



Report of the First Investment Forum on OIC Plan of Action for Cooperation with Central Asia

Dushanbe, Republic of Tajikistan, 27-28 October 2014

The First Investment Forum of the OIC Plan of Action for Cooperation with Central Asia was held in Dushanbe, Republic of Tajikistan on 27-28 October 2014. The Forum was attended by 324 delegates and participants, including ministers and senior delegates from 21 OIC Member States as well as representatives of OIC institutions, national and international development agencies and Public and Private Sector establishments.

(List of participants is attached to this Report)

Opening Session:

2. The Forum was inaugurated by H.E. Emomali Rahmon, President of the Republic of Tajikistan. In his speech, the President underscored the capacity of OIC Member States to promote investment in less endowed countries, while emphasising the priority sectors for intra-OIC investment in Central Asia such as renewable energy, agriculture and rural development. He also commended the support for Central Asia by OIC Member States and called for increase of the capital of the Islamic Solidarity Fund for Development (ISFD).

3. In his own speech, H.E. Iyad Ameen Madani, Secretary General of the Organization of Islamic Cooperation (OIC) called on all participants of the Forum to take advantage of the enormous opportunities and potentials within the OIC for enhanced business relations with Central Asian countries, emphasizing the need to increase micro-finance support for small and medium enterprises and the revival of the Islamic social finance windows such as Waqf and Zakat.

4. The speech of H.E. Ahmad Mohamed Ali, President of Islamic Development Bank Group enumerated the support by the Coordination Group for financing development projects in Central Asia, and called for the convening of the OIC Investment Forum for Central Asia on biennial basis with the parallel staging of OIC trade fairs and business forums.

5. Other key-note speeches at the Opening Ceremony were made by Ministers and heads of delegation of Libya, Saudi Arabia, United Arab Emirates, Sudan and

Afghanistan respectively. In this regard, the Forum adopted the Speech of the President Emomali Rahmon as one of the working documents of the Forum.

Presentations:

6. The Forum held four working sessions on the following themes: Developing Transport Corridor and Energy Infrastructure in Central Asia; Intensifying Intra-OIC Trade and Investment in Central Asia; Capacity Building and Export Promotion in the Agro-Food Processing Sector; and Promoting SME's Role in Tourism Sector.

(All documents of the Forum, including presentations and project proposals can be accessed on: www.idbgbf.org/Tajikistan2014)

7. In the Energy Sector, various projects were presented for implementation in the Central Asian sub-region. These include among others:

- Regional Power Transmission Project-CASA 1000
- Reconstruction of 500 kv Switchyard at Nurek HPP
- Golovnaya 240 MW HPP Rehabilitation Project
- Rehabilitation of Ravshan Substation 0054
- Energy Loss Reduction Projects in Sughd Region and Dushanbe

8. In the Transport Sector, the major projects presented included:

- Modernization of Railway Lines, including Zhezka Zcan- Beineu, Arkalyi – Shubarkol, Uzen – Bolashak and Zhetygen – Korcas,
- Construction of 3 Dry-Cargo Terminals in Kazakhstan and Dredging of the Water Area of Aktau Port in Kazakhstan,
- Construction of a Logistics Center “Tursunzade” in Tajikistan,
- Construction Branch Railroad – Spitamen – FEZ –Sughd,
- Rehabilitation and Reconstruction of Rumi (Kalkhazabad)-Qbodiyon-Sharitus-Ayvaj-Mazori Sharif,
- Rehabilitation of Bekobod-Khujand-Konibodom-Istara-Kyrgyz Border,
- Tajikistan-Afghanistan-Turkmenistan Railway Construction.

9. The Forum stressed on the need to accord priority to energy and transportation projects in the Central Asian sub-region, in view of its landlocked nature. Some participating multilateral development banks confirmed their respective interests in the above-mentioned projects. The Forum resolved that the Logistics Centers can be executed through BOT modality and urged for appropriate partnerships in this regard.

10. On Trade and Investment, the Forum received presentations dwelling on the following priority projects:

- Development and attraction of investment to the Free Economic Zones in Tajikistan in Sughd, Danghara, Pandj and Ishkoshim.

11. The Forum received commitments to facilitate match-making between OIC investors and Central Asian countries with a view to investing in key priority economic sectors as well as offering vocational and technical training to increase youth employment and entrepreneurship. The Forum also received commitment to provide trade financing, export insurance and assistance towards staging specialized trade fairs in Central Asia.

12. On the development of the Agricultural and Food Sectors, the Forum identified the following priority goals and on-going projects in Tajikistan:

- Creation of food industry with use of modern technology,
- Increased local production of import-substitution agricultural and food products
- Securing credit at lower interests,
- Increasing the share of domestic food production especially wheat,
- Increasing export opportunities in Central Asia and access to OIC markets,
- Cooperative-sponsored Production of natural oils from the seeds of oil plants, sponsored by Agricultural Production Cooperative (Dehqan), and
- Reconstruction and Modernisation of a milk farm in Hissar District.

13. The Forum also acknowledged the objective of Islamic Organization for Food Security (IOFS) towards the establishment of an OIC regional food reserve in Central Asia. It also acknowledged the various IDB's projects aimed at enhancing agro-processing capacities within its overall strategy to increase support to OIC Central Asian Member States.

14. On Promotion of SME's Role in Tourism, the Forum identified the following opportunities and projects in Central Asia:

- A global Halal market valued at US\$ 4.3 trillion,
- A global Islamic tourism market valued at US\$ 137 billion and OIC market of US\$ of US\$ 30.5 billion,
- Setting-up of ecological hygienic houses on the Lakes Sares and Iskandarkul,

Conclusions and Recommendation:

15. The Forum reached the following conclusions:

- Call on OIC Member States to increase the capital of Islamic Solidarity Fund for Development (ISFD) to enable the latter support the OIC poverty alleviation and micro-financing programmes and development of Small and Medium Enterprises (SMEs), including the handicrafts sub-sector.
- Requesting OIC Member States and Institutions to promote Islamic financial products for the purpose of supporting Intra-OIC investment, while scaling-up Islamic tourism for wealth creation.
- The new OIC Ten-Year Programme of Action (2016-2025) should take into account the priorities the Central Asian countries as reflected in the OIC Plan of Action for Central Asia.
- The need for Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) to mobilize the private sector in OIC countries in support of the developmental aspiration in the Central Asia.
- Invitation to OIC Member States to support the projects identified at the Forum.
- The need to convene Investment Forums on Central Asia biennially in each of the five Central Asian countries, with staging of trade fairs on the sidelines thereof.
- The need to mainstream public-private partnership and BOT modalities for the execution of projects.
- Central Asian countries are encouraged to accede to various OIC multilateral agreements on trade and economic cooperation, including: General Agreements for Economic, Technical and Commercial Cooperation among OIC Member States; Agreement for Promotion, Protection and Guarantee of Investment among OIC Member States; Agreements on Trade Preferential System of the OIC (TPS-OIC); the Statute of the Standards and Metrology for Islamic Countries (SMIIC); and Statute of the Islamic Organization for Food Security (IOFS). They are also encouraged to create the enabling legislative frameworks to promote foreign direct investments (FDI) from OIC countries.
- Invitation to all OIC Member States which have not signed the Statute of the IOFS to do so, and for those which have signed to ratify the Statute.
- Invitation to IDB to identify joint and common projects for the purpose of financing them or through co-financing by other multilateral development banks.
- Support to contractors from Member States by providing them with on-time information about projects to be finance by IDB.
- Requesting Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) to identify and introduce investment opportunities to potential investors in OIC Member Countries, through or by creating a data-bank in this respect, including project profiles.

- Requesting International Islamic Trade Finance Corporation (ITFC) to provide concessional financing for importation of commodities and goods from Islamic countries, including providing the importing institutions with low mark-up and relatively longer period of repayments.

Venue of the next Forum:

16. The Forum invited the General Secretariat of the OIC to consult with Central Asian member countries on the hosting of the Second OIC Investment Forum in Central Asia.

Vote of Thanks:

17. The Forum expressed appreciation to H.E. Mr. Emomali Rahmon, President of the Republic of Tajikistan for his gracious attendance at the opening session and for his guidance. It also commended the government and the people of Tajikistan for the warm reception and brotherly hospitality extended to all delegates. The Forum also expressed its appreciation to His Excellency Mr. Iyad Ameen Madani, the OIC Secretary General, His Excellency Ahmad Mohamed Ali, President of Islamic Development Bank Group and all participating OIC institutions for the excellent arrangements made for the success of the Forum.

Adopted at Dushanbe,

28 October, 2014