well as capacity building, and also **invites** the Member States to support the efforts of the Forum through participating in its meetings, contributing to the accomplishment of the mandates of the Task Forces.

108- **Welcomes** the offer of the Capital Markets Board of the Republic of Turkey, as the Forum Secretariat, to host the Fifth Meeting of the COMCEC CMR Forum in 2016 in İstanbul and **requests** all the Member States to actively participate in this Meeting.

109- **Welcomes** the report on “Real Estate Securities Exchange Initiative” prepared by the COMCEC Capital Markets Regulators Forum and **requests** it to further study the matter with the ultimate aim of establishing an exchange for the trading of real estate / real estate securities for the OIC Member Countries and submit a report on this issue to the 32nd Session of the COMCEC.

iii) Cooperation among the Central Banks and Monetary Authorities

110- **Requests** the Republic of Suriname to reschedule the hosting of the 15th Meeting of the Central Banks and Monetary Authorities of the OIC Member States in January 2016 and **also urges** the Member States to actively participate in this meeting.

111- **Welcomes** the training and capacity building programs organized by the SESRIC among the Central Banks and Monetary Authorities of the Member States in different aspects of cooperation and **requests** the SESRIC to continue organizing such activities for the relevant institutions of the Member States.

Exchange of Views on “Post-2015 Development Agenda and Development Challenges of the Islamic Ummah: Improving Basic Service Delivery” (Agenda Item: 12)

112- **Recalling** the relevant decision of the 30th COMCEC Session, **welcomes** the joint study on “Critical Success Factors in Implementation of the Sustainable Development Goals (SDGs): Current Situation and Prospects for the OIC” prepared and submitted by the IDB and COMCEC Coordination Office and **calls upon** Member States and relevant OIC Institutions to utilize the findings of this Study.

113- **Welcomes** the policy recommendations of the 6th Poverty Alleviation Working on “Post-2015 Development Agenda and Development Challenges of the Islamic Ummah: Improving Basic Service Delivery” organized on 10-11 September 2015 in Ankara, Turkey.

Ref: Policy Recommendations Document (Annex 8)

114- **Urges** the OIC Institutions, in their respective fields of competence, to lend their full support to the Member States for the implementation of the SDGs.

115- **Taking note with appreciation** the ongoing efforts under the COMCEC Working Groups and the COMCEC Project Funding, **requests** the COMCEC Coordination Office to take into consideration newly adopted SDGs and their sub-items to be studied within the framework of the working groups and **urges** the Member States to develop projects to be implemented under the COMCEC Project Funding to assist the implementation of the SDGs.

116- **Requests** the SESRIC to identify data gaps and compilation limitations of the OIC Member States related to the SDG indicators and to support the national statistical offices and related public institutions in their capacity development efforts. **Also requests** the SESRIC to follow-up the inclusion of OIC as a unit of analysis in UN statistical system and report it to the 32nd Follow-up Committee Meeting and 32nd Session of COMCEC.

117- **Taking into the consideration** the ambitious agenda of the SDGs and the need to prioritize among 17 goals at the national level, **requests** SESRIC in collaboration with the CCO to identified the priority SDG areas for the Member States via surveys, field visits for meetings with stakeholders as well as to make capacity needs assessment in these priority areas for the Member States and report it to the 32nd Follow-up Committee Meeting and 32nd Session of COMCEC.

Theme of the next Exchange of Views Session

118- **Decides** on “Developing Islamic Finance Strategies in the OIC Member Countries” as the theme for the Exchange of Views Session at the 32nd Session of the COMCEC and **requests** the COMCEC Financial Cooperation Working Group, in cooperation with the relevant OIC Institutions, to come up with concrete policy recommendations on this topic and report it to the 32nd COMCEC Session.

Date of the 32ndSession of the COMCEC (Agenda Item: 13)

119- **Decides** that the 32nd Meeting of the Follow-up Committee will be held on 17-18 May, 2016 in Ankara, Turkey and the 32nd Session of the COMCEC will be held on 21-24 November, 2016 in İstanbul, Turkey.
