

OIC/COMCEC-FC/15-99/REP

REPORT
OF THE FIFTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 11-13 May 1999

COMCEC Coordination Office
Ankara, May 1999

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

(Istanbul, 11-13 May 1999)

Original: English

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

(Istanbul, 11-13 May 1999)

1. The Fifteenth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, from 11 to 13 May 1999.

2. The representatives of the following Member States of the Committee attended the Meeting:

- Republic of Turkey : Chairman
- Kingdom of Saudi Arabia : Vice Chairman
- State of Palestine : Vice Chairman
- Syrian Arab Republic : Vice Chairman (Representing the Arab Region)
- Islamic Republic of Iran : Vice Chairman (Representing the Asian Region and the Current Chairman of the Summit)
- Burkina Faso : Vice Chairman (Representing the African Region)
- Islamic Republic of Pakistan : Rapporteur
- State of Kuwait : Member of the Previous Bureau
- Republic of Indonesia : Member of the Previous Bureau

3. The representatives of the General Secretariat and the following OIC subsidiary, specialized and affiliated institutions also attended the Meeting:

- The OIC General Secretariat
- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- Islamic Centre for Development of Trade (ICDT)
- Islamic Institute of Technology (IIT)
- Islamic Development Bank (IDB)
- Islamic Chamber of Commerce and Industry (ICCI)
- Islamic Shipowners Association (ISA)

4. The Executive Director of Developing Eight (D-8) also attended the Meeting as observer.

(A copy of the list of participants is attached as Annex I.)

Opening Session

5. The Meeting was inaugurated by H.E. Prof. Dr. Orhan GÜVENEN, Undersecretary of the State Planning Organization of the Republic of Turkey.

6. In his message addressed to the Meeting, H.E. Süleyman DEMİREL, President of the Republic of Turkey and Chairman of the COMCEC, highlighting the substantial changes that had occurred in the ways and means of international economic cooperation because of the impact of the new global conditions, stated that increasing prosperity and economic well-being through interdependence and global action had replaced self-sufficiency as the ultimate objective of multilateral economic cooperation. H.E. President DEMİREL, expressing his concern for the

rather slow progress in the implementation of the Plan of Action, stated his confidence that the Committee would make the necessary recommendations for the prompt implementation of the projects identified in the sectoral experts' group meetings held so far. The President wished success to the Committee in its important task.

(A copy of the text of the message of H.E. President Süleyman DEMİREL is attached as Annex II.)

7. The Meeting was then addressed by H.E. Prof. Dr. Orhan GÜVENEN, Undersecretary of the State Planning Organisation of the Republic of Turkey, hi statement, H.E. GÜVENEN welcomed delegates to Istanbul and expressed thanks to the General Secretariat of the OIC, and its affiliated and subsidiary institutions, for their valuable contributions to the work of the COMCEC.

H. E. GÜVENEN, referring to the global economic crisis, which had turned out to be much deeper than expected, pointed out that a series of events within that context had led to a much more difficult and uncertain outlook for world economy and developing countries. H.E. GÜVENEN, emphasizing that regional trade and investment should be encouraged for further expansion of trade, stated that the main task of COMCEC was to give priority to the lifting of trade barriers, the setting up of a free market economy and the encouragement and promotion of the private sector in the region. H.E. GÜVENEN wished every success to the Meeting.

(The text of the Statement of H.E. Orhan GÜVENEN is attached as Annex III.)

8. The Meeting was also addressed by H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC, who conveyed the message of the OIC Secretary General, H.E. Dr. Azzeddine LARAKI. The Secretary General expressed his gratitude to H.E. Süleyman DEMİREL, President of the Republic of Turkey and Chairman of the COMCEC, and to the Government of the Republic of Turkey for their unfailing interest in, and abiding commitment to, the promotion of economic

and commercial cooperation among Member States. The OIC Secretary General appealed to Member States to consolidate their cooperation and integrate their economies with a view to accelerating their development and avoiding further marginalization in the face of the new global economic situation, characterized by globalization and the emergence of major blocs. HE. LARAKI wished success to the Meeting.

(A copy of the text of the message of HE. Azeddine LARAKI is attached as Annex IV.)

9. The Meeting was then addressed by the Heads of Delegation of the State of Kuwait, the State of Palestine, Burkina Faso, the Islamic Republic of Iran, the Republic of Indonesia, the Islamic Republic of Pakistan, the Syrian Arab Republic, the Kingdom of Saudi Arabia and the Republic of Turkey. The Heads of Delegation expressed their thanks and appreciation to the Government of Turkey for the excellent arrangements made for the Meeting. Stressing the importance of the crucial changes in the world political and economic climate, the Heads of Delegation underlined in their statements the urgent need to enhance solidarity among member countries, and to seek ways and means of promoting cooperation amongst them based on concrete and realistic projects.

Working Sessions

10. The working sessions of the Meeting were presided over by H.E. Prof. Dr. Orhan GÜVENEN, Undersecretary of the State Planning Organization of the Republic of Turkey.

11. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur H.E. Ambassador Karamatullah Khan GHORI, Head of the Delegation of the Islamic Republic of Pakistan.

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

Background Report of the OIC General Secretariat

12. Under Agenda Item 3, H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC, introduced the Background Report of the General Secretariat, which was subsequently summarized by H.E. Ambassador Motahar HOSSAIN, Director of Economic Affairs of the OIC General Secretariat. In his presentation, H.E. HOSSAIN highlighted the progress achieved towards the implementation of the resolutions of the COMCEC pertaining to the agenda items.

13. The Committee, noted with appreciation the Background Report of the General Secretariat and agreed that subsequent reports should lay greater emphasis on the recent progress in the implementation of the COMCEC projects, including the ones which were in operation, such as the Export Financing and the Islamic Corporation for the Insurance of Investment and Export Credit.

14. The Committee emphasized the importance of the implementation of the existing Agreements and Statutes in the area of economic cooperation. The Committee, therefore, agreed to recommend to the COMCEC the formation of a study group with the participation of the interested Member States, the General Secretariat and related OIC institutions, to examine ways and means of encouraging Member States who had not yet done so, to sign and ratify the Agreements.

15. The Committee, while underlining the crucial importance of the active participation of the private sector in economic cooperation amongst member countries, called upon ICCI to continue with its efforts to actually engage the private sector in the economic cooperation among member countries.

16. The Committee noted with appreciation that ICCI, in collaboration with the Cameroon Chamber of Commerce and Industry, and the support of relevant Ministries of the Cameroon Government, would be organizing the Sixth Private Sector Meeting in Yaounde, from 4 to 6 October 1999. The Committee appealed to Member States to encourage their private sector to actively participate in the meeting.

17. The Committee noted with appreciation that the Eighth Islamic Trade Fair, would be organized from 15 to 20 October 2000 by the State of Qatar, in cooperation with ICDT, ICCI and other relevant institutions of OIC. The Committee also noted that the Seventh Private Sector Meeting organized by the ICCI will also be held during the same period. The Committee appealed to the Member States to participate in the Eighth Islamic Trade Fair and the Seventh Private Sector Meeting.

18. The Committee expressed its thanks and appreciation to the Government of the People's Republic of Bangladesh for hosting and to IIT for organizing the international seminar on "Human Resources Development for Sustained Economic Growth and Poverty Alleviation as well as Progress in Member States of OIC" from 11 to 13 April 1999 in Dhaka.

(The text of the Background Report of the General Secretariat is attached as Annex VI.)

Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States

19. Under Agenda Item 4, H.E. Ambassador DIALLO, the OIC Assistant Secretary General, introduced a report on the implementation of the Plan of Action. H.E. Ambassador Motahar HOSSATN, Director of Economic Affairs of the OIC General Secretariat, subsequently presented the report. H.E. HOSSAIN gave background information on the efforts made to implement the OIC Plan of Action and reviewed the status of sectoral experts' group meetings convened in this context.

20. The Committee noted with appreciation that the following offers to host meetings within the framework of the Implementation of the Plan of Action were still valid:

-The offer of the Arab Republic of Egypt to host sectoral experts' group meetings in the areas of "Transport and Communications" and "Food, Agricultural and Rural Development".

-The offer of the Islamic Republic of Iran to host an experts' group meeting in the area of "Health and Sanitary Issues".

-The offer of the Republic of Sudan to host sectoral experts' group meetings on "Energy and Mining" and "Human Resources Development".

-The willingness of the State of Palestine to host a workshop on "Environment and Population" and an expert group meeting on "Labor and Social Issues".

-The offer of Burkina Faso to host, in July 1999, a regional workshop on Industry, for east, west and central African OIC member countries, in cooperation with IDB and other related OIC institutions.

-The offer of Gabon to organize a sub-regional seminar for OIC Member States of Central and East Africa on "the role of IDB in the promotion of the private sector".

21. The Committee requested member countries that had already offered to host sectoral expert group meetings to expedite action for their early convening and renewed its appeal that offers be made to host similar meetings on the remaining sectors of the Plan of Action.

22. The Committee recommended to the COMCEC to urge the Member States who were the proponents of the projects to expedite the formation of the project committees as envisaged in the Plan of Action, with a view to implementing the projects proposed during the sectoral experts' group meetings.

23. In the light of the Report of the General Secretariat, the Committee also discussed the reasons and possible remedies for the rather slow progress in the

implementation of the Plan of Action and asked the General Secretariat to prepare in cooperation with SESRTCIC, IDB and other related OIC institutions, an evaluation report on the subject and submit it to the 15th Session of the COMCEC.

24. In pursuit of the resolutions by COMCEC, the 8th Islamic Summit and the 25th Islamic Conference of Foreign Ministers regarding the "IDB document on the preparation of the Ummah for the 21st Century", IDB briefed the meeting on the concrete steps it had taken to secure the quantitative targets for the promotion of intra-OIC trade.

25. The Committee appreciated the steps taken by IDB and its operational plans and plan of action to mobilize the needed resources to raise the level of intra-OIC trade from its present level of 10% to 13%, representing approximately \$4 billion US dollars annually for a period of three years, and urged other Islamic Institutions and Member States to take the needed steps to further promote intra-OIC trade.

(The Report of the OIC General Secretariat on the Implementation of the Plan of Action and the Report of IDB on "Follow-up of the Resolution of the COMCEC on the IDB Document on the Subject of Preparation of the Ummah for the Twenty-First Century" are attached as Annexes VII and VIII.)

Matters Relating to the World Trade Organization (WTO)

26. Under Agenda Item 5, the representatives of the OIC General Secretariat and of the Islamic Development Bank, presented reports regarding WTO Meetings and related issues. The Committee also noted the reports circulated by ICDT and SESRTCIC on the subject.

27. The Meeting considered the report of IDB on its assistance to Member States in their relations with WTO which included:

- a) Consultative meetings before, during and after the WTO Ministerial Meetings.

- b) Preparation for future multilateral trade negotiations and the Third WTO Ministerial Conference due to be held in Seattle in the USA in late 1999.
- c) Technical assistance activities, including seminars and workshops.
- d) Courses in trade policy.
- e) Country-specific Technical Assistance.

28. The Committee took note with appreciation of the monitoring reports submitted by the OIC General Secretariat and IDB on matters related to WTO.

29. The Committee reiterated the significance of consultations among the OIC Member States prior to the WTO ministerial conferences, to enable them to coordinate their positions on various issues considered under the umbrella of WTO and urged the OIC General Secretariat and IDB to maintain their assistance to Member Countries in this respect.

(The copies of the papers submitted by the OIC General Secretariat, IDB and ICDDT are attached as Annexes IX, X and XI respectively.)

Preparations for the Exchange of Views on "Human Resources Development for Sustained Economic Growth and Progress in Member Countries"

30. Under Agenda Item 6, following the presentation by Prof. Dr. M. Anwar HOSSAIN, Director General of IIT, the Committee noted with satisfaction that IIT had organized the international seminar on "Human Resources Development for Sustained Economic Growth and Poverty Alleviation as well as Progress in the Member States of OIC", from 11 to 13 April 1999 in Dhaka. The Committee hoped that the report of the seminar would constitute a major input for the exchange of views to be conducted during the 15th Session of the COMCEC.

(The Report of the Seminar is attached as Annex XII.)

31. The representative of the COMCEC Coordination Office made a presentation on the preparations for the exchange of views on "Human Resources Development for Sustained Economic Growth and Progress in Member Countries" to be conducted during the 15th Session of the COMCEC.

32. The Committee recommended that relevant OIC and other international organizations such as IBRD, OECD, ILO as well as experts of international repute be invited to the Session to present papers on the subject.

33. The Committee requested the General Secretariat to make the necessary arrangements, in cooperation with the COMCEC Coordination Office and other relevant OIC institutions, for an effective and in-depth exchange of views on the subject.

34. The Committee, while reviewing the proposals already formulated as possible themes for the exchange of views to take place during subsequent Sessions of the COMCEC, agreed to submit for the consideration of the 15th Session of the COMCEC the following themes for the exchange of views at its 16th Session in the year 2000:

- a) Reform of the Global Monetary and Financial System and its Effects on OIC Member States.
- b) Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization.
- c) Poverty Alleviation in Member Countries.
- d) Promotion of Private Sector Investments in Member Countries and the role of IDB in this regard.
- e) Effects of non-Tariff Barriers applied by certain countries on the Foreign Trade of Member Countries.
- f) Foreign Aid and the Least Developed Member Countries.
- g) The Impact of Electronic Commerce.

35. Regarding the issue of inclusion of the subject of "Human Resources Development" in the agenda of the COMCEC as a permanent item, the Committee, while agreeing on the pertinence of giving a permanent status to the subject on the agenda, decided to leave the matter to the senior officials of the 15th COMCEC who would be in a better position to decide whether the subject deserved to become a permanent agenda item.

Draft Agenda of the Fifteenth Session of the COMCEC

36. Under Agenda Item 7, the Committee considered the Draft Agenda of the Fifteenth Session of the COMCEC to be held from 4 to 7 November 1999, in Istanbul, and decided to submit it to the 15th Session of the COMCEC.

(A copy of the Draft Agenda of the 15th Session of the COMCEC, as approved by the Committee, is attached as Annex XIII.)

Any Other Business

37. The delegation of Burkina Faso briefed the committee on the arrangements being made for the forthcoming 26th Islam Conference of Foreign Ministers to be held in Ouagadougou from 28 June to 2 July 1999.

Closing Session

38. At its closing session, chaired by H.E. Prof Dr. Orhan GÜVENEN, Undersecretary' of the State Planning Organisation of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the OIC General Secretariat to circulate the Report among Member States, and to submit it to the Fifteenth Session of the COMCEC.

39. H.E. Ambassador Fouad YASEEN, Head of Delegation of the State of Palestine, proposed to send a message of thanks to H.E. Süleyman DEMİREL, President of the Republic of Turkey and Chairman of the COMCEC, which was unanimously approved by the Committee.

40. H.E. Ambassador Karamatullah Khan GHORI, Head of Delegation of the Islamic Republic of Pakistan, made a statement on behalf of the delegates. H.E. Ambassador GHORI expressed his sincere thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Istanbul. H.E. the Ambassador also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

41. In his closing statement, H.E. Prof. Dr. Orhan GÜVENEN, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to the delegates for their valuable contributions and spirit of cooperation. H.E. GÜVENEN, also thanked the General Secretariat, subsidiary and affiliated institutions of the OIC for their valuable assistance. He expressed his confidence that the recommendations made at the end of their deliberations would be instrumental in enhancing the effectiveness of the COMCEC and open new avenues for closer economic cooperation among the Member Countries. Finally, H.E. Orhan GÜVENEN, wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Orhan GÜVENEN, is attached as Annex XIV).

ANNEXES

- I -

LIST OF PARTICIPANTS
OF THE FIFTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC

(Istanbul, 11-13 May 1999)

Original: English

**LIST OF PARTICIPANTS
FIFTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 11-13 May 1999)

A. MEMBER STATES OF THE OIC

BURKINA FASO

- Mr. Moussa NEBIE
Director of Multilateral Cooperation,
Ministry of Foreign Affairs
- Ms. Evelyn ILBOUDO
Head of the Specific Organizations and NGO Services,
Ministry of Foreign Affairs

REPUBLIC OF INDONESIA

- Mr. IG. Ngurah SWETJA
Director for Economic Relations among Developing Countries,
Ministry of Foreign Affairs
- Mr. Ibrahim GANI
Head of Education and Training, Ministry of Interior
- Mr. Hidayat SYARIEF
Deputy Chairman for HRD, National Development Planning Agency
- Mr. Ramlan GINTING
Deputy Head of Division, Bank Indonesia
- Ms. Niniek K. Naryatie SISWOJO
First Secretary,
Embassy of Republic of Indonesia in Ankara

ISLAMIC REPUBLIC OF IRAN

- Mr. Mohammad Hassan Nejad PIRKOHI
Expert, Department for International Economic Affairs,

STATE OF KUWAIT

- Mr. Ishaq ABDULKARIM
Director of International Economic Department,
Ministry of Finance
- Mr. Mishal Menwer AL - ARDHI
Head of the OIC Affairs Division
- Mr. Saad Mohammad AL - RASHIDI
Economic Researcher

ISLAMIC REPUBLIC OF PAKISTAN

- H.E. Karamatullah Khan GHOR1
Ambassador to Turkey
- Mr. Farukh AMIL
First Secretary, Embassy of Pakistan in Ankara

STATE OF PALESTINE

- H.E. Fouad YASEEN
Ambassador of Palestine to Turkey
- Mr. Abdulkarim KATIP

KINGDOM OF SAUDI ARABIA

- Mr. Abdullah Al- Wahab AL-NAFISAH
Director of Statistics Department,
Ministry of Trade and Commerce

- Mr, Hassan Abdullah AL-SHEHRI
Head of International Affairs,
Ministry of Commerce
- Mr. Adil Jemil ARIF
First Secretary, Ministry of Foreign Affairs
- Mr. Hassan Jaber AL-JEHANI
Economic Advisor,
Ministry of Finance and National Economy

SYRIAN ARAB REPUBLIC

- Dr. Majid KHODUR
Counsel General in Istanbul

REPUBLIC OF TURKEY

- HE. Prof. Dr. Orhan GÜVENEN
Undersecretary of State Planning Organization
- Mr. Oğuz ÖZBİLGİN
Assistant Secretary General,
President's Office
- Mr. Arif UĞUR
Chief Adviser of the President
- Mr. Ali Emre YURDAKUL
Assistant Secretary General,
Union of Chambers of Commerce Industry and Commodity Exchange
of Turkey
- Mr. Ragıp ŞAHİN
Head of Department,
State Planning Organization
- Mr. Feza ÜSTÜNKAYA
Head of Department,
Undersecretariat of Treasury

- Mr. M. Selim KARTAL
Head of Department,
Ministry of Foreign Affairs
- Mr. Ahmet YAMAN
Expert, State Planning Organization
- Mr. Fuat KASIMCAN
Expert, Undersecretariat of Foreign Trade
- Mr. İhsan ÖVÜT
Expert, Turkish Standards Institution
- Mr. Hasan DEMİRCİ
Expert, Union of Chambers of Commerce Industry and
Commodity Exchange of Turkey

B. THE OIC GENERAL SECRETARIAT

- H.E. Ambassador Thierno Nabika DIALLO
Assistant Secretary General for Economic Affairs
- H.E. Ambassador Motahar HOSSAIN
Director of Economic Affairs
- Mr. Mohammad MUSTAFA
Administrative Officer

C. OIC ORGANS AND INSTITUTIONS

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

- H.E. Ambassador Erdinç ERDÜN
Director General
- Dr. Abdelrahman ZEINEL ABDIN
Assistant Director General

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. Zine El Abidine HOUKI
Assistant Director General

ISLAMIC INSTITUTE OF TECHNOLOGY (UT)

- Prof. Dr. M. Anwar HOSSAIN
Director General

ISLAMIC DEVELOPMENT BANK (IDB)

- Dr. Mukhtar HAMOUR
Senior Economist,
Economic Policy and Strategic Planning Department

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Ms. Attiya Nawaziah ALI
Manager, Trade Promotion

ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

- H.E. Dr. Abdullatif A. SULTAN
Secretary General

D. OTHER INTERNATIONAL INSTITUTIONS

DEVELOPING EIGHT (D - 8)

- H.E. Ambassador Ayhan KAMEL

E. COMCEC COORDINATION OFFICE

General Directorate of Foreign Economic Relations,
State Planning Organization of the Republic of Turkey

- Mr. Celal ARMANGİL
Director General
- Mr. Mustafa ŞİRİN
Head of Department
- Ms. Gülbün SÜEL
Executive Secretary
- Mr. Ferruh TIĞLI
Expert, Coordinator for Documentation
- Mr. Ebubekir MEMİŞ
Expert, Coordinator for Documentation
- Mr. Yakup KARACA
Expert, Drafting
- Mr. Fatih ÜNLÜ
Expert, Drafting
- Mr. Orhan ÖZTAŞKIN
Expert, Protocol and Press Relations
- Mr. Ata ATALAY
Expert, Protocol Relations
- Ms. Bilge GÜLLÜ
Expert, List of Participants
- Mr. Kemal ARSLAN
Expert, Computer Services

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

- Ms. Mükerrerem ÖZKILIÇ
Head of Section
- Mr. Yaşar GÜLSOY
Expert
- Mr. Mevlüt YAŞAR
Expert
- Mr. Elvan ALÇU
Technician

-II-

**MESSAGE OF H.E. SÜLEYMAN DEMIREL
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11 May 1999)

Original : English

**MESSAGE OF H.E. SÜLEYMAN DEMİREL,
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11 May 1999)

Mr. Chairman,
Excellencies,
Distinguished Delegates,

It is a distinct pleasure for me to welcome you once again in Turkey on the occasion of the Fifteenth Meeting of the Follow-up Committee.

At the outset, I would like to congratulate the new members of the Committee and wish them success in their work.

Since the first session of the COMCEC, 15 years ago, the world has witnessed radical developments and substantial changes in the political and economic arena.

During the course of these fifteen years, thanks to the efforts of your Committee, the COMCEC has proven itself as an outstanding OIC forum with regular annual meetings and many concrete achievements.

We are now facing a different world. As compared to the relative stability and predictability of political and economic conditions in the Cold War era, the present circumstances are much more complicated and volatile.

Due to the revolutionary advances in the communications technology, people are no more satisfied with their existing standards of living and aspire to higher ones. The resulting emphasis on democracy, market economy and human rights constitutes the major driving force leading to increased levels of prosperity and well being all over the world.

The financial crisis that has gripped the global economy, starting from the mid-1997, has caused severe problems for most of our economies. Fragilities in domestic financial systems, shortcomings in macroeconomic policies and weaknesses of the international financial structure are identified as the main factors that are causing the crisis.

With the emergence of the new world conditions, the ways and means of international economic cooperation have also undergone substantial changes. Increasing prosperity and economic well-being through interdependence and global action has long replaced self-sufficiency as the ultimate objective of multilateral economic cooperation.

With the joining of Surinam, Guyana, Togo and Thailand to the OIC community, the number of member countries has now reached 57 occupying a wide geographical area in the world stretching over the African, Asian, European and South American continents.

The dispersion of the member countries in such a wide geographic area clearly poses difficulties in launching joint economic cooperation projects.

With the valuable contributions of your Committee, the COMCEC has been able to adopt its activities to these new trends in the world economic and political conditions.

In fact, the new Strategy and Plan of Action, prepared by the COMCEC and adopted by the Seventh Islamic Summit Conference, in 1994, provides a new approach to the economic cooperation among member countries, that differs from the previous one.

The most important principle of the new Plan of Action is the encouragement of voluntary participation and cooperation among a smaller number of member countries sharing common interests so as to sustain cooperation in a more realistic and flexible manner.

Although the rather slow progress in the implementation of the Plan of Action is of concern to us, it is gratifying to note that three important sectoral experts' group meetings were held so far and many others are envisaged. I am sure that, at your present meeting, you will also formulate appropriate recommendations for the early implementation of the projects identified at these meetings.

The practice of holding exchange of views on current world economic issues during the annual COMCEC sessions, is also in harmony with our new approach to economic cooperation. It gives us a unique opportunity to better understand the global developments and their effects on our countries.

I wish every success to the Follow-up Committee in its deliberations, and a pleasant stay in Istanbul to the delegates.

Süleyman DEMİREL
President of the Republic of Turkey,
Chairman of the COMCEC

- III -

**OPENING STATEMENT BY
H.E. PROF. DR. ORHAN GÜVENEN,
UNDERSECRETARY OF THE STATE PLANNING
ORGANIZATION OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE FIFTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC**

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OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE FIFTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE**

**Fifteenth Meeting of the Follow-up Committee
of the COMCEC**

(Istanbul, 11 May 1999)

Honourable Members of the Follow-up Committee,
Distinguished Assistant Secretary General of OIC,
Esteemed Guests,

On behalf of the Government of Turkey, it is a great pleasure for me to welcome you all here in Istanbul on the occasion of the Fifteenth Meeting of the Follow-up Committee.

As usual, we will review at this meeting the items and cooperation projects included in the COMCEC agenda, and discuss issues relevant to the strengthening of cooperation among the member countries. I am confident that with your contributions and understanding we will bring this meeting to a successful conclusion.

I would like to take this opportunity to congratulate the newly elected members to our Committee. I firmly believe that they will enrich and consolidate our efforts for furthering the cause of economic and commercial cooperation among the member countries.

I would also like to take this opportunity to express our thanks and appreciation to the General Secretariat and the concerned subsidiary and affiliated organs of the Organisation of the Islamic Conference for their valuable contributions to the work of the COMCEC.

Honourable Delegates,
Dear Guests,

We are witnessing an era where globalisation, economic liberalization and democracy have become the defining characteristics of the current world economic and social transformation. However, despite earlier optimism, the world is now at a critical crossroad facing a growing risk of global recession.

What started in the summer of 1997 as a regional economic and financial crisis in East Asia has developed into a global financial crisis by the summer of 1998. Beginning with the much deeper than expected East Asian crisis, a series of recent events has created a much more difficult and uncertain outlook for the world economy and for developing countries.

With surprising speed and successive events, Japan has lapsed into recession, and Russia and Brazil have run into severe financial difficulties. Capital flows to emerging markets have fallen abruptly and the resulting contraction in the volume of credit because of heightened risk aversion on global financial markets, has been a matter of great concern for us.

The dramatic slowdown in developing countries and the persistent volatility on international financial markets combined to knock off more than one percentage point from world growth in 1998 and continue to influence global economic prospects in 1999.

According to recent international statistics, global output growth is expected to further decline from 2.5 percent in 1998 to 2.3 percent in 1999, nearly half of 4.2 percent growth recorded in 1997, and modestly revive to 3.4 percent in year 2000.

The same sources also indicate that developing countries, including ours, are the ones most adversely affected by the crisis. In fact, it is predicted that the average GDP growth in developing and transition countries may fall to 1.5

percent in 1999, making it the lowest growth since 1982, and will show a modest recovery in the range of 3.6 percent by 2000.

The rate of growth in the volume of world merchandise exports slowed to 3.5 per cent in 1998, from over 10 percent in 1997, mainly due to continuing economic contraction in much of Asia. Although trade growth still exceeded output growth in 1998, it was by a smaller margin than the average for the 1990s. Export growth in 1999 is expected to match that of 1998, but for this projection to be realised, trade growth will have to accelerate during the course of 1999.

Along with all these occurrences, it is argued that the world economic order, which was established at the end of the World War II, can no longer meet the needs of the globalizing economy.

In order to overcome the present crisis, without further detrimental effects on world economy, it is vitally important for economies with global responsibilities to take timely precautions against global recession. In fact, recent developments herald the moving of the world economy back to a safer direction.

Honourable Delegates,
Dear Brothers and Sisters,

I would like to briefly touch upon the recent developments in the Turkish economy as well as the effects of the global economic crisis, thereupon.

Taking into account the past unsustainable developments, Turkey embarked upon a three-year structural adjustment and stabilisation program since 1998 whose primary aim was to achieve a lasting decline in inflation, which had distorted the economy for many years.

Starting from mid-1998, Turkey was also adversely affected by the recent turmoil on emerging markets, particularly in Russia. The contagious effect of

the Russian crisis was immediate felt by because Turkey and Russia have been attracting similar investor groups and have extensive trade relations.

In order to reduce tension on financial markets, the Government of Turkey announced a series of additional measures, which aim at reducing transaction costs and increasing the liquidity of the market.

Turkey responded to the turmoil on emerging markets and tension on domestic financial markets by significantly tightening the fiscal stance. Although foreign trade figures, during 1998 reflect the impact of financial turbulence on emerging markets, it has therefore not posed a serious threat to Turkey's external balance and the Istanbul Stock Exchange Index has recovered to exceed its pre-crisis levels.

The main objective of the economic program of the Government of Turkey in 1999 will continue to ensure the sustainability of the external balance, progress in fiscal adjustment and to bring the rate of inflation to lower levels.

Distinguished Delegates,
Dear Brothers,

Considering their vast natural resources, population potential, historical and cultural ties among themselves, I believe that, through cooperation, member countries would enjoy immense economic benefits by taking part in the globalisation process and ensuring transparency in their trade regimes.

Regional trade and investment should be encouraged to further expand trade. Maintaining protective barriers and remaining in isolation will only hinder member countries from integrating with world markets. We believe that steps taken towards the liberalization of trade regimes will increase commercial activities within the OIC. I therefore, strongly believe that the main task of the COMCEC is to give priority to the lifting of trade barriers, the setting up of a free market economy and encouragement and promotion of the private sector in

our region. In fact, this is the main prerequisite of a result-oriented and successful economic cooperation among countries.

In this regard, we appreciate the efforts of the General Secretariat and of the Islamic Development Bank to monitor the activities of the World Trade Organization and assist member countries in their endeavours to become its active members.

Distinguished Delegates,
Dear Guests,

I am pleased to note that meetings of sectoral experts groups in significant cooperation fields, such as foreign trade, capital movements, and technical cooperation were so far held to implement the Plan of Action. I am confident that with the active participation of the interested member countries the projects identified in these meetings will be implemented.

The Organisation of the Islamic Conference and the COMCEC have already established certain institutions and mechanisms in the field of economic and commercial cooperation. I would therefore like to emphasise the importance of the maximum utilisation of the Export Financing and Exports Credit Insurance and Investment Guarantee schemes which were set up by the Islamic Development Bank in pursuance of the COMCEC decisions.

In this connection, I would also like to state that the issue of "Human Resources Development for Sustained Economic Growth and Progress in Member Countries" has been a meaningful and appropriate choice for this year's debate which will take place during the Fifteenth Session of the COMCEC, in November.

I believe that with the active participation of member countries we shall be able to share our experiences in this timely and important issue and gain new insights.

Before concluding, I would like to extend once again my warm welcome and best wishes of success to you, and wish you an enjoyable stay in Istanbul.

Thank you.

-IV-

**MESSAGE OF H.E. DR. AZEDDINE LARAKI,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE**

**Fifteenth Meeting of the
FoUow-up Committee of the COMCEC**

(Istanbul, 11 May 1999)

MESSAGE OF FUS EXCELLENCY DR. AZEDDINE LARAKI
SECRETARY GENERAL OF THE OIC AT THE
15TH MEETING OF THE COMCEC FOLLOW-UP COMMITTEE

(Istanbul, 11-13 May, 1999)

Bismillahîr Rahmanir Rahim

Mr. Chairman,
Excellencies,
Distinguished Delegates

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh

It is indeed a great pleasure for me to address my warm greetings and fraternal sentiments to you all who have travelled from different parts of the world to take part in the deliberations of this important meeting of the COMCEC Follow-up Committee. I also express my very sincere thanks and appreciation to the government of the Republic of Turkey for hosting this meeting and for the warm welcome and generous hospitality extended to all the delegates.

This year's Meeting of the Follow-up Committee, incidentally, is the last before the commencement of the new millennium in less than a year. The 21st century promises to be full of significant developments and further accentuation of some important trends that now characterise the emerging world economic order. The culmination of these trends to completion, eventually, will determine their implications for the various groups of trading partners of the global economy, including the OIC Member States.

By virtue of its mandate, the Follow-up Committee, has not only to review the progress of implementation of various decisions and resolutions of the preceding session of the Standing Committee for Economic And Commercial Co-operation (COMCEC), it also has to prepare the agenda of the succeeding one. This aspect of the work of the Follow-up Committee gives it the necessary latitude and flexibility in order to keep the work of the COMCEC fully tuned to the need of the time and contribute to making the Standing Committee effective in helping the Member States in meeting the expectations of today and overcome the challenges of tomorrow.

In pursuit of this objective, the Follow-up Committee in the past has recommended changes in the agenda of the COMCEC and suggested adoption of specific measures by the Standing Committee. As we stand at the threshold of the new millennium, this aspect of the work of the Follow-up Committee has assumed singular importance. With the wealth of experience it has acquired over the last two decades of its existence, I am sure, the Follow-up Committee is fully equipped and prewired to discharge this momentous responsibility. The Committee is the most appropriate forum *to* undertake a thorough stocktaking of the state of economic and commercial co-operation among the Member States and proceed to a rationalisation of the agenda of the COMCEC should the exigencies of the situation so warrant.

Another area where bold action has become imperative, is the less-than-expected pace of implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation Among the Member States which has remained one of the major pre-occupations of the COMCEC. In view of the importance of the intensification of intra-OIC economic co-operation in bringing about overall socio-economic progress and prosperity for the people of the Ummah, a fresh look needs to be cast on the progress achieved so far and identify the root causes which have hindered speedy realisation of the lofty aims and objectives of boosting intra-OIC economic co-operation enshrined in the Plan of Action. This exercise needs to be undertaken in a comprehensive manner and has *to* devise ways and means of stimulating political will side by side with identifying technical obstacles on the way to achieving robust interactions among the Member States in the economic arena.

It is quite encouraging that under the auspices of COMCEC, several agreements and statutes have been prepared and adopted over the last two decades. The unfortunate reality, however, is that very few of these have come into force due to lack of required number of signature and ratification. This matter needs to be addressed seriously as laying a sound legal foundation of intra-OIC economic Co-operation, which these legal instruments are meant to provide, is a *sin qua non* of stimulating economic co-operation.

I am sure, these and several other relevant issues will be adequately addressed by the Follow-up Committee while deliberating on the agenda items before it. I am confident that the quality of their deliberations will enormously contribute to the successful conclusion of this meeting.

I wish the 15th meeting of the Follow-up Committee of the COMCEC every success. Thank you.

Wassalamu Alaikum Wa Raltmatullahi Wa Barakatuh

- V -

**AGENDA
OF THE FIFTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 11-13 May 1999)

Original : English

**AGENDA
OF THE FIFTEENTH MEETING OF
THE FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 11-13 May 1999)

1. Opening Session
 - Statement by the Chairman of the Follow-up Committee
 - Statement by the Secretary General of OIC
 - Statements by the Heads of Delegation
2. Adoption of the Agenda
3. Background Report by the OIC General Secretariat
4. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States
 - Report by IDB on the Expansion of Intra-OIC Trade in Preparation of the Ummah for the 21st Century
5. Matters related to World Trade Organization Activities
6. Preparations for the Exchange of Views on the "Human Resource Development for Sustained Economic Growth and Progress in Member Countries", to be organized during the Fifteenth Session of the COMCEC
7. Draft Agenda of the Fifteenth Session of the COMCEC
8. Any Other Business
9. Adoption of the Report
10. End of the Meeting

-VI-

**BACKGROUND REPORT BY THE
OIC GENERAL SECRETARIAT**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

**BACKGROUND REPORT BY THE OIC GENERAL SECRETARIAT
TO THE FIFTEENTH MEETING OF THE
COMCEC FOLLOW-UP COMMITTEE
(ISTANBUL. REPUBLIC OF TURKEY 11-13 MAY 1999)**

INTRODUCTION:

Since the addition of economic dimension to the activities of the Organization of the Islamic Conference at the 2nd Islamic Summit held at Lahore, Islamic Republic of Pakistan in 1974, several initiatives were undertaken to boost economic cooperation among Member States. A number of Ministerial Meetings on different sectors were held, several legal instruments were developed, Standing Committee for Economic and Commercial Cooperation (COMCEC) was established and a series of Subsidiary, Affiliated and Specialised bodies were brought into being with a view to furthering economic cooperation among Member States.

The object of this Report is to provide background information on these initiatives with appropriate updates in relevant areas.

This Background report covers the following three broad areas:-

-Development of economic and trade cooperation;

-Status of the signing and ratification of the Agreements/Statutes within the framework of economic cooperation among OIC Member States;

-Summary review of the activities of subsidiary organs, specialized and affiliated institutions of the OIC in the field of economic cooperation.

DEVELOPMENT OF ECONOMIC AND TRADE COOPERATION.

- a) Cooperation for the Promotion of Trade Among OIC Member States.

During the first COMCEC Session held in November 1984, the Trade Ministers of OIC member states met for the purpose of exploring ways and means for strengthening cooperation in areas falling under their responsibility. The Ministers identified a number of priorities in the field of trade and adopted a resolution on the "Implementation of the Short Term Programme for the Promotion of Trade Among OIC Member States", which includes recommendations for the preparation of a number of projects/schemes.

At its first Session, COMCEC discussed and approved the proposals to draw up three multilateral financial schemes aimed at enhancing trade among Member States, namely, a Longer-term Trade Financing Scheme, an Islamic Corporation for the Insurance of Investment and Export Credit, and a Multilateral Islamic Clearing Union. The progress achieved in the establishment and operation of each of these schemes as well as the other efforts for the enhancement of Intra-Islamic trade is summarised below:

(i) Export Financing Scheme (EFS) formerly known as Longer Term Trade Financing Scheme (LTTFS)

The project had been initiated by COMCEC which approved the scheme and entrusted the IDB with its implementation. The Longer-Term Trade Financing Scheme was approved by the Tenth IDB Annual Meeting, held in Amman, Jordan, in March 1986. The title of the Scheme has recently been changed to Export Financing Scheme (EFS).

This Scheme, which became operational in 1408 aims at promoting exports of non-conventional commodities among OIC member states by providing the necessary funds for periods ranging between 6 and 60 months for exports from the member countries of the Scheme to any other OIC member state. Up to the end of 1418 H, the Scheme comprised 23 member states. In each member state which participates in EFS there are one or more national agencies for the Scheme. The role of the national agencies is to coordinate the promotion of the EFS export financing in their countries.

The total subscribed capital by the member countries of the Scheme up to the end of 1418 H was ID 315.5 million, out of which ID 132.7 million is paid up. The IDB has contributed to the Scheme a sum of ID 150 million, half of which has already been paid up.

Originally the scheme was conceived to finance exports from one member country to another. However, in order to expand its scope and promote exports of member countries, in 1417H, the Board of Executive Directors amended the scheme to allow for export to OECD member states. By widening the scope of the scheme, it is expected that the market for exports from member countries will be much larger than previously.

In 1418 H the net approvals under the scheme amounted to ID 27.25 million (US \$ 37.00 million) for 8 operations in 5 exporting member countries as against 13 operations in 5 exporting member countries in 1416H amounting to ID 39.30 million (US \$ 55.76 million). From its inception to 1418H, the EFS has approved 126 net financing operations in 12 exporting member states amounting to ID 306.00 million (US \$ 429.00 million).

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

Another important project introduced in the field of the promotion of trade exchange, is the Islamic Corporation for the Insurance of Investment and Export Credit. At COMCEC's request the IDB undertook a feasibility study and prepared the Agreement for the establishment of the said Corporation. The scheme was approved by COMCEC in October 1991. Subsequently, the IDB Board of Governors approved this agreement and appealed to member states to subscribe to the capital of the Scheme. 50 percent of the authorised capital; ID 100 million (about US \$ 150.00 million,) has been subscribed by eighteen OIC/IDB member states and the IDB has subscribed and paid up the remaining 50 per cent.

The objectives of the Scheme are to increase the volume of transactions and the flow of investments among member states. The services, however, will be limited only to the signatory states of the Agreement that will have ratified it, submitted their ratification instruments to the Bank and paid up their shares.

The ICIEC commenced operations in July, 1995 and provides export credit in insurance to cover the non-payment of export receivables resulting from commercial and non-commercial risks, in accordance with the principles of Shariah. The ICIEC also plans to offer investment insurance against country risks, mainly risk of exchange transfer restriction, war, civil disturbance and breach of contract by a host government. Three types of policies have already been launched. A comprehensive risk policy, a Supplements Medium Term Policy, and the Bank Master Policy.

(iii) **Islamic Multilateral Clearing Union**

This is another scheme designed to ensure trade promotion among OIC member states. The IDB undertook a study of this project at the request of COMCEC.

The 8th COMCEC Session, held in 1992, had noted with appreciation the finalisation by the IDB of the "Agreement on the Multilateral

Islamic Clearing Union" as well as its submission to the 8th Meeting of the Governors of the Central Banks and Monetary Authorities of the member states held in Cairo, Egypt, in 1990. The same COMCEC Session approved, in principle, the proposed Agreement and endorsed the recommendation of the Governors of the Central Banks and Monetary Authorities of member states regarding this scheme.

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

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

The First COMCEC Session, held in 1984, adopted a resolution on the "Short term implementation Programme for trade promotion" recommending the setting up of a Trade Information Network for Islamic Countries to facilitate the collection, treatment, analysis and propagation of trade information for the benefit of users. The Islamic Centre for the Development of Trade (ICDT) was requested to prepare a feasibility study on the modality of such a network, in cooperation with the concerned OIC institutions and other international organisations.

Consequently, the ICDT submitted a feasibility study to the second COMCEC session. A study group was set up to revise that study with a view to developing a "database system" for collecting and propagating, inter alia, maximum trade information within OIC member states, eliminating duplication and ensuring an optimal utilization of means already existing in member countries.

The Tenth COMCEC Follow-up Committee Meeting held in Istanbul, Republic of Turkey, in May 1994, noted with satisfaction that the first meeting on TINIC Focal Points jointly organized by the Islamic Centre for Development of Trade (ICDT) and the IDB was held from 19 to 21 April 1994 in Casablanca to examine cooperation problems among Focal Points and set up the required databases.

The Committee requested the ICDT to pursue its preparations for establishing a database in close cooperation and coordination with TINIC Focal Points and the IDB and to submit a progress report on the issue to the 10th COMCEC Session.

The conception of ICDT's data bases is finalized, all the modules are completed and operational except for the module "Regulations". It is practically identical to the OICIS-NET basic model accepted by the Islamic Development Bank and made up of the following modules:

- Tables and parameters: management of all static tables (countries, languages, products, activities, unit of measures;
- Statistics: acquisition and Processing of all annual statistical data and economic indicators for each country;
- Events: Trade events data acquisition and processing;
- Business Opportunities: treatment of business opportunities;
- Operators: all information concerning intra-OIC import/export regulations;

Query and reports: tools that give users facilities to extract and sort data directly on all the system tables;

Economic indicators.

Information dissemination is carried out through the usual means (mail, fax, Tijaris). It is also possible on CD-ROM as well as by remote inquiries through Internet or the communication system of the OICIS-NET to be used as soon as it is operational. It is worth mentioning that I.C.D.T. is already provided with an internet site on the following address: www.icdt.org.

(v) Establishment of a Trade Preferential System among OIC Member States (TPSOIC)

In pursuance of the relevant decisions of the First and Second COMCEC Sessions, the ICDT carried out a study on a trade preferential system within OIC member states. The documents of this system were approved by the

Sixth COMCEC Session held in Istanbul from 7 to 10 October 1990 which requested the General Secretariat to pursue the implementation of the system in question.

COMCEC requested the OIC General Secretariat to contact member states to expedite the formalities of their joining the Framework Agreement and urged member states to start in the meantime, bilaterally or through COMCEC, exchanging lists of respective offers of concessions and initiate informal consultations on them as a prelude to the future negotiations on the said concessions.

Taking into account the latest signatures, number of countries which signed the Framework Agreement on Trade Preferential System now stands at 22. The number of ratifications, however, remains at 5. Number of ratifications required for the Agreement to enter into force is 10.

(vi) Harmonisation of Standards

During the first session of COMCEC it was decided to prepare a methodology aimed at harmonising the norms in force in member states with a view to eliminating the obstacles in the way of trade promotion among OIC countries. The Turkish Standardization Institute (TSI), which now plays the role of Coordination Committee, was requested to prepare the project document.

The draft Statute of the Standards and Metrology Organisation for Islamic Countries (SMOIC) was circulated among the member states for their views and comments thereon. Following the decision of the Eleventh Session of COMCEC, the text of the Draft Statute was re-circulated among the member states. The draft was also sent to the Islamic Chamber of Commerce and Industry for its views and comments.

The views and comments on the draft Statute received from the member states were examined by an Expert Group convened for the purpose in Istanbul in September, 1996. The final draft of the Statute was prepared taking into account the views of the member states. The draft statute on the Standards and Metrology Organisation for the Islamic Countries was presented to the 12th COMCEC (Istanbul, November 12-15, 1996) for adoption. The COMCEC, however, decided to change the title of the Statute as "Statute of the Standards and Metrology Institute for the Islamic Countries", and requested the General Secretariat to circulate the Draft Statute among the member states for their approval, and submit it to the 13th session of the COMCEC. Accordingly, the General Secretariat circulated the Draft Statute among the Member States.

At the 13th COMCEC the General Secretariat submitted a resume of comments and observations received from the Member States. The COMCEC felt that the draft Statute needed to be reviewed from the legal and technical point of view. Accordingly, the Turkish Standards Institute organised the 8th Expert Group Meeting for the purpose in Ankara, from March 24-26, 1998. The revised draft was presented to the 14th Session of the COMCEC (Istanbul, November 1-4, 1998) which adopted the Statute with some modification in the article dealing with subscription from members. In adopting the draft Statute, the COMCEC invited Member States which are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. The General Secretariat has notified all Member States about the opening of the Statute of the SMIIC for signature and ratification.

(vii) Organization of Islamic Trade Fairs

The Islamic Trade Fairs are being organised regularly by the Islamic Centre for Development of Trade (ICDT) in collaboration with the relevant Ministry of the host governments and with the support of the Islamic Chamber of Commerce and Industry (ICO). The Islamic Trade Fairs are playing very important roles in boosting intra-OIC trade by bringing together business firms, entrepreneurs and their products. The growing number of participants in these fairs demonstrate the increasing importance being attached to these events by the business community in the Islamic world. So far seven Islamic Trade fairs have been successfully organised.

The Seventh Islamic Trade Fair was organised in Tripoli, Lebanon from October 12-18, 1998 in collaboration with the Ministry of Economy and Trade and the Chamber of Commerce and Industry of Lebanon as well as the ICCI. The government of the State of UAE has offered to host the 8th Islamic Trade Fair in the year 2000. However, the government of UAE has recently indicated its readiness to let the government of the State of Qatar host this trade fair concurrently with the 9th Islamic Summit. Consultation between the two authorities are in progress with a view to arriving at a final decision in this regard. The Republic of Senegal has offered to host the 9th Islamic Trade Fair in the year 2002 and the Republic of Guinea offered to host the 10th Islamic Trade Fair in the year 2004.

(viii) Cooperation Among the Private Sectors of the OIC Member Countries

Development of private sector in the Islamic world is one of the major preoccupations of the COMCEC. The Ninth session of the COMCEC, agreed that a flexible approach be followed regarding the possible role of the private sector in the overall activities of the COMCEC and where necessary, during the Islamic Trade Fairs. Decision to hold Private sector Meetings regularly on annual basis prior to the COMCEC sessions is an important measure in support of the private sector in the member states. Annual Private Sector Meetings are being held regularly before the COMCEC Sessions.

The 14th Session of COMCEC, held in Istanbul from November 1-4, 1998 expressed appreciation to the Government of the Republic of Lebanon and the ICCI for organizing the Fifth Private Sector Meeting (Tripoli, Lebanon 12-14 October, 1998) in collaboration with the Federation of Lebanon Chambers of Commerce, Industry and Agriculture. The Tripoli Economic Declaration which was issued on conclusion of the Fifth Private Sector Meeting, contains 22 recommendations.

The Republic of Cameroon has offered to host the 6th Private Sector Meeting in Yaounde in 1999. The Seventh Private Sector Meeting will be held in Sharjah, State of the UAE in the year 2000. However, the government of UAE has recently indicated its readiness to let the government of the State of Qatar host the Seventh Private Sector Meeting concurrently with the 9th Islamic Summit. Consultation between the two authorities are in progress with a view to arrive at a final decision in this regard. The Republic of Guinea has offered to host the 8th and 11th Private Sector Meetings in 2001 and 2004 respectively while Republic of Senegal has offered to host the 9th Private Sector in the year 2002.

(ix) Exchange of Views Sessions during the annual sessions of the COMCEC

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions. Since then Exchange of Views Sessions have been held on the following topics during the Eleventh (1995), Twelfth (1996), Thirteenth (1997) and Fourteenth (1998) Sessions of the COMCEC

(1) Implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization (WTO) on the external trade of the OIC Member Countries:(11th COMCEC),(2) Privatisation Experiences of the OIC Member Countries" (12th COMCEC), (3) Implications of Regional Economic Groupings, especially the European Union for the Economies of Member Countries" (13th COMCEC) and (4) Intra-OIC Trade and Investments, Economic Stabilisation and Structural Reforms in Member Countries" (14th COMCEC).

Human Resources Development for Sustained Economic Growth and Progress in Member Countries has been chosen to be the theme of Exchange of Views Session of the 15 COMCEC. In preparation of the Exchange of Views session of the 15th COMCEC, the IIT, organised an International Seminar (Dhaka, Bangladesh 11-13 April, 1999) in collaboration with the ICDT, SESRTCIC and ICCI on "Human Resource Development for Sustained Economic Growth and Poverty Alleviation in the Member States of the OIC

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

Food Security is one of the top priorities in the OIC Plan of Action. However, the problem of food security remains unresolved in a number of OIC member states, particularly in Africa. The General Secretariat, in cooperation with the IDB, the African Development Bank and the Government of Senegal, organised a symposium on Food Security in the Islamic countries in December 1991, in Dakar, Republic of Senegal, in conjunction with the Sixth Islamic Summit Conference. The Sixth Islamic Summit adopted a declaration on "the Food Security Decade" in OIC Member States.

The Sixth Islamic Summit Conference, having considered the report of the Dakar Symposium, requested member states and all financial, economic and technical organizations of the Ummah to assist the African States concerned to ensure effective implementation of the recommendations of the Dakar Symposium. It also appealed to member states to extend additional resources to the relevant financial institutions so that they may increase their assistance to OIC African member states for the speedy and effective implementation of their national strategy for food security." An Ad-hoc Follow-up Committee of the Symposium, established during the Symposium and chaired by the Minister for Rural Development and Hydrology of the Republic of Senegal, is doing its best to implement the recommendations of the Dakar Symposium on Food Security in African OIC member states. Two meetings at expert level and two at senior official level have already been held. A mission comprising the Government of Senegal, the Islamic Development Bank and the African Development Bank, has already visited a number of states to evaluate their respective programmes in the area of food security.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The meeting was well attended and the Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production in high potential areas, and decided to periodically review the situation of food security in all OIC member states which are importers of food, in attaining a higher degree of food self-sufficiency. It also expressed firm determination and political will to expand cooperation among the concerned member states in developing food security and agriculture.

c) Cooperation in the area of Industry

A series of Ministerial Meetings on Industrial Cooperation among OIC Member States have been held over the past few years. Several Joint Venture Projects have been identified, studied and approved for member states in cooperation with the Islamic Chamber of Commerce and Industry (ICO), the Islamic Development Bank (IDB) and the United Nations Industrial Development Programme (UNIDO). The General Secretariat, subsidiary organs and affiliated institutions, in collaboration with the relevant UN institution (UNIDO) continue to work together to strengthen cooperation among member states in the field of industrial development and joint investment.

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

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

d) Cooperation in the area of Transport

The First OIC Ministerial Meeting on Transport was held in Istanbul, September 7-10, 1987, concurrently with the Third COMCEC Session. The Ministers, during the meeting, expressed their conviction that transport is an important element of the development of commercial and economic cooperation among Islamic states and, among other things, decided to cooperate in the development of the following sectors:

- a) Road Transport,
- b) Maritime Transport,
- c) Railway Transport, and
- d) Training in the field of Transport.

The Eleventh Session of the COMCEC, held in Istanbul, from 5-8 November 1995 urged member states and the OIC organs concerned to take measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Transport of Member States, and appealed to member states to host the Second Meeting of Ministers of Transport. The Government of the Arab Republic of Egypt offered to host the Expert Group Meeting on Transport and Communication in Cairo from September 22-24, 1996. Subsequently at the request of the host Government, the meeting was postponed. New dates of the meeting are expected shortly.

e) Cooperation in the field of Telecommunications

The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth COMCEC Session in Istanbul, Turkey, in September, 1988 and the Second Ministerial Meeting on Telecommunications was held in Bandung, Indonesia, from November 5-8, 1991. The Tenth COMCEC Session, held in Istanbul, from 22 to 25 October 1994 called upon member states and the relevant OIC organs to take the measures needed for the implementation of the resolutions of the First and Second Ministerial Meetings on Telecommunications.

The Government of the Islamic Republic of Iran hosted the Third OIC Ministerial Meeting on Post and Telecommunication in Tehran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and made specific requests and recommendations for action by the member states with a view to further cooperation among them in the field of posts and telecommunications. Some of the important actions suggested by the meeting include, setting up of a Data Bank for Post and Telecommunication Experts within the OIC-ISNET member countries; defining a mechanism enabling member states to benefit from the studies and researches already undertaken by other member states in the field of PTT; preparing an updated list of experts in technical field of PTT; preparing an updated list of technical cooperation and training activities available in the member states and compilation of member states' specific needs and capabilities with implementable project ideas and proposals or activities and encouraging joint investments for development and manufacture of telecommunication equipments.

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

The Twelfth COMCEC noted with appreciation the successful convening of the Third OIC Ministerial Meeting on Posts and Telecommunications in Tehran, Islamic Republic of Iran and adopted its report. The Government of the Republic of Sudan has offered to host the 4th OIC Ministerial Meeting on Posts and Telecommunication.

f) Cooperation in the field of Energy

Energy is one of the priority areas of the Plan of Action. It was in Istanbul, Turkey, from 3 to 6 September, 1989 that the First Ministerial Meeting of the OIC Member States on Energy was held concurrently with the Fifth COMCEC Session.

The Ministers of Energy of member states, recognising that energy issues are important elements of cooperation in various fields among the member states and that the development of energy resources and power networks will lead to progress and contribute to the general welfare of the Islamic countries and to their mutual interest, the OIC Energy Ministers adopted a comprehensive resolution on this subject.

This resolution recommends, inter alia, that member states improve the performance of energy installations, speed up technology transfer among themselves in the energy sector, encourage research in new and renewable energy resources and establish inter-linked regional networks in the field of electric energy.

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

g) Cooperation in the field of Infrastructure and Public Works.

The First OIC Ministers of Infrastructure and Public Works Meeting was held from 6 to 9 October, 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh COMCEC Session,

Noting with satisfaction that Islamic countries had considerable potentialities and cooperation prospects in the field of infrastructure and public works capable of meeting the present and future needs of OIC member states.

The Ministerial Meeting, inter alia, urged member states to use all ways and means to enhance their cooperation and requested that a separate section of the budget be devoted to public works and infrastructure among the priority sectors of the "Plan of Action to Strengthen Economic Cooperation among Member States". It also recommended the development of existing potentialities and projects within the OIC System in this field

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

h) Cooperation in the field of Labour and Social Security.

The Second Experts Group Meeting on Labour and Social Security, held in Kuala Lumpur, Malaysia in October, 1994 set up two Working Groups - one for

finalising the "Draft Bilateral Agreement on Social Security" and the other for the "Draft Model Bilateral Agreement on Labour and Manpower Exchange". The Working Group on Social Security met in Amman, Jordan, in 1985 and finalised the Draft Agreement. The Meeting of the Second Working Group on Labour and Manpower Exchange was held in Istanbul, Turkey from 27 to 29 May 1989. It also finalized the Draft Agreement.

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

The Twenty-first ICFM expressed satisfaction for the offer made by the Government of the Arab Republic of Egypt to host the meeting of the working group on Employment and Manpower Exchange. However, the Government of the Arab Republic of Egypt has, since informed the General Secretariat that it was no longer in a position to host the Expert Group Meeting on Labour and Social Security.

i) Cooperation in the Field of Tourism

The Twenty-third Islamic Conference of Foreign Ministers, held in Conakry, Republic of Guinea, from 9 to 13 December 1995 adopted a resolution to strengthen cooperation among OIC Member States. The Conference stressed that tourism constitutes a main pivot in economic development and rapprochement between nations. The Twenty-fourth Islamic Conference of Foreign Ministers held in Jakarta from December 9-12, 1996 recalled that tourism has been identified as a priority area for cooperation in the Plan of Action and requested the Secretary General to convene as soon as possible, an Expert Group Meeting in the field of Tourism within the framework of COMCEC and the Plan of Action to Strengthen the Economic and Commercial Cooperation Among OIC member states. Meanwhile, the Conference also invited the member states to cooperate in the following areas:

- provision and exchange of publicity and advertising materials on tourism in different languages;
- organising special tourism weeks and popular art exhibitions in the Islamic world;
- production of documentary films on main archeological landmarks in the member states which are to be exchanged;
- organizing group travel among Islamic countries to strengthen bonds among member states;
- encouraging tourist investments in member states and directing investors to realise tourist projects in these states;

-facilitating contacts among experienced tourist offices
in member states

The Government of the Republic of Indonesia had offered to host the Expert Group Meeting on Tourism to be followed by a Ministerial level meeting on the same subject. All preparations were completed by the host country and the General Secretariat to hold these meetings in Jakarta from November 8-11, 1997. However, these meetings had to be postponed at the last moment due to lack of adequate response from Member States.

Meanwhile, the government of Indonesia officially communicated its decision to the General Secretariat to withdraw its offer to host the aforementioned two meetings due to budgetary constraints. The decision has been transmitted to all Member States.

j) Technical Cooperation among OIC Member States

The First Ministerial Meeting on Technical Cooperation was held concurrently with the Sixth Session of COMCEC in Istanbul, Turkey, October 7-10, 1990. Five National Focal Points Meetings for Technical Cooperation among Member States were held in Istanbul between 1990 and 1994, thanks to the funding of the Turkish Government.

The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening this cooperation. The meetings stressed the need to promote the administrative and financial capabilities of national focal points on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

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

The Tenth COMCEC Session held in Istanbul from 22 to 25 October 1994, inter alia noted with satisfaction that the Meetings of Focal Points for Technical Cooperation (FOPTCIC) were being held annually on a regular basis, in Istanbul and thanked the Republic of Turkey for hosting them. It also appreciated the ongoing support extended by Turkey and by OIC institutions such as the IDB, SESRTCIC, ICDT, IIT and IFSTAD which contributed to the success of these meetings. The Tenth COMCEC also called upon member states and the OIC organs to implement the resolutions of the First Ministerial Meeting on Technical Cooperation held in Istanbul from 7 to 10 October 1990. It noted with satisfaction that the Fifth Focal Points Meeting on Technical Cooperation (FOPTCIC-V) was held, May 13-16, 1994, in Istanbul.

The Republic of Turkey hosted the Expert Group Meeting on Technological and Technical Cooperation in Istanbul from May 6-8, 1998. The project proposals emerging from the Expert Group Meeting as well as those subsequently submitted by the Islamic Republic of Iran have been transmitted to all Member States for necessary action under the Follow-up and Implementation Mechanism of the Plan of Action. The responses received from some interested Member States have been transmitted to the government of the Republic of Turkey as per the provision of the follow-up and implementation mechanism with a view to the eventual setting up of the project committee(s) to initiate implementation activities.

II. STATUS OF THE SIGNING AND RATIFICATION OF STATUTES AND AGREEMENTS.

The General Secretariat submitted latest position on the signing and ratification of the following OIC Statutes and Agreements to the Twenty-fifth ICFM and 14th COMCEC, held respectively in Doha and Istanbul in March 1998 and November 1998 .

- i) General Agreement or. Economic, Technical and Commercial Cooperation Among Member States.
- ii) Agreement on Promotion, Protection and Guarantee of Investments Among Member States.
- iii) Framework Agreement on Trade Preferential System Among OIC Member States.
- iv) Statute of the Islamic Telecommunications Union.
- v) Statute of the Islamic Civil Aviation Council.
- vi) Statute of the Standards and Metrology Institute for the Islamic Countries(SMIIC).

An updated table summing up the situation regarding the signing and ratification of the Agreements/Statutes is enclosed with this report.

- i) General Agreement on Economic. Technical and Commercial Cooperation.

The General Agreement on Economic, Technical and Commercial Cooperation was approved by the Eighteenth ICFM in 1397H (1977). The Agreement aims at encouraging capital transfer and investment, exchange of data, experience, technical and technological skills among Member States and at facilitating the implementation of a fair and non-discriminatory treatment among these countries while giving special attention to the least developed member states. Up to now the agreement has been signed by 41 countries and ratified by 27. It became effective from 28 April 1981.

- ii) Agreement on the Promotion. Protection and Guarantee of Investments.

The Agreement on Promotion, Protection and Guarantee of Investments among member states was adopted by the Twelfth ICFM in 1401H (1981). The Agreement lays down the basic principles for the promotion of capital transfer among member states and protects their investments against commercial risks while guaranteeing the transfer of capital and its proceeds abroad. Up to now, the agreement has been signed

by 28 member states and ratified by 18. After having been ratified by more than 10 countries, the agreement came into force in February 1988.

iii) Framework Agreement on Trade Preferential System.

Twenty-two member states have so far signed the Framework Agreement including Federal Republic of Nigeria which signed it during the Fourteenth COMCEC. Six member states have so far ratified it. At least ten member states need to ratify the Agreement so that it can enter into force.

iv) Statute of the Islamic Civil Aviation Council.

The Statute of the Islamic Civil Aviation Council has been signed by 13 member states and ratified by 4 only.

v) Statute of the Islamic States Telecommunications Union (ISTU)

The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 13 and ratified by 9 Member States. The Statute has not yet entered into force for lack of required number of ratifications.

vi) Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC)

In compliance with the decision of the 13th COMCEC, that the draft Statute of the SMIIC was reviewed from the legal and technical point of view at the 8th Expert Group Meeting convened for the purpose in Ankara, from March 24-26, 1998.. The revised draft was presented to the 14th Session of the COMCEC (Istanbul, November 1-4, 1998) which adopted the Statute with some modification recommended by the 14th Meeting of the COMCEC Follow-up Committee in the article dealing with subscription from members. In adopting the draft Statute, the COMCEC invited Member States which are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. The General Secretariat has notified all Member States about the opening of the Statute of the SMIIC for signature and ratification.

The 14th Session of the COMCEC has urged member states that have not yet signed and/or ratified various Statutes and Agreements in the field of economic cooperation drawn up or concluded within the framework of OIC, to do so as early as possible. This appeal was also renewed by the 8th Islamic Summit and the 25th ICFM held in December 1997 and March 1998 in Tehran and Doha respectively.

III. ACTIVITIES OF THE OIC SUBSIDIARY ORGANS. SPECIALISED AND AFFILIATED INSTITUTIONS ACTING FOR THE STRENGTHENING OF ECONOMIC AND COMMERCIAL COOPERATION AMONG MEMBER STATES:

This report provides a bird's-eye view of activities of the OIC Subsidiary Organs, Specialised and Affiliated Institutions working in the field of economic and commercial cooperation among Member States. Detailed information can be obtained from the individual reports expected to be submitted by the institutions concerned.

A common problem being faced, especially by the subsidiary organs of the OIC, is non-payment of mandatory contributions by a large number of member states. The Eighth Islamic Summit urged these member states to honour their regular mandatory contributions to the budgets of these bodies and to settle their arrears at their earliest convenience in view of the current financial difficulties being faced by these organs which made them unable to fulfil their responsibilities and threatened their very existence.

(a) Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC). Ankara.

The Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) was founded in Ankara, Turkey in pursuance of Resolution No. 2/8-E adopted by the Islamic Conference of Foreign Ministers, held in Tripoli, in May 1977. The Centre, more commonly known as the Ankara Centre, started operations from June 1, 1978 as a subsidiary organ of the Organisation of the Islamic Conference (OIC).

The Centre has been active in the implementation of many of the provisions of the OIC Plan of Action to Strengthen Economic Cooperation Among Member States, which was adopted as an adjunct to the historic Makkah Declaration on Joint Islamic Action by the Third Islamic Summit Conference in January 1981. Furthermore, the Centre was involved in the technical work relating to implementation of the Sixth Summit Resolution, adopted in Dakar in December 1991, on the formulation of the New Strategy for Strengthening Economic Cooperation. The Centre also undertook the preparation of the revised OIC Plan of Action to Strengthen Economic and Commercial Cooperation.

In addition to the regular implementation of its mandated activities, the Centre also undertakes extensive assignments to prepare and present background documents and reports to the OIC meetings in the areas of economic and technical cooperation, held every year at various levels.

b) Islamic Centre for Development of Trade (ICDT). Casablanca.

The activities of the Islamic Centre for Development of Trade (ICDT) can be broadly categorised under the following headings: (a) undertaking various studies in the field of promotion of trade among Islamic states and on the implication of various developments in the world economy for the economies of the OIC Member States; (b) running various training programmes, organising seminars and workshops; (c) undertaking trade promotional activities like organising Islamic Trade Fairs, developing trade information networks; (d) bringing out publications, e.g. Tijaries (ICDT's quarterly magazine on Inter-Islamic and International trade); OIC Exporters' Guide and Roster of Experts in international trade available within the OIC Member States, and (e) providing technical assistance to member states.

(c) Islamic Institute of Technology (IIT). Dhaka.

Since the 21st Meeting of the Islamic Commission, the activities of the Islamic Institute of Technology (IIT) as well as the number of students and trainees have increased. During 1997, 1,099 nominations from 21 Member States were received but only 263 could be selected for admission into different programmes due to lack of accommodation available. To cope with the increasing number of students, the Islamic Development Bank (IDB) has granted an amount of US \$ 2.50 million as Loan for the construction of a new residential hall and construction of an additional (4th) floor on the existing Dormitories and Academic building to accommodate about 600 more students. The construction work is in progress.

In order to conduct research and to disseminate specialised technical know-how in the demanding fields of the day, Energy and Environment Centre (EEC) and the Department of Research, Extension, Advisory Services and Publications (REASP) have been opened and two Senior Professors of Mechanical and Chemical Engineering Department have been appointed as Heads of these newly opened Centre and Department. Besides the academic programme, the Institute has also organised different extra-curricular activities like Annual Indoor Games Competition, Sports and friendly matches and Socio-Cultural Programme like Arabian Night, Bangladeshi Night, African Night and Pakistani Night represented by different groups of student in IIT, religious programmes like Qirat Competition and religious discussion meetings throughout the year.

The IIT as the focal point in the priority area of Human Resources Development for the OIC Member States have, so far, successfully organised 26 Seminars, International Seminars, Workshops and Short Courses, including 4 Short Courses/Seminars which were conducted in the later part of 1997. The Institute, with the cooperation of the Government of Bangladesh and the Islamic Development Bank, had finalised all preparations for holding an International Seminar on "Human Resources Development for Sustained

Economic Growth and Poverty Alleviation in the Member States of the OIC" in Dhaka on 11-13 October 1998. The Seminar had to be postponed at the last moment due to the unprecedented flood in the host country. The Seminar has since been held from April 11-13, 1999. The IIT has planned another four seminar/short courses on "Administration of Technical and Vocational Education", "Refrigeration and Air-conditioning", "Computer Applications" and "Electrical Machines and their Controls". In the last UN-OIC Meeting held in Geneva from 12-15 July 1998, IIT developed cooperation programmes with UNESCO, UNEP, IFAD, UNIDO, DESA, UNFPA, UNITAR, ITU and UNCTAD in the area of Human Resources Development.

The Institute held its Twelfth Congregation (Convocation) Ceremony on 11 October 1998 which was attended by the Prime Minister of Bangladesh Her Excellency Sheikh Hasina as the Chief Guest.

(d) Islamic Development Bank (IDB). Jeddah.

The Islamic Development Bank has always worked closely with other specialized agencies, affiliated bodies and subsidiary organs of the OIC. The working relationship concerns areas such as the exchange of data and information, the undertaking of joint studies, meetings and assignments in special task forces/committees.

The OIC Information Systems Network (OICIS-NET) forms another major project undertaken by the IDB/IRTI, under the auspices of both COMCEC and COMSTECH. The Network is to facilitate the collection and dissemination of information among OIC member states and its specialist organizations through inter-linking national, regional, and sectoral focal points specialising in different sectors or subject areas. The Network is under implementation through a Pilot Scheme, where nine member countries are covered with their national focal centres. Coordination meetings of focal points are being held to consider the practical steps to implement the scheme in respect of priority sectors, particularly trade.

At the request of the various OIC bodies, the IDB, in collaboration with other relevant OIC bodies, prepared and finalised various Statutes/Agreements/Schemes in the field of economic cooperation among the OIC member states. The latest in this respect is the Islamic Corporation for the Insurance of Investment and Export Credit (ICEEC). The IDB also provides technical assistance in successfully organising a number of activities undertaken by the various institutions under the aegis of the OIC.

As per the decision of the 13th COMCEC, the IDB has been organising coordination meetings of the delegations of the OIC member states attending the WTO Ministerial Meetings. Following the decision of the 8th Islamic summit, the IDB has organised several meetings of the task forces comprising the relevant OIC bodies to work

out modalities of implementation of various ideas contained in its document on preparing the Ummah for the 21st Century.

(e) Islamic Chamber of Commerce and Industry (ICCI).

The Islamic Chamber Commerce and Industry (ICCI) continues to pursue its programme of economic and commercial cooperation among the private sector of the OIC member states. Within this framework, it is implementing various projects and programmes, which have been formulated under its Three-Year Plan of Action (1995-1997). This Plan of Action was made within the guidelines of the strengthening of economic cooperation among member countries as emphasised by the OIC Plan of Action. The preliminary assessment of the implementation of the first phase of the Action Programme was held during the 30th Executive Committee and the 15th General Assembly Meetings of the ICCI, held in Sharjah in February 1998. The outline of the second phase of the Action Programme was also presented at the above meetings.

Since 1995, the ICCI has actively pursued its programme for the private sector and has held five private sector meetings in Turkey (1994), Egypt (1995), Indonesia (1996), Pakistan (1997) and Lebanon (1998) . The recommendations of these meetings have been submitted to the 10th, 11th, 12th, 13th and 14th Sessions of the COMCEC for consideration. The Private Sector Meetings have proved to be a useful meeting place of entrepreneurs, businessmen and representatives of financial institutions to discuss future avenues of cooperation and to find new markets for their products.

To foster greater interaction among the businessmen of the Islamic Countries, the ICCI has sent Economic Delegations to some of the African Countries. The first such Delegation went to Niger, Burkina Faso and Mali while the second went to Guinea, the Gambia, Sierra Leone and Senegal. The Third Delegation will be visiting some of the Central Asian Republics sometime in 1999.

The ICCI also cooperates with the Islamic Centre for Development of Trade, in organising the Islamic Trade Fairs. In addition, it also arranges for small exhibitions at the time of the private sector meetings.

As part of its services for its member chambers, the ICCI has undertaken a programme of holding Seminars and Workshops. The first such Seminar on Support Services for Small and Medium Enterprises, was jointly held with the cooperation of the Islamic Development Bank in Karachi in December 1996. The second such Seminar was held in Mali in 1998 for the benefit of the francophone countries.

The Islamic Chamber of Commerce and Industry is also organising the following seminars and training programmes in collaboration with the IDB and related UN Agencies:

Seminars

1. Micro enterprises and development of Handicrafts of Surinam.
2. Need to enhance capacities to meet ISO 9000 and ISO 14000 standards.
3. Development of Cooperation and Integration Towards Forming Great Arab Free Trade Zones and its extension to the rest of the Islamic Countries.

Training Programmes

1. Training for Managers of Small and Medium Enterprises.
2. Training for staff of member Chambers from less developed and Central Asian Republics.
3. Technological and Management Training for the private sector in sectors of textiles, leather, pharmaceuticals etc.

In this rapidly evolving age of Information Technology, the Islamic Chamber is putting emphasis on the development of a well integrated data base. This data base contains information on the OIC member countries with particular reference to trade, economy, commerce, industry, trade fairs and other relevant information.

The Islamic Chamber is also working on, strategies to increase cooperation with Regional Organisations, such as the Economic Cooperation Council (ECC), Gulf Cooperation Council (GCC) and Arab Maghreb Union (AMU). These regional organizations have their own programmes for development of trade among their member countries. Islamic Chamber proposes to collaborate with these regional organisations to undertake trade expansion projects under specific regional system.

The Islamic Chamber has started recently to arbitrate, for any trade disputes that arise between the private sector of OIC countries. Besides, the ICCI in collaboration with the ICDT is organising Islamic Trade Fairs. The ICCI is also developing its own data base, which contains information on OIC countries, with particular reference to trade, industry, expertise available and other relevant information.

In order to foster intra-Islamic trade and industry, the Islamic Chamber has signed Memorandum of Understandings with various institutions, such as the Islamic Development Bank (IDB), ICDT, Singapore-Malay Chamber, Export Promotion Bureau of Pakistan and will also sign an MOU with the GCC Arbitration Council.

(f) International Association of Islamic Banks (IAIB), Jeddah.

The main objectives of the International Association of the Islamic Banks are i) promoting the philosophy and principles of Islamic Banking; ii) establishing parameters for cooperation and coordination amongst Islamic Banks and also amongst Islamic Central Banks; and iii) maintaining a database for all Islamic Financial Institutions.

Recent activities of the International Association of Islamic Banks can be summarised as under;

1- Providing since 1993 a high standard of professional database for all Islamic Financial Institutions. The '96 Directory of Islamic Banks and Financial Institutions span - inter alia:

- a) Analysis and survey of more than 160 Islamic Financial Institutions including paid-up capital, total assets, total deposits, reserves and net profits;
- b) Investment quota of every sector (trading, agriculture, industry, services, real estate) financed by these Institutions and Modes of Financing (murabaha, musharaka, mudaraba, ijara);
- c) General information including Type of Institution. Date of Incorporation, Shariaa Board/Advisor, Number of Branches and Number of Employees';
- d) Charts showing - by regions and geographical dispersion - percentage of these financial indicators.

2. Strengthening existing cooperation with Harvard University in the field of collecting data base on Islamic Financial Institutions:

- a- A delegation, from Center for Middle East Studies (Harvard Islamic Finance Information Programme - HIFIP) paid a visit to the Association to seek IAIB help in elaborating their scientific study on horizons and fields of funding through Islamic banks.
- b- The Centre is also creating with the help of IAIB a wide data base on Islamic finance using most recent techniques to link it with the international database network.

- c- IAIB Secretary General has been recently appointed as Member of the HIFIF's Operating (and Advisory) Board which meet periodically at Harvard University to review the progress of the Program.

3 Building-up a framework for cooperation between Central Banks and Islamic Financial Institutions:

A 10-member Central & Islamic Banks Common Committee has been formed by IAIB 10th Expert-Level Meeting of Central and Islamic Banks (Doha, Qatar - 10-11 Jumada II, 1418H -12-13 October 1997)

4. Covering important elegant issues world wide and briefing Islamic Financial Institutions on their developments:

The last issue of the monthly Information Briefing has been devoted to the recent economic crisis of the South East Asia.

- (g) Islamic Shipowners' Association (ISA). Jeddah.

The Islamic Shipowners' Association (ISA) had been established by a decision of the Third Islamic Summit Conference held in Makkah Al-Mukarramah in 1981 as an affiliated organ of the OIC for serving the Islamic Ummah in the area of maritime transport. Thirty-one Islamic States have joined the ISA represented by over fifty five Islamic shipping companies contributing to the budget of the ISA according to the tonnage of each company. The Islamic Shipowners' Association commenced the necessary steps for setting up of the Cooperative Information System which would be attached to the General Secretariat of the ISA in Jeddah for serving the member companies used on the members' ships and also the P&I Clubs they belong to, insurance on hull and machineries, type of vessels whether passenger or general cargo vessels, vessels carrying hydrocarbon materials, ports called on regularly, ships of member companies and names of agents, vessels that require chartering and place of their availability so that members can utilize the same without brokers etc.

The Islamic Shipowners' Association had carried out a feasibility study for the establishment of an Islamic shipping company in the private sector. All necessary steps for setting up the company have been completed. The proposed company under the name the Bakkah Shipping Company will have an authorized capital of US Dollars one hundred and fifty million and a paid up capital of US Dollars fifty million. The Company will run on purely commercial basis based on profit and loss.

The Eighth Islamic Summit held in Tehran in December, 1997 welcomed the preparation aimed at the setting up of the Company and called upon Member States, companies, the private sector and individuals to contribute to the capital of the Company

and treat its vessels in the same way as they treat the national vessels in the ports of the Member States (Resolution No. 32/8-E(IS)). Following registration, its stocks will be communicated to the member states. The company has since been registered with Headquarters in Jeddah.

LIST OF MEMBER STATES WHO SIGNED AND RATIFIED
THE DIFFERENT AGREEMENTS AND STATUTES ON
ECONOMIC, COMMERCIAL AND TECHNICAL
COOPERATION AMONG OIC MEMBER STATES

NAME OF MEMBER STATES	General Agreement on Economic, Technical and Commercial Cooperation		Agreement on Promotion, Protection and Guarantee of Investments		Framework Agreement on Trade Preferential System		Statute of Islamic Civil Aviation Council		Statute of the Islamic States Telecommunications Union	
	Adopted as per Res. No1/8-E of the 8 th ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No7/12-E of the 12 th ICFM Baghdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6 th COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No 16/13-E of the 13 th ICFM Niamey/Niger 22-26/8/1982		Adopted as per Res. No 17/15-E of the 15 th ICFM Sana'a/Yemen 18-22/12/1984	
	Sign	Ratify	Sign	Ratify	Sign	Katify	Sign	Ratify	Sign	Ratify
Afganistan	-	-	-	-	-	-	-	-	-	-
Algeria	20/5/80	-	-	-	-	-	-	-	-	-
Albaniae	-	-	15/11/96	-	-	-	-	-	-	-
Azerbaijan	-	-	-	-	-	-	-	-	-	-
Bahrain	21/05/80	30/08/80	-	-	-	-	-	-	-	-
Bangladesh	05/12/77	18/04/78	04/11/97	.	4/11/97	-	10/9/83	-	.	16/4/88
Benin	-	-	-	-	-	-	-	-	-	-
Brunei Darussalam	-	-	-	-	-	-	-	-	-	-
Burkina Faso	23/12/85	-	-	19/5/92	14/9/93	-	-	-	-	-
Cameroon	23/01/78	02/08/83	25/10/94	-	25/10/94	-	-	-	-	-
Comoros	28/04/78	16/01/81	-	-	-	-	-	-	-	-
Kvrgvz Republic	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-
Djibouti	21/04/79	-	25/08/82	-	-	-	-	-	-	-
Egypt	08/11/77	06/06/78	-	16/12/78	15/11/96	-	-	-	11/6/87	7/5/88
United A.Emirates	29/12/77	1979	12/02/89	14/01/89	-	-	30/5/89	21/3/89	30/5/89	21/3/89
Gabon	23/01/78	-	-	-	-	-	-	-	-	-
Gambia	21/05/80	-	04/09/93	-	08/11/95	-	8/11/95	-	8/11/95	-
Guyana	-	-	-	-	-	-	-	-	-	-
Guinea	26/12/77	10/02/81	08/11/95	-	05/09/93	-	8/11/95	-	8/11/95	-
Guinea-Bissau	-	-	-	-	-	-	-	-	-	-
Indonesia	30/04/79	08/01/80	01/05/83	3/12/83	04/02/92	.	-	-	-	-
Iraq	02/07/78	1978	-	.	.	-	-	-	-	-
Iran	08/11/95	07/11/95	08/11/95	15/9/94	08/11/95	12/5/93	8/11/95	-	49/93	6/10/93
Jordan	29/12/77	10/05/79	04/11/98	.	01/02/93	21/12/98	25/10/94	-	12/3/88	8/4/86
Kuwait	05/12/77	10/05/80	18/11/81	12/4/83	.	-	.	-	-	-
Libanon	15/11/96	-	15/11/96	.	15/11/96	-	-	-	-	-
Libya	05/12/77	15/04/78	25/10/94	13/2/96	05/11/92	2/11/92	-	-	-	4/1/89
Malaysia	18/05/78	14/01/81	30/09/87	-	-	-	-	-	-	-
Maldives	17/12/77	-	-	.	.	-	-	-	-	-
Mali	27/04/78	08/08/81	-	24/5/82	-	-	.	-	-	-
Morocco	23/01/78	16/04/79	02/11/80	07/5/90	29/9/93	-	-	-	30/12/85	-

Annex VI to OIC/COMCEC-FC/15-99/REP

NAME OF MEMBER STATES	General Agreement on Economic, Technical and Commercial Cooperation		Agreement on Promotion, Protection and Guarantee of Investments		Framework Agreement on Trade Preferential System		Statute of the Islamic Civil Aviation Council (ICAC)		Statute of the Islamic States Telecommunications Union (ISTU)	
	Adopted as per Res. No1/8-E of the 8 th ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No7/12-E of the 12 th ICFM Bagdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6 th Session of the COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No 16/13-E of the 13 th ICFM Niamey/Niger 22-26/8/1982		Adopted as per Res. No 17/15-E of the 15 th ICFM Sana'a/Yemen 18-22/12/1984	
	Sign	Ratify	Şifin	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify
Mauritania	08/11/77	09/05/79	-	-	-	-	-	-	-	-
Mozambique	-	-	-	-	-	-	-	-	-	-
Niger	18/05/78	07/08/78	-	-	-	-	8/12/84	-	-	-
Nigeria	4/11/98	-	4/11/98	-	4/11/98	-	4/11/98	-	4/11/98	-
Oman	15/04/80	28/04/81	25/10/94	10/12/94	-	-	-	-	-	-
Uganda	08/08/78	-	26/11/78	10/2/78	05/09/93	-	-	-	-	-
Pakistan	14/01/78	1978	20/12/81	10/7/82	25/10/94	11/10/93	-	1989	-	30/4/86
Palestine	28/04/78	18/03/80	15/03/82	15/3/82	10/09/92	-	22/5/83	-	3/01/87	11/11/86
Oatar	24/09/78	09/09/80	-	-	-	-	-	-	-	-
Saudi Arabia	14/01/78	27/06/79	23/9/85	17/9/84	10/09/92	-	-	-	-	-
Senegal	25/12/77	28/02/79	17/6/87	30/6/94	01/9/91	30/6/94	17/6/87	4/2/89	17/6/87	4/2/89
Sierra-Leone	-	-	-	-	-	-	-	-	-	-
Somalia	24/12/78	-	19/12/83	25/11/84	-	-	-	-	-	-
Sudan	14/01/78	-	20/12/81	-	13/5/92	-	4/9/93	-	4/9/93	-
Syria	04/06/78	15/07/80	-	-	-	-	-	-	-	-
Suriname	-	-	-	-	-	-	-	-	-	-
Tajikistan	04/11/97	-	04/11/97	-	-	-	-	-	-	-
Tchad	27/04/78	-	-	-	14/1/92	-	-	-	-	-
Togo	-	-	-	-	-	-	-	-	-	-
Tunisia	27/01/79	13/04/80	10/06/82	11/11/83	21/1/93	-	6/1/83	11/11/83	8/11/95	-
Turkey	29/12/77	02/07/82	16/07/87	09/2/91	23/9/91	28/11/91	-	-	-	-
Turkmenistan	-	-	-	-	-	-	-	-	-	-
Uzbekistan	-	-	-	-	-	-	-	-	-	-
Yemen	29/12/77	-	12/06/82	-	-	-	25/10/94	-	25/10/94	-
TOTAL	41	27	28	18	22	6	13	4	13	9

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

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

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

This review of the implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States covers the following three broad areas:-

- a) Background information on the Plan of Action;
- b) Implementation activities with respect to
 - (i) Sectoral Expert Group Meetings;
 - (ii) Activities in some related areas;
 - (iii) Follow-up activities on decisions of the 13th Session of the COMCEC.
- c) Brief Review of the Implementation Mechanism of the Plan of Action.

a) Background Information:

The Sixth Islamic Summit entrusted COMCEC to draw up and implement a new strategy for the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States, taking into consideration the changes that took place in the world since the adoption of the Plan of Action in 1981. After a series of meetings organized under the aegis of COMCEC, a revised Plan was drawn up which was approved by the Tenth Session of COMCEC held in November 1994. This document together with the Strategy approved earlier by the COMCEC was submitted to the Seventh Islamic Summit Conference, held in Casablanca in December 1994. The Summit endorsed these documents through Resolution 8/7-E(IS).

The Seventh Islamic Summit, inter alia, noted that the economic cooperation strategy adopted by the COMCEC allowed for cooperation among sub-groups of member countries and was based on the principles putting emphasis on the private sector, economic liberalization, integration into the world economy, respect for the economic, political, legal and constitutional structures of the member states and their international obligations. It further noted that the Plan of Action was a general and flexible policy document open for improvement during its implementation in accordance with the provisions stipulated in its chapter on Follow-up and Implementation. The Summit agreed on the need to urgently implement the Plan of Action and called upon the member states to host, the inter-

Sectoral Expert Group meetings envisaged in the chapter on Follow-up and Implementation of the Plan of Action

During deliberations on the Follow-up and Implementation Mechanism at its eleventh meeting, the COMCEC Follow-up Committee considered the technical and organisational issues related to the holding of an inter-sectoral meeting that would cover all the ten priority areas of the Plan of Action. In this context, the Committee recommended that, instead of holding one inter-sectoral meeting to start the implementation of the Plan of Action, a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time, on a priority basis. The Eleventh COMCEC accepted the recommendation of the Follow-up Committee and invited the Member States to host both, sectoral and inter-sectoral meetings.

Under the envisaged implementation mechanism, sectoral expert group meetings will be held to identify specific cooperation projects in respective priority areas of the Plan. Subsequently, "project committees" will be formed with Member States, interested in particular project(s) of their choice. The responsibility of implementing any project will remain with the concerned project committee(s).

b) Implementation Activities:

(i) Sectoral Expert Group Meetings:

Since adoption of the revised Plan of Action and implementation mechanism, all meetings of the COMCEC as well as the Islamic Conference of Foreign Ministers appealed to the Member States to host envisaged sectoral Expert Group Meetings. At the 11th COMCEC, the Government of the Arab Republic of Egypt had offered to host two Expert Group Meetings (on Agriculture, Food and Rural Development and on Transport and Communications).

All necessary preparations were completed and working documents prepared by the SESRTCIC were sent to the Member States concerning the two Expert Group Meetings which were to be held in Cairo in the third week of September, 1996. These meetings were postponed at the request of the host government.

However, during the thirteenth and the fourteenth Meeting of the Follow-up Committee of the COMCEC held in Ankara from May 1997 and 1998 respectively, as well as at the thirteenth and fourteenth sessions of the COMCEC (November 1997 and 1998 respectively), the representative of the Arab Republic of Egypt reconfirmed its government's offer to host the aforementioned sectoral Expert Group Meetings.

The 8th Islamic Summit, the Thirteenth and Fourteenth Sessions of the COMCEC as well as the 24th and 25th iCFM welcomed the offer of the government of the Arab Republic of Egypt to host these two important Expert Group Meetings. The General Secretariat has requested the government of the Arab Republic of Egypt to communicate new dates for these two meetings. The response to the General Secretariat's letter is awaited.

The government of the Republic of Turkey hosted the sectoral Expert Group Meeting on Money, Finance and Capital flows in Istanbul from 1-3 September, 1997. A number of cooperation projects and project ideas were submitted at the meeting by some Member States and OIC institutions. The Meeting reiterated the basic principles of the Plan of Action that participation in the implementation of the proposed projects is voluntary for the Member States and that the private sector would be given a pivotal role in this process. The Meeting also stressed the necessity to draw maximum benefit from the facilities already existing within the OIC System in realizing the projects to be proposed in this sector.

The Meeting requested the OIC General Secretariat to compile the responses of the member countries on the project proposals and transmit the same, as and when they are received, to the proposing countries which would then convene meetings of the respective project committees, in cooperation with the General Secretariat and related institutions of the OIC, as stipulated in the Plan of Action.

In pursuance of the offer made during the 11th COMCEC, the government of the Islamic Republic of Pakistan organised the Expert Group Meeting on "Foreign Trade Facilitation of the OIC Member States" in Karachi from October 24-25, 1997. A set of project proposals and project ideas emerged from this meeting. The General Secretariat has circulated these proposals and ideas to the Member States and is awaiting their response.

At the 13th COMCEC, Republic of Turkey offered to host the Expert Group Meeting on Technology and Technical Cooperation. In pursuance of this offer, the Expert Group Meeting on Technology and Technical Cooperation was held in Istanbul from May 6-8, 1998. Three countries Jordan, Turkey and Sudan submitted 18 specific project proposals. Several delegates indicated their preliminary interest in some of the projects. As per decision of the Committee, the report of the Expert Group Meeting, alongwith the project proposals, has been transmitted to all Member States with the request to indicate their interest to the General Secretariat by October 1, 1998. Besides, those Member States which indicated initial interest during the meeting of the Expert Group were requested to confirm their interest in writing to the General Secretariat by October 1, 1998.

Subsequently, the government of the Islamic Republic of Iran proposed five additional project proposals which were also circulated by the General Secretariat among the Member states.

The Eighth Islamic Summit Conference, the 13th and 14th Sessions of the COMCEC as well as the 24th and 25th ICFM welcomed the holding of these Expert Group Meetings and urged Member States to forward to the General Secretariat their responses to the project proposals put forward at the sectoral Expert Group Meetings for the formation of the above mentioned project committees at the earliest possible dates.

Responses of Member States are still awaited. The General Secretariat has once again written to all Member States drawing their attention to the need for expeditiously sending their responses in order to facilitate early establishment of the project Committees without further delay.

At the 14th session of the COMCEC (Istanbul, 14 November, 1998) the Government of Sudan offered to host Expert group meetings on Energy and Mining and Human Resource Development. Besides, the government of Gabon offered to organise a sub-regional seminar for the OIC Member States of Central and East Africa on the role of IDB in the promotion of private sector". The General Secretariat is in contact with appropriate authorities of both these Member States with a view to make necessary preparatory arrangements for holding these events.

The Republic of Indonesia offered to host the Expert Group Meeting on Tourism followed by a Ministerial level Meeting on the same subject. All preparations to hold these meetings from November 8-11, 1997 were completed by the host country as well as the General Secretariat. However, the meeting had to be postponed at the last moment due to lack of adequate response from the Member States. Government of Indonesia has since informed the General Secretariat its decision to withdraw the offer to host the meetings due to budget constraints.

At the 13th COMCEC, the government of the Islamic Republic of Iran offered to host an Expert Group Meeting on health and Sanitary Issues to be followed by a Ministerial level Meeting on the same subject. The offer has been welcomed by the 13th and 14th COMCEC, as well as the 24th and the 25th ICFM and the 8th Islamic Summit.

At the 13th Session of the COMCEC, the Government of the Burkina Faso offered to host in 1998 a regional workshop on Industry, for East, West and Central African OIC Member States. The workshop, however, could not be held during 1998. The government of Burkina Faso has renewed its offer at the 14th session of COMCEC to host the workshop which is now expected to be held during 1999. The General Secretariat is in touch with the concerned authorities of Burkina Faso for the purpose.

(ii) Activities in some related areas

The Third OIC Ministerial Meeting on Posts and Telecommunications was held in Tehran, Islamic Republic of Iran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and specific

requests and recommendations for action by the member states were made with a view to stimulating cooperation among them in the field of posts and telecommunications. Some of the important actions suggested by the meeting includes, setting up of a Data Bank for Post and Telecommunication Experts within the OICIS-NET member countries; defining a mechanism enabling Member States to benefit from the studies and researches already undertaken by other Member States in the field of PTT; preparing an updated list of technical cooperation and training activities available in the member states and compilation of Member States' specific needs and capabilities with implantable project ideas and proposals for activities and encouraging joint investments for development and manufacture of telecommunication equipments.

The meeting decided that expert group meetings, seminars and symposiums in the field of cooperation in Post and telecommunications be held annually even if at regional level and including the private sector. It was also decided to hold the Ministerial meeting on Posts and telecommunications more frequently, once in every three years.

With respect to the setting up of a Data Bank for Posts and Telecommunication Experts, the Islamic Republic of Iran subsequently informed the General Secretariat that Faculty of Scientific-Applied Posts and Telecommunication - an - Affiliated body of the Iranian Post and Telecommunications Ministry, was ready to implement the resolution of the Third OIC Ministerial Meeting on Posts and Telecommunications. The offer of the Government of the Islamic Republic of Iran with respect to the setting up of the Data Bank was circulated among the Member States for their comments. The responses received from the Member States in this regard were submitted to the 13th Session of COMCEC by the General Secretariat for consideration.

The Government of the Republic of Sudan has offered to host the next OIC Ministerial Meeting on Posts and Telecommunication. The General Secretariat is in touch with the Sudanese authorities in this respect.

The Seventh Islamic Trade Fair was successfully held in Tripoli, Lebanon from 12-18 October, 1996 concurrently with the Fifth Private Sector Meeting. The Trade Fair was organised by the ICDT in collaboration with the Ministry of Economy and Trade and the Chamber of Commerce and Industry of Lebanon. During the 13th Session of COMCEC the Government of the United Arab Emirates has offered to host the 8th Islamic Trade Fair in Sharjah in the year 2000. The government of the State of UAE has recently indicated its readiness to let the Government of the State of Qatar host the Trade Fair concurrently with the 9th Islamic Summit Conference. The authorities of the two member member states are in contact with each other in order to arrive at a final decision in this regard.

The Fifth Private sector meeting was organised in Tripoli, Lebanon from October 12-14, 1998 by the Islamic Chamber of Commerce and Industries in collaboration with the Ministry of Trade and Economy of Lebanon, the Chamber of Commerce and Industry of Tripoli and the Federation of Lebanese Chambers of Commerce and Industry.

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The 22-point Tripoli Economic Declaration was adopted at the end of the Fifth Private Sector meeting. Sixth Private Sector meeting will be hosted by Cameroon. The government of the State of UAE offered to host the 7th Private Sector Meeting. Subsequently it indicated its readiness to let the Government of the State of Qatar host the Seventh Private Sector Meeting concurrently with the 9th Islamic Summit Conference. The authorities of the two member states are in contact with each other in order to arrive at a final decision in this regard.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The meeting was well attended and the Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production in high potential areas, and decided to periodically review the situation of food security in all OIC member states which are importers of food in attaining a higher degree of food self-sufficiency. It also expressed firm determination and political will to expand cooperation among the concerned member countries in developing food security and agriculture.

(iii) Follow-up activities on the decisions of 14th Sessions of COMCEC

As a follow-up of the resolution of the 14th Session of the COMCEC, the General Secretariat has opened the Statute of the Standards and Metrology Institute of the Islamic Countries (SMIIC) for signature and ratification by the interested Member States. Text of the Statute, as adopted by the 14th COMCEC, has been transmitted to all Member States and the relevant section of the resolution of the 14th COMCEC has been brought to their attention.

The appeal addressed by the 14th COMCEC to all member states who have not yet done so to sign and ratify the various Agreements and Statutes prepared under the auspices of the OIC to help intensify economic co-operation among Member States has been transmitted to all concerned by the General Secretariat. Besides, the General Secretariat has requested the Islamic Chamber of Commerce and Industry to advise all its constituent national chambers to make whatever contribution they can in expediting early action by their respective governments to expedite signature and ratification of OIC Agreements and Statutes as per the appeal of the COMCEC.

The 14th COMCEC thanked the governments of the Arab Republic of Egypt, Republic of Sudan, Burkina Faso, Islamic Republic of Iran and Republic of Gabon for their offers to host various Ministerial meetings, sectoral expert group meetings, regional seminars and workshops. In this context, the General Secretariat is in contact with all these Member States with a view to making necessary arrangements for holding the respective meetings and Seminars/Workshops.

In order to accelerate the process of implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States, the 14th COMCEC requested the OIC General Secretariat to closely pursue

the follow-up actions and the results of the three sectoral expert group meetings, held so far, with a view to forming the Project Committees for the project proposals tabled during the meetings as stipulated in the Plan of Action. It also urged upon member states to forward to the General Secretariat their responses to the project proposals put forward at the sectoral expert group meetings for the formation of the above-mentioned project committees at the earliest possible date.

As a follow up of above, the General Secretariat promptly circulated the aforementioned project proposals to all Member States with the request to indicate their interest at an early date. A few responses that have been received so far have been transmitted to the country(s) which proposed the project(s) so that the task of establishing specific Project Committees with the interested Member States can be taken up. As responses of vast majority of Member States are still awaited, a reminder has been sent out by the General Secretariat to All Member States urging them to expedite their responses.

While deciding that Human resource Development for Sustained Economic Growth and Progress in Member Countries be the theme for the exchange of views sessions to be organised during the Fifteenth Session of the COMCEC, the 14th COMCEC requested the IIT, SESRTCIC, ICDT.ICCI and IDB, in collaboration with related OIC and other international institutions, to organise a workshop on the topic prior to the 15th COMCEC and submit its report to the Session. As a follow-up of this request, an International Seminar on Human Resource Development for Sustained Economic Growth and Poverty Alleviation in the Member States of OIC was organised by the IIT in collaboration with concerned OIC bodies in Dhaka, Bangladesh from April 11-13, 1999. The recommendations of the Seminar will be presented at the 15th COMCEC to facilitate deliberations during the Exchange of Views session.

c) Brief Review of the Implementation Mechanism of the OIC Plan of Action

As per the provision of the Follow-up and Implementation Mechanism which forms integral part of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation Among the Member States, the process of implementation of specific cooperation projects in each of the

ten priority sectors of the Plan is to commence through holding of sectoral Expert Group Meetings (EGM).

The mandate given to the Expert Group Meetings in each sector/area of the Plan of Action is to review the requirements for action and make proposals, when necessary to help implement the provisions of the Plan of Action pertaining to that area. They are expected also to identify projects that are implementable in a reasonable period of time.

According to Implementation Mechanism, following identification of specific project proposals at the Expert Group Meetings, project committee(s) will be formed under the chairmanship of the country originally proposing the

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project(s). The project committees would comprise all Member States who will have expressed interest in that particular project. These project committees are expected to meet to carry out the implementation of the project(s) in question.

So far three sectoral Expert Group Meetings have taken place in the areas of (i) Money, Finance and Capital Flows, (ii) Foreign Trade, and (iii) Technological and Technical Cooperation respectively. The process of implementation of the Plan of Action which commenced with the holding of the Sectoral Expert Group Meeting on Money, Finance and Capital Flows in September last year has brought out the following moot points which would constitute important elements in any eventual review of the Implementation Mechanism itself:

- a) Experience of the Expert Group Meetings which have been held so far demonstrates that project profiles are submitted by Member States mostly during the course of the EGMs and not in advance. This makes it difficult for Member States to study them in advance which would enable the experts participating in the EGM to make any commitment or indication of interest *of* their respective governments in any project(s). This, in turn, makes the formation of project committees during the EGMs impossible.
- b) Number of Member States submitting project proposals for the EGMs has remained very limited. Though the mechanism keeps open the possibility for Member States to submit project proposals even after the holding of the EGMs, no one has exercised this option so far despite specific requests in this respect having been addressed to them
- c) The formation of project committees depends on the indication of interest by Member States for any particular project(s). Such firm indication of interest has not yet been forthcoming on the project proposals which emerged from the three EGMs held so far.

Against this background, answers need to be found to the following questions:

How best the momentum towards the implementation process which was started in different sectors through the holding of sectoral Expert Group Meetings can be sustained under the existing Follow-up and implementation procedure which emphasises the principle of voluntary participation and self-financing.

How the next step in the implementation process e.g. formation of project committees can be undertaken should the responses to the project proposals circulated among Member States are not forthcoming.

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How to move ahead with the EGMs in the remaining priority sectors in **the** event offers to host them by Member States are scanty or not readily available.

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ANNEXURE

UPDATE ON RESPONSES RECEIVED FROM MEMBER STATES ON PROJECT PROPOSALS / PROJECT IDEAS THAT EMERGED FROM SECTORAL EXPERT GROUP MEETINGS HELD SO FAR UNDER THE FRAMEWORK OF IMPLEMENTATION OF OIC PLAN OF ACTION

During the three sectoral Expert Group Meetings e.g. Expert Group Meeting on Money Finance and Capital Flows (Istanbul,1-3 September. 1997) , Expert Group Meeting on Foreign Trade (Karachi 24-26, 1997) and Expert Group Meeting on Technological and Technical Cooperation (Istanbul, 6-8 May, 1998), which were held under the Follow-up and Implementation Mechanism for commencing the process of implementation of the objectives enshrined in the OIC Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States, a number of project proposals and project ideas were presented by several Member States and OIC institutions. As per the decision of COMCEC, these projects and project ideas were circulated among the member states for their consideration. Under the existing arrangement of the implementation mechanism, the country proposing any project proposal would eventually constitute specific "Project Committee(s)" comprising all interested Member States and as Chairman of the Project Committee(s), would be responsible for arranging meetings of the Project Committee(s) which is expected to deal with all aspects of implementation. Member States are free to submit new project proposals any time. One requirement is that the project ideas submitted by the OIC institutions would have to be formally proposed by a Member State which would assume the responsibility of constituting and Chairing relevant Project Committee(s) in due course.

The Islamic Republic of Iran and Hashemite Kingdom of Jordan submitted some additional proposals after the meeting of the Expert Group on Technological and Technical Cooperation. The government of Burkina Faso indicated its interest in certain project ideas submitted by the OIC institutions at the Expert Group Meeting on Foreign Trade. Government of Cameroun has submitted a couple of new project ideas. Those new projects which were received in the prescribed Project Profile Form have been circulated among the member states. Those Member States which submitted project ideas, have been requested to provide complete projects in Projects Profile form. And the Member States that have indicated interest in the project ideas contributed by the OIC institutions have been requested to submit these as their proposals so that the same can be circulated among all Member States.

The responses to the already circulated Project proposals/ ideas received from some Member States till the end of April, 1999 are shown below in tabular form for ease of perusal.

<u>Sl.no</u>	Project proposals/Ideas	Proposing Country/Institution	Interested Country
1	Cooperation in the Area of Technology Development: Medium Range Regional Turbfnan Ariliner	TURKEY	KAZAKHSTAN
2	Space Agency for Islamic Countries	TURKEY	KAZAKHSTAN
3	Technical Cooperation Among Patent Offices in the OIC Member Countries	TURKEY	KAZAKHSTAN
4	Energy Research and Technology Development Centre for Islamic Countries	TURKEY	KAZAKHSTAN SAUDI ARABIA

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Sl no	Project Proposals/ Ideas	Proposing country / Institution	Interested country
5	Programme for Training of Trainers in the Area of International Trade	ICDT	BURKINA FASO
6	Setting up of Regional Companies Specialised in organisation of Trade Fairs and Exhibitions	ICDT	BURKINA FASO
7	Mechanism for Systematic Collection and Dissemination of Detailed Information on Tariff and non-tariff barriers of Member States	TURKEY	BURKINA FASO
8	A Mechanism for Integration of OIC Member States to the World Trade System	TURKEY	BURKINA FASO

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**REPORT OF THE ISLAMIC DEVELOPMENT BANK (IDE)
ON FOLLOW-UP OF THE RESOLUTION OF THE COMCEC
ON THE IDB DOCUMENT; ON THE SUBJECT OF
"PREPARING OF THE UMMAH
FOR THE TWENTY-FIRST CENTURY"**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

FOLLOW-UP ON THE COMCEC
RESOLUTION ON THE IDB DOCUMENT
"PREPARING THE UMMAH FOR THE 21ST CENTURY

I. BACKGROUND

COMCEC Initiative

1.1. The 13th Session of the COMCEC, which was held in Istanbul, Turkey, during 1-4 November 1997, noted with appreciation the document entitled "Preparation of the Islamic Ummah for the 21st Century in the Areas of Economic, Trade and Financial Cooperation Among OIC Member Countries" which was prepared by the Islamic Development Bank (IDB). The Session then agreed to submit the document to the Senior Officials of the 8th Islamic Summit for their consideration and further guidance, and urged IDB to coordinate with other OIC organs for the preparation of a comprehensive implementation plan.

Mandate of the 8th Islamic Summit

1.2. The Senior Officials Meeting submitted its recommendation to the 8th Session of the Islamic Summit Conference (Session of Dialogue, and Participation) held in Tehran, Iran, in Sha'aban 1418H (December 1997) which noted that the IDB document is a long term strategic framework which provides a long-term vision and lends strength and direction to the implementation of the OIC Plan of Action. The Summit called upon the IDB, in consultation with other OIC organs and relevant Islamic institutions, to draw the needed implementation modalities to translate the recommendations of the IDB document into practical programmes with qualitative and quantitative objectives in the areas of human resource development; expansion in trade and investment among Member States; securing basic needs such as health, education and food; in a coordinated manner. Participation of public and private sectors and utilization of facilities of the competent international organizations and institutions could have contributed towards these objectives.

Implementation: Doha Meeting of the ICFM

1.3. The Islamic Conference of Foreign Ministers (ICFM), held in Doha, Qatar, in March 1998, reproduced the Summit's Resolutions on the 21st Century. On the side of the Doha meeting, the IDB initiated a consultation meeting with relevant OIC agencies to discuss modalities for

the implementation of the Summit's resolution. On the invitation of the Islamic Republic of Iran it was decided to hold a second meeting in Iran during June 1998, to set quantitative targets and to determine how to realize these targets through the programmes of the OIC agencies.

Implementation: The Second Meeting

1.4. In June 1998, the second meeting for the implementation of the Summit Resolution on "Preparation of the Islamic Ummah for the 21st Century" took place in Tehran, Islamic Republic of Iran. A number of institutions including SESRTCIC, ICDT, ICCI, ISESCO participated in the meeting together with the OIC Secretariat, the Islamic Republic of Iran in its capacity as the Summit chairman, in addition to the JDB. Each participating institution put forward its plan for implementation modalities relevant to its institution, particularly in the areas of the human resource development, expansion of trade and meeting basic needs. However, participants agreed that actions required in the coming three years should focus on (i) expansion of trade; (ii) training, and, (iii) literacy and health. Given the mandate of COMCEC this report will concentrate on the issue of expansion of trade only.

II. EXPANSION OF INTRA-OIC TRADE

2.1. With regard to the expansion of intra-OIC trade, the second mentioned above meeting decided that the share of intra-OIC trade to total OIC trade should be increased from 10% to 13%. To meet this target, a task force, comprising IDB, ICDT, ICCI and SESRTCIC, was formed to undertake the necessary effort and to mobilized the resources needed to achieve the specified target.

Recommendations of the Task Force

2.2. The Task Force on Intra-OIC Trade met at the Headquarters of the IDB in Rabi Thani 1419H (August 1999). The Director of ICDT prepared the main working paper for the meeting of the Task Force. The Task Force deliberated the main impediments which hinder the expansion of Intra-OIC Trade, and recommended specific actions to increase intra OIC trade which include among others: (i) increase the availability of trade information; (ii) preparation of relevant studies; (iii) setting up of adequate framework for business contacts; (iv) capacity building in international trade issues; (v) trade policy arrangements; (vi) support of various trade promotion instruments; and (vii) improvement of competitiveness.

2.3. The Task Force emphasized that to meet the targeted increase in intra-OIC trade, intra-OIC trade has to increase by one percentage point (%) yearly or by about US\$ 4 billion every year over the coming 3 year period. Consequently, IDB was urged to increase its allocations for ITFOs from US\$ 850 million to US\$ 1 billion. In addition, the Management of the IDB prepared a proposal, to the IDB's Board of Executive Directors, to establish another window in which the duration of trade finance will be limited to 180 days. This would require the establishment of a revolving US\$ 500 million above its existing annual allocation for trade financing and this would lead to syndications to raise around US\$ 2 billion which turnover twice to give the initially required US\$ 4 billion. In the medium and long-terms, the Task Force recommended that IDB should finance export-oriented infrastructure and to introduce financial packages to include export financing for high value added export-oriented products. Furthermore, IDB was recommended to mobilize further resources for trade financing from the market through syndications and two steps Murabaha financing approaches.

2.4. The Task Force also recommended specific measures to enhance the gathering and dissemination of trade information and to promote business contacts and trade-related activities. In the medium term, the establishment of Islamic Trading and Marketing Companies was proposed together with measures to improve the levels of competitiveness of OIC products. Finally, the Task Force agreed on holding semi-annual meetings to monitor the implementation of the recommendations of the Task Force and to prepare semi-annual progress reports as well.

III. IDB MEASURES TO ACHIEVE THE TARGETS

3.1. As a measure to attain the quantitative target of an increase in the intra-trade of member countries from 10% to 14% over the next three years starting from 1420H, the IDB's Board of Executive Directors at its meeting held in Benin in Rajab 1419H (November 1998) approved the following budgetary allocations:

- (a) To increase the annual allocation of ITFO for the year 1420H from US\$ 830 million to US\$ 1.0 billion, out of which US\$ 500 million will be apportioned for IDB's ordinary trade operations according to the present terms and conditions and an additional resources of US\$ 500 million for intra-trade to attract financial resources through Syndication and Two-step Morabaha Financing, i.e. US\$ 3.0 billion. The increase in the resources

earmarked for the envisaged increase in trade financing will be from IDB ordinary resources.

- (b) To approve US\$ 5.00 million for technical assistance to be allocated to the Technical Cooperation & Promotion Programme/Trade Finance & Promotion Department (TC&PP/TF&PD), from the Waqf Fund for trade related activities for 3 years, beginning the remaining part of 1419H, i.e. 1419H-1422H.

3.2. The Board of Executive Directors of IDB, in its meeting held in Dhul Hijja 1419H (April 1999) approved the budgetary resources requirements to enable the achievement of the target of increasing intra-trade by US\$ 4.0 billion for 1420H. The operational Plan workout to achieve the target is as given below:

IV. OPERATIONAL PLAN FOR TRADE FINANCING

4.1. To achieve the target of about US\$ 4 billion, apart from the financial resources made available by the Bank from ordinary resources, it is necessary to mobilize financial resources from Islamic and other financial institutions through Syndication and Two-step Morabaha financing. Accordingly, the Operational Plan uses this requirement into consideration.

4.2. The Operational Plan is divided into three distinct operations. These are:

- (a) Financing under the ordinary operations for US\$ 500 millions;
- (b) Another US\$ 0.4165 billion from ordinary resources for intra-trade operations and to attract resources through Syndication, which will be utilized twice a year, thus providing a volume of financing of US\$ 0.833 billion;
- (c) US\$ 2.499 billion to be mobilized through Syndication;
- (d) US\$ 0.168 billion to be mobilized under the Two-step Morabaha Financing Scheme.

The Action Plan for each of these Operations are as follows:

A. Financing of US\$ 500 million under ordinary resources:

Plan of Action

4.3. Letters have been sent to member governments to indicate their financing requirements. It is expected that as in the past years, this amount of financing will be readily taken up by member governments. Therefore, this action would be sufficient to fully utilize the US\$ 500 million. It is to be noted that upto Dhul Qadal419H, approval under ITFO amounted to US\$ 828.4 million.

B. Financing of US\$ 2499 million for intra-trade through Syndication

4.4. Trade financing operations under this approval will have a repayment period of six months (180 days). This means that the US\$ 500 million which the Board of Executive Directors of IDB has approved, will be used as "Seed Money" to attract the participation of other financial institutions through Syndication. It is expected, based upon past experience in IBP, that for every dollar invested by IDB can attract US\$ 3 from the market. Therefore, US\$ 416.5 million will be allocated out of the US\$ 500 million to be used for Syndication. It is estimated that it will attract an additional US\$ 1.2495 billion and with the assumption of the six month repayment period, the total volume of syndicated financing to be raised, will be US\$ 2.499 billion. Together with the US\$ 416.5 million of IDB's funds, which will also be utilized twice in the year (thereby giving a total of US\$ 833 million), the total volume of syndicated financing will be US\$ 3.332 billion.

Plan of Action

- (a) Letters soliciting requirement by member governments for their public and private sectors have been sent.
- (b) The allocation by country of the financing under this operation has been finalized.
- (c) Missions are being programmed to visit some focal points in member countries to select specific sectors and commodities imported which have the potential of being diverted to member countries to achieve the intra-trade target.

- (d) The Guideline for Trade Syndication will be submitted to the IDB Board of Executive Directors meeting 185.
- (e) The Board has approved the additional staff requirements for the various concerned departments of IDB, namely, Treasury Department, Finance Department, Legal Department, and Trade Finance and Promotion Department.
- (f) Marketing missions are being planned to meet potential customers in the countries which are large users of the ITFO Scheme, to determine the commodities likely to be procured under the Scheme, to identify likely suppliers from member countries and to shortlist financial institutions that in a position to provide funds to the syndication with IDB, either as Mudharib or co-Mudharib.

C. US\$ 168 million to be mobilized under the Two-step Morabaha Financing Mechanism

4.5. This approach will be used also to mobilize short term resources from Islamic banks and other financial institutions. It is intended for the financial institutions to take IDB's risk by financing IDB on Morabaha basis, with which IDB in turn, will undertake the 2nd Morabaha operations in favor of beneficiaries in member countries. As IDB's credit standing can be rated as excellent, the funds it attracts will have a fine mark up. IDB will therefore be able to pass the financing to member countries.

V. OPERATIONAL PLAN TO ACHIEVE THE QUALITATIVE TARGET

5.1. This qualitative target of creating a conducive intra-trade environment is the second arm of the strategy to increase additional intra-trade of member countries. The target to be achieved would be expenditure targets on the specific following activities, for which the IDB's Board of Executive Directors in December 1998 approved US\$ 5.0 million from second half of 1419H to 1422H.

5.2. This second arm of the Operational Plan is directed at capacity building of member countries export through the development of the knowledge and expertise of their business communities (BC) through:

- (a) Providing the trade opportunities, in the form of trade fairs and exhibition, to enhance interaction between exporters and importers of member countries.
- (b) Familiarizing BC of member countries on the importance of internationally recognized quality standard, as pre-requisite to proper market acceptability and uniformity.
- (c) Promoting awareness among BC of member countries on the consequences and impacts of membership to WTO and its rules and regulations.

Plan of action to implement the creation of a conducive trade environment

- (a) Letters have been sent to Regional Organizations which participated in the meeting in Jeddah in August 1998 to formulate action plan to implement this quantitative and qualitative targets and to submit them to IDB. In this respect, Plans of implementation to achieve the respective contribution to the qualitative target have been received from ICDT and ICCT.
- (b) Additional staff has been requested:
- (c) A detailed action plan of the Trade Cooperation and Promotion Programme and the estimated cost of activities under the Plan for the year 1420H has been worked out together with the appropriate funds required.

ANNEX

Operation Plan and Budgetary Allocation for
Trade Cooperation & Promotion Programme for
the year 1420 H (1999-2000) for the implementation
of the Recommendations of the Task Force on Increasing
Intra OIC Member Trade, held in IDB Headquarters
on 16-19 R.THANI 1419H (8-11 August 1998).

Within the framework of the recommendations of the Task Force on increasing Intra-Trade of OIC Member Countries and creating a conducive trading environment and infrastructures for trade related activities, such as compilation of trade information and statistics, studies, seminars and establishing business contact, the following activities are to be conducted by IDB Trade Cooperation & Promotion Programme in collaboration with the Regional Organizations, utilizing the allocation of 5 Million Dollars which has been approved by the BED for technical assistance from the WAQF Fund

The operation plan for 1420H covers activities on :

Trade Promotion , as follows :

- Studies on trade environment and market studies on Trade and Countertrade opportunities in OIC Member Countries
- Assisting member countries in participation in trade fairs.
- Joint trade missions for businessmen and officials to explore trade opportunities among OIC Member Countries.

Capacity Building ,as follows :

- Seminars, workshops, on subjects related to the current development in the World Trade such as ,WTO Agreements , countertrade ,Electronic Trade and exchange experiences on the Free Trade Areas existing within OIC Member Countries.
- Training courses on Trade and standards for quality of products to enhance export capability of OIC Member Countries.

Number of operations under each activities is as follows

I TRADE PROMOTION

- Studies (4 studies)
- Participation in Trade Fairs (5 Fairs)
- Business Meetings (3 Meetings)

II. CAPACITY BUILDING

- Seminars & Workshop;-- (7 Events)
- Training Courses (3 Courses)

III OTHER ACTIVITIES (3 Events)

(may be requested)

TOTAL 25 OPERATIONS.

The estimated cost of these operations is about US\$ 1,200,000.

Details are as under:

I Trade Promotion

1.1 Studies

US\$
180,000

(a) The following studies will be conducted by ICDT in collaboration with IDB.SESRTCIC & ICCI.

- Preferential Agreements on Trade existing within OIC Members

The study includes presentation on preferential arrangements existing within OIC Member Countries and elaborates more on two existing agreements as cases study. This study falls within the framework of feasibility of setting up an Islamic Common market.

Estimated cost of experts, travel, accommodation, printing will be US\$ 40000

- Markets Studies:

Series of studies will be conducted during years 1420-1422H aim at expanding trade between OIC regiois with high trade potential.

Two studies will be done in 1420H.

- The first study will be on diversion of uade of West African Countries to other IDB Member Countries, specially in food product.; (estimated cost :US\$ 40000)
- The second study will to explore trade and countertrade opportunities between Turkey and CIS Republics, (estimated cost: US\$ 40000)

(Two) Roles of origin of products in OIC Member Countries

Series of studies on the above subject will be done during years 1420-1422 ,aim at exploring areas of coordination and cooperation among OIC Member Countries in this respect.

The first, study will be done in 1420 H. It will cover the roles of origin for industrial products in Arab Countries. The study will be done by Arab Industrial Development and Mining Organization ,with the financial support of IDB and other international and regional organizations. IDB's contribution is expected to be US\$ 60000.

1.2. Participation in Trade Fairs : 215.000

IDB will assist Member Countries to exhibit their products in the following Trade Fairs:

- Afro-Arab Trade Fair, Dakar, Muharam 1420H, April, 1999 (Estimated cost :US\$ 38000)
- GCC Trade Fair in Almaty, Muharram 1420H, May 99 (Estimated cost US\$ 50000)
- MUSIAD Trade Fair .Istanbul.Rajab 1420H ,Nov 99. (Estimated cost : US\$ 37000)
- Islamic Trade Fair, Sharjah.UAE, Shawwal 1420,Jan,2000 (Estimated cost US\$ 50000).
- ITC biennial All Africa Leather convention .Casablanca D.Hijjah 1420P, March 2000 (Estimated cost US\$ 40000).

1.3. Business Meetings: 90,000

As part of IDB's contribution to enhance Intra-OIC Member Trade, IDB will organize Business Meeting for businessmen and officials, to explore trade opportunities in different OIC Member Countries.

In the year 1420 H IDB will arrange three business meeting for Businessmen and official from GCC to visit :

- Turkmenistan Republic Muharran 1420H May 1999.
- Kyrgyz Republic Muharran 1420H May 1999.
- Islamic Rep. of Pakistan Shawwal 1420H Jan. 2000.

(Estimated cost will be US\$ 30,000 : for each . Total cost will be 90000 .

II. CAPACITY BUILDING

II.1 Seminars & Workshops: 250,000

Seminars & Workshops will be conducted by IDB :

- Seminar on Trade & Countertrade for CIS Republics.

Almaty Muharran 1420H. May. 1999
(Estimated cost US\$ 40000)

This Seminar will help in :

- Increasing trade among and with CIS countries.
- Enhance their awareness about the current development in the World Trade.
- Meeting of Commercial Counsellors of IDB Member Countries.
Dubai.UAE D.Qadah 1420H March 2000.

The meeting aims at exchanging experiences on policies on export promotion , exploring opportunities of trade cooperation and enhancing the knowledge of counsellors on the current developments in World Trade and its implications on Trade of OIC Member Countries.
(Estimated cost :US\$ 30000)

Seminars & Workshops will be conducted by ICDT in collaboration with IDB: ICDT will host the events

- * Seminar on Electronic Trade

J .Awwal 1420H,Sept.99 (Estimated cost : US\$ 35,000)

The seminar will gather experts from OIC Member Countries to exchange their views on the issues related to this important subject and to study means and ways to use this tool in promoting intra- trade of OIC Member Countries..

- Workshop on the Free Trade Areas within OIC Member

J.Thani 1420H,Oct,99 (estimated cost : US\$ 35,000)

This workshop will discuss the agreements that have established Free Trade Areas, conducted bilaterally or multilaterally between the OIC Members Countries. Experts will examine the issues related to the implementation and ways and means to enhance trade within Islamic regional groupings.

- **Seminar on Trade & Countertrade Opportunities Between Arab & African Countries.**

Rajab 1420H.Oct. 99(Estimated cost US\$ 40000).

Trade between African Member Countries and the rest of OIC Member Countries remains at the low side . This seminar in1420H will focus on ways and means to enhance trade and countertrade opportunities between Arab & African Countries.

Seminars & Workshons will be conducted by IDB in collaboration with Arab Maereb Union (AMU): AMU will host the events.

- **Workshop on Impact of ISO requirement and Technical Barriers Trade on Exports of Arab Magreb Union.**

Shawwal 1420H ,Feb.2000 (Estimated cost . USS 35000)

The workshop aims at enhance the awareness of officials and Businessman on impact of ISO requirements on Export capability of Arab Megreb Union Member Countries.

- **Seminar on WTO Agreements.**

D.Qadah 1420H March 2000 (Estimated cost: US\$ 35000)

The seminar will brief officials and businessmen in Arab Magreb Union on the WTO Agreements and its impact on Trade in the region.

II.2 Training Coupes :	110,000
<ul style="list-style-type: none"> • Two Training courses will be conducted by IDB on quality control in products. <ul style="list-style-type: none"> - Senegal, Shawwa! 1420H, Jan. 2000 ,(cost \$ 30000) - Turkey, Shawwal 1420H, Feb. 2000, (.cost :\$ 30000) • Training course for officials from chambers of commerce in CIS Republics under the title "Trade Facilitation Programme for Central Asian Republics" <p>.The Training course will be organized in Cairo in 1999 by ICCI in collaboration with IDB .</p> <p>ICCI informed IDB that the Egyptian Fund for Technical Cooperation with Commonwealth of Independent States has shown willingness to provide the technical training facilities.(TDB"s financial contribution is expected to be US\$ 50000)) .</p>	
<u>III. OTHER ACTIVITIES</u>	80,000
Activities may be requested by Member countries, Regional Organizations or initiated by IDB	
<u>IV. Meetings of Regional Organizations:</u>	75,000
Periodical meetings of the Regional Organizations will be held to coordinate and follow up implementation of the recommendations of the Task Force on increasing intra-trade of OIC member countries.	
<u>V. Missions of TF&PD's staff</u>	120,000
Travel & accommodation of the staff of Trade Finance & Promotion Department to prepare and implement the activities aforementioned (40 one man mission x US\$3000).	
<u>VI. CONTINGENCY</u>	80,000
Total	1,200,000

Transfer of the unutilized balance from item to another is allowed

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Cost of implementation of Trade Promotion , Capacity Building and other activities are expected to be as under :

Trade Promotion	US\$ 485,000
Capacity Building	US\$ 360,000
Other activities (may be requested)	US\$ 80,000
Meetings of Regional Organization, Focal points	US\$ 195,000
Trade Cooperation missions by TF&PD	
Contingencies	<u>US\$ 80,000</u>
T O T A L	US\$ 1,200,000

(Details are shown in the table attached)

SUMMARY

of Budgetary Allocation for Trade Cooperation
& Promotion Programme for the year 1420H

ACTIVITIES .	COST IN US\$
I.Trade Promotion :	
Studies	180,000
Trade Fairs	215,000
Business Meeting.	90,000
II. Capacity Building :	
Workshops Seminars	250,000
Training Courses	110,000
III. Other Activities may be requested	80,000
IV. Meeting of Regional Organizations.	75,000
V. Missions of TF&PD staff	120,000
Contingencies	80,000
TOTAL	1,200,000

Transfer of the unutilized balance from aem w another is allowed.

-IX-

**MONITORING REPORT
ON THE WORLD TRADE ORGANIZATION (WTO)
BY THE OIC GENERAL SECRETARIAT**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

MONITORING REPORT ON WORLD TRADE ORGANISATION
FOR THE 15TH MEETING OF THE COMCEC FOLLOW-UP COMMITTEE
(Istanbul-13 May, 1999)

INTRODUCTION

As the World Trade Organisation nears completion of the first five years of its existence on 31 December, 1999 and after the holding of two WTO Ministerial meetings and the third one being in the offing, attention has focussed on the issues like the state of implementation of the Uruguay Round Agreements (URA), progress in the process of expanding the organisation's membership, divergences on the future work programme of the WTO etc. Out of 132 WTO member states, 32 belong to the Organisation of the Islamic Conference (OIC). Out of the 32 countries, which have applied for accession to the WTO, 10 are OIC Member States. In view of the importance of the WTO in shaping the new world economic order, the Monitoring of developments with respect to the WTO has been included as a permanent item in the agenda of the annual meetings of the COMCEC and its Follow-up Committee. As detailed reports on the progress of negotiations at various Working Groups set up by the Singapore conference are normally covered by the relevant OIC institutions, the scope of this report of the General Secretariat has been confined to the overview on the issues mentioned above.

IMPLEMENTATION OF THE URUGUAY ROUND AGREEMENTS

Considerable divergence of views exists among the WTO member states as regards the progress of the implementation of the Uruguay Round Agreements. Though there is a general feeling that the implementation has been much less than what was expected, the member states are grosso modo arranged along the developed and developing world's divide in their assessment of the underlying causes responsible for this outcome.

The developing countries, many of which are grouped in the G-15, remain unsatisfied and consider that the in-built fundamental weaknesses of the new system not only are responsible for the slow progress in the implementation of the URAs, these also put in jeopardy the equilibrium in the multilateral trade system that have been worked out through painstaking negotiations. The developing world needs the full implementation of the liberalisation commitments. This is, of course, a concern for all WTO members, but for a number of developing countries in particular it is an issue which influences their attitude to further trade negotiations. These countries have stated that they have encountered unexpected problems with implementing existing Uruguay Round commitments, and furthermore that some of those agreements have deficiencies that have only become apparent during the implementation process. On the other hand, they claim that anticipated benefits have failed to materialise because, for example, industrialised countries have not lived up to the spirit of liberalising agreements (such as textiles), made excessive use of anti-dumping measures, or failed to respect the principle of special and differential treatment. In short, these countries see an imbalance in the way existing agreements affect them, and they see this as a problem which needs a political solution, not just more technical assistance. They also argue that since this is a question of righting an existing imbalance, it should not become something they are expected to "pay" for in a new Round.

Countries like Australia and New Zealand, on the other hand, expressed their satisfaction on the question of the implementation of the Uruguay Round Agreements. However, this group of countries maintains that the multilateral trade system, in general, is threatened by the protectionist

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trends, which affect important sectors of world trade. The EU member states do not recognise existence of any problem with the trading system as such. They explain that some agreements are not functioning normally and these need some adjustments. Nevertheless, this group of countries is opposed to any re-negotiation of the Uruguay Round Agreements.

In the process of implementation of the Uruguay Round Agreements, particular problems have been encountered with respect to the following sectors of the World Trade Organisation: -

- a) Intellectual Property
- b) Rules of Origin
- c) Rules of Differentiation
- d) Anti-dumping Agreement
- e) Textiles
- f) Agreement on Technical Trade Barriers and Sanitary and Phytosanitary Measures
- g) Agriculture
- h) Trade in Services

THE THIRD WTO MINISTERIAL MEETING

The Third WTO Ministerial meeting is scheduled to be held in the United States towards the end of the current year. The First Ministerial meeting held in Singapore in 1996 was primarily concerned with putting in place the various organisational infra-structure and determining work method for ensuring effective implementation of the Uruguay Round Agreements. The Second Ministerial meeting held in Geneva in 1998 was kind of intermediary event between the initial Ministerial Meeting and the Third one which would take important decisions regarding the next phase of the work of the WTO. No substantive issues, per se, were before the Second Ministerial meeting. This meeting, amongst other things, agreed on a detailed work programme aimed at preparing the ground for the decisions that will need to be taken at the Third Ministerial meeting. Implementation of this work programme began with a special session of the General Council in September 1998.

The first phase of preparations for the forthcoming WTO Ministerial meeting which ended in January last, has essentially been one of issue clarification. The second phase, from February to July, will centre on specific proposals from WTO Members. This process has the challenging task of preparing recommendations to ministers about the work programme that will take the WTO into the new millennium. While the Singapore meeting identified some areas like services, agriculture, and aspects of intellectual property for negotiations, sharp differences exist between member states about the timeliness and need for going into new areas for the purpose of initiating new round of negotiations.

One of the arguments of those insisting for bringing in new issues and sectors within the framework of a comprehensive round is that more the issues and sectors which could be put into this basket, the better would be the balance of rights and obligations that developing countries would be able to achieve. The opposing view is that if simply having a large number of issues on the negotiating table was to be beneficial to developing countries, then the Uruguay Round should have by now provided the maximum trade benefits to developing countries. These are benefits that they

have not perceived or received. Besides, the opponents of new Round maintain that a large number of the URAs are tilted against the developing countries. They insist that these points needed to be closely reflected upon, before giving the argument that a larger round by its very definition and scope would benefit them.

DISPUTE SETTLEMENT UNDER WTO

The performance of the WTO's dispute settlement mechanism has remained under close observation of the member states as a number of them have already resorted to it. During the 12 months from 1 August 1997 to 31 July 1998, the Dispute Settlement Body (DSB) received 43 notifications of formal requests for consultations under the Dispute Settlement Understanding. During this period, the DSB established panels to deal with 15 new matters, and received requests to establish panels in two other cases. It adopted Appellate Body and/or panel reports in eight cases. The DSB also received 11 notifications of mutually agreed solutions (settlements).

Among the OIC member states which are also members of the WTO, so far Indonesia, Turkey, Malaysia, Pakistan and Thailand have been involved in the WTO's dispute settlement procedure. The position in this regard is summarised below :

- i) The United States, Japan and EU brought complaint against Indonesia concerning measures affecting automobile industry. The WTO Dispute Settlement Body rendered its Verdict in the case on 25 July 1998 which went against Indonesia
- ii) The United States brought complaint against India, Malaysia, Pakistan and Thailand Concerning the ban on import of shrimps and certain shrimp products. This case has been initiated in 1997 and has still not been resolved.
- c) India complained against Turkey concerning imposition of quantitative restrictions on imports of a broad range of textile and clothing products. The WTO has set up a panel on 13 March 1998 to deal with the case.

STATUS OF APPLICATION FOR WTO MEMBERSHIP BY OIC MEMBER STATES

There are currently 32 applicants for accession to the World Trade Organisation. The starting point of an accession process is the establishment of a Working Party by the General Council with standard terms of reference. The applicant then submits a Memorandum on the Foreign Trade Regime. Then follows a clarification process through questions and replies, both oral and written. As this evolves, the access process at the multilateral level increasingly focuses on the terms and conditions of entry and the commitments to be undertaken by the acceding government in the Report of the Working Party and the Protocol of Accession. In parallel, the applicant and interested members of the Working Party comment bilateral market access negotiations in goods and services, the results of which are finally compiled into Schedules of Concessions and Commitments. The Working Party concludes its mandate by adopting on an ad referendum basis its Report, Schedules of Concessions and Commitments and a protocol of Accession containing the precise terms and conditions of accession upon which the applicant may be invited to accede to the WTO. The entire package of Report, Schedules and Protocol are then forwarded to the General Council for decision.

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Each accession is principally a negotiation between the WTO members and the applicant. Each accession is, therefore, unique and must be considered on its own merits. The pace of each accession depends in large measure, on the capacity of the acceding government to negotiate actively at the bilateral and multilateral level. Even more importantly, it depends on the acceding government's ability and commitment to put the needed legal and administrative infrastructure in place to ensure that once it becomes a member, it is able to participate in the WTO framework of rights and obligations.

Out of the 32 applicants for accession, 10 are OIC member states. The position of some of these member states' application is given below in summary form: -

ALBANIA

Albania's Working Party was established on 2 December 1993. It met last in October 1996. Bilateral market access negotiations will be held on the basis of comprehensive market access offers. Topics under discussion in the Working Party include the administration and implementation of necessary laws, agriculture, customs valuation, transparency, state trading and TRIPS. Conditions and terms of entry have not been discussed.

ALGERIA

Algeria's Working Party was established on 17 June 1987. The Working Party met last in April 1998. Initial contacts on market access in goods have taken place. Topics under discussion in the Working Party include, agriculture, the customs system, state trading, transparency and legal reform and TRIPS. Conditions and terms of entry have not been discussed.

AZERBAIJAN

Azerbaijan's Working Party was established on 16 July 1997. The Working Party has not met. Azerbaijan has not submitted a Memorandum on its Foreign Trade Regime.

JORDAN

Jordan's Working Party was established on 25 January 1994. The last meeting of the Working Party was in July 1998. Bilateral market access negotiations in goods and services commenced in July 1998, on the basis of comprehensive offers in goods and services. The first draft of the Working Party is ready for discussion.

KAZAKSTAN

The Working Party on Kazakstan was established on 6 February 1996. The last meeting of the Working Party was in October 1997. Bilateral market access negotiations in goods and services commenced in October 1997 and will continue based on a revised goods offer and the existing services offer.

KYRGIZ REPUBLIC

The Working Party on Kyrgyz Republic was established on 16 April 1996. The Working Party completed its work in July 1998 with the referendum finalisation of the Schedules of

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Concessions and Commitments in goods and services. The Protocol of Accession and the Report of the Working Party. The package of Offers and Commitments is due to be taken up by the General Council for a final decision.

OMAN

Oman submitted its application in April 1996. The Working Party for Oman was established in June 1996. The Memorandum was submitted in October 1996. The first meeting of the Working Party was held in April 1997. Oman has submitted its tariff offers, services offers and agricultural data.

SAUDI ARABIA

The kingdom of Saudi Arabia submitted its application for accession in June 1995. The Working Party was established in July 1993. The Memorandum was submitted in July 1994, May 1996 and July 1996. First meeting of the Working Party was held in May 1996.

SUDAN

Sudan submitted its application in October 1994 and the Working Party was established in the same month. Sudan submitted Memorandum in January 1999. No meeting of the Working Group has yet taken place.

UZBEKISTAN

Uzbekistan submitted its application in December 1994 and the Working Party was established in the same month. Its Memorandum was submitted in October 1998. No meeting of the Working Party has yet taken place.

LATEST POSITION ON OIC'S APPLICATION FOR OBSERVER STATUS IN THE WTO

Following a proposal by the United States, the WTO's Committee on Trade and Development (CID), at its 24th session, agreed¹ to accord ad hoc Observer status on a meeting-by-meeting basis to 9 Intergovernmental Organisations that had applied for observer status in the CID. These organisations were the following : Arab Maghreb Union, Organisation of African Unity (OAU), Organisation of Islamic Conference (OIC), Islamic Development Bank (IDB), West African Economic and Monetary Union (WAEMU), Inter-Arab Investment Guarantee Corporation, South Pacific Forum, Economic Cooperation Organisation (ECO), and the South Centre.

As a follow-up, the OIC was invited to attend the 25th Session of the CID as well as the High Level Symposium on Trade and Development.

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**PROGRESS REPORT ON THE ISLAMIC
DEVELOPMENT BANK'S TECHNICAL ASSISTANCE
TO MEMBER COUNTRIES IN MATTERS RELATED
TO THE WORLD TRADE ORGANIZATION**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

**PROGRESS REPORT ON THE ISLAMIC DEVELOPMENT BANK'S (IDB)
TECHNICAL ASSISTANCE TO MEMBER COUNTRIES IN MATTERS
RELATED TO THE WORLD TRADE ORGANIZATION (WTO)**

Introduction

The signing of the Uruguay Round Agreements in Marrakesh in April 1994 by more than 120 countries was a distinctive landmark in recent economic history. It was the beginning of a new multilateral trading system which has far reaching implications for the global economy in general, and for the developing countries in particular. This new trading system has created many challenges as well as opportunities for the developing countries. However, while the challenges are being faced by all developing countries, these countries are not in a position to take full advantage of the opportunities arising from it.

This new multilateral trading system has also created a challenge for the Islamic Development Bank itself. Out of 52 of its member countries, thirty-one are also members of the World Trade Organization, and 10 others have applied for accession to the WTO. Thus, more than three-fourth of our members are either already members of WTO or are in different stages of accession. These countries are facing serious challenges in terms of implementation of the Uruguay Round Agreements and fulfilling their legal obligations under those agreements or, in the case of acceding countries, in meeting the accession requirements which are becoming more and more stringent. Most of these countries do not have the necessary institutional capabilities, technical skills, and physical infrastructure needed to adjust to this momentous change.

Within its limited resources, the Islamic Development Bank is trying its best to provide the necessary assistance to the member countries in understanding the agreements and in meeting their obligations. The Bank is also giving special importance to capacity building in the member countries in the context of WTO. For this purpose, the Bank has started a technical assistance programme under which it is organizing seminars, workshops, and training courses for the relevant officials in member countries. In addition, the Bank is also playing an important role in preparing the member countries for future multilateral trade negotiations and in coordinating the positions on issues of common interest.

The resolution adopted by the Eleventh Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), held in Istanbul from 5-8 November 1995, recognized "that effective implementation of the Uruguay Round Agreements will necessitate adjustments in the economic and administrative structures of the member countries to safeguard their interest and take maximum advantage from the opportunities to be created thereby". This resolution further emphasized "the need to closely monitor the implementation of the Uruguay Round Agreements and to request the General Secretariat and related OIC institutions to design and propose to member countries for implementation of technical assistance programme to assist those among them which might have difficulties in responding to the new challenges".

Similarly, the resolution adopted by the Twelfth Session of COMCEC held in Istanbul from 12-15 November 1996 urged "member countries participating in the WTO-Ministerial Meeting to take place in Singapore, from 9-13 December 1996, to conduct the necessary consultations through a meeting of their delegations to coordinate their positions on the issues involved, taking advantage of the technical support to be provided by the IDB". The resolution also requested "the OIC General Secretariat, the COMCEC Coordination Office and IDB to propose to the Thirteenth

Meeting of COMCEC Follow-up Committee a mechanism to facilitate consultations among member countries in pursuit of common stands on future WTO meetings". The Thirteenth Session of COMCEC (November 1997) requested IDB to take the initiative for consultations and coordination among member countries before WTO meetings.

The IDB's WTO-related technical assistance activities can be grouped into two broad categories: (i) those related to preparing the member countries for coordinating their positions on major issues in the context of WTO Ministerial Conferences as well as for future negotiations; and (ii) other technical assistance activities aimed primarily at capacity building. This progress report has been prepared specifically keeping in view the above mentioned COMCEC resolutions.

L EXCHANGE OF VIEWS AND COORDINATION OF POSITIONS AMONG MEMBER COUNTRIES

First WTO Ministerial Conference

The Bank has been doing its best to provide a forum for its member countries to exchange views and coordinate their positions on matters related to the WTO. During the First WTO Ministerial Conference held in Singapore from 9-13 December, the IDB, in accordance with the resolution adopted at the Twelfth Session of COMCEC, organized three consultation meetings for member countries. These meetings were attended by representatives of the following twenty countries: Algeria, Bahrain, Bangladesh, Benin, Burkina Faso, Cameroon, Chad, Egypt, Indonesia, Jordan, Morocco, Mozambique, Oman, Pakistan, Saudi Arabia, Sierra Leone, Sudan, Tunisia, U.A.E., and Uzbekistan.

The major recommendations that emerged from these three consultations were that the IDB should provide the following assistance to its member countries:

1. Technical assistance to member countries in the process of negotiating their membership in the WTO;
2. Technical assistance on request, and on a case-by-case basis, to enable member countries that are already members of the WTO to derive maximum benefits from the Organization;
3. Organize a Seminar to assess the outcome of the First Ministerial Conference of the WTO and to evaluate the likely impact of the decisions arrived at during the Conference on present and future IDB members of the WTO; and
4. Assist member countries to keep abreast of developments in the WTO and help them in coordinating their positions in the various bodies of the WTO. In particular, help member countries to make early and effective preparatory arrangements for the Second WTO Ministerial Conference.

After the coordination meetings in Singapore the IDB organized a seminar on Accession to the WTO and Implementation of the Uruguay Round Agreements. This seminar was held at the IDB Headquarters in Jeddah in June 1997. The details of this seminar are given in the next section. Before the seminar the Bank organized a meeting of the permanent Missions based in Geneva of IDB member countries in the process of acceding to the WTO. This meeting was held from 17-22 March 1997. The following eight member countries participated in this meeting: Albania, Algeria, Jordan, Kazakhstan, Kyrgyz Republic, Oman, Saudi Arabia and Sudan. In addition, two other

member countries, namely Egypt and Pakistan, were also invited to the meeting because of their active role in the Uruguay Round Agreements and WTO-related matters.

During this meeting, the IDB member countries in the process of accession to the WTO briefed participants on their current accession status and the specific problems they were facing during the accession process. One thing that came out very clearly from their statements and discussions was that they were all facing very serious problems in fulfilling the WTO conditions and that they were not well prepared for this kind of situation. The acceding countries highlighted the fact that the conditions for accession to WTO were becoming more stringent and that the price which they were being forced to pay for membership in the WTO was substantially higher than that paid by the original members. They also highlighted their substantive technical assistance needs.

Meetings before the Second WTO Ministerial Conference

1. Brain-storming Meeting of Experts

As mentioned earlier, the Thirteenth Session of COMCEC had adopted a resolution recommending that meetings of OIC member countries shall be convened with regard to WTO meetings and related issues for consultations and coordination of positions and that the Islamic Development Bank shall take the initiative for arranging such meetings in collaboration with ICDT and other related institutions. In order to carry out this mandate the IDB organized a brain-storming meeting of experts in Geneva with a view to identifying issues of high interest to the member countries and assist them in coordinating their positions before the Second WTO Ministerial Conference. The meeting was held at Intercontinental Hotel, Geneva on February 27-28, 1998 and was attended by more than 40 participants from 19 IDB member countries and 6 organizations. The meeting discussed the priority WTO-related issues for the OIC member countries and identified the topics for discussion in the consultative meeting before the Second WTO Ministerial Conference. Subsequent to this meeting, the IDB identified experts and arranged the preparation of discussion papers on selected topics to serve as the basis for discussion in the high level consultative meeting.

2. Consultative Meeting of Senior Officials before the Second WTO Ministerial Conference

Following the brainstorming meeting of experts in Geneva, the IDB organized a meeting of senior officials from the ministries of commerce in member countries at its headquarters in Jeddah on 29-30 April 1998. The purpose of the meeting was to provide a forum to the OIC member countries to discuss and exchange views on WTO-related issues of high interest to them and to coordinate their positions on those issues that were likely to be taken up during the Second WTO Ministerial Conference. A total of 71 participants from 37 member countries and 7 institutions including IDB took part in that meeting.

Eight substantive papers dealing with issues of interest to OIC developing countries identified by the Geneva brainstorming meeting were presented and were discussed during the two-day-Consultative Meeting by a group of experts from Islamic Countries. These issues discussed in the meeting related to the following topics: (i) implementation of the Uruguay Agreements (agriculture, textile and clothing, anti-dumping, and special and differential treatment for developing Countries); (ii) dispute settlement mechanism; (iii) accession to the WTO; and (iv) built-in-agenda and the new issues.

Detailed discussion was held on the above subjects for two days. During the discussions, among other things, it was pointed out that the Ministerial Resolutions adopted at Marrakesh and Singapore were not fully implemented. The participants emphasized that the OIC member countries should insist on this point during the Geneva Ministerial Conference. The participants expressed their appreciation for the Islamic Development Bank in assisting the OIC member countries to participate more effectively in the WTO and to enable them to cope with the challenges of integrating them into the new Multilateral Trading System. They encouraged the Bank to continue its efforts in this regard with special attention to the implementation issues in general, and to agriculture, and textile and clothing in particular. The participants also stressed the need that the IDB should take follow-up action for the benefit of the OIC member countries and prepare them for the Third WTO Ministerial Conference.

In the concluding session, the meeting also drafted a Memorandum for submission to the Ministers of OIC member countries taking part in the Second WTO Ministerial Conference. This Memorandum contained the elements which the participants thought the OIC Commerce Ministers should use in issuing a common declaration at the time of the Second WTO Ministerial Conference in Geneva.

3. Consultative Meetings in Conjunction with the Second WTO Ministerial Conference

After the meeting in Jeddah the Bank again organized consultative meetings in Geneva in conjunction with the WTO Ministerial Conference. The idea of these meetings was to provide an opportunity to the Commerce Ministers of OIC member countries attending the WTO Conference to meet and discuss the latest developments on the relevant issues with a view to coordinate their positions on such issues. Two consultative meetings were held in Geneva: the first on 17 May 1998 - a day before the WTO Ministerial Conference, and the second after the conclusion of the Conference on 20 May 1998. The main points of these sessions are given below:

(i) Consultative Meeting of 17 May 1998

The consultative meeting of 17 May 1998 was held at the WTO headquarters and was attended by Commerce Ministers, Ambassadors, and other senior officials of OIC member countries. The meeting was chaired by Dr. Ahmad Mohamed Ali, the President of IDB. Mr. Hassan Abouyoub who was the Chairman of the Brain-Storming Meeting in Geneva (February 1998) and Co-Chairman of the Consultative Meeting held in Jeddah in April 1998, briefed the participants on the discussions in those two meetings. It was pointed out during those meetings that the Ministerial Resolutions adopted at Marrakesh and Singapore were not fully implemented, and the participants had emphasized that the OIC member countries should insist on this point during the Geneva Ministerial Conference. He also highlighted the need for undertaking studies to support the position of OIC member countries. Other points highlighted by Mr. Abouyoub were the complexity of the dispute settlement mechanism and the expertise required and high cost involved in using this mechanism by the developing countries. Following the briefing by Mr. Abouyoub several speakers commented on the new developments on different WTO-related issues and discussed ways and means to consolidate the stance of OIC member countries. The main points of this discussion and suggestions made by the participants were the following:

1. The promises and the expectations for which the WTO was created have not been realized in achieving a balanced flow of benefits to all the developed and developing countries. The benefits are tilting towards one side and the developing countries, including Muslim

countries, keep facing problems in the garb of child labour, social accounting standards and other measures like anti-dumping duties, etc.

2. The Agreements which were in favour of developing countries, such as Agreements on Textile and Clothing are to be implemented in 10 years, but when it comes to electronic-commerce and other things, developed countries expect the developing countries to open up over-night.
3. The draft Ministerial Declaration in its original form was a one-sided document reflecting the interests of developed countries. However, the developing countries, particularly some of the IDB member countries like Egypt, Pakistan, Morocco and Tunisia were able to reflect some of their interests in the Declaration. The IDB member countries insisted that the developed countries should not introduce new issues at a time when even the decisions of Marrakesh Conference had not been fully implemented. Even though the revised draft Ministerial Declaration was not an ideal one, it would have been worse if the IDB member countries had not participated in the negotiations.
4. The purpose of the Third Ministerial Conference in 1999 seems to be to ensure a new round of negotiations on the built-in agenda that will start in 1999 with the Agriculture and Services in the year 2000. It was suggested that the OIC member countries should continue to resist launching of a new round till such time that what was agreed upon earlier has been fully and honestly implemented.
5. The next Ministerial Conference would be a meeting for taking stock of what has happened especially with regard to the developing countries and the least developed countries in Africa and Asia. It requires a close monitoring and follow-up and participation in the WTO meetings where the various issues are tackled. Some member countries cannot participate in those meetings because of technical and/or financial reasons. For this reason the task of IDB becomes more important especially given the fact that there are many least developed countries which are considering accession to the WTO and they need support and guidance.
6. A unique feature of the Declaration is that it lays down a work programme for preparation for the next meeting in which there is a balance between issues which relate to the implementation issues already existing in the built-in agenda and the issues which were inherited from Singapore. Another feature is that members have a right to bring in new issues if they so wish. This opportunity should be grabbed, and IDB member countries should not merely be at the receiving end even in case of new issues. IDB can prepare a significant role in terms of preparing research papers and preparing the delegations of member countries in the capitals to at least understand the issues and ventilate their views at the forum.
7. The OIC member countries should seriously think and consider how to come up with a common strategy. They should identify what has been achieved, what has not been achieved, and what is the purpose for which the developed countries want to jump to the next agenda.
8. So far the WTO has been very passive. The OIC member countries should propose to it as a joint forum of Islamic countries to evaluate whether it has achieved the objectives for which it was established. It should also be made incumbent upon the WTO Secretariat to pay attention to important issues like halting of the official development assistance to some IDB member countries, reduction of foreign investment, burden of indebtedness and the conditionalities imposed upon them.

It was suggested that IDB should consider: (i) developing a key department within its organizational structure having the best expertise on WTO issues, the services of which should be available to OIC member countries as and when they require; (ii) providing technical assistance to the member countries when they need it; (iii) having a comprehensive programme of collection of data from all its member countries on their imports and exports, and see how DDB could promote mutuality, and complement trade amongst its member countries; and (iv) formulation of an OIC trade grouping, like other regional trade groupings.

The participants expressed their high appreciation for the efforts of the IDB for arranging the Consultative Meetings and suggested that such meetings should also be held in the future.

(ii) Consultative Meeting of 20 May 1998

The second consultative meeting of OIC member countries was held on 20 May 1998 in the Palais des Nations, Geneva, after the closing session of the Ministerial Conference. The meeting was chaired by Dr. Syed Jaafar Aznan, Vice President (Trade and Policy) of IDB. The purpose of the meeting was to get preliminary reactions of the participants on the discussions, statements and issues raised during the Ministerial Conference and their suggestions to prepare for the next WTO Ministerial Conference.

The meeting discussed at length the major issues and the steps needed to be taken for the preparation of the next Ministerial Conference, The observations and suggestions made by the participants included the following:

1. A brainstorming meeting should be organized in the near future to determine in a final way the priorities that need to be addressed, the modalities to address those priorities, and identification of topics on which studies need to be undertaken. The IDB should identify specific areas and activities in relation to matters like trade, agriculture, services, etc.
2. A comprehensive survey of the benefits and the pros & cons of the Uruguay Round Agreements should be undertaken to take stock of what has been gained over the last 3 years. The WTO Secretariat should be asked to prepare a paper on all the implementation problems that have been raised by the developed countries, agreement by agreement, in their statements. This paper should then be studied to see how to address those problems.
3. A Ministerial meeting of OIC member countries be organized in end-1998 or in early 1999 to assess the outcome of the studies undertaken, to have discussions and consultations on the various issues/positions, to look at the matter comprehensively and prepare for the next WTO negotiations.
4. The OIC member countries should have their own agenda identifying their own interests. They should also prepare their response to the agenda of the USA, e.g. in the areas of environment, labour standards, consumer interests, NGOs, transparency, etc.
5. In many member countries there is an urgent need to back the national efforts and strengthen their capacity to enable the government, government agencies and the private sector to supply with fresh and updated data related to the WTO activities. This can be done with the assistance of WTO, ITC, UNCTAD etc. This data could be available on-line, using the network facilities.

6. IDB should consider having a comprehensive programme of collection of data from all its member countries on their imports and exports, and see how it could be used to promote trade among its member countries. The IDB and the Casablanca Center should also cooperate in this regard and though their databases/studies highlight the potentials of strengthening trade among the Muslim countries.
7. There should be a focal point in Geneva to monitor the meetings of the WTO, coordinate among different OIC delegations, collect studies/documents which should be sent to the member countries.

In addition to the above, observations/suggestions were also made concerning accession to WTO, and on preparation of the WTO-related work programme. On the subject of accession to the WTO it was observed that it was one of the major problems facing the developing and the least developed countries and that they were facing many difficulties including the preparation of instruments of accession. It was suggested that the accession issues therefore be included in the future activities of the OIC. Concerning the work programme it was suggested that it should consist of some of the activities which may be proposed by the experts meeting which should be convened as soon as possible, and that it should include: (i) undertaking some studies on important issues for member countries, like sectoral implications of multilateral trade negotiations; (ii) organizing seminars for the benefit of the private sector to sensitize the businessmen about the commercial and economic implications; and (iii) organizing workshops for the purpose of training of trainers in member countries.

The meeting was also informed that the ICDT had compiled the rules and regulations related to trade. The ICDT offered to enrich this collection of information in collaboration with other member countries and make them available to all concerned member countries. The participants again expressed their high appreciation for the meetings organized by IDB and urged the Bank to continue holding such consultative and coordination meetings on a periodic basis.

Preparations for Future Multilateral Trade Negotiations and the Third WTO Ministerial Conference

Following the Consultative Meetings in Jeddah and Geneva, and in the light of the suggestions made in those meetings, the IDB organized a Brainstorming Meeting of Experts in Geneva on 27-28 July 1998. The purpose of the meeting was to: (i) select three to five topics of high interest to IDB member countries on which detailed studies would be prepared, (ii) prepare terms of reference for such studies; and (iii) identify suitable experts/institutions who could undertake such studies

The meeting was chaired by Dr. Syed Jaafar Aznan, Vice President (Trade and Policy) of IDB. Dr. Aznan explained the purpose of the meeting and pointed out five general themes for consideration by the experts during the brainstorming meeting. These were : (1) agriculture, (2) services, (3) investment, (4) electronic commerce, and (5) trade and the environment. After detailed discussion on these topics the experts agreed to select only three topics namely, agriculture, services, and investment for detailed studies.

Based on a draft document that was prepared at the end of the first day of the brainstorming meeting and distributed among the experts, the meeting considered the terms of

reference for the studies. After deliberations, it was agreed that a group of experts would finalize the terms of reference for the selected topics.

Regarding the selection of experts for the preparation of studies, the consensus was to benefit from the wealth of information that already exists in UNCTAD on these topics and to lend more credibility to the studies by having UNCTAD associated with the project. It was therefore proposed that the preparation of the selected studies could be done under a joint project involving IDB and UNCTAD where suitable consultants could be jointly selected and who could work in close association with the relevant departments at UNCTAD with back stopping arrangements from a core-group consisting of experts from active IDB member countries' embassies in Geneva.

It was also thought that while the other topics, namely electronic commerce and trade and environment, are also important issues of general concern to IDB member countries, substantive work is already in progress in the WTO and other relevant institutions. It was agreed therefore to delay the preparation of studies on these topics until the completion of on-going work and then to see further work which may need to be undertaken on two topics bearing in mind the interests of IDB member countries.

The three studies on agriculture, services, and investment are being undertaken in collaboration with UNCTAD and are expected to be completed within the next few months.

II. OTHER TECHNICAL ASSISTANCE ACTIVITIES

Since the signing of the Uruguay Round Agreements and the establishment of the World Trade Organization, the IDB has been doing its best to provide technical assistance to member countries with a view to familiarizing them with the contents and provisions of the Uruguay Round Agreements and the activities of the WTO so that they could be in a better position to defend their interests. In this regard, the IDB has so far organized the following seminars and workshops:

1. Workshop on the Impact of the GATT Agreement and ISO Requirements on the export capabilities of IDB Member Countries. Jakarta, Indonesia, Muharram 1416H (June 1995)
2. Seminar on the Impact of the GATT Agreement on Trade in Services on OIC Member Countries (organized by the Islamic Centre for Development of Trade in cooperation with IDB). Casablanca, Morocco, Jumad Thani 1416H (November 1995).
3. Workshop on the Impact of the Technical Regulations introduced by the World Trade Organization and the European Union on OIC Member Countries in the Mediterranean. Ankara, Turkey, October 1996.
4. Regional Seminar on the International Trade Agreement related to the Technical Barriers to Trade among Arab Maghreb Countries (organized by the Tunisian Ministry of Trade in cooperation with the IDB). Tunis, Tunisia, Jumad Thani 1416H (November 1996).
5. Seminar on WTO for the Muslim Countries in Central Asia and some Middle East Countries. Ashgabat, Republic of Turkmenistan December 1996.
6. Seminar on WTO for IDB member countries in West and Central Africa. Dakar, Republic of Senegal, January 1997.

7. Seminar on Policies and Methods of Promoting IDB Member Countries' Exports of Textile and Ready-made Garments to European Market. Amman, Jordan, August 1997.
8. Seminar on the Islamic Countries Future Trade in Food Production with European Market in the Light of the Current Developments in the World Trade. Tunis, Tunisia, December 1997.
9. Seminar on Export Promotion & Complementarity in Textile among IDB Member Countries in the light of the Current Developments in the World Trade. Beirut, Lebanon, July 1998.
10. Seminar on Policies and Methods of Promotion of Non-Traditional Exports of IDB Member Countries. Damascus, Syria, August 1998.
11. Seminar on Technical Barriers to Trade and their Implication for the Exports of IDB Member Countries in the Mediterranean Region. Cairo, Egypt, September 1998.
12. Workshop on Impact of WTO Agreements on Trade in Services in IDB Member Countries. Amman, Jordan, 24-26 January 1999.

In addition, as stated earlier, a seminar on Accession to the World Trade Organization and Implementation of the Uruguay Round Agreements was held at the IDB Headquarters in Jeddah from 7-10 June 1997. This seminar was attended by 90 officials from 39 member countries and various international and regional organizations. The seminar addressed vital issues of concern to member countries that are in the process of negotiating accession to the WTO as well as issues of relevance to member countries that are already members of the WTO. It also examined the built-in issues on the future agenda of the WTO and new ones that are likely to emerge with a view to providing member countries with information and training that would enable them to participate effectively in and better defend their interests in the negotiations on these issues.

During 1997, the IDB also prepared a technical assistance programme for the member countries to assist them in their WTO-related activities. This programme was prepared in collaboration with the United Nations Development Programme, the World Trade Organization, the United Nations Conference on Trade and Development, and the International Trade Centre. Under this Programme, the IDB would provide technical assistance to its member countries for the following four objectives:

1. Increase awareness of the provisions of the Uruguay Round Agreements and the activities of the WTO and their likely implications and impact on economic growth and development in member countries;
2. Assist member countries that so desire to enhance their negotiating abilities so as to gain accession to the WTO on the most favorable terms;
3. Assist member countries to carry-out their obligations related to the WTO in a manner that will ensure that they derive maximum benefits from their membership in this organization; and

4. Assist member countries in preparing for future negotiations in the WTO and in identifying, assessing and promoting their interests in these negotiations in a coordinated manner.

These objectives are to be achieved by: (i) providing appropriate training for officials from both the public and the private sector in member countries that deal with these issues; (ii) organizing seminars and workshops to help member countries to develop their capacities in WTO and trade-related matters; (iii) providing, on request, advisory support to member countries on specific issues and areas; and (iv) organizing brainstorming expert meetings to examine issues of interest to OIC member countries which are likely to arise from the built-in agenda for future negotiations in the WTO.

Several projects under this Programme were processed during 1998 and 1999. Briefly, the status of these projects is the following:

Trade Policy Courses

During 1419H, the IDB organized two Trade Policy Courses in collaboration with the World Trade Organization (WTO). These were short versions of the regular trade policy courses that are organized by the WTO in Geneva for a period of three months.

The first course was in Arabic language for the Arabic speaking member countries of the Bank. It was held at IDB Headquarters in Jeddah from 23 Jumad Awwal to 14 Jumad Thani 1419H (14 September - 4 October 1998). Twenty-two participants mainly from ministries of trade and commerce from 12 member countries took part in this training course. The course covered a wide range of topics including the following: market access, customs and trade administration, agriculture, textile and clothing, sanitary and phyto-sanitary measures, technical barriers to trade, government procurement, general agreements on trade in services, intellectual property rights, anti-dumping, subsidies and countervailing measures, safeguards and state trading, dispute settlement, agreement on trade-related investment measures, trade and competition policy, trade and environment, regionalism, and future work.. The course was very much appreciated by the participants and it was suggested that similar course be organized by the Bank in future. Certificates were awarded to the participants on successful completion of the course.

The second trade policy training course was for the English-speaking member countries. It was held at Rawalpindi, Pakistan, from 19 Dhul Hijjah 1419H to 8 Muharram 1420H (5-24 April 1999). The scope and coverage of the course was the same as in the case of the first course. A total of 31 officials attended this course. These included twenty-two officials from 11 member countries, one IDB staff member. Most of the participants were middle-level officials from the Ministries of Trade and Commerce who were dealing directly with trade matters. At the request of the government of Pakistan eight officials from the Foreign Trade Institute of Pakistan were also allowed to audit the course. Like the earlier course in Jeddah, this course was also very well received by all the participants and very much appreciated by the host government.

The third trade policy courses will be for the French-speaking member countries of the Bank. It is expected to be held before the end of 1999.

Seminar on Technical Barriers to Trade and Sanitary and Phytosanitary Measures:

The Bank is preparing to organize several seminars on Technical Barriers to Trade and Sanitary and Phytosanitary Measures. These seminars will be organized in collaboration with the International Trade Centre (ITC), Geneva. The first seminar will be for the French-speaking member countries. Preparatory work for this seminar is currently under way and it is tentatively scheduled to be held in one of the Francophone member countries in June/July 1999.

Studies on Agriculture, Services, and Investment:

As mentioned earlier, studies on agriculture, services, and investment are to be undertaken in collaboration with UNCTAD. The draft terms of reference of these studies were prepared by experts. These were sent to member countries for comments and were later finalized in the light of those comments. The studies would help the member countries in preparing a positive agenda for the future multilateral trade negotiations and also prepare them for the Third WTO Ministerial Conference which is scheduled to be held in USA in 1999. The studies are currently being undertaken in collaboration with UNCTAD. The draft reports of these studies are expected to be ready before the end of May 1999. These will be discussed first in a workshop in Geneva and later in a meeting of Senior Officials from the Ministries of Commerce of member countries. This meeting will be expected to be held at IDB headquarters in Leida in September 1999.

Country-specific Projects:

The Bank has received specific technical assistance requests from a number of member countries. Several of these projects are currently under process.

It is hoped that the Bank's WTO-related Technical Assistance Programme would enhance the capacity of member countries to derive maximum benefits from the Uruguay Round Agreements, the activities of the WTO and the trend towards globalization.

The IDB intends to continue with its efforts to provide technical assistance to its member countries on trade and WTO-related matters. It would also endeavour, in cooperation with other relevant OIC organizations such as the Islamic Centre for Development of Trade, to provide opportunities to member countries to exchange views and coordinate their positions on matters related to the WTO.

- XI -

**ISSUES RELATING TO THE ACTIVITIES
OF THE WORLD TRADE ORGANIZATION,
DOCUMENT SUBMITTED BY ICDT**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

ORGANISATION
DE LA CONFÉRENCE ISLAMIQUE
CENTRE ISLAMIQUE POUR
LE DÉVELOPPEMENT DU COMMERCE
CASABLANCA



ORGANISATION
OF THE ISLAMIC CONFERENCE
ISLAMIC CENTRE FOR DEVELOPMENT
OF TRADE
CASABLANCA

المركز الإسلامي لتنمية التجارة

ISSUES RELATING TO THE ACTIVITIES OF THE WORLD TRADE ORGANISATION

The salient facts recorded within the framework of the World Trade Organisation since the fourteenth session of the follow up committee may be summed up as follows:

1/SECOND MINISTERIAL CONFERENCE OF THE WTO :

The Second Ministerial Meeting was held from 18th to 20th May 1998. On May 19th the fiftieth Anniversary of the multilateral trade system was celebrated.

> Celebration of the fiftieth anniversary :

This event was inaugurated on May 18th by the very expected speech of President Clinton. The President of the United States seized this opportunity to bring an outstanding support to trade liberalization and trade globalization; he made a package of six proposals for the future program of the WTO, asked for the opening without delay of a new round of multilateral trade negotiations and invited the WTO to hold its third conference in the United States of America.

The celebration of the fiftieth anniversary continued on May 19th, during which the Heads of States and governments took the floor (Switzerland, Norway, Bulgaria, Cuba, European Commission, Brazil, South Africa, Morocco, Slovenia, United Kingdom, Ivory Coast, Dominica and Italy).

> Second Ministerial Conference of the WTO :

The Conference particularly dealt with:

- The implementation of Singapore Declaration ;
- The future activities of the WTO.

- The observation here above confirms that the second conference is in fact only a mid-way review before the third Conference that will have to make the real decisions

The future activities of the WTO are already programmed and were expected to start in September 1998 by a special session of the General Council.

Such observations lead us to put emphasis on the importance for member states to urgently increase concertation among them and define their target priorities. To that effect, the OIC representatives attempted to do so on the sidelines of the conference.

The third Ministerial Conference will take place in Seattle in the United States From November 30th to December 3rd, 1999. The new bureau includes two OIC Member States: Burkina Faso and Pakistan.

> **The OIC activities** :

Mandated by the COMCEC, IDB organised a co-ordination meeting on May 17th 1998 in Geneva just before the opening of the Second Ministerial Conference. This meeting was held just after the one that was held on 29th and 30th April 1998 at the end of which, a draft Declaration was prepared to be read in Geneva. The main agenda items of the meeting held on May 17 dealt with the report of Jeddah meeting and the themes of the agenda items of the Ministerial Conference.

As far as the appraisal meeting is concerned, it was attended by six Member States (Egypt, Tunisia, Morocco, Sudan, Malaysia, Saudi Arabia) and by the Casablanca and Ankara centres, the other delegations had already left Geneva, since the Ministerial Conference ended earlier than planned.

The meeting enabled participants to underline the necessity of carrying on co-operation and consultations within the OIC.

To that effect stress was laid on the importance of:

- Organising technical assistance in favour of member states and hold more training and sensitising seminars;
- Ensuring information dissemination between member states by setting up a database devoted to the issues tackled within the WTO;
- having a consultation mechanism in Geneva

ICDT seized this opportunity to outline the activities it has led within the framework of multilateral trade negotiations and assured member states of its availability to carry out any mission that member states would entrust to it in this field.

11/FUTURE ACTIVITIES IN THE BUILT IN AGENDA :

Most of future activities in the built-in Agenda will start in the year 2000 in :

- Agriculture
- Services
- Intellectual properties rights
- Review of trade policies

What approach for future negotiations ?

A debate has recently started on whether a sectoral or holistic approach is more appropriate for future negotiations in the WTO : thus European Union has made a proposal for a "Millennium Round" while the USA are advocating a sectoral approach since they would like to continue to identify sectors that can be dealt with a manner similar to the Information Technology Agreement.

III/ BANANA DISPUTE BETWEEN THE UNITED STATES AND THE EUROPEAN UNION :

The WTO has officially announced its verdict regarding the banana conflict opposing the United States of America to the European Union on April 19th, 1999 which authorises the United States to apply the sanctions to repair the damages that affected them owing to the European banana import regulations. Damages are estimated at 19.4 million US dollars.

As a matter of fact, the European rules give preferential treatment to ACP countries to the detriment of those produced by Latin America countries.

The WTO's verdict is invested with a great interest for those OIC Member States, fruit exporters whose exports to the EU might decrease as a result of the reform of the Current European rules.

This file is particularly interesting in so far as it has compelled the European Union and the 15 Member States to tackle three closely linked issues; the management of its banana market (OCMB) within the framework of the Common Agricultural Policy CAP; the future of privileged links with supplier countries from the ACP, finally the complementarity of the existing mechanisms with the rules of the WTO. But above all the banana conflict is the embodiment of two opponent approaches in the area of international trade regulations. The first one which is supported by the United States of America and Latin America countries under the pressure of multinational firms, advocates total market liberalisation. The second one is supported by the UAE and the ACP countries and upholds a regulated market that would take into consideration not only economic matters but also other important aspects. In concrete terms, in view of the bananas dollars' competitiveness, the total opening of the European market would mean the death knell for the production of most of the ACP countries (and community production). Now, for many of these countries, the banana sector is essential with regard to both the economic and employment sectors.

-XII-

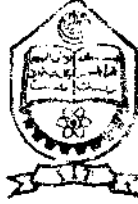
**REPORT OF THE INTERNATIONAL SEMINAR
ON "HUMAN RESOURCES DEVELOPMENT FOR
SUSTAINED ECONOMIC GROWTH AND POVERTY
ALLEVIATION AS WELL AS PROGRESS
IN THE MEMBER STATES OF THE OIC"
BY THE ISLAMIC INSTITUTE OF TECHNOLOGY**

**Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

Annex. XI to OIC/COMCEC-FC/15-99/REP

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



international Seminar
on
HUMAN RESOURCES DEVELOPMENT FOR SUSTAINED
ECONOMIC GROWTH AND POVERTY ALLEVIATION AS WELL AS
PROGRESS IN THE MEMBER STATES OF THE OIC

Organised by

Islamic Institute of Technology
The Organisation of the Islamic Conference
In Collaboration with the
Government of the People's Republic of Bangladesh
and
Islamic Development Bank, Jeddah

FINAL REPORT

Dhaka, Bangladesh
11—13 April 1999

Islamic Institute of Technology, Board Bazar, Gazipur-1704, Bangladesh
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FOREWORD

I am indeed very happy that the International Seminar on Human Resources Development for Sustained Economic Growth and Poverty Alleviation as well as Progress in the Member States of the OIC, organised by the Islamic Institute of Technology, Dhaka in collaboration with the Government of the People's Republic of Bangladesh and the Islamic Development Bank has been successfully completed on 11-13 April 1999 in Dhaka. The Seminar was initially scheduled on 11-13 October 1998; but it was postponed due to devastating flood in Bangladesh, the Host Country of the Institute. Even then nominating authorities of the participants responded warmly and maintained contact with us all through. I express my heartfelt thanks to them for their keen interest and continued support.

The Thirteenth and the Fourteenth Meeting of the Follow-up Committee of the COMCEC submitted the proposals, among others, (a) Human Resource Development for Sustained Economic Growth and Progress in Member Countries and (b) Poverty Alleviation in Member Countries, as possible themes for exchange of views during the next sessions of the COMCEC. Following these proposals and the decision of the Fourteenth Session of the COMCEC held in Istanbul on 3-4 November 1998 and in pursuance of the resolution of the Eighth Islamic Summit Conference held in Tehran on 9-11 December 1997, the Islamic Institute of Technology as co-focal point on Human Resources Development under UN-OIC collaboration, organised the Seminar in association with SESRTCIC, ICDDT and ICCI.

About 80 participants including authors, speakers and delegates from 14 Member Countries viz. Afghanistan, Bangladesh, Burkina Faso, Cameroon, Egypt, Gambia, Iran, Indonesia, Malaysia, Palestine, Pakistan, Saudi Arabia, Senegal, Sudan and from Subsidiary Organs and other Bodies of OIC such as IIT, SESRTCIC, IDB, ICCI and from other International Organizations like CIRDAP, ICDDRB, etc. participated in the Seminar spread over 7 sessions in 3 days. Besides the Keynote Paper and Panel Discussion, 9 Country Papers from Afghanistan, Bangladesh, Burkina Faso, Gambia, Guinea, Iran, Senegal, Sierra Leone and Malaysia and 14 out of total 21 technical papers on the theme of the Seminar were presented by the authors personally and thoroughly discussed. At the end, distinguished personalities, experts, delegates and participants in the panel discussion made a set of recommendations which were adopted in the concluding session in presence of H.E. Mr. Abdus Samad Azad, Foreign Minister and H.E. Mr. Abul Hasan Chowdhury, State Minister for Foreign Affairs, Govt, of Bangladesh for consideration of the COMCEC.

I take this opportunity to express my sincere thanks and deep gratitude to Her Excellency Sheikh Hasina, Prime Minister of the Government of Bangladesh who extended her full support for the success of the Seminar in her speech as the Chief Guest on the occasion of the 11th Degree Awarding Congregation Ceremony of IIT held on 17 September 1997. I would like to extend my heart-felt thanks to H.E. Mr. M.A. Mannan, Minister for Labour and Employment, Government of Bangladesh for kindly inaugurating the Seminar, to H.E. Dr. Azeddine Laraki, Secretary General of the ÜIC for his abiding interest in the activities of ÜT and to H. E. Dr. Ahmad Mohamed Ah, President of EDB, for IDB's financial support in organizing the Seminar. I also thank Prof. Dr. A. M Patvvari, Former Director General of IIT for his valuable guidance and the members of the staff of the Institute for their cooperation and support.

5 May 1999

(Prof. Dr. M. Anwar Hossain)
Director General
ÜT, Dhaka

**REPORT
OF
THE INTERNATIONAL SEMINAR ON HUMAN RESOURCES
DEVELOPMENT FOR SUSTAINED ECONOMIC GROWTH AND
POVERTY ALLEVIATION AS WELL AS PROGRESS IN THE MEMBER
STATES OF THE OIC.**

- 1.0** The International Seminar on "Human Resources Development for Sustained Economic Growth and Poverty Alleviation as well as Progress in the Member States of the OIC" organised by the Islamic Institute of Technology (IIT), Organisation of the Islamic Conference (OIC) in collaboration with the Government of the Peoples Republic of Bangladesh and the Islamic Development Bank (IDB) was held in Dhaka from 11-13 April 1999. The Delegates and Participants from the Member States of the OIC, Subsidiary Organs and other Bodies of the OIC and various International Organizations attended the seminar. The list of Delegates & Participants is attached as Annex-I
- 2.0 Inauguration Ceremony:** The Seminar was inaugurated by H.E. Mr. M. A. Mannan, Minister for Labour and Employment, Government of Bangladesh as Chief Guest on 11 April 1999. The ceremony was presided over by H.E. Dr. Nasser A. Al-Dekhyei, Chairman, of the Governing Board of IIT. Prof. Dr. A. M. Patwari, Director General of IIT in his welcome address, welcomed the Honourable Chief Guest, Representative of Islamic Development Bank (IDB), Mr. Mohammed Ali Toure and other Honourable guests including Delegates and Participants from Member States of OIC, Subsidiary Organs and other Bodies of the OIC and various International Organisations, Ambassadors, High Commissioners and Diplomats stationed in Dhaka, Secretaries of Ministries, Vice-Chancellors, Professors, High Officials, Dignitaries and other invited guests. Prof. Dr. M. Anwar Hossain, Director General Designate, IIT gave the Vote of Thanks.
- 3.0 Plenary Session :** After the Inauguration Ceremony the Plenary Session was held under the Chairmanship of Prof. Dr. A. M. Patwari, Director General, IIT, Dr. Qazi Kholiquzzaman Ahmad, noted Economist and Chairman of Bangladesh Unnayan Parishad (BUP) presented the Keynote paper and Dr. A. Atiq Rahman, Director, Bangladesh Centre for Advanced Studies (BCAS), Prof. Dr. Nurul Islam, Bangladesh University of Engineering and Technology (BUET), Mr. Nabil Md. Dabour, SESRTCIC of Ankara, Turkey, among others, participated as designated discussants.
- 4.0 Technical Sessions:** Nine Country Papers from Afghanistan, Bangladesh, Burkina Faso, Gambia, Guinea, Iran, Senegal, Sierra Leone and Malaysia were presented in the **First Technical Session** under the Chairmanship of Mr. Ahsan Ali Sarker,

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Secretary, Ministry of Labour and Employment, Government of Bangladesh with Ambassador Erdinç Erdun, Director General, SESRTCIC, Ankara as Co-Chairman.

- 4.1 **Technical Session - II** was chaired by Mr. Kazi Rakibuddin Ahmed, Secretary, Ministry of Education, Govt, of Bangladesh. Seven papers out of selected eleven papers on different aspects on the theme of the Seminar were presented by the authors personally from Bangladesh, IIT, ICO, Pakistan, Saudi Arabia and Sudan.
- 4.2 **Technical Session - III** was chaired by Prof. Dr. Nooruddin Ahmed, Vice-Chancellor, Bangladesh University of Engineering and Technology (BUET) with Mr. Aqeei A, Al-Jassem, Secretary General, ICCI, Karachi as Co-chairman. Seven papers out of selected 10 papers on different subjects on the theme of the Seminar were presented by the authors themselves from Bangladesh, Cameroon, Sudan, IIT and SESRTCIC.
- 5.0 Pannel Discussion under the Chairmanship of Prof. Dr. Iqbal Mahmud, Former Vice-Chancellor of BUET, Dhaka was held and distinguished Members of the Panel namely Dr. Qazi Kholiquzzman Ahmad, BUP, Mr. Mahfuz Anam, Editor The Daily Star, Mr. Mozammel Huq, Grameen Bank of Bangladesh, Mr. Aqeel A. Al-Jassem, ICCI, Karachi, Ambassador Edrinc Erdun, Director General, SESRTCIC, Turkey, Prof. Dr. A. M. Patwari, Director General and Prof. Dr. M. Anwar Hossain Director General Designate, IIT and all the participants took part in deliberations and gave their views and opinion and made a set of recommendations for consideration of the COMCEC.
- 6.0 **Concluding Session:** H. E. Mr. Abdus Samad Azad, Minister for Foreign Affairs and H.E. Mr. Abul Hasan Chowdhury, State Minister for Foreign Affairs, Govt, of Bangladesh graced the occasion as Chief Guest and Special Guest respectively. The Session was presided over by Prof. Dr. A. M. Patwari, Director General IIT. Prof. Dr. M. Anwar Hossain, Director General Designate of IIT read out a message of H.E. Dr. Azeddine Laraki, Secretary General of the OIC, sent on the occasion.
- 6.1 **Adoption of the Report and Recommendations:** Rapporteur General Prof. Dr. Khushi Mohammad, Head ITS Department, IIT presented the Report and Recommendations of the Seminar which were adopted.
 - 6.1.1 General and Specific Recommendations of the Seminar are enclosed herewith as Annex- II & III respectively.
- 6.2 Prof. Dr. M. Anwar Hossain, Director General Designate, IIT and Member -Secretary of Seminar Steering Committee gave Vote of Thanks.

7.0 ACKNOWLEDGEMENT

- 7.1 The Delegates and Participants of the Seminar expressed their sincere gratitude to the Government of the People's Republic of Bangladesh for its traditional hospitality and cooperation. The members also decided to send telegrams to His Excellency Mr. Shahabuddin Ahmed, Honouable President of the People's Republic of Bangladesh and H.E. Prime Minister Sheikh Hasina expressing deep appreciation for the kind hospitality extended by the Govt, of the People's Republic of Bangladesh to the delegates for smooth functioning and fruitful conclusion of the Seminar. The telegrams were sent accordingly.
- 7.2 The Delegates and Participants thanked His Excellency Dr. Azeddin Laraki, the Secretary General of the OIC for his abiding interest in the activities of the OIC in general and of IIT, in particular.
- 7.3 The Delegates and Participants thanked H.E. Mr. M. A. Mannan, Minister for Labour and Employment, Government of the People's Republic of Bangladesh for attending the inaugural session as Chief Guest.
- 7.4 The Delegates and Participants thanked H.E. Mr. Abdus Samad Azad, Minister for Foreign Affairs, Govt, of Bangladesh and H.E. Mr. Abul Hasan Chowdhury, State Minister for Foreign Affairs, Govt, of Bangladesh for attending the Concluding Session as Chief Guest and Special Guest respectively.
- 7.5 The Delegates and Members expressed their gratitude and thanks to H.E. Dr. Ahmed Mohamed Ali, President of IDB for IDB's financial support in organising this Seminar.
- 7.6 The Delegates and Participants expressed their thanks to the Honourable Ministers, Members of Parliament, Heads of Missions and other Members of the Diplomatic Missions of the Member States of the OIC in Bangladesh, International Organisations and Distinguished Guests for their kind presence in the Inaugural and Concluding Sessions and their keen interest in the affairs of the Islamic Ummah.
- 7.7 The Delegates and Participants recorded their deep appreciation and thanks to the Director General Prof. Dr. A. M. Patwari and the able Staff Members of the Institute for the excellent work done by them in arranging the Seminar and for their diligence for the cause of the Institute and the Islamic Ummah.
- 7.8 The Director General, IIT, Prof. Dr. A. M. Patwari thanked the Chairmen and Co-chairman of different Sessions, Delegates and Participants, Director General Designate, Rapporteur General, Rapporteurs and Staff Members of IIT for their excellent work during the Seminar

Annex-I

ISLAMIC INSTITUTE OF TECHNOLOGY (IIT), DHAKA
THE ORGANISATION OF THE ISLAMIC CONFERENCE (OIC)

INTERNATIONAL SEMINAR
ON
HUMAN RESOURCES DEVELOPMENT FOR SUSTAINED ECONOMIC
GROWTH AND POVERTY ALLEVIATION
AS WELL AS PROGRESS IN THE MEMBER STATES OF THE OIC

11-13 APRIL 1999

SONARGAON HOTEL, DHAKA, BANGLADESH

LIST OF DELEGATES AND PARTICIPANTS

AFGHANISTAN

1. H.E. Mr. Ghulam Mohammad Sukhanyar
Charge d'Affaires
Embassy of Afghanistan in Dhaka

BANGLADESH

- | | |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| 1. Dr. Qazi Kholiuzzaman Ahmad
Chairman
Bangladesh Unnayan Parishad (BUP) | 2. Prof. Dr. Iqbal Mahmud
Former Vice Chancellor
Bangladesh University of Engineering &
Technology (BUET) |
| 3. Mr. Ahsan Ali Sarker
Secretary, Ministry of Labour and
Employment
Government of Bangladesh | 4. Mr. Kazi Rakibuddin Ahmed
Secretary, Ministry of Education
Government of Bangladesh |
| 5. Prof. Dr. Nooruddin Ahmed
Vice Chancellor
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Technology (BUET) | 6. Prof. Dr. M. Nurul Islam
Institute of Appropriate Technology (IAT)
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| 7. Dr. A. Atiq Rahman
Director
Bangladesh Centre for Advanced Studies | 8. Dr. Shayer Ghafur
Asstt. Professor
Department of Architecture, BUET |
| 9. Prof. Dr. M. Nazrul Islam
IAT, BUET | 10. Mr. M. Nurul Islam
Project Director
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25. **Prof. Dr. M. A. Mannan**
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26. **Mr. Hussain Shareef Ahmad**
Lecturer, School of Business
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27. **Mr. Muzammel Huq**
General Manager
Grameen Bank
28. **Mr. Mahfuz Anam**
Editor
The Daily Star

BURKINA FASO

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Director General of Economy & Planning

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International Institute of Islamic Economics
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1. **Mrs. Rokhaya Sene**
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SUDAN

1. **Dr. El Tigani Mohamed Salih**
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1. **Mr. Aliew Mboge**
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2. **Mr. Mohamed Ali Toure**
IDB Representative

ISLAMIC CHAMBER OF COMMERCE & INDUSTRY (ICCI), KARACHI

1. **H. E. Mr. Aqeel A. Al-Jassem**
Secretary General
2. **Dr. Ashfaq H. Kadri**
Economic Adviser

STATISTICAL. ECONOMIC & SOCIAL RESEARCH & TRAINING CENTRE FOR ISLAMIC COUNTRIES rSESRTCIO. ANKARA

1. **H.E. Ambassador Erdinç Erdun**
Director General
2. **Mr. Nabil Md. Dabour**
Economist

ISLAMIC INSTITUTE OF TECHNOLOGY HIT). DHAKA

- Prof. Dr. A. M. Patwari**
Director General
2. **Prof. Dr. M. Anwar Hossain**
Director General Designate
- Prof. Dr. Shamsuddin Ahmed**
Head, EEE Deptt.
4. **Prof. Dr. M. Hassan Siddique**
Head, MCE Deptt.
5. **Prof. Dr. Khushi Mohammad**
Head, ITS Deptt.
6. **Prof. Dr. M. Shamsul Alam**
Head, REASP Deptt.
7. **Mr. M. A. Afzal**
Registrar
8. **Prof. Dr. M. Fazli ilahi**
Provost.

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- | | |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 9. Prof. E. H. Chowdhury
ITS Deptt. | 10. Prof. Dr. A.K.M. Iqbal Hossain
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Lab Assisrant-cum-Technician
EEE Deptt. |

Annex-II

**ISLAMIC INSTITUTE OF TECHNOLOGY (IIT), DHAKA
THE ORGANISATION OF THE ISLAMIC CONFERENCE (OIC)**

**INTERNATIONAL SEMINAR ON "HUMAN RESOURCES DEVELOPMENT FOR
SUSTAINED ECONOMIC GROWTH AND POVERTY ALLEVIATION AS WELL AS
PROGRESS IN THE MEMBER STATES OF THE OIC"**

11-13 April 1999

General Recommendations:

01. Political will and commitment on the part of the State and National Consensus is a pre-requisite for any programme related to Human Resources Development, poverty alleviation, social and economic development.
02. Democracy should be practiced in true sense where the people have a right to participate in governance. Governments have to be sincere and emphasize :
 - a. Accountability
 - b. Transparency
 - c. Free and independent media
 - d. Freedom of judiciary
03. Human Resources Development is both process of competencies development in people and creation of conditions to apply these competencies for their benefit and for the benefit of others. These competencies include skill, knowledge and attitude which can be created through formal education and informal education. So a reasonable percentage of GNP say around 6%, may be earmarked for public expenditure on education, 50 - 60% of which may be allocated for primary and adult education to eradicate illiteracy from the Member States of the OIC by the year 2010. Emphasis should be given on quality of education along with the quantity.
04. Gender disparity should be eliminated from the societies by providing more opportunities to the women and disadvantaged groups in all fields of social and economic development.
05. More emphasis should be given to time bound literacy, health and nutrition, clean and safe environment. Human capability development should be emphasized to ensure financial independence through access to employment as well as income generating activities particularly for the rural poor.

06. Human Development Index (HDI) for Muslim countries should be developed keeping in view the cultural and religious values of Muslim societies, in addition to the social and economic indicators. Islamization of knowledge under Quranic principles is necessary to make a better world.
07. Private sector, especially small and medium scale enterprises contributes in raising production and trade in goods and services. It also contributes in generating income and employment. However, they need training in skills, small enterprises management and marketing. Training programmes should be developed. National Chamber of Commerce, financial organisations and business associations should substantially cooperate and assist in this matter. International organisations' cooperation should also be sought in this respect.
08. IIT should strengthen and upgrade Human Resources Development (HRD) programme as the focal point for human resources development in the OIC.
09. Developing countries should improve their economies competitiveness with a view to optimizing their participation in international trade. For this purpose training programme should be introduced in the OIC Member Countries with emphasis on hands on skills in the areas of trade, commerce, services, manufacturing of goods, transportation, communication and tourism etc.
10. More emphasis should be given on purposeful technical and vocational education and higher education including Research and Development (R&D). Private sector and NGOs can play a vital role. Funds can be generated by (a) re-orientation or re-structuring of budget, (b) from within the society by introducing a balanced taxation system and (c) from UN System and the OIC.
11. At the OIC level a Human Development Trust Fund (HDTF) under the IDB should be created from the voluntary contribution of affluent Member States and richer sections of the society in Islamic Countries to help in the acceleration of human development of the LDC's.

Annex-III

**ISLAMIC INSTITUTE OF TECHNOLOGY (IIT), DHAKA
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**INTERNATIONAL SEMINAR ON "HUMAN RESOURCES DEVELOPMENT FOR
SUSTAINED ECONOMIC GROWTH AND POVERTY ALLEVIATION AS WELL AS
PROGRESS IN THE MEMBER STATES OF THE OIC"**

11-13 April 1999

Specific Recommendations:

01. Human Resources Development means basically the development of the human capabilities. These capabilities include basic education, literacy, health and nutrition, clean and safe environment. Human capability development should be emphasized to ensure financial independence through access to employment as well as income generating activities.
02. Poverty is curse not only for the poor but a danger to the rich as well. Hence for the survival of the rich, poverty has to be eliminated by them also.
03. Globalization should be emphasized in its true sense - at the moment partial globalization is being practiced by the developed countries by allowing movement of capital and commodity and restricting the movement of labour across the borders.
04. There should be joint collaboration between private and public sectors and NGOs for development of human capabilities.
05. There should be a balance in the development of rural and urban areas.
06. Gender disparity should be eliminated by providing more opportunities to the women.
07. Specialized skill development programmes should be developed for the handicapped.
08. For the OIC countries, human capability development for sustained economic growth, poverty alleviation, and social progress is of utmost importance and of high priority and should be addressed as such.
09. Interacting economic, political and social dimensions need to be integrated into the planning of human capability development.

10. Given that, currently, educational and training systems and programmes and health activities in most OIC countries are elitist, that perpetuates the elite domination and the marginalisation of ordinary people, it is important that this elitism is replaced by people-centred approaches in the interest of equitable and sustainable social progress.
11. To the extent the capacity of people at large to participate in social, political and market processes is to be raised, basic education, vocational training and health should be universal; particular focus needs to be placed on the disadvantaged groups and, in this context, non-formal and informal education and training also need to be developed and strengthened.
12. The issues of upgrading and modernizing of curricula, particularly at the basic education and training level but also at other levels, need to be addressed.
13. To the extent the requirements of various skills in an economy, particularly as it grows, are to be met, supply and demand considerations relating to those skills must provide the basis for planning; all sectors from informal to the most modern should be included in this exercise.
14. To keep abreast with the phenomenal scientific and technological advancement in the world, the best possible emphasis needs to be given to scientific and technological education, training and research, including the cutting edges and frontiers in different fields.
15. Although, in the past, Islamic world was fertile in scientific ideas and progressive thinking, it has for a long time been languishing in these regards. They must now mount serious efforts to harness the forces of education, science and technology to attain their developmental goals and a voice in the management of global interdependence.
16. Coordination of policy and programme implementation is needed at all levels of governance - local to national.
17. For implementing the adopted policies and programmes, commensurate institutional development is needed.
18. In support of the adopted policies and programmes, particularly concerning the designing of the required adjustments / changes as the processes move forward, researches on various aspects of human capability development need to be a part of the policy package and adequately supported; data base on all relevant aspects need to be strengthened and all data should be made available to all interested parties; data collection, processing, analysis, and presentation need to be modernized and the capacity to do so developed

though appropriate training and by putting in place necessary computers and other equipment.

19. Monitoring and evaluation of resource utilization and policy and programme implementation should be an integral part of the process.
20. Each country may start by comprehensively reviewing its status, if it has not already been done, in respect of all the relevant issues and develop / adjust policies and programmes, as needed, prioritizing the requirements breaking them down into short, medium and long term ones; this exercise will need to be repeated periodically, perhaps every five years or so.
21. Based on the requirements, experiences, and capacities of each country, cooperative activities for human capability development, focusing on different levels and types of skill as well as health sector imperatives, OIC-wide or subgroup-based, can be developed for the benefit of all participating countries. National realities, OIC-wide or the relevant sub-group dynamics, the imperatives of global interdependence, and the implications of the ongoing globalisation need to be kept in focus in developing such cooperative arrangements.
22. The task of spearheading human capability development efforts has to be, primarily, the responsibility of the state. But the private sector, communities, voluntary organisations and all others who may be able to contribute to the process must have the inclination and the opportunity to do so.
23. In the economic arena neither dirigisme nor free market as a dogma is acceptable, Pragmatism should be the guiding principle. Thus, in the fields of production and distribution the private sector will be the dominant actor and the state the facilitator; a working partnership between the two institutions, with the social perspectives of the people built into the process, is needed for socio-political cohesiveness as the enabled private sector, domestic or foreign, exploits domestic and international market opportunities.
24. Raising of financial resources for national and cooperative programmes can involve various potential sources; national, OIC countries, developed countries, and the UN and other multilateral agencies.
25. For economic growth, poverty alleviation and social progress to occur on a sustained basis, equity, ethics, morality and transparency must underpin the social, political and market processes, facilitated by democracy and free news media. In Islam, ethics and morality are enjoined as characteristics integral to human behaviour.

26. Home-based income generation (HIG) activity should be promoted within the framework of local economic development. That will enable to alleviate urban poverty and thus contribute to the achievement of sustainable livelihoods of the urban poor. For the purpose necessary infrastructure, enhanced and regular credit facilities, skill training particularly for women, market opportunities for the product should be promoted. Local Government and NGO's can play a vital role.
27. Human Development Index (HDI) for Muslim countries should be developed keeping in view the cultural and religious values of Muslim societies.
28. It has been suggested that the Technical and Scale efficiency of small manufacturing firms is improved by (i) Primary Education & functional literacy of the firm owners, (ii) Sub-contracting and (iii) Human capital and specialization. Hence, Government programmes providing public education and training for entrepreneurs or information about sub contracting, should be improved. Better education, training and specialization play crucial role for human capital and key to economic development.
29. Zakat one of the five fundamentals of Islam plays an important role in reduction of poverty. It is imperative to develop a proper system of collection / deduction of Zakat and distribution so that it reaches the deserving recipients. It can be organized at government, Local Council or community level.
30. Political stability and peaceful environment are pre-requisites for sustained economic development. All OIC countries should support and assist the war affected countries like Afghanistan, Somalia, Sierra Leone, and others and play more effective role in bringing peace and stability in these countries.
31. There is a correlation between illiteracy and poverty. To alleviate poverty a forward-looking basic education policy on top most priority basis is required particularly for female education. For economic development educated and skilled youth should be provided with increased opportunity for self-employment through better access to credit facilities. Private sector and NGO's should come forward and join hands with the public sector for the purpose of human resources development and employment. This will help making the people literate and socially and economically productive.
32. Maintaining economic stability must clearly be of the highest priority if efforts to reduce poverty are to be continued. This is because macroeconomic instability is not only harmful to rapid growth, but also effect the poor directly. Excessive reliance on demand management in scale

or speed is counter productive for adjustment. Emphasis should be placed on achieving fiscal balance through increases in revenue from Consumption, Income, and wealth taxes so as to avoid expenditure cut.

Excessive reliance on demand management conflicts directly with the expansion of human capabilities. Priority should be given to the protection of those components of human capital formation that benefit the poor. (e.g. primary education and preventive health care).

33. The countries with single commodity economy should diversify the economy by increasing the contribution of productive sectors, such as agriculture, industry, manufacturing, mining and other important sectors of the economy. Emphasis should be to increase the total number of available manpower and to increase productivity in all sectors and to reduce dependence on foreign manpower. Allocation of funds for human resources development should be readjusted. Special attention should be given to bring the females into the mainstream by providing necessary education and skill training suited to the requirements of the economy.
34. More than 1 billion people in the world today, the great majority of whom are women, live in an unacceptable condition of poverty, mostly in the developing countries. Poverty has various causes, including structural ones. Poverty is particularly acute for women living in rural households. Recognition should be given to the decisive contribution which women can make to the effectiveness of development; therefore, women should be involved systematically in all policies to alleviate poverty. Actions favouring women may be taken up - they should have easy access to land, credit, and professional training in modern techniques for alleviating the hardship of their daily works.' The Fund for Support to Women's Remuneration ' Activities (FWRA) and other support structures would widen their actions to reach women while putting emphasis on training of women and women associations in the field of organisations, management, education, health and nutrition.

For poverty alleviation among females the more emphasis should be given to:

- i) Improvement of the general economic status of women and the household by promotion of income generating activities including small scale production and marketing of products.

- ii. Improvement of specific skills and access to credit. In addition to basic reading and writing skill the following income generating activities may be undertaken:
 - a. Sewing and tailoring
 - b. Tie and dye screen-printing
 - c. Food Processing and preservation
 - d. Leather handcrafts.

- 35. Economic growth is necessary for human resources development and the alleviation of poverty. The alleviation of poverty and inequality calls for a strategy to target specifically the disadvantaged population for social adjustments so that they can share in the benefits of growth. For this, economic activities must take place in sectors in which the poor can participate. Therefore, the State must give priority to restructuring the economy to provide better education and training, health care, and other social adjustments to help broaden the participation of those who are left behind in Stabilization and Structural Adjustment Programmes (SSAPs).

- 36. The objective of reform and adjustment efforts should shift from the short-term issues of crisis management and stabilization to the more fundamental issues of long-term growth, sustainable human development, and alleviation of poverty in the developing countries.

- 37. Culture has got tremendous effect on the way and manner of development. Cultural energy is the fissionable material of development and the results of a country's development efforts are, to a large extent, determined by how successful it is in harnessing the cultural energies of its people, and channeling them in directions which respond to their own aspiration.

Cultural confidence appears to be an essential factor in the development equation - like the relationship to development which business confidence has with the economic climate in a developed country.

Social development of Muslim society will unlikely be disturbed by the use of scientific results, because there is a long history of achievements in science/technology by the Muslims in the past.

- 38. (a). For efficient utilization of IIT by the OIC member countries, continuous need assessment for Human Resource Development (HRD) is an important factors. Also more liaison and information feedback from those countries are required, so that IIT can take necessary measures in revising its course curriculum from time to time.

- (b) The excellence of the education and training programmes depends very much on the competence of their faculty members. For producing better technical teachers IIT has been conducting programmes to train and develop potential teachers. This effort should continue.
 - (c) To bring about a characteristics change in the academic activities of IIT, regular monitoring should be made regarding quality of service the graduates render, the positions they hold in their countries, and the social and professional challenges they face after graduation.
39. Credit Banks may be established to provide loans to the poor similar to the Grameen Bank in Bangladesh. Such loans can enable the poor to start their self-employed projects either as individual or groups. The loans can be recovered in maximum two years so that the capital can revolve to other beneficiaries. Attention to be given for disbursing loans to the females in activities that suit them.
40. Role of the mosque should be given due importance - such as preaching the spirits of the Islam & activating the Muslims to participate generously in the poverty alleviation programmes.
41. To reduce poverty, 'population education' need to be initiated. NGOs and other Organisations have a major role to play in the field of Information, Education and Communication (IEC).
42. In the field of health, drinking of clean water and hygiene, involvement of local communities should be encouraged. Also actions like supply of deep tube well, latrine and awareness on hygienic conditions concerning water should be given proper attention.
43. Private sector, especially small and medium scale enterprises contributes in raising production and trade in goods and services. It also contributes in generating income and employment. However, they need training in skills. small enterprises management and marketing. Training programmes should be developed . National Chamber of Commerce, financial organisations. business associations should substantially cooperate and assist in this matter. International organisations' cooperation should also be sought in this respect,
44. Small village entrepreneurs may be encouraged to process locally their food produces into finished or semi-finished products, thereby increasing its value.

45. To ensure universal and compulsory basic education including religious education for all its citizens, upto the primary level. Efforts should be made to extend this upto the secondary level.
46. The achievement, of a literacy rate of 100% in each Member State should be aimed at before the year 2005 if not already achieved and for this purpose adult and non-formal education and Distant-education Programmes should be emphasized.
47. To develop the general, technical and vocational education system more need-oriented and employment oriented and geared to the specific long-term requirement of the individual country.
48. To develop technical and vocational education as an integral part of the general education system, so that it does not become terminal.
49. Make appropriate budgetary provisions for education and training in the respective Member States keeping proper ratio for Primary, Secondary, technical, vocational and higher education systems.
50. To democratize education system so as to reach all sections of people in the Ummah including women and other disadvantaged groups.
51. The OIC and the UN agencies in their host countries concerned with HRD should develop bilateral/multilateral relations in organizing their programmes and projects.
52. At the United National level, Human Development Fund (HDF) should be created under the UNDP, from the contributions of the developed and affluent countries to bring down North-South Disparity and for the Human Development of the Least Developed countries (LDC's).
53. At the OIC level a Human Development Trust Fund (HDTF) under the IDB should be created from the voluntary contribution of affluent member states and richer sections of the society in Islamic Countries to help in the acceleration of human development of the LDC's.
54. Information exchange network and exchange programme of trainers may be introduced among the OIC Countries.
55. Efforts should be made to check wastage and extravagance in all concerns of economy, whether consumption, investment, production, distribution and services.
56. In OIC there should be a follow-up programme to monitor the HRD.

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**DRAFT AGENDA OF
THE FIFTEENTH SESSION
OF THE COMCEC**

**as recommended
by the Fifteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11-13 May 1999)

Original: English

**DRAFT AGENDA
OF THE FIFTEENTH SESSION
OF THE COMCEC**

(İstanbul, 4-7 November 1999)

1. Opening Session.
2. Adoption of the Agenda.
3. Reports by the OIC General Secretariat.
 - World Economic Developments with Special Reference to OIC Member Countries.
 - Report of the Follow-up Committee.
 - Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States.
4. Report by IDB on the Expansion of Intra-OIC Trade in Preparation of the Ummah for the 21 st Century
5. Matters Related to World Trade Organization Activities
6. Report by ICCI on the Sixth Private Sector Meeting for Trade Promotion and Joint Venture Investments Among OIC Member Countries.
7. Exchange of Views on the "Human Resource Development for Sustained Economic Growth and Progress in Member Countries".
8. Matters Related to Economic Assistance to Some Islamic Countries.
9. Date of the Sixteenth Session of the COMCEC.
10. Any Other Business
11. Adoption of the Resolutions of the Fifteenth Session of the COMCEC.
12. Closing Session.

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**CLOSING STATEMENT BY
H.E. PROF. DR. ORHAN GÜVENEN,
UNDERSECRETARY OF THE STATE PLANNING
ORGANIZATION OF THE REPUBLIC OF TURKEY
AND CHAIRMAN OF THE FIFTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE**

**Fifteenth Meeting of the
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(İstanbul, 13 May 1999)

Distinguished Members of the Follow-up Committee,
Esteemed Delegates,
Dear Brothers and Sisters,

As we have come to the end of our work, I would like to first express my thanks and appreciation to the honourable members of the Follow-up Committee for their valuable efforts and spirit of cooperation which ensured the success of the Meeting.

I would also like to express my thanks and appreciations to the General Secretariat of the OIC, the Islamic Development Bank, the Ankara, Casablanca and Dhaka Centers and to the other institutions for their positive contributions to the work of our Committee.

I am confident that the recommendations that came out of our deliberations will be instrumental in enhancing the effectiveness of the COMCEC and open new avenues for closer economic cooperation among our sister countries.

We have adopted at our meeting, important recommendations for expediting the actual implementation of the new Plan of Action.

I would therefore like to emphasize the importance of the initiative taken by the Islamic Development Bank to prepare the Member States for the Twenty-first Century. We have noted with great appreciation, during the Meeting, that the Bank has already set quantitative targets to increase the trade among the member countries and allocated funds to achieve these targets.

I am confident that the timely action taken by the Bank will be highly instrumental in achieving the objectives of the COMCEC set forth in the Plan of Action.

In relation to cooperation in WTO affairs, I would like to express my special thanks and appreciation to the General Secretariat, the Islamic Development Bank and the Casablanca Center for their efforts to monitor and report on the WTO activities that are of importance to member countries and assist them in their endeavours to be active members of WTO.

We have also reviewed, during this Meeting, the preparations for the exchange of views' sessions on "Human Resources Development for Sustained Economic Growth and Progress in Member Countries" to be held at the next COMCEC Session. I believe that this event will constitute an excellent occasion to share our experiences in this important subject.

I would also like to express that the idea of inviting to the Session eminent scholars is very pertinent. I believe that with the realization of the recommended arrangements, the exchange of views on this subject will provide us with valuable insights and open new horizons for cooperation among Member States.

We have also recommended new themes, in addition to the existing ones, for the exchange of views for the subsequent sessions of the COMCEC. The themes of "Reform of Global Monetary and Financial System" and "Electronic Commerce" are indeed crucial issues for us, the effect of which on member countries will certainly call for close attention in the next century.

Distinguished Members of the Follow-up Committee,
Esteemed Delegates,
Dear Brothers and Sisters,

To conclude, I would like to reiterate my heartfelt thanks to all the participants for the active participation and sense of cooperation they have displayed during the deliberations. I would also like to express my profound thanks to the interpreters and the translators and to all the technical and administrative staff for their tireless efforts and dedicated work, which brought the Meeting to a successful conclusion.

Hoping that you have enjoyed your short stay in Istanbul, I look forward to seeing you again at the Fifteenth Session of the COMCEC in November, and wish you a safe journey back home.