

OIC/COMCEC-FC/19-03/REP

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

Istanbul, 12-14 May 2003

COMCEC Coordination Office
Ankara, May 2003

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

(Istanbul, 12-14 May 2003)

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(Istanbul, 12-14 May 2003)

1. The Nineteenth 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 on 12 - 14 May 2003.

2. Representatives of the following Member States of the Committee attended the Meeting:

Republic of Turkey	: Chairman (Permanent)
Kingdom of Saudi Arabia	: Vice Chairman (Permanent)
State of Palestine	: Vice Chairman (Permanent)
State of Qatar	: Vice Chairman (The Current Chairman of the Summit)
State of Kuwait	: Vice Chairman (Representing the Arab Region)
Islamic Republic of Iran	: Vice Chairman (Representing the Asian Region)
Federal Republic of Nigeria	: Vice Chairman (Representing the African Region)
Islamic Republic of Pakistan	: Rapporteur
Syrian Arab Republic	: Member of the Previous Bureau

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

Statistical, Economic and Social Research and Training Centre for
Islamic Countries (SESRTCIC)
Islamic Center for Development of Trade (ICDT)
Islamic University of Technology (IUT)
Islamic Development Bank (IDB)
Islamic Chamber of Commerce and Industry (ICO)
Organization of the Islamic Shipowners' Association (OISA)

4. Representatives of the following institutions also attended the Meeting:

- UNIDO Center for Regional Cooperation in Ankara
- World Trade Organization
- Gulf Cooperation Council

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

Opening Session

5. The Meeting was inaugurated by H.E. Prof. Dr. Mehmet AYDIN, Minister of State of the Republic of Turkey.

6. In his message addressed to the Meeting, H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, highlighted the role played by the COMCEC whereby member countries enjoyed the opportunity to explore ways and means of enhancing cooperation among themselves. He mentioned the importance of the projects of the COMCEC and emphasized the need to expedite effective implementation of the OIC Plan of Action. In this context, H.E. President SEZER encouraged the member countries to support the various proposals to accelerate the implementation of the Plan of Action. He pointed out the developments toward trade liberalizations in the OIC member countries, appreciating the efforts exerted by IDB and other relevant OIC Institutions in this regard. H.E. President SEZER welcomed the entry into force of the Framework Agreement on Trade Preferential System Among the

Member States of OIC and urged the relevant Member Countries and OIC Institutions to deploy their efforts in the successful completion of the first round of trade negotiations. Finally, H.E. President SEZER conveyed his thanks to all participants and expressed his wish for the successful completion of the Follow-up Committee Meeting.

(A copy of the text of the message of H.E. President Ahmet Necdet SEZER is attached as Annex II.)

7. The Meeting was then addressed by H.E. Prof. Dr. Mehmet AYDIN, Minister of State of the Republic of Turkey. H.E. Prof. AYDIN, welcoming the delegates, underlined the importance of the works done by the COMCEC. Referring to the situation in Iraq, he expressed his hope that stability would soon be restored with steady economic and social reconstruction of the country. H.E. Prof. AYDIN, then, referred to the difficulties encountered by the developing OIC Countries in promoting their economic development, resulting from the recession in the world economy and from their volatile financial structures. To overcome these difficulties, he suggested that the OIC Countries needed to encourage foreign capital investment with certain caution about the short term financial flows. He pointed out that the OIC Countries should conceitedly increase their efforts in integrating their economies by removing the barriers to trade and investment among themselves. He appreciated, in this connection, the Workshop held in September, 2002 in Istanbul on the private sector investments and hoped that the recommendations of the Workshop would be considered by the OIC Countries. Referring to the entry into force of the Framework Agreement of the Trade Preferential System Among the OIC Countries, he stated that the Government of Turkey would take necessary measures for the success of the first round of the trade negotiations to be hosted by Turkey. Referring to the proposal of the Supplementary Mechanism proposed by the COMCEC Coordination Office, he pointed out that it would facilitate the effective implementation of the Plan of Action, and expressed his appreciation for the contribution and support of the OIC General Secretariat and the relevant OIC institutions in this regard. He concluded by thanking

all the Member States and the OIC institutions for their valuable contributions to the work of the COMCEC and wished the Meeting every success.

(The text of the Statement of H.E. Prof. Dr. Mehmet AYDIN is attached as Annex III.)

8. H.E. Ambassador Nabika DIALLO, the OIC Assistant Secretary General for Economic Affairs, delivered the message of the OIC Secretary General, H.E. Dr. Abdelouahed BELKEZIZ. In his message, the Secretary General expressed his gratitude to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC for his able leadership in guiding the work of the COMCEC. He also thanked the Government of Turkey for hosting the Meeting. Referring to the implementation of the Plan of Action, H.E. Dr. BELKEZIZ expressed his hope that the Committee would give due consideration to the recommendations of the Experts Group Meeting (EGM) on Accelerating the Implementation of the Plan of Action, which was adopted by the 17th COMCEC Session. Speaking on the "Supplementary Mechanism" proposed by the COMCEC Coordination Office in pursuance of the aforementioned recommendations of the EGM, he expressed his hope that the Committee would thoroughly deliberate on it. H.E. Dr. BELKEZIZ then appreciated the preparations for the first round negotiations of the Framework Agreement on Trade Preferential System Among the Member States of OIC. He also urged the Member States, which had not yet done so, to sign and ratify the Framework Agreement as well as other OIC agreements and statutes contributing to the economic and commercial cooperation among the member states. He commended the activities of IDB in promoting intra-OIC trade. He also pointed out the important role of the private sector in promoting intra-OIC trade and economic cooperation stressing on the need to create an enabling condition for the private sector to play its role. In this context, he stated that the recommendations and decisions of the private sector meetings should be considered for implementation. H.E. Dr. BELKEZIZ wished the Meeting every success.

(A copy of the text of the message of H.E. Dr. Abdelouahed BELKEZIZ is attached as Annex IV.)

9. The Meeting was then addressed by the Heads of Delegation of the State of Kuwait, Federal Republic of Nigeria and the Islamic Republic of Iran on behalf of the three regional groups, namely the Arab, African and Asian regions. They expressed their condolences for the victims of the recent earthquake that took place in Bingöl, Turkey. They expressed their thanks and appreciation to the President of the Republic of Turkey, the Government and People of Turkey for their continued support of economic and commercial cooperation among member countries as well as for the warm welcome and excellent arrangements made for the Meeting. They stressed the need for further strengthening economic cooperation among OIC Member States and promoting cooperation amongst them based on concrete and realistic projects.

10. The Head of the Delegation of the State of Palestine also addressed the Meeting to underscore the grave situation in the occupied territories and called on the OIC Member States to extend political and material support to the Palestinian people at this critical juncture.

Working Sessions

11. The working sessions of the Meeting were chaired by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey.

12. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, H.E. Ambassador Sher Afgan KHAN, 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

13. Under Agenda Item 3, H.E. Ambassador Nabika DIALLO, Assistant Secretary General for Economic Affairs of OIC, introduced the Background Report of the General Secretariat, which was subsequently summarized by H.E. Ambassador A.H.M.

MONIRUZZAMAN, Director of Economic Affairs of the OIC General Secretariat. In his presentation, he highlighted the various activities undertaken by the Member States and the OIC Institutions towards the implementation of the resolutions of COMCEC.

14. Representatives of the OIC institutions also made presentations about their activities and provided brief information on their respective annual work program.

15. The Committee took note of the Background Report of the General Secretariat and those of the OIC institutions and expressed thanks and appreciation for their presentations.

16. The Committee emphasized the importance of OIC Agreements and Statutes in the area of economic and commercial cooperation. In this connection, the Committee renewed its call to Member States, which had not yet done so, to sign and ratify the Agreements, as early as possible, particularly the Framework Agreement on the Trade Preferential System Among Member States of the OIC (TPSOIC) so as to facilitate the participation of member states in the forthcoming first round of trade negotiations.

17. The Committee renewed its appeal to the Member States which 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.

18. The Committee requested the Member States that had already offered to host sectoral expert group meetings to expedite the convening of said meetings. It was also of the view that the Member Countries offering to host the EGMs may kindly do so within a specified time period of two years, on the expiry of which it can be open to other member states willing to host the same meeting as it would be decided by the COMCEC. The Committee also appealed to the Member States to come forward with proposals for hosting Expert Group Meetings in the priority areas of the Plan of Action, where no EGM has so far been held.

19. The Committee suggested that, in future, the Background Reports of the General Secretariat may include certain appropriate recommendations in specific issue areas.

(The Background Report by 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

20. Under Agenda Item 4, H.E. Ambassador Nabika DIALLO, Assistant Secretary General for Economic Affairs of OIC, introduced the report on the review of implementation of the Plan of Action. H.E. Ambassador A.H.M. MONIRUZZAMAN, Director of Economic Affairs of the OIC General Secretariat, subsequently presented the report on "Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States". The COMCEC Coordination Office also made a presentation on the Supplementary Mechanism for implementation of the OIC Plan of Action together with its two annexes, namely, the Rules of Procedure of the Sessional Committee of the COMCEC for Conduct of Activities in the Implementation Process of the OIC Plan of Action and Project Cycle Management, as requested by the 18th Session of the COMCEC. The representative of the COMCEC Coordination Office informed the meeting that these papers had already been circulated to the OIC member countries for their views and comments.

21. The Committee took note with appreciation of the report by the General Secretariat on the subject.

22. The Committee stressed, in this connection, the importance of the recommendations of the Expert Group Meeting (EGM) on Accelerating the Implementation of the Plan of Action which was held in Istanbul, on 6-7 May 2001 and which were approved by the 17th Session of COMCEC.

23. The Committee took note with appreciation of the study on the proposed Supplementary Mechanism undertaken by the COMCEC Coordination Office in cooperation with the General Secretariat and relevant OIC institutions, which was reviewed in a meeting of the Working Group held in Ankara on 25-27 March, 2003.

24. The Committee called upon the member states to communicate their views on the proposed Supplementary Mechanism to the COMCEC Coordination Office, latest by 15th July, 2003. On receiving the views of the member states, the COMCEC Coordination Office in consultation with the General Secretariat of the OIC and the relevant OIC institutions would finalize the study for submission to the 19th Session of the COMCEC.

25. The Committee also recommended that the COMCEC Coordination Office and the ICCI review the possible commonalities between the Supplementary Mechanism and the Monitoring Mechanism for the Implementation of the Recommendations of the Private Sector Meetings so that both the mechanisms may complement each other wherever appropriate.

(The Report by the OIC General Secretariat on the Implementation of the Plan of Action, and the Supplementary Mechanism for Implementation of the OIC Plan of Action by the COMCEC Coordination Office are attached as Annexes VII and VIII.)

Report by IDB and ICDT on the Expansion of Intra-OIC Trade

26. Under Agenda Item 5, the representatives of IDB and ICDT presented their respective reports to the Committee on the promotion of intra-OIC trade.

27. The Committee appreciated the steps taken by IDB through its operational plans to mobilize the needed resources under four schemes, namely Import Trade Financing (ITFO), Export Financing Scheme (EFS), Islamic Bank Portfolio (IBP), Unit Investment Fund (UIF) and the two mechanisms (two step murabaha and syndication). The Committee appreciated the continuous efforts of IDB in this regard enabling it to finance an amount of US \$ 4 billion in favor of intra-trade from 1420H-1423 H (1999-2002) constituting 78% of its trade financing operations totaling an amount of US \$ 5 billion. The Committee expressed its appreciation for the parallel efforts of IDB to increase intra-OIC trade through financing trade-related projects and technical assistance. The Committee further urged Member States to subscribe to the Export

Financing Scheme and to accede to the programs of ICIEC and to other schemes designed to boost intra-OIC trade.

28. The Committee also took note of the report which was presented by the ICDT on the development of intra-OIC trade, and noted with satisfaction that the intra-OIC trade recorded positive results for the second consecutive year since the share of this trade in total trade of Member Countries increased from 11.6% in 1999 to 12.2% in 2001, and the value of this trade reached approximately US \$56 billion.

29. The Committee took note with appreciation of the study undertaken by the COMCEC Coordination Office on the preparations of the first round of trade negotiations under TPS-OIC Agreement in a Working Group meeting of General Secretariat and the relevant OIC institutions, held in Ankara on 25-27 March, 2003.

30. The Committee appreciated the preparatory work being undertaken by the COMCEC Coordination Office and the Islamic Center for Development of Trade for the first round of trade negotiations, and encouraged the COMCEC Coordination Office and the Islamic Center for Development of Trade to coordinate their work to serve jointly as the prospective secretariat for the Trade Negotiating Committee.

31. The Committee expressed its appreciation for the efforts made by ICDT to organize an EGM, open to all OIC member states, in Casablanca on 24-26 June 2003 to prepare the launching of the first round of trade negotiations of the Framework Agreement on TPS-OIC. The Committee requested the ICDT and the COMCEC Coordination Office to finalize the technical documents in cooperation with the OIC General Secretariat and circulate them to member states before this EGM.

32. The Committee noted with appreciation that the Ninth Trade Fair of the Islamic Countries was organized successfully in Sharjah from 21-26 December, 2002, by ICDT and the concerned authorities of the State of the United Arab Emirates with an exhibition area consisting of 14,000 sqm, deals settled around US \$181 million, and the number of visitors reaching 120,000 including 10,000 businessmen.

33. The Committee took note of the information submitted by the Islamic Center for the Development of Trade on the Tenth Islamic Trade Fair scheduled to be held in Conakry, Republic of Guinea from 9 to 14 December 2004 under the theme of "Intra-OIC trade and strategic partnership for the development of Africa". The Committee expressed its thanks to the Republic of Guinea for offering to host this important event and urged the Member States to actively participate in the Tenth Islamic Trade Fair.

34. The Committee noted that the first Tourism Fair of the Islamic Countries, scheduled to be organized by the Republic of Turkey and ICDDT in Turkey in 2003 was postponed until Spring 2004 and called upon member states and related OIC institutions for effective participation.

35. The Committee requested ICDDT to submit regularly a progress report on the Trade Fairs of the Islamic Countries under a separate agenda item to the COMCEC Sessions.

(The Reports by IDB and ICDDT on the Expansion of Intra-OIC Trade, and the Report by ICDDT on the 9th and 10th Trade Fair are attached as Annexes IX, X, XI and XII, respectively.)

Matters Relating to the World Trade Organization (WTO)

36. The representatives of IDB and ICDDT presented reports regarding WTO and related issues. The Committee also took note of these reports with appreciation.

37. The Committee appreciated the efforts of IDB in organizing consultative meetings in order to prepare the Member States to exchange their views and coordinate their positions on major issues in the context of WTO ministerial conferences as well as future negotiations therein. It also appreciated IDB's other technical assistance aimed at capacity building of OIC Countries such as preparation of sectoral studies on WTO agreements, conducting seminars, workshops, trade policy courses and specific technical assistance to Member States.

38. The Committee also took note of the brain-storming meeting of the Geneva-based permanent missions of OIC Member Countries in preparation for the 5th WTO

Ministerial Conference, organized by the IDB in Geneva on 29 Safar - 1 Rabi I 1424H (1-2 May 2003), the ongoing preparation by the IDB to hold a Senior Officials Meeting at IDB headquarter in Jeddah, and a consultative meeting of the heads of delegations of the OIC Countries on the sideline of the 5th WTO Ministerial Conference scheduled from 10-14 September 2003 in Cancun, Mexico.

39. The Committee noted with appreciation the report presented by ICDT on the issues relating to the recent activities of WTO. The report also informed the Committee about the developments in the relations of the OIC Countries with WTO. Based on the observations of ICDT regarding the preparations of the 5th WTO Ministerial Conference to be held in Cancun, Mexico on 10-14 September, 2003, the Committee expressed its concern on slow progress in the ongoing negotiations under the Doha Development Agenda, given the lack of consensus on some main issues of interest to the OIC Member States, such as implementation of the Uruguay Round Agreements, access to commodity markets, and the availability of medicines for the treatment of certain epidemics.

40. The Committee expressed its satisfaction on the attendance of the WTO representative to the 19¹ Meeting of the Follow-up Committee. The Committee also took note of the observations made by the WTO representative on the Framework Agreement on Trade Preferential System among the Member States of OIC, who indicated that regional trade preferential systems were allowed within the framework of the rules of the WTO.

41. The Committee took note with appreciation that OIC Member States played a prominent role in the ongoing negotiations, notably since several ambassadors from the OIC countries in Geneva are chairmen of some negotiating bodies within the WTO.

42. The Committee requested IDB and ICDT to monitor matters relating to WTO activities and report thereon to the annual session of the COMCEC and other OIC fora.

(The copies of the papers submitted by IDB and ICDT are attached as Annexes XIII and XIV.)

Preparations for the Exchange of Views on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade"

43. Following the presentation made by the COMCEC Coordination Office, the Committee took note of the various past and present proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions. These were as follows:

- Reform of the Global Monetary and Financial System and its Effects on OIC Member States
- Poverty Alleviation in Member States
- Foreign Aid and the Least Developed Member States.
- Financing for Development
- Sustainable Development

The Committee also felt that further proposals could be made by Member States and OIC Institutions for the theme for exchange of views session of future COMCEC Session. In this connection, Republic of Turkey proposed that "Facilitation of Trade and Transportation within the OIC Countries" be a theme for an exchange of views session.

44. The representatives of ICDT, SESRTCIC and IUT, pursuant to the Eighteenth COMCEC Resolution, briefed the Committee on the preparations for the workshop on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade" to be held on 10-12 June 2003, in Tunis, Republic of Tunisia. The Committee noted that the ICDT would submit a report on the Workshop to the Nineteenth Session of COMCEC.

45. The Committee expressed its appreciation to the Government of the Republic of Tunisia for its offer to host the workshop and ICDT, SESRTCIC and IUT for organizing it, and called upon Member States and related OIC Institutions for effective participation.

Cooperation Among the Private Sectors of the OIC Member Countries

46. The Committee noted with appreciation the efforts undertaken by ICCI to promote and strengthen the level of cooperation of private sector within the OIC Countries. The Committee also appreciated the report by the ICCI on "Cooperation among the Private Sectors of OIC Member Countries" through its activities such as Private Sector Meetings, Investment Conferences, seminars and training programs.

47. The Committee noted that the Islamic Chamber organized the 9 Private Sector Meeting in Sharjah from 21-23 December 2002 and thanked the Ministry of Economy and Industry of UAE and the Sharjah Chamber of Commerce and Industry for their support. The success of the meeting was reflected by the participation of 500 delegates who discussed business transactions to the tune of approximately US \$ 200 million. In addition, IDB showed interest in 7 projects totaling 607 million US \$.

48. The Committee noted that the Tenth Private Sector Meeting would be held in Tehran, Islamic Republic of Iran, from 4 to 6 October 2003 in collaboration with the Iran Chamber of Commerce, Industry and Mining. The Committee also welcomed the offer of the Bahrain Chamber of Commerce and Industry to host the 11th Private Sector Meeting in Manama, Bahrain in 2004, and the offer of the Government of the Republic of Senegal to host the 13th Meeting in Senegal in 2006. No offer was made for hosting the 12th Private Sector Meeting. Furthermore, the Committee was also informed of ICCI's contacts with the officials in the Kingdom of Saudi Arabia regarding the holding of the First Private Sector Forum on Tourism in 2003. The Committee called upon the Member States to encourage their private sector to actively participate in these meetings.

49. The Committee expressed its appreciations for the efforts made by the ICCI to consolidate cooperation among the private sectors in Member Countries, and requested the ICCI to organize the private sector meetings preferably before the annual COMCEC sessions as stipulated in the relevant COMCEC resolution in order to submit the recommendations of the meetings to the COMCEC Session for further action.

50. The Committee also welcomed the setting up of a regional office of the ICCI in Turkey in order to further expand the network of the ICCI within the Member States through their respective National Chambers. This would be in addition to its existing regional offices in the Kingdom of Saudi Arabia, Malaysia and Republic of Cameroon.

Draft Agenda of the Nineteenth Session of the COMCEC

51. The Committee considered and approved the Draft Agenda of the Nineteenth Session of the COMCEC to be held from 20 to 23 October 2003, in Istanbul and decided to submit it to the Nineteenth Session of the COMCEC.

(A copy of the Draft Agenda of the 19' Session of the COMCEC, as approved by the Committee, is attached as Annex XV.)

Closing Session

52. At its closing session chaired by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization 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 Nineteenth Session of the COMCEC.

53. H.E. Ambassador Fouad YASEEN, Head of the Delegation of Palestine proposed to send a message of thanks to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC, which was unanimously approved by the Committee.

54. H.E. Ambassador Fouad YASEEN, Head of Delegation of Palestine, made a statement on behalf of the delegates. H.E. YASEEN 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. He also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

55. In his closing statement, H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to delegates for their valuable contributions and spirit of cooperation. H.E. Dr. TIKTIK, also thanked the OIC General Secretariat, and the subsidiary and affiliated institutions of the OIC for their valuable contributions. With regards issues on the agenda of the Meeting and its recommendations, he expressed his satisfaction that a wide range of issues, topics of interests and activities had been covered, notably supplementary mechanism for an effective implementation of the OIC Plan of Action, and preparations for the first round of trade negotiations within the framework of TPSOIC, and other trade and private sector activities which increasingly enriches the work of the COMCEC. He also extended his condolences to the Kingdom of Saudi Arabia on the recent tragic event in the city of Riyadh. Finally, H.E. Dr. Ahmet TIKTIK wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Dr. Ahmet TIKTIK is attached as Annex XVI.)

ANNEXES

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

(Istanbul, 12-14 May 2003)

Original: English

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

(Istanbul, 12-14 May 2003)

A. MEMBER STATES OF THE OIC

ISLAMIC REPUBLIC OF IRAN

- Mr. MASOUD MORTAZAVI
Expert, Ministry of Foreign Affairs
- Mr. SAEID KHANIOSHANI
Division Chief,
Director, Islamic Countries
Ministry of Economic Affairs & Finance

STATE OF KUWAIT

- H.E. ABDUL MOHSIN AL-HUNAIF
Deputy Minister, Ministry of Finance
- Mr. ISHAQ ABDUL KARIM
Director of International Economic Department,
Ministry of Finance
- Mr. ADEL AL-ASSOSI
Head of Division
- Mr. SALEM AL-BATHER
Economic Researcher,
Ministry of Finance

FEDERAL REPUBLIC OF NIGERIA

- H.E. LAWAL MOHAMMED MUNIR
Ambassador of Nigeria to Turkey
- Mr. MUHAMMAD NDANUSA
Minister Plenipotentiary, Embassy of Nigeria, Ankara
- Mr. IBRAHIM NAIBBI
Deputy Director

ISLAMIC REPUBLIC OF PAKISTAN

- H.E. SHER AFGAN KHAN
Ambassador of Pakistan to Turkey
- Mr. MUHAMMAD RIAZ
Consul General,
Consulate General of Pakistan, Istanbul
- Mr. NAJEEB DURRANI
Vice Consul,
Consulate General of Pakistan, Istanbul

STATE OF PALESTINE

- H.E. FOUAD YASEEN
Ambassador of Palestine to Turkey
- Mr. IMAD AL AGAH
Director of International Relations,
Ministry of Economy, Trade Industrial
- Mr. ABDIL KARIM AL KHATIB
Palestine Representative in Istanbul

STATE OF QATAR

- Mr. AHMED SALEH AL-MOHANNEDI
Head of International Relations Section,
Ministry of Economy and Commerce

KINGDOM OF SAUDI ARABIA

- Mr. ABDULLAH BIN ABDULWAHAB AL NAFISAH
General Director for Arabic and Islamic Affairs,
Ministry of Trade and Industry
- Mr. ABDULAZIZ BIN ABDULLAH ABO HAIMAD
First Secretary,
Ministry of Foreign Affairs
- Mr. HUSSYEN EED AL-RASEED
Economic Researcher,
Ministry of Trade and Industry

- Mr. ABDULLAH BIN MOHAMED ALLAHM
Economic Expert,
Ministry of Finance

SYRIAN ARAB REPUBLIC

- Dr. FAROUK ALNAJJAR
Director of International Trade
- Ms. RIMA KADRE
Director of Public Relation
- Mr. FIRAS ALRASHIDI
Vice-Consul
- Mr. NEBIL HEZBER
Translator

REPUBLIC OF TURKEY

- H.E. Assoc. Prof. Dr. ABDULLATİF ŞENER
Minister of State and Deputy Prime Minister
- H.E. Prof. Dr. MEHMET AYDIN
Minister of State
- H.E. Dr. AHMET TIKTIK
Undersecretary of State Planning Organisation
- Mr. LÜTFİ ELVAN
Deputy Undersecretary of State Planning Organisation
- Mr. İNAN ÖZYILDIZ
Adviser of Foreign Affairs, President's Office
- Mr. ZEYNETTİN KASIMOĞLU
Deputy Secretary General of State Planning Organisation
- Mr. FERHAN ERKMENOĞLU
Head of Department,
Ministry of Foreign Affairs
- Mr. GÜRCAN ÖZER
Head of Department,
Ministry of Industry and Trade

- Mr. YAŞAR GÜLSOY
Head of Department,
Undersecretariat of State Planning Organisation
- Mr. A. FAİK KURAL
Head of Department,
Undersecretariat of Foreign Trade
- Mr. A. LÜTFİ BOSTANCI
Head of Department,
Export Credit Bank of Turkey
- Mr. Ö. ASIM AKSOY
Expert, Undersecretariat of Foreign Trade
- Mr. HASAN DEMİRCİ
Expert, Commodity Exchange of Turkey 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
- H.E. Ambassador A.H.M MONIRUZZAMAN
Director of Economic Affairs
- Mr. ALBARAA F. TARABZOUNI
Professional Officer in the Economic Affairs Department

C. SUBSIDIARY ORGANS OF THE OIC

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

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D. SPECIALIZED INSTITUTIONS OF THE OIC

THE ISLAMIC DEVELOPMENT BANK (IDB)

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E. AFFILIATED INSTITUTIONS OF THE OIC

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- Mr. MAARTEN SMEETS
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- Mr. CELAL ARMANGİL
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- Mr. AHMET CAFOĞLU
Director General, Head of the COMCEC Coordination Office
- Mr. FERRUHTIĞLI
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- II -

MESSAGE OF H.E. AHMET NECDET SEZER
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12 May 2003)

Original : Turkish

**MESSAGE OF H.E. AHMET NECDET SEZER,
PRESIDENT OF THE REPUBLIC OF TURKEY
AND CHAIRMAN OF THE COMCEC**

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

(Istanbul, 12 May 2003)

Distinguished Chairman,
Distinguished Members of the Follow-up Committee,
Honorable Delegates,

I am happy to welcome and extend my best wishes to all the delegations participating in the Nineteenth Meeting of the Follow-up Committee of the COMCEC.

The COMCEC has always been an important forum where the economic and commercial developments in the Member Countries as well as in the world are reviewed and the opportunities of cooperation in this field are investigated during the sessions held each year regularly.

I believe that the current session will open new horizons for us through defining the agenda items of the COMCEC and follow-up of the resolutions adopted during the previous meetings.

The COMCEC has achieved a certain degree of maturity thanks to the substantial contributions of the Member States, the General Secretariat of the Organization of the Islamic Conference and the affiliated and subsidiary institutions. The fact that some of the important projects developed so far by the COMCEC are already in operation and some others have reached the stage of implementation is very promising for the future.

We appreciate the intensified efforts in recent years to accelerate the implementation of the Plan of Action for the Economic and Commercial Cooperation, which forms the foundation of the COMCEC work. The rapid change of international conditions and the emergence of new formations require that new projects for cooperation in the areas designated in the Plan of Action should be realized soon. I expect all the Member Countries to contribute to the materialization of the schemes devised to accelerate the implementation of the Plan of Action.

Distinguished Chairman,
Honorable Delegates,

The trend towards the liberalization of the world trade has gained impetus in recent years due to the efforts of the World Trade Organization. The initiatives for regional cooperation, the free trade agreements and the preferential trade agreements are aimed towards achieving this objective. The OIC Member Countries too, join this process by their efforts to effectively contribute to the endeavors of the World Trade Organization.

I would like to take this occasion to express my thanks for the support of the Islamic Development Bank and the affiliated and subsidiary institutions of the Organization of the Islamic Conference, extended to the Member States of the OIC in joining the membership of the World Trade Organization and in closely following up the activities of this Organization.

We are happy to note that the Framework Agreement for the Trade Preferential System among the Member Countries of the OIC, prepared through the work of the COMCEC has become operational during the current year. We are looking forward to make the optimal preparations for the successful conclusion of the First Round of the Trade Negotiations to be started next year and hosted by Turkey in the framework of the implementation of the above-mentioned Agreement. I am sure that the General Secretariat as well as the affiliated and subsidiary institutions will give their support to these preparations.

Distinguished Delegates,
Honorable Guests,

I would like to mention briefly the current political developments which have a direct bearing on the Islamic World. The territorial integrity and the preservation of the independence and sovereignty of Iraq, a Member State of the Organization of the Islamic Conference and Turkey's neighbor, has always been of special importance for Turkey. We wish that in the post-war period Iraq will soon attain political integrity and a democratic administration with full control of her natural resources.

The developments in Iraq will directly impact the stability and balances in the region. Consequently it is important to establish security and stability in Iraq on the basis of national consensus as soon as possible.

The priority, after security and stability are established and basic human needs are satisfied, must be on restoring the administration of the country to the Iraqis. We think that this process must go hand-in-hand with the efforts of restructuring Iraq and that the United Nations must assume a leading role in this transition process.

The long standing conflict between the Israelis and Palestinians resulting in heavy casualties cause deep grief in the entire Islamic World. I would like to emphasize once again that the Arabian-Israeli conflict must be resolved on the basis of the United Nations Security Council resolutions no. 242 and 338 and resolution no 1397 which reflect the concept of a "region where Israel and Palestine will co-exist within their secure and recognized borders." The establishment of a fair, permanent and comprehensive peace will also contribute to the enhancement of stability and cooperation in the region.

In this framework we consider the recent developments in the direction of solving the conflict are very positive. The presentation of the "road map" to the parties after the new Palestinian Government received from the Palestinian Legislative Council a vote of confidence has strengthened the hope for peace. We hope that from now on both parties will use their common sense and will cooperate with good will to put and end to the hostilities.

Distinguished Chairman,
Honorable Delegates,

In renewing my belief that strengthening the economic and commercial cooperation among our countries will also make important contributions to the development of international cooperation, I hope that our efforts towards cooperation will contribute to the increase of wealth and decrease of poverty for our people and will help accelerate development in all areas.

With these sentiments, I, once again, welcome you all and wish that this session will yield beneficial results.

- III -

OPENING STATEMENT BY
H.E. PROF. DR. MEHMET AYDIN,
MINISTER OF STATE OF THE REPUBLIC OF TURKEY

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12 May 2003)

Original: Turkish

**OPENING STATEMENT BY
H. E. PROF. DR. MEHMET AYDIN,
MINISTER OF STATE OF THE REPUBLIC OF TURKEY**

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

(Istanbul, 12 May 2003)

Distinguished Members of the Follow-Up Committee,
Distinguished Assistant Secretary General,
Honorable Delegates,

I would like to start my address by expressing my pleasure at hosting this elite gathering in Istanbul on the occasion of the Nineteenth Meeting of the Follow-Up Committee of the COMCEC.

The COMCEC, over a period of nearly twenty years, has formed a significant international platform to bring together the Islamic States for economic and trade purposes. This platform has been used to discuss, resolve upon, or start the implementation of, areas of cooperation, concrete projects and future-oriented strategic perspectives.

The Follow-up Committee assumes an important task in the preparation of COMCEC Sessions. I fully believe that you, distinguished experts and delegates, will make important contributions to the elaboration of the agenda of this year's COMCEC Session.

Distinguished Members of the Follow-up Committee,
Honorable Delegates,

A new cloud of tension and tragedy descended on the Islamic world and the region in the recent past. It is our wish that the brotherly Iraqi people will soon recover

from this tragedy and will give impetus to the development and welfare efforts. The Islamic world must also play a leading role in the process of the reconstruction of Iraq.

Distinguished Members of the Follow-up Committee,
Honorable Delegates,

The world economy has been in a process of deep stagnation for several years. The real reason of this situation is that countries like the USA and Japan, which have the biggest share of the world output, are caught in stagnation. Moreover, there is recession in the economic performance of many countries of Latin America, North America, Western Europe and Asia.

The world trade has also recorded recession in 2001 as a result of the shrinking of the world product. The world trade shrank by 0.1 % in 2001 but grew by 2.1 % in 2002. An improvement of both economic growth and the trade performance is expected in 2003. However, intensive efforts will be needed to improve the growth and trade performance of the developing countries which face structural problems and which are more severely impacted by the results of global economic and financial crises. More importantly, majority of the developing economies or those in the transition stage are burdened with additional difficulties in reinvigorating their internal demand because integration with the global economy imposes restrictions on the policy options and also because of their weak financial structures.

Due to the recession of the world economy, the foreign direct investments decreased from 1.5 trillion dollars in 2000 to 735 billion dollars in 2001. This is an extremely unfavorable situation for the countries aspiring to development, where there is a severe need for technological capacity and financing. It is expected that foreign capital direct investments will reach their former levels during the coming years. However, having the infrastructure, qualified manpower and a stable macroeconomic structure to attract direct investments will be an important advantage during this process. I believe that in this framework, it would be appropriate to maintain an attitude which is more selective towards short-term capital movements, one of the most important reasons to the global financial crisis, but encouraging foreign direct investments.

Distinguished Members of the Follow-up Committee,
Honorable Delegates,

The COMCEC, as a forum where the developments of global economy are observed, and the risks and opportunities of such developments for our economies are assessed, must intensify its efforts to bring closer together the Islamic world in the fields of economics and trade. We must put particular emphasis on the acceleration and implementation of the projects aimed at bringing down the barriers to trade and investments and at strengthening cooperation among the Member States. The most reliable method vis-à-vis global financial crises or economic stagnation is to set up strong economic structures among the Member States of the Organization of the Islamic Conference.

It is a matter of urgency to have more intensive and concrete cooperation among the Islamic countries in order to better utilize particularly foreign capital direct investments, joint investments and financial opportunities. For example, while there is an accumulation of idle capital in some of the Islamic countries, some others are obliged to borrow from international markets at high interest. Considering the ill effects of the terms of borrowing from international markets and of the global financial crises on our economies, there is a need to develop projects to further enhance financial cooperation among the Islamic States.

In this framework, I would like to refer, with pleasure, to the workshop held in Istanbul in September of last year, during which the opportunities to increase the private investments among the Member States of the COMCEC were examined. I am fully confident that the distinguished members of the Committee and the concerned institutions of the OIC will give full attention to, and make careful evaluation of, the findings and recommendations of this workshop.

Distinguished Members of the Follow-up Committee,
Honorable Delegates,

It is pleasing to note that in approaching its twentieth anniversary, the COMCEC has reached the stage of implementation for a number of cooperation projects which have been in the COMCEC agenda for long years.

The first of these projects concerns the expansion of intra-OIC trade, one of the priority aims of the COMCEC. The Framework Agreement on the Establishment of Trade Preferential System Among the Islamic Countries has become actually operational after getting the ratification of a sufficient number of Member States. The first round of the trade negotiations will start in the coming months when the preparations related to the Framework Agreement are completed. In the event there is a successful conclusion to these negotiations, to be started in many sectors including agriculture, and aimed at comprehensive reductions, a substantial impetus will be gained for the trade and economic relationships among our countries.

I am happy to state that Turkey will host these negotiations, the first of its kind to take place within the framework of the COMCEC. My Government will do her best for the most productive conclusion of these negotiations. I believe that the COMCEC Coordination Office and the Islamic Center for Development of Trade, which have undertaken the preparations for the negotiations, will fulfill their mission in this respect at the highest level, working in harmony with the Turkish Government. I am sure that these two institutions and the other concerned OIC institutions will, in connection with their preparations, make perfect evaluations of the conclusions of the Working Group Meeting held in Ankara last March and the Experts Group Meeting to be held in Casablanca this June.

Another field of cooperation in the agenda of the COMCEC, which has already advanced to a favorable stage, concerns the Implementation Mechanism of the Plan of Action. As this August Body is well aware, the OIC Plan of Action is the most fundamental document including the economic and trade cooperation fields and the aims of the COMCEC. The priority and permanent agenda item of this forum is to make this Plan operational.

Although many cooperation projects have been submitted to the COMCEC in connection with the Plan of Action since the Plan come into force, only some of them have been implemented so far, because the implementation mechanism of the projects cannot be effectively operated. It would be beneficial if particularly the expert institutions of the OIC and the COMCEC Coordination Office would assume a leading role to make the Implementation Mechanism of the Plan of Action more efficient. This role should be extended to such activities as the technical evaluation of the projects

submitted so far to the COMCEC and to the selection of the responsible OIC institutions to follow-up the implementation of the projects in order to give impetus to the Implementation Mechanism.

I would like to express my thanks to the General Secretariat of the OIC, its affiliated institutions and the Islamic Development Bank for their valuable support in this process, feeling confident that their support will continue during the next period.

Distinguished Members of the Follow-up Committee,
Honorable Delegates,

The Government of the Turkish Republic is committed to contribute to the efforts of the Islamic world for development and welfare, and to support all endeavors towards strengthening cooperation.

I would like to take this occasion to extend my best regards to all of you and express my best wishes for a successful conclusion of your work.

-IV-

MESSAGE OF H.E. DR. ABDELOUAHED BELKEZIZ,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12 May 2003)

**MESSAGE OF H.E. DR. ABDELOUAHED BELKEZIZ, SECRETARY
GENERAL OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE (OIC), AT THE INAUGURATION OF THE
19TH MEETING OF THE FOLLOW-UP COMMITTEE OF THE
STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION (COMCEC)**

ISTANBUL, 12-14 MAY, 2063

Bismillahir Rahmanir Rahim

Mr. Chairman,
Distinguished Delegates,
Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

Let me, first of all, convey my warm greetings to all the delegates and participants of the 19th Meeting of the Follow-up Committee of COMCEC. Let me also express my gratitude to the Government of the Republic of Turkey for hosting this important meeting of COMCEC Follow-up Committee.

Allow me also to pay a special tribute to H.E. Mr. Ahmet Necdet Sezer, the President of the Republic of Turkey and the Chairman of the COMCEC, for his wise and able leadership in guiding the work of this important Standing Committee of OIC.

The Follow-up Committee, while undertaking a review of the state of implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation, will, I hope, deliberate on the implementation of recommendations of the Experts Group Meeting (EGM) for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States, which was held in Istanbul in May 2001 and which were adopted by the Seventeenth COMCEC session. I assign particular importance to the recommendations giving the OIC institutions some role in the implementation of the Plan. The last session of COMCEC welcomed the supplementary mechanism, which has been developed in this connection in pursuance of the recommendations of the EGM. The COMCEC Coordination Office in cooperation with the OIC institutions has been working on developing the proposal. I hope the Follow-up Committee will consider the matter and come up with appropriate steps in this regard.

Much has been said on the importance of the expansion of intra-OIC trade, which is an area where decisive action on the part of the Member States is particularly called for as intra-OIC trade continues to remain stagnated around 11 per cent of the total global trade of the Member States. I would like to mention in this connection that, following the entry into force of the Framework Agreement on Trade Preferential System among the OIC Member States, the preparatory work for the holding of the first

round of trade negotiation under the Framework Agreement is going on satisfactorily. I urge Member States, which have not yet done so to sign and ratify this Agreement so as to facilitate their taking part in the forthcoming trade negotiation.

There are a number of other agreements and statutes aimed at providing a legal framework for collaboration in intra-OIC economic cooperation, investments and joint ventures, and strengthening of the private-sector cooperation, *i* would also urge the Member States to sign and ratify these other agreements and statutes as well.

I must mention here the commendable and sustained role played by the Islamic Development Bank in the promotion of intra-OIC trade. I would like to mention, in particular, a number of schemes and projects of IDB, which are aimed at strengthening commercial cooperation among the Member States. I would also like to mention the successful holding of a Forum jointly organized by the Islamic Development Bank and the Islamic Centre for Development of Trade on promotion of trade between the OIC Member States of North and West Africa, which was held in Casablanca on 17-18 April, 2003. The recommendations of the seminar are important and calls for their implementation.

The recent resolutions of the Islamic Summits and Islamic Conferences of Foreign Ministers have stressed on the role of the private sector in the promotion of intra-OIC trade and economic cooperation. We need to create enabling conditions for the private sector to play its expected role. It is important in this connection, to ensure speedy implementation of decisions and recommendations of Meetings of Private Sector of OIC Member States. In this connection, I am particularly happy to note that the Task Force, which I had set up for developing a programme to energize the small and medium enterprises in the least developed and land-locked OIC countries, is going to hold its second meeting within the next few days in Maputo, Mozambique.

I am convinced that deliberations at this Meeting will lead to important conclusions, which will provide valuable inputs for the forthcoming session of COMCEC to be held in Istanbul in October this year.

I wish the 19th Meeting of the Follow-up Committee of COMCEC great success.

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

- V -

AGENDA
OF THE NINETEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC

(Istanbul, 12-14 May 2003)

Original: English

**AGENDA
OF THE NINETEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Istanbul, 12-14 May 2003)**

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.
 - Supplementary Mechanism for implementation of the OIC Plan of Action.
5. Reports by IDB and ICDT on the Expansion of Intra-OIC Trade.
 - Preparations for Launching the First Round of the Trade Negotiations of the TPS-OIC Agreement.
6. Matters Related to the World Trade Organization Activities.
7. Preparations for the Exchange of Views on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade", to be organized during the Nineteenth Session of the COMCEC.
8. Cooperation Among the Private Sectors of OIC Member Countries.
9. Draft Agenda of the Nineteenth Session of the COMCEC.
10. Any Other Business.
11. Adoption of the Report.
12. End of the Meeting.

- VI -

**BACKGROUND REPORT BY THE
OIC GENERAL SECRETARIAT**

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

(Istanbul, 12-14 May 2003)

**BACKGROUND REPORT BY THE OIC GENERAL SECRETARIAT
TO THE NINETEENTH MEETING OF THE FOLLOW-UP
COMMITTEE OF THE COMCEC**

(ISTANBUL, REPUBLIC OF TURKEY 12-14 MAY, 2003)

I. INTRODUCTION

Since the addition of economic dimension to the activities of the Organization of the Islamic Conference at the 2nd Islamic Summit held in Lahore, 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 to provide a framework of economic and trade cooperation among OIC Member States. The Standing Committee for Economic and Commercial Cooperation (COMCEC) was established in 1981 by the Third Islamic Summit Conference held in Makkah Al-Mukarramah/Taif with the task of following up the implementation of all resolutions adopted by OIC in economic and commercial fields. A series of subsidiary, affiliated and specialised bodies were brought into being with a view to furthering economic cooperation among Member States.

The object of this Report is to provide updated background information on these initiatives under the following two headings, namely Development of Economic and Trade Cooperation and Status of the Signing and Ratification of Statutes and Agreements.

II. 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 of strengthening cooperation in the field of trade. 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 included recommendations 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 in the field of enhancement of intra-Islamic trade is summarized below.

(i) Export Financing Scheme (EFS)

Following approval by COMCEC, 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 1408H, aims at promoting exports of non-conventional commodities among OIC Member States as well as to non-member countries by providing the necessary short and long term funds. The repayment periods under the Scheme were originally between 6 and 60 months for exports from the Member States of the Scheme to any other OIC Member State. This period has now been extended to ten years for capital goods such as ship, machinery etc. The Scheme comprise of 24 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 1422 H was ID 317 million, out of which ID 167 million was subscribed by member countries. The IDB has contributed to the Scheme a sum of ID 150 million, half of which has already been paid up. The paid up capital stands at ID 133.25 million.

Originally the scheme was conceived to finance exports from one Member State to another. However, in order to expand its scope and promote exports of Member States, 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 States will be much larger than previously.

Since its inception till the end of 1422H, the net approvals under the scheme amounted to US\$979.0 million for 176 operations, the approval in 1422H being US\$213.9 million for 20 operations.

Member States are encouraged by COMCEC to adhere to this scheme in order to benefit from its financing and ensure more earnings from their exports.

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

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is a subsidiary of the IDB established in 1994 with a authorized capital of ID 100 million (about US\$127 million) and commenced operations in 1995. Members of the Corporation are the IDB and the Organization of the Islamic Conference (OIC) Member States that have signed and ratified the Articles of Agreement of the Corporation and have paid their respective subscription to the capital stock of the Corporation. The IDB subscribed to 50 per cent of the capital and the majority of the Member States of the OIC have signed the Articles of Agreement and are at various stages of completing member ship requirements, (up to date 30 countries joined the Corporation).

The objective of the ICIEC is to enlarge the scope of trade transactions and the flow of investment among Member Countries of the OIC. ICIEC provides: (i) export credit insurance and reinsurance to cover non-payment of export receivables resulting from commercial (buyer) or non-commercial (country) risks and (ii) investment insurance and reinsurance against country risk mainly the risk of exchange transfer restrictions, expropriation, war and civil disturbance and breach of contract.

As at the end of 1422H, the total number of policies in force reached 63. During the year 1422H, it issued 23 new export credit policies and renewed 55 export credit policies and 1 investment insurance policy. The commitments approved by the corporation during 1422H reached US\$117 million with its current commitments standing at US\$248 million at the end of 14212H. As at the end of 1422H, the total exposure of the Corporation reached US\$ 78 million.

ICIEC has been continuing to implement its marketing strategies through national and international promotional seminars, presentation seminars, follow-up visits to member countries and meetings with exporters and banks.

(iii) Islamic Multilateral Clearing Union

The IDB undertook a study of the project at the request of COMCEC. The 8th COMCEC Session, held in 1992, noted with appreciation the finalisation by the IDB of the "Agreement on the Multilateral Islamic Clearing Union" and approved, in principle, the proposed Agreement and endorsed the recommendations of the Governors of the Central Banks and Monetary Authorities of Member States held in Cairo in 1990.

The Tenth COMCEC Session held in Istanbul, October 22-25, 1994, 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 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, which was submitted to the second COMCEC session. A study group was set up to revise that study with a view to developing a "database system" on trade information relating to OIC Member States, ensuring an optimal utilization of means already existing in Member States.

The conception of ICDT's data bases is finalized, all the modules are completed and operational. It is practically identical to the OICIS-NET basic model accepted by the Islamic Development Bank. 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.

The 18th COMCEC recommended to the Member States to make full use of the facility.

(v) 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 (ICCI). The Islamic Trade Fairs are playing very important roles in boosting intra-OIC trade by bringing together business firms, entrepreneurs and their products. So far nine Islamic Trade fairs have been successfully organised.

The Ninth Islamic Trade Fair was organized in Sharjah, U.A.E. from December 21 to 26, 2002 by ICDT in collaboration with ICCI and the Sharjah Chamber of Commerce and Industry. Republic of Guinea has offered to host the 10th Islamic Trade Fair in the year 2004. The Member States are encouraged to participate actively in the Islamic Trade Fairs.

The rules and regulations governing Islamic Trade Fair, which were prepared by ICDT, were adopted by the 18th Session of the COMCEC. The implementation of these rules will streamline the holding of the Islamic Trade Fair.

(vi) 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. 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. These meetings bring together entrepreneurs and business firms of Member States with a view to developing joint investment projects and ideas for implementation within the OIC countries. So far eight Private Sector Meetings have been held successfully.

The 9th Private Sector Meeting was held on 21-23 December 2002 in Sharjah, United Arab Emirates. The Islamic Republic of Iran has offered to host the 10th Private Sector Meeting in 2003.

During these private sector meetings, numerous agreements and contracts were negotiated and signed between the businessmen from OIC Member States. However, despite efforts made by the ICCI, the implementation of the recommendations made by the private sector meetings as well as the agreements and the contracts signed during these meetings are not satisfactory. COMCEC has decided to establish a committee to

monitor effective implementation of the recommendations of the private sector meetings. ICO has been designated as the focal point in respect of the work of this committee.

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

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions. Since then Exchange of Views Sessions have been held on the following topics:

(1) Implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization on the external trade of the OIC Member Countries (11th COMCEC); (2) 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); (4) Intra-OIC Trade, Investments, Economic Stabilisation and Structural Reforms in Member Countries (14th COMCEC); and (5) Human Resources Development for Sustained Economic Growth and Progress in Member Countries (15 COMCEC); (6) Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization (16th COMCEC); and (7) Effects of Non-Tariff Barriers on the Foreign Trade of Member States (17th COMCEC), (8) "Private Sector Investment in the Member Countries and the Role of IDB" (18th COMCEC).

"Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of intra-OIC Trade" was chosen at the 18th Session of COMCEC as the topic for Exchange of Views at the 19th Session of COMCEC. As requested by the COMCEC, SESRTCIC, ICDT and IUT in cooperation with other OIC institutions, such as IDB and ICCI will organize a workshop on the topic prior to the 19th Session of COMCEC.

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

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 Conference, having considered the report of the Dakar Symposium, adopted a declaration on "the Food Security Decade" in OIC Member States, which, inter alia, made an appeal 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 established during the Symposium and chaired by the Minister for Rural Development and Hydrology of Senegal, is doing its best to implement the recommendations of the Dakar Symposium. 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 Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production and decided to periodically review the situation of food security in all OIC Member States.

Government of the Arab Republic of Egypt offered to host an Expert Group Meeting on Food, Agriculture and Rural Development. The OIC General Secretariat is in contact with the host Government to fix a date for the meeting.

It is worth mentioning that the OIC General Secretariat participated actively in the World Food Summit Five Year Later which was held in FAO Headquarters in Rome in June 2002. Furthermore, during the UN/OIC/ General Meeting held in Vienna in July 2002 OIC/FAO agreed to strengthen their cooperation in the field of preparation and implementation of food security programme on regional and national level; and rehabilitation and rebuilding of agricultural sector in Afghanistan and Palestine.

c) Cooperation in the area of Industry

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, expressing their conviction in transport as an important element of the development of commercial and economic cooperation among Islamic states, decided to cooperate in the development of road and maritime transport, railway and 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 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 Transportation which was earlier scheduled on 7-9 January 2003 in Cairo and it is now postponed. The OIC General Secretariat is in contact with the host Government to fix a new date for the meeting.

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. Reduction of telecommunication tariffs applicable to information organs was an important recommendation of the First Ministerial Meeting. An experts group meeting on ways and means of reducing telecommunication tariffs applicable to information organs was held in Cairo on 28-29 September, 1993.

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 recommendations on cooperation among the Member States 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, 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 adopted the report of the Third OIC Ministerial Meeting on Posts and Telecommunications held in Tehran. The Government of the Republic of Sudan has offered to host the 4th OIC Ministerial Meeting on Posts and Telecommunication and the government of Sudan is expected to announce a date for the meeting.

f) Cooperation in the field of Energy

The First Ministerial Meeting of the OIC Member States on Energy was held in Istanbul, Turkey, from 3 to 6 September, 1989 concurrently with the Fifth COMCEC Session. The Ministers recognising that energy issues are important elements of cooperation among Member States, adopted a comprehensive resolution, recommending, 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 electricity.

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. Government of Sudan has offered to host a sectoral experts group meeting on Energy and Mining, the dates of which are expected to be announced.

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. The Ministerial Meeting, inter alia, urged Member States to enhance cooperation in this field 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 Indonesia pertaining to cooperation in the area of urban infrastructure and rural development.

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, 1984 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 Government of Indonesia has offered to host an international workshop on Employment and Manpower Exchange. The Government of Sudan has offered to host a sectoral expert group meeting on human resources development. Dates of the two meetings are expected of be announced.

i) Cooperation in the Field of Tourism

The Seventh Islamic Summit Conference held in Casablanca in 1994 stressed on the importance of intra-OIC cooperation in tourism and adopted, for the first time, a separate resolution on cooperation in the field of tourism. The Twenty-thgird ICFM held in Conakry in 1995, reiterated the earlier resolution and expressing the conviction that tourism formed a main pivot in the economic development, cultural exchange and rapprochement between nations, invited the Member States to cooperate in number of areas, including exchange of information, cooperation in tourism events and investment in tourism industry. The subsequent Islamic Summit Conferences and Islamic Conferences of Foreign Ministers adopted similar resolutions on cooperation in the field of tourism.

The Government of the Islamic Republic of Iran hosed the First Islamic Conference of Ministers of Tourism which was held on 2-4 October, 2000 in Isfahan. The Conference recognized the importance of tourism as an area of cooperation among OIC Member States and the need to have strategy for collaborative action for enlarging their share in the global tourism market. It agreed on a number of areas of cooperation assigning priority to the development of tourism infrastructure. It also decided to set up a follow-up committee, which met in Tehran on 27-28 August, 2001.

The report of the Follow-up Committee along with the Tehran Communique on Tourism was submitted to the Second Islamic Conference of Ministers of Tourism, which was held on 10-13 October 2001 in Kuala Lumpur. The Conference adopted a resolution on tourism development along with the Kuala Lumpur Programme of Action for the Development and Promotion of Tourism in the OIC Member States and calling for an experts group meeting to elaborate on the means and modalities of implementation of the Programme of Action. The Conference thanked the Islamic Republic of Iran, Malaysia and the Republic of Indonesia for offering to act as the focal points for activities in research and training in tourism, marketing, and tourism facilitation respectively. The meeting of the Follow-up Committee of the Second Islamic Conference of Ministers of Tourism was held in Kuala Lumpur on 5-6 September, 2002. The Follow-up Committee examined the means and modalities of implementation of the Kuala Lumpur Programme of Action and enlisted in a Matrix an elaborate list of practical action to be undertaken by the Member States, both individually and collectively.

The Government of the Kingdom of Saudi Arabia hosted the Third Islamic Conference of Ministers of Tourism on 6-9 October, 2002 in Riyadh. The Conference adopted a resolution of tourism development and the Riyadh Declaration. The General Secretariat is in contact with these three Governments in connection with holding of the meetings. The Government of the Islamic Republic of Iran which offered to host the first experts group meeting on tourism announced that the meeting would be held in Tehran on 23-25 May, 2003. The General Secretariat is in contact with the host government in connection with the holding of the experts group meeting.

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 subsequently held in Istanbul between 1990 and 1994. 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 held in Istanbul from 22 to 25 October 1994, inter alia, noted that the Meetings of Focal Points for Technical Cooperation were being held annually on a regular basis in Istanbul and appreciated the support extended by Turkey and OIC institutions such as the IDB, SESRTCIC, ICDT and IIT. It 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.

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. The responses received from some interested Member States have been transmitted to the government of the Republic of Turkey with a view to setting up the project committee in accordance with the Follow-up and Implementation Mechanism of the Plan of Action.

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

The 9th Islamic Summit Conference, the 29th Islamic Conference of Foreign Ministers and the 18th Session of COMCEC urged the Member States that have not yet done so to sign or ratify at an early date the various OIC agreements and statutes in the field of economic and trade cooperation, which are aimed at creating an enabling conditions in which such cooperation could flourish. An updated summary of the situation regarding the signing and ratification of the following six OIC Agreements and Statutes is given below as well as in tabular form in Annex.

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 28. 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 30 Member States and ratified by 20. After having been ratified by more than 10 countries, the agreement came into force in February 1988.

iii) Framework Agreement on Trade Preferential System.

The Framework Agreement on Trade Preferential System was approved by the Sixth COMCEC in October 1990. 23 Member States have so far signed the Framework Agreement. The General Secretariat received the instrument of ratification by the Republic of Cameroon of the Framework Agreement on Trade Preferential System on 5 October, 2002 (i.e. eleventh ratification). The Agreement having the required number of ratifications has now entered into force. Accordingly, the COMCEC at its 18th Session resolved to set up the Trade Negotiating Committee consisting of the participating countries that have ratified the Agreement and declared trade concessions to be negotiated. The Republic of Turkey has offered to host the first round of such negotiation which is expected to be held in 2004.

iv) Statute of the Islamic Civil Aviation Council.

The Statute of the Islamic Civil Aviation Council has been signed by 16 Member States and ratified by 7 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 10 Member States. The Statute has not yet entered into force for lack of required number of ratification.

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

The 14th COMCEC adopted the Statute and invited Member States that are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. Six Member States have so far signed the SMIIC and ratified by two Member States.

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

This Background Report, in the interest of efficiency and avoiding duplication of work, does not include (in accordance with the earlier directive of COMCEC) a summary of the activities of the following six OIC Subsidiary Organs, Specialised and Affiliated Institutions working in the field of economic and commercial cooperation among Member States: SESRTCIC, ICDT, IUT, IDB, ICCI and OISA. The individual reports to be submitted by these OIC institutions to the 19th Meeting of the Follow-up Committee of COMCEC will provide detailed information on their activities.

V. GENERAL OBSERVATIONS

The details as elaborated above show that progress in the various priority areas have been uneven. While ministerial meetings have been held in nine out of ten priority areas, there have been a series of more than one such meetings in some areas (food, industry, telecommunication and tourism). There are also several offers of holding ministerial meetings and concerned Member States are urged to hold these meetings at an early date. Experts group meetings have so far been held only in three priority areas. Although no ministerial meeting has been held in the priority area of labour and manpower, several meetings at the experts level have already taken place. Thus, the Member States have in fact made a beginning in all priority areas. What is required is the holding of experts group meetings in all these priority areas as envisaged in the strategy of implementation elaborated in the Plan of Action.

The 17th COMCEC Session stressed the importance of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the Plan of Action (Document: OIC/COMCEC/EGM-PA/01/REP.) and called for their implementation. As can be seen in the Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among the OIC Member States (Document: COMCEC/19-2003/FC/PLAN) submitted to this session of COMCEC, the General Secretariat has drawn particular attention to a number of key recommendations of the aforesaid Experts Group Meeting. These recommendations stress on the conception and development of specific cooperation projects as well as the involvement of the relevant OIC institutions as focal points for each priority areas in this respect for providing the related technical details and ways and means of and institutional set up for financing such project. COMCEC may call upon the relevant OIC institutions to undertake the task as elaborated in the recommendations.

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		Statute of the Standards and Metrology Institute for the Islamic Countries (SM11C)	
	Adopted as per Res. No1/8-Eofthe 8 th ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No7/12-Eofthe 12 th ICFM Baghdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6th COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No16/13-EoftheU ^{'''} ICFM Niamey/Niger 22-26/8/1982		Adopted as per Res. No 17/15-Eof the IS ^{'''} ICFM Sana'a/Yemen 18-22/12/1984		Adopted as per Resolution INo.1 of the 14 ^{'''} COMCEC Istanbul/Turkey 1-4/11/1998.	
	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify
<i>Afganistan</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Algeria</i>	20/5/80	-	-	-	-	-	-	-	-	-	-	-
<i>Atbaniae</i>	-	-	15/11/96	-	-	-	-	-	-	-	-	-
<i>Azerbaijan</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Bahrain</i>	21/05/80	30/08/80	-	-	-	-	-	-	-	-	-	-
<i>Bangladesh</i>	05/12/77	18/04/78	04/11/97	-	4/11/97	-	10/9/83	5-12-01	-	16/4/88	-	-
<i>Benin</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Brunei Darussalam</i>	'	"					"	"				
<i>Burkina Faso</i>	23/12/85	-	-	19/5/92	14/9/93	-	21/10/01	-	-	-	21-10-01	-
<i>Cameroon</i>	23/01/78	11/07/83	25/10/94	26-09-95	25/10/94	26-09-95	-	-	-	-	-	07-07-00
<i>Comoros</i>	28/04/78	16/01/81	-	-	-	-	-	-	-	-	-	-
<i>Kyrgyz Republic</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Kazakhstan</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Djibouti</i>	21/04/79	-	25/08/82	-	-	-	-	-	-	-	-	-
<i>Egypt</i>	08/11/77	06/06/78	-	16/12/78	15/11/96	31/12/99	-	-	11/6/87	7/5/88	-	-
<i>United A. Emirates</i>	29/12/77	1979	12/02/89	14/01/89	-	-	30/5/89	21-3-89	30/5/89	21/3/89	-	-
<i>Gabon</i>	23/01/78	-	-	-	-	-	-	-	-	-	-	-
<i>Gambia</i>	21/05/80	-	04/09/93	-	08/11/95	-	8/11/95	-	8/11/95	-	-	-
<i>Guyana</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Guinea</i>	26/12/77	10/02/81	08/11/95	-	05/09/93	30/5/95	8/11/95	-	8/11/95	-	-	11-10-01
<i>Guinea-Bissau</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Indonesia</i>	30/04/79	08/01/80	01/05/83	3/12/83	04/02/92	-	-	-	-	-	-	-
<i>Iraq</i>	02/07/78	1978	-	-	24/10/01	-	-	27/10/02	-	-	-	-
<i>Iran</i>	08/11/95	07/11/95	08/11/95	15/9/94	08/11/95	12/5/93	8/11/95	-	4/9/93	6/10/93	-	-
<i>Jordan</i>	29/12/77	10/05/79	04/11/98	25-02-99	01/02/93	21/12/98	25/10/94	-	12/3/88	8/4/86	-	-
<i>Kuwait</i>	05/12/77	10/05/80	18/11/81	12/4/83	-	-	-	-	-	-	-	-
<i>Lebanon</i>	15/11/96	-	15-11-96	-	15-11-96	-	-	-	-	-	-	-
<i>Libya</i>	5/12/77	15/04/78	25/10/94	13/2/96	05/11/92	02/11/92	-	-	-	04/01/89	-	-
<i>Malaysia</i>	18/05/78	14/01/81	30/09/87	-	-	-	-	-	-	-	-	-
<i>Maldives</i>	17/12/77	-	-	-	-	-	-	-	-	-	-	-
<i>Mali</i>	27/04/78	08/08/81	-	24/05/82	-	-	-	-	-	-	-	-
<i>Morocco</i>	23/01/78	16/04/79	02/11/80	07/05/90	29/09/93	-	26/10/00	-	30/12/85	-	-	-

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Annex VI to OIC/COMCEC-FC/19-03/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)		Statute of the Standards and Metrology Institute for the Islamic Countries (SMIC)	
	Adopted as per Res. No 1/8-E of the 8 th ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No 7/12-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		Adopted as per Resolution No. 1 of the 14 th COMCEC Istanbul/Turkey 1-4/11/1998.	
	Şjfiü	Ratifv	Sign	Ratifv	Sign	Ratifv	Sign	Ratifv	Sign	Ratifv	Sign	Rat if
<i>Mauritania</i>	08/11/77	09/05/79	-	-	-	-	-	-	-	-	-	-
<i>Mazambique</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Niger</i>	18/05/78	07/08/78	-	-	-	-	8/12/84	-	-	-	-	-
<i>Nigeria</i>	4/11/98	-	4/11/98 ^a	-	4/11/98	-	4/11/98	-	4/11/98	-	-	-
<i>Oman</i>	15/04/80	28/04/81	25/10/94	10/12/94	-	-	-	-	-	-	-	-
<i>Uganda</i>	08/08/78	14-11-01	26/11/78	10/2/78	05/09/93	14-11-01	-	-	-	-	-	-
<i>Pakistan</i>	14/01/78	1978	20/12/81	10/7/82	25/10/94	11/10/93	-	1989	-	30/4/86	-	-
<i>Palestine</i>	28/04/78	18/03/80	15/03/82	15/3/82	10/09/92	-	22/5/83	-	3/01/87	11/11/86	7-11-99	-
<i>Çatar</i>	24/09/78	09/09/80	26/10/00	-	-	-	21/10/01	-	-	-	-	-
<i>Saudi Arabia</i>	14/01/78	27/06/79	23/9/85	17/9/84	10/09/92	-	-	-	-	-	-	-
<i>Senegal</i>	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	-	-
<i>Sierra-Leone</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Somalia</i>	24/12/78	-	19/12/83	25/11/84	-	-	-	-	-	-	-	-
<i>Sudan</i>	14/01/78	-	20/12/81	-	13/5/92	-	4/9/93	-	4/9/93	-	26/10/00	-
<i>Syria</i>	04/06/78	15/07/80	21/10/01	-	-	-	-	02-04-02	-	-	7-11-99	-
<i>Suriname</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Tajikistan</i>	04/11/97	-	04/11/97	-	-	-	-	-	-	-	-	-
<i>Tchad</i>	27/04/78	-	-	-	14/1/92	-	-	-	-	-	-	-
<i>Togo</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Tunisia</i>	27/01/79	13/04/80	10/06/82	11/11/83	21/1/93	31/7/00	6/1/83	11/11/83	8/11/95	14-02-00	18-9-01	-
<i>Turkey</i>	29/12/77	02/07/82	16/07/87	09/2/91	23/9/91	28/11/91	-	-	-	-	7-11-99	-
<i>Turkmenistan</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Uzbekistan</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Yemen</i>	29/12/77	-	12/06/82	-	-	-	25/10/94	-	25/10/94	-	-	-
TOTAL	41	28	30	20	23	11	16	7	13	10	6	2

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- VII -

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

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

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

**19TH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC.
ISTANBUL, 12-14 MAY 2003.**

I. Introduction:

The 18th COMCEC requested the General Secretariat (at paragraph 20 of resolution I) to continue to submit to the annual sessions of the COMCEC a periodical review of the implementation of the Plan of Action. This review is submitted in pursuance of the resolution.

II. Background Information on the Plan of Action:

The Sixth Islamic Summit entrusted the COMCEC to draw up 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. Accordingly, a revised Plan was approved by the Tenth Session of the COMCEC (November 1994). This document together with the Strategy approved earlier by the COMCEC was endorsed by the Seventh Islamic Summit Conference (Casablanca, December 1994) in its Resolution 8/7-E(IS).

The Seventh Islamic Summit noted, inter alia, that the strategy for economic cooperation adopted by the COMCEC allowed for cooperation among sub-groups of Member States and was based on the principles of economic liberalization, promotion of the private sector, and integration with the world economy and on respect for the economic, political, legal and constitutional structures of the Member States and their international obligations. It also noted that the Plan of Action was open to further improvement during its implementation. The Summit stressed on the urgency of implementing the Plan and called upon the Member States to host the inter-sectoral expert group meetings as envisaged in the chapter on Follow-up and Implementation of the Plan.

The COMCEC Follow-up Committee at its eleventh meeting considered the technical and organisational issues of holding an inter-sectoral meeting and recommended that, instead of holding one inter-sectoral meeting to initiate 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. The Eleventh COMCEC accepted the recommendation and invited the member states to host both sectoral and inter-sectoral meetings.

III. Mechanism for the Implementation of the Plan:

As per the provision of the Follow-up and Implementation Mechanism which forms integral part of the Plan of Action, the process of implementation of specific cooperation projects in each of the ten priority sectors is to commence through holding of sectoral Expert Group Meetings. The mandate given to the Expert Group Meetings in each sector/area of the

Plan is to review the requirements for action and make proposals. The Expert Group Meetings are to be held to identify specific cooperation projects. Subsequently, "project committees" are to be formed with interested Member States under the chairmanship of the country originally proposing the project(s). The responsibility of implementing any project remain with the concerned project committee(s).

IV. Expert Group Meetings:

Since adoption of the revised Plan all meetings of the COMCEC. Islamic Summit Conferences and the Islamic Conferences of Foreign Ministers appealed to the Member States to host sectoral Expert Group Meetings.

The Government of the Republic of Turkey hosted the Expert Group Meeting on Money, Finance and Capital Flows in Istanbul from 1-3 September 1997. 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. The Government of the Republic of Turkey organised the Expert Group Meeting on Technology and Technical Cooperation in Istanbul from May 6-8, 1998.

A number of cooperation projects and project ideas emerged from these meetings. The report of the Expert Group Meetings, along with the project proposals, were transmitted to all Member States with the request to indicate their interest in writing to the General Secretariat. Those Member States which submitted project ideas, have been requested to provide idea of the complete project in the prescribed Projects Profile Form. Member States that have indicated interest in the project ideas proposed by the OIC institutions have been requested to submit these as their proposals so that the same can be circulated to all Member States.

The responses to the project proposals/ideas received from some Member States till the end of December, 2002 are shown in tabular form as an annexure. Names of countries indicating interest in any specific project(s)/project idea(s), as shown in the table, have been communicated to the countries which originally proposed these project(s)/project ideas):

V. Recent Related Activities in Areas within the Plan of Action:

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 Declaration issued by the Conference emphasised on the need to explore ways and means to increase agricultural production in potential areas and decided to periodically review the situation of food security in all OIC Member States.

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 recommendations for action by the Member States. The meeting decided that expert group meetings, seminars and symposiums in

the field of cooperation in Posts and Telecommunications be held annually even at regional level and including the private sector. It was also decided to hold the Ministerial Meeting on Posts and Telecommunications more frequently, at least once in every three years.

The First OIC Ministerial Meeting on Tourism was held in Isfahan from 2-4 October, 2000. The meeting adopted a resolution on tourism and the Isfahan Declaration. The resolution decided, *inter alia*, to set up a follow-up committee, which met in Tehran on 27-28 August, 2001. The Second Islamic Conference of Ministers of Tourism was held on 10-13 October, 2001 in Kuala Lumpur, which adopted a resolution on tourism development along with the Kuala Lumpur Programme of Action. The Meeting of the Follow-up Committee of the aforesaid Conference will be held on 5-6 September, 2002 in Kuala Lumpur. The Third Islamic Conference of Ministers of Tourism was held on 6-9 October, 2002 in Riyadh, which adopted a resolution on tourism development along with the Riyadh Declaration..

The Ninth Islamic Trade Fair was held in Sharjah from 21 to 26 December 2002 concurrently with the 9th Private Sector Meeting (21-23 December, 2002). The Highth Private Sector Meeting was held on 9-11 October, 2001 in Conakry.

VI. Follow-up on the Decisions **of the 18th Session of COMCEC:**

The appeal addressed by the 18th COMCEC to 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 cooperation among Member States has been transmitted to all concerned by the General Secretariat. Besides, the General Secretariat had earlier 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 with respect to early signature and ratification of OIC Agreements and Statutes as per the appeal of the COMCEC.

The 18th COMCEC welcomed the offers of the Governments of the Arab Republic of Egypt, Republic of Gabon, Islamic Republic of Iran, Republic of Indonesia, Malaysia, Republic of Sudan and the Republic of Turkey to host various Ministerial meetings, sectoral experts group meetings, regional seminars and workshops. The General Secretariat is in contact with these Member States with a view to making necessary arrangements for holding these meetings and seminars/workshops.

It may also be mentioned that earlier the 15th 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. It also urged the 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. The General Secretariat circulated the aforementioned project proposals to all member states with the request to indicate their interest at an early date. A few responses received so far have been transmitted to the country(s) which proposed the project(s) so that the task of establishing specific Project

Committees 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 "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade" be the theme for the exchange of views at the Nineteenth Session of the COMCEC, the 18th COMCEC requested SESRTCIC, ICDT and IUT to organise a workshop on the topic prior to the 19th COMCEC.

VII. Consideration of the Overall Situation of Implementation of the Plan:

At the request of the 14th COMCEC, the General Secretariat submitted a detailed review of the overall situation of implementation of the Plan of Action at the 15th Session of COMCEC held in Istanbul from 4-7 November, 1999. A number of observations and conclusions drawn from an assessment of the experience gained on the EGMs held so far were elaborated in the afore-mentioned review. After detailed discussion on the aforementioned review, the 15th Session of the COMCEC adopted a resolution expressing concern over the "slow progress of the implementation of the Plan of Action" and recommended to the Follow-up Committee at its next meeting to "suggest best possible remedies to alleviate the situation". Accordingly, the Follow-up Committee at its 16th Meeting held in Istanbul on 9-11 May, 2000 deliberated on the possible ways and means to accelerate the implementation of the Plan and decided to forward a number of recommendations to the 16th Session of COMCEC for consideration.

The 16th COMCEC expressed concern over the slow progress in the implementation of the Plan of Action and urged the Member States to take appropriate action for expediting its implementation. It resolved in this connection that an open-ended experts group meeting be convened before the 17th meeting of the Follow-up Committee (9-10 May, 2001) "to explore all possible ways and means of accelerating the implementation of the Plan of Action". Accordingly, an Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among Member States was held in Istanbul on 6-7 May, 2001. The report of the said meeting containing its recommendations was placed before the 17th Meeting of the Follow-up Committee of COMCEC, which decided to submit the recommendations to the 17th Session of COMCEC. The 17th COMCEC considered the report of the expert group meeting as annexed in the report of the 17th Meeting of the Follow-up Committee of COMCEC and approved the recommendations of the experts group meeting and stressed their importance. The General Secretariat has circulated the report of the experts group meeting.

Recommendation 13 of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among Member States calls for giving mandate to the relevant OIC institutions to study, apprise and provide the necessary financial and technical support to the proposed cooperation projects. The Follow-up Committee of the COMCEC at its 18th Meeting requested the COMCEC Coordination

Office to undertake, in coordination with the OIC General Secretariat. SESRTCIC. ICDT. IUT. IDB. ICCI and OISA. a study explaining the content and the terms of their possible assignment, and submit it to the 18th Session of the COMCEC for its consideration.

The COMCEC Coordination Office undertook a study, and presented it to the 18th Session of COMCEC, which welcomed, in principle, the supplementary mechanism presented in the study. However, it requested that the proposed supplementary mechanism be further elaborated "... So as to define the scope and content of the possible tasks to be assigned to the relevant OIC institutions ...". It also requested the COMCEC Coordination Office to finalise the study for submission to the 19th Meeting of the Follow-up Committee of COMCEC. The COMCEC Coordination Office has carried out the necessary consultation with the aforesaid OIC institutions including discussion during the consultative meetings of OIC institutions active in the economic and commercial fields. Significantly, at the 5ⁿ Consultative Meeting of such OIC institutions, held on 13 January 2003, which were co-chaired by the Secretary General of the Organization of the Islamic Conference and the President of the Islamic Development Bank, it was decided to establish a working group of these OIC institutions to finalise the study on supplementary mechanism. The fact that the process of consultation was led by OIC Secretary General and President of IDB reflects the importance attached by these OIC institutions to the need to expedite implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States. It is expected that the COMCEC Coordination Office will present the final outcome of its study to the present meeting of the Follow-up Committee of COMCEC.

VIII. Recent Developments:

The Government of the Arab Republic of Egypt offered to host experts group meetings on food, agriculture and rural development: and also on transportation. The Government of the Islamic Republic of Iran has offered to host an experts group meeting on tourism. The General Secretariat is in contact with the two Governments concerning the holding of these meetings.

IX. Conclusion and Recommendations:

While reviewing the progress achieved so far in the implementation of Plan of Action the General Secretariat wishes to draw particular attention of the COMCEC to the need to ensure effective and speedy implementation of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action for Economic and Commercial Cooperation, held in Istanbul 6-7 May, 2001. The General Secretariat will spare no efforts for ensuring the implementation of the recommendations. Furthermore, the General Secretariat recommends to the COMCEC Meeting to devote special attention to the implementation of the very important recommendations of the above mentioned Experts Group Meeting without prejudice to other recommendations. In this connection following paragraphs of the recommendations deserve particular attention and accordingly, it is recommended to review

them during each COMCEC Meeting with a view to defining ways and means to ensure their steady and effective implementation. These paragraphs on which the General Secretariat wishes to draw particular attention of the COMCEC are as follows:

"The meeting viewed that promotion of political commitment was the primary requirement to achieve progress in the implementation of the Plan of Action and recommended that closer collaborative efforts be intensified among the Chairman of the Islamic Summit, the Chairman of the COMCEC and the Secretary General of the OIC with a view to obtaining the required political commitment among member countries. In this connection, the meeting also highlighted the importance of intensifying efforts on the political front with a view to having the OIC Agreements signed and ratified expeditiously."

"Focal Points may be set up for each priority area of the Plan of Action one in each Member State and one consisting of a relevant OIC institution. The two Focal Points would work jointly to implement the projects which were identified in consultation with Member States fully involved both public and private sectors). A Focal Point Unit may also be set up within the COMCEC Coordination Office to coordinate all Focal Points activities for the various Experts Group Meetings."

"From the initial stage of pre-feasibility/feasibility study of any cooperation project in any sector/area, particularly under technology and technical cooperation. OIC organ(s)/institution(s) having appropriate expertise and physical facilities should be involved as focal point(s) so that this organ(s)/institution(s) can provide, among others, the required technological inputs to facilitate smooth implementation of the project."

"There is a need to have a financial framework, detailing the ways and means and the institutional set up through which project proposals are to be financed within their existing mandate, policy and procedure. To this end, the relevant OIC institutions could be mandated to study, appraise and provide the necessary financial and technical support to the proposed cooperation projects."

"The OIC institutions should enhance their efforts to further cooperation with Regional Organizations. The concerned OIC family of institutions need to reinforce their cooperative efforts with the relevant regional organizations in the form of research, meetings, workshops and seminars on topics related to reinforcing economic cooperation among member countries."

"Efforts should be made to speed up the signing and ratification of the Framework Agreement for Trade Preferential System (TPS-OIC) to enable ICDDT to organize trade negotiations among the Member States for exchange of preferences and consider removal of non-tariff barriers which would contribute significantly to developing intra-OIC trade."

In anticipation of the holding of the experts group meetings, the General Secretariat re-circulated the report of the experts group meeting on accelerating the implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States stressing the urgency of consultations among the Member States with a view to developing projects on cooperation for consideration by these experts group meetings. In this connection,

emphasis is laid on the need to develop regionally-based projects or projects supported by a group of Member states in a particular region, which may have the prospect of support from regional institutions. Accordingly, there is a need to ensure the active involvement of such regional institutions as ECO, GCC, Arab Maghreb Union, ECOWAS. These institutions may, therefore, be invited to attend future experts group meetings.

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SI. No	Project Proposals/Ideas	Proposing State/ Institution	Interested Country
	TECHNICAL COOPERATION		
1.	Technical cooperation in the area of Software Engineering Among OIC Member States.	Jordan	
2.	Technical Cooperation in the Area of Heritage Preservation Among OIC Member States.	Jordan	
3.	Production of pulp and paper in Sudan.	Sudan	
4.	Strengthening the Innovation. Design and Prototype Manufacturing Centre.	Sudan	
5.	Shelter and Habitat in Sudan.	Sudan	
6.	Photovaltic Cells Production.	Sudan	
7.	Technical Cooperation Among Patent Offices in the OIC Member States.	Turkey	Kazakhstan
8.	Technical Cooperation in the area of Business Incubators Among OIC Member States.	Turkey	
9.	Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner.	Turkey	Kazakhstan
10.	Provision of Technical Assistance for Establishment of Technology Development Foundation in the OIC Member States.	Turkey	
11.	Energy Research and Technology Development Centre For Islamic Countries.	Turkey	Saudi Arabia. Kazakhstan
12.	Space Agency for Islamic Countries.	Turkey	Kazakhstan
13.	Distance Educational Project.	Turkey	
14.	Technical Cooperation in the area of Environmental Protection: Proper use of coastal zone to prevent Accelerated beach/coast erosion.	Turkey	
15.	Metametrone and Metribuzine Process development for production of the 1,3,4 triazine 6 one deriv, which are used as fungicide in Iran.	Iran	Saudi Arabia
16.	Ionoxyail (totril) Process development for this valuable fungicide and its Dibromo analogue.	Iran	Saudi Arabia
17.	Carbamazepine Process development for production of Carbamazepine at 25 MT/year capacity.	Iran	Saudi Arabia
18.	Sut-SOFT, Software for modeling of Heat Transfer, Mass Transfer and Stress Analysis.	Iran	Saudi Arabia
19.	Field-Test establishment.	Iran	Saudi Arabia

	MONEY, FINANCE AND CAPITAL FLOWS		
20.	Establishment of an Islamic Insurance-Reinsurance Corporation.	Turkey	
21.	Islamic Finance Corporation under the Auspices of the IDB.	Turkey	
22.	Multilateral Islamic Clearing Agency (Union).	Turkey	
23.	Development of a cohesive multi-year programme for Training and Seminars to be conducted in Financial and Monetary Fields.		
24.	Compilation by SESRTCIC. in collaboration with IDB/IRTI Of a Directory of Muslim Experts in the field of money, Banking and finance.	Turkey	
25.	Regular and Systematic Collection and dissemination of detailed data and information on the money, banking and finance activities in the member countries. Establishment by SESRTCIC. in collaboration with the IDB. of a set of database on the relevant activities comprising such data and information.	Turkey	
26.	Compilation by SESRTCIC. in collaboration with the IDB/IRTI of a Directory on Banks and Financial Institutions in the member countries.	Turkey	
	FOREIGN TRADE		
27.	A Mechanism for Systematic Collection and Dissemination Of Detailed Information on Tariff and Non-tariff Trade Barriers of the Member countries.	Turkey	Burkina Faso Sultanate of Oman.
28.	Establishment of Islamic Trading House(s).	Turkey.	
29.	A Mechanism for Integration of the OIC Member Countries to the World Trade System.	Turkey	Burkina Faso
30.	A Study on the Determination of the Economic Comparative Advantages of the OIC Member countries.	Turkey	Sultanate of Oman, Tunisia.
31.	Creation of an Islamic Export Market Development Fund.	SESRTCIC	
32.	Collection and Collation of Statistical Information Regarding the Import Needs and Export Potentials of Member Countries.	SESRTCIC	
33.	Development of a Joint Transportation Scheme for The Land-locked Member States.	SESRTCIC	

34.	Preparation of a Detailed Study of Trade Regulations And Procedures of Member States.	SESRTCIC	
35.	Trade Facilitation Services to be Provided by the National Chambers of the Member Countries.	ICCI	
36.	Import Management Facilities to be Provided by the National Chambers of the Member Countries.	ICCI	
37.	Programme for Training of Trainers in the Area of International Trade.	ICDT	Burkina Faso
38.	Setting up of Regional Companies Specialised in Organisation of Trade Fairs and Exhibitions.	ICDT	Burkina Faso
39.	Setting up of Permanent Exhibition Halls.	ICDT	
40.	Organising a Permanent Virtual Goods Exhibition on The INTERNET Web site of the ICDT.	ICDT	

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-VIII-

WORKING PAPERS BY
COMCEC COORDINATION OFFICE ON
A POSSIBLE SUPPLEMENTARY MECHANISM
FOR IMPLEMENTATION OF THE OIC PLAN OF ACTION

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

**A POSSIBLE SUPPLEMENTARY MECHANISM
FOR IMPLEMENTATION OF THE OIC PLAN OF ACTION TO
STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION AMONG
MEMBER COUNTRIES**

I. INTRODUCTION

1. The present paper is an abbreviated version of the study undertaken by the COMCEC Coordination Office, in accordance with Recommendations 21 and 23 of the 18th Meeting of the Follow-up Committee, to formulate a possible supplementary mechanism for implementation of the OIC Plan of Action with a view to generating momentum to the implementation process of the Plan. It proposes more active involvement of the concerned OIC institutions in the implementation process of the Plan in line with recommendations of the Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action was held on 6-7 May 2001 in Istanbul.

2. The existing Implementation and Follow-up Mechanism, which forms an integral part of the Plan of Action, calls for holding sectoral Expert Group Meetings (EGMs) in each of the ten areas of the Plan whereby the experts from the member countries would take up and discuss the issues, priorities and fundamentals in each sectors or areas with a view to generating project proposals for the actual implementation of the Plan. Thus, the possible project proposals in the individual area or sector of the Plan were to come mainly from the member countries themselves. Consequently, on each project proposal, a "project committee" composed of the potential partners to each project is to be formed. The responsibility for realizing the remaining stages of the proposed projects cycle would fall on the concerned project committee under the chairmanship of the owner of the original proposal. Progress reports would be made from time to time to the COMCEC on the actual progress of the project.

3. However, only three out of ten of the initial round of EGMs, foreseen in the present Mechanism to set out the process of actual implementation, has been held so far. Moreover, through these EGMs about 40 project proposals were already made but the project committees for these proposed projects are yet to formed.

4. Despite the efforts made so far, implementation of the OIC Plan of Action has been limited in terms of both tangible results and follow-ups at the technical and policy levels. The slow progress in this area became a source of concern for the COMCEC as well as the ICFM.

5. As a result, the Sixteenth Session of the COMCEC decided that an open-ended experts' group meeting would be convened to explore all possible ways and means of accelerating the implementation of the Plan.

6. The Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action (EGM) was held on 6-7 May 2001 in Istanbul. During the expert meeting, through the valuable and well-prepared papers by the OIC institutions on major issues and impediments for implementation of the OIC Plan, extensive and fruitful discussions were carried out and the experts came up with a number of recommendations which were endorsed later on by the Seventeenth Session of the COMCEC.

7. Finally, during the 18th Meeting of the Follow-up Committee of the COMCEC, the implementation issue was still one of the main themes of discussion, and the Follow up Committee requested the COMCEC Coordination Office to formulate appropriate mechanisms in cooperation with the OIC General Secretariat benefiting from the expertise in this regard of the OIC relevant institutions and submit a report to the present COMCEC Session on the best way to implement the recommendations made by the EGM. The Follow up Committee, referring the recommendation 13 of the EGM, which calls for giving mandate to the relevant OIC institutions to study, apprise, and provide the necessary financial and technical support to the proposed cooperation

projects, further requested the COMCEC Coordination Office to undertake, in coordination with the concerned OIC institutions, in their capacity as focal points, a study explaining the content and the terms of their possible assignment, and submit it to the present Session of the COMCEC for its consideration.

8. In view of the interrelations between the two recommendations referred above, the COMCEC Coordination took them up under one study, and came up with the proposed supplementary mechanism for addressing both of them.

II. METHODOLOGY

9. The proposed supplementary mechanism as the name indicates is no more than an addition to the present implementation mechanism for the OIC Plan of Action. It is not meant to replace or nullify the existing mechanism nor its major components. For the moment, it should be seen as a back up positioning that can be utilized when and if deemed necessary for the implementation process. Being so, it presumes that the tasks and functions of the sectoral expert group meetings and the project committees, which are the main components of the implementation process, may be carried out and shared with the concerned OIC institutions, to the extent possible. Clearly, this requires direct involvement of these institutions in the evaluation and execution of the cooperation projects within the framework of the OIC Plan of Action as well as commitment of their available respective financial and human resources that could be allocated for that purpose without endangering their basic functioning.

10. The main approach for the proposed supplementary mechanism is neither to suggest creation of a new agency nor to call for nullifying of any existing statutory or legal arrangements within the OIC. It rather stresses the need for exploring the potentialities for an effective implementation of the Plan within the existing OIC structure. In doing so, it encourages the best usage of the available resources with a renewed understanding and effective coordination among the OIC agencies taking into

consideration the global developments as well as the potentialities offered by information technologies.

11. The proposed supplementary mechanism aims for an effective implementation of the OIC Plan of Action in the light of the recommendations of the EGM. In addition, it also gives due consideration to the global developments having direct impact on the OIC cooperation, and accordingly stresses the importance of project and action orientation, introduction of the project cycle management concept in the implementation process, global perspectives and cooperative spirit with regional and international organizations and groupings, caring about information technologies and benefiting from them and so on.

III. THE PROPOSED SUPPLEMENTARY MECHANISM

a. Setup

12. In view of the problems in the present implementation process referred in the introduction, the proposed mechanism is designed to be supplementary to the existing implementation mechanism of the OIC Plan of Action, directly involving the concerned OIC institutions with their available resources and expertise. Referring to Recommendation 13 of the EGM, which calls for giving mandate to the relevant OIC institutions to study, appraise, and provide the necessary financial and technical support to the proposed cooperation projects, it implies that the functions and the executive powers of the expert group meetings (EGMs) as well as the "project committees" anticipated in the Mechanism for the Follow-up and Implementation of the Plan of Action, need to be shared with the concerned OIC institutions.

13. Since the proposed supplementary mechanism is to be devised within the existing system, it should be noted that the Sessional Committee of the COMCEC is the only available structure whereby the concerned OIC institutions come together,

pool their resources and work in coordination to carry out some of the responsibilities of the EGM as well the project committees.

14. The Sessional Committee, as is known, constitutes one of the major components of the structure of the COMCEC. The Sessional Committee has been meeting regularly on the sidelines of the COMCEC Sessions since COMCEC started its activities, and it submits its reports to the COMCEC. Moreover, in recent years the attendant OIC institutions at the Sessional Committee meetings have begun to meet at the headquarters of IDB on the occasion of the annual meetings of the Islamic Commissions being held in Jeddah as an extension to the Sessional Committee meetings for coordinating their activities. It may be stated that other related meetings within the OIC to which the concerned OIC institutions are attending regularly could be utilized to that effect to meet, however partially, the need for frequent gatherings of the concerned OIC institutions that is likely to arise when they embark on the implementation of the joint projects.

15. It is also apparent that some modifications need to be made to the related Articles of both the Statute and Rules of Procedures of the COMCEC and the Mechanism for the Follow-up and Implementation of the Plan of Action so as to make them compatible with the mandate to be given to the concerned OIC institutions. In this context, the composition of the Sessional Committee may be confined to the concerned OIC institutions, given the fact that all the results of the proceedings of these institutions in the implementation process are to be submitted to the COMCEC where all member countries are represented, for approval. It should also be remembered that one of the major problems with the existing implementation mechanism has been the failure to find host countries for convening enough number of EGMs as well as insufficient participation in the convened ones on the part of the member countries.

b. Work and Functioning

16. As indicated above, when the concerned OIC institutions are given the mandate for implementation of the Plan of Action they will be sharing the responsibilities and the functions of EGMs and project committees, and the mechanism will work in just as much the same way as the existing one. Within this framework, the main functions of the concerned OIC institutions may be summarized under the following headings:

- Evaluation of the cooperation proposals and ideas within the scope of the Plan of Action, in terms of priority, feasibility, financing, assignment of coordinator, and so on
- Submission of the evaluated project proposals to the COMCEC (the Follow-up Committee and the Full COMCEC) for approval and guidance.

Project implementation in cooperation with the member countries

- Review and make recommendations on the existing cooperation agreements and statutes within their domain of activities, including Strategy and the Plan of Action, and propose and draft new ones, if and when necessary

17. Given the complex nature of each of these functions, reference should also be made to preparation of a project cycle management document (for short PCM, a technical document providing guidelines for project implementation), with a view to facilitating the work of the concerned OIC institutions in carrying them out.

c. Coordination among the OIC Institutions and Measures to be taken

18. It is obvious that during the project implementation process, it is necessary to ensure coordination among the OIC institutions taking part in the process, streamlining of their activities, effective usage of scarce resources and avoiding any sort of duplications. In identifying the proper formation within the existing system under which the concerned OIC institutions can work and coordinate their activities in the implementation process, it was noted that the Sessional Committee appears to be the proper structure to serve this purpose, with some modifications to Article 11 of the Statute and Rules of Procedures of the COMCEC. However, this modification alone may not be sufficient in view of the all-inclusive and multifaceted character of the project implementation process. Therefore, to handle the situation it is suggested that a set of procedures based on the modified version of Article 11 can be work out regulating the works and proceedings of the concerned OIC institutions.

19. In drafting the modified version of Article 11, referred to above, as well as the set of procedures to be formulated in the form of by-law, rules of procedures or in any other proper form, the subject of cooperation with the international organizations, institutions and agencies needs to be covered for its vital importance for the OIC cooperation, as suggested in the study. Moreover, consideration may also be given to the inclusion of some of the trade unions among the member countries in the implementation process, such as the International Association of Islamic Banks, (IAIB), Federation of Consultants from Islamic Countries (FCIC), Federation of Islamic Countries Contractors (FICC) and the like, some of which have not yet gained the affiliated status, for their potential contribution to the implementation process. Meanwhile, for their service and contributions to be eligible for the implementation process, a set of standards for profession and code of conduct for business activities may be developed, and they may encourage to meet the standards and to observe the code of conduct so as to take part in the implementation process.

IV. CONCLUSION

20. The first and foremost purpose of the present paper is to work out an appropriate methodology or set of ideas aiming at giving momentum to the implementation process of the Plan of Action to keep up with Recommendations 21 and 23 of the 18th Follow-up Committee Meeting. However, the global developments having direct bearings on the OIC cooperation had to be taken into consideration to have a plain and precise idea about the task and the mission of the OIC family, especially the OIC institutions to uphold the OIC cooperation and solidarity in the face of the global challenges. Consequently, in the study a number of observations and suggestions made to highlight the basic tenets and approaches for the proposed supplementary implementation mechanism. Within the scope of the study, global perspective and cooperative spirit with regional and international organizations and groupings, introduction of the project cycle management concept in the implementation process, caring about information technologies and benefiting from them in the OIC economic and commercial cooperation came out as the core components of this approach which are thought to be very instrumental for the OIC institutions in carrying out their mandate for the implementation process.

21. The proposed mechanism is, in essence, an add-on to the existing one, giving mandate to the concerned OIC institutions in the implementation process while keeping the existing one intact. The member countries may continue to host the sectoral expert group meetings (EGMs), and thereupon to form the project committees as envisaged in the existing implementation mechanism whenever they wish to do so or even both mechanisms may work together.

22. The Sessional Committee of the COMCEC was identified as the appropriate existing structure under which the concerned OIC institutions will be able to work together and coordinate their activities in undertaking their mandate with regard to the implementation process. Necessary modifications need to be made to Article 11 of the

Statute and Rules of Procedures of the COMCEC regulating the Sessional Committee so as to make it more instrumental to that effect. In addition, there is a need for preparing rules of procedure or any other proper legal form, to regulate and streamline the activities and the proceedings of the concerned OIC institutions in the implementation process. Preparing a project cycle management (PCM) for the OIC cooperation projects would be another instrument for these institutions serving same purpose.

23. Reiterating the fact that it would not be possible to make any progress in implementing the Plan of Action, no matter whatever mechanism is to be devised, in the absence of adequate and stable financial resources for implementation of the Plan projects, there is an important mission before the OIC institutions to innovate ways and means for creating such funding. Given the fact that the resources they can afford, at best, to allocate in the present circumstances, amount to be minimal in the face of the implementation process, it is important to look for other alternatives, such as seeking technical assistance from other international organizations and joining in their projects benefiting the OIC member countries or vice versa in the framework of the cooperation mechanism to be established with these organizations and institutions as suggested in the study.

24. The concerned OIC institutions are expected to consider the financial mechanism for the implementation process within the mandate to be given by the COMCEC, during preparation of the two aforementioned documents, namely, project cycle management (PCM) and rules of procedures.

**RULES OF PROCEDURE OF THE SESSIONAL COMMITTEE OF THE
COMCEC FOR CONDUCTING ACTIVITIES IN IMPLEMENTATION
PROCESS OF THE OIC PLAN OF ACTION**

(DRAFT)

(Revised

*by the Meeting of the Working Group on the COMCEC Projects
held on 25-27 March 2003 in Ankara)*

EXPLANATORY NOTE

1. In the supplementary mechanism proposed by the COMCEC Coordination Office in its previous study (OIC/COMCEC/18-02/SM) on the modality of the involvement of the concerned OIC institutions in the process of the implementation of the OIC Plan of Action, reference was made to recommendations of the Expert Group Meeting for Accelerating the Implementation (EGM) as a framework for the relevant OIC institutions to be part of the implementation process of the OIC Plan of Action. During the afore-mentioned EGM held on 6-7 May 2001 in Istanbul, through the valuable and well-prepared papers by the OIC institutions on major issues and impediments for implementation of the OIC Plan, extensive and fruitful discussions were carried out and the experts came up with a number of recommendations which were endorsed later on by the Seventeenth Session of the COMCEC.

2. There is a need to have a financial framework, detailing the ways and means and the institutional set up through which project proposals are to be financed within their existing mandate, policy and procedure. To this end, the relevant OIC institutions could be mandated to study, appraise and provide the necessary financial and technical support to the proposed cooperation projects. The recommendations of the EGM as adopted by the 17th Session of the COMCEC are attached to the present document.

3. These recommendations implied that some of the functions of the expert group meetings (EGM), as well as of the "project committees" anticipated in the Mechanism for the Follow-up and Implementation of the Plan of Action, need to be revised to include the concerned OIC institutions.

4. Since the proposed supplementary mechanism is to be devised within the existing system, the Sessional Committee of the COMCEC, composed of the concerned member states, the OIC General Secretariat and the subsidiary organs, specialized and affiliated institutions working in the field of OIC economic and commercial cooperation, was deemed

to be the only available forum whereby the concerned OIC institutions can meet and coordinate their activities relating to implementation of the OIC cooperation projects.

5. The Sessional Committee has been meeting regularly on the sidelines of the COMCEC Sessions since COMCEC has started its activities, and submitting its reports to the COMCEC. Given the new mandate of the Sessional Committee relating to the implementation of the OIC Plan of Action, the said Committee may have to meet more frequently. Other related meetings within the OIC to which the concerned OIC institutions regularly attend may also be utilized to hold additional meetings of the Sessional Committee when more frequent gatherings may be needed once the Committee embarks on the implementation of the cooperation projects.

6. The Sessional Committee constitutes one of the major components of the structure of the COMCEC. It is regulated under Article 11 of the Statute and Rules of Procedures of the COMCEC, which read as follows:

"Article 11: The Sessional Committee

a) The Sessional Committee shall consist of all Member States, the subsidiary organs, and specialized and affiliated institutions working in the fields of competence of the COMCEC. Any agreements in this regard will be approved by the General Assembly.

b) The Sessional Committee will meet during the COMCEC Session to review the activities and programs of the Organization's institutions mentioned in paragraph (a) above, to report to the General Assembly for coordination and guidance. "

7. It is apparent that some modifications need to be made to the related Articles of both the Statute and Rules of Procedures of the COMCEC and the Mechanism for the Follow-up and Implementation of the Plan of Action so as to make them compatible with the possible mandate to be given to the concerned OIC institutions and to provide a legal base for it as well. Same modification needs to be made in the Mechanism for the Follow-up and Implementation of the Plan of Action in order to make the Sessional Committee a part of the said Mechanism.

8. The suggested amendments with regards the Statute and Rules of Procedures of the COMCEC are given below:

A- Statute and Rules of Procedures of the COMCEC

"Article 11: The Sessional Committee

- a) *The Sessional Committee shall consist of the representatives of the member countries, the OIC General Secretariat and the subsidiary organs, specialized and affiliated institutions of the Organization working in the fields of competence of the COMCEC.*
- b) *The Sessional Committee shall meet regularly during the Follow-up Committee and the Ministerial Session of the COMCEC to review the activities and programs of aforesaid relevant OIC organs and institutions in support of the implementation of the cooperation projects conceived under the OIC Plan of Action to Strengthen Economic and Commercial cooperation.*
- c) *In view of the expanded mandate of the Sessional Committee, a separate "Rules of Procedure of the Sessional Committee" is to be drawn up to be adopted by the COMCEC. Given the new mandate of the Sessional Committee relating to the implementation of the OIC Plan of Action, the Committee shall submit the outcome of its proceedings to the COMCEC for approval and guidance.*

B- Mechanism for the Follow-up and Implementation of the Plan of Action

New para(h)

"The Sessional Committee of the COMCEC will be mandated to provide the necessary support to the implementation of the cooperation projects generated by the OIC Plan of Action."

9. Hence, the draft "Rules of Procedure of the Sessional Committee for Conducting Activities in Implementation Process of the OIC Plan of Action " is to be based on the proposed modifications made in Article 2/m and 11 of the Statute and Rules of Procedures of the COMCEC regulating the Sessional Committee, as well as in the relevant section of the Mechanism for the Follow-up and Implementation of the Plan of Action.

10. The main functions of the concerned OIC institutions can be summarized, taking into consideration possible employment of the proposed Project Cycle Management approach for the implementation of the OIC Plan of Action (PCM-OIC-PoA), under the following headings:

Evaluation of the cooperation proposals and ideas within the scope of the Plan of Action, in terms of priority, feasibility, financing, assignment of coordinator, and so on,

Submission of the evaluated project proposals to the COMCEC (the Follow-up Committee and the Ministerial Session of the COMCEC) for approval and guidance,

Project implementation in cooperation with the concerned member countries,

Review and make recommendations on the existing cooperation agreements and statutes within their domain of activities, including the Strategy and the Plan of Action, if and when necessary.

**RULES OF PROCEDURE OF THE SESSIONAL COMMITTEE OF THE COMCEC
FOR CONDUCTING ACTIVITIES IN IMPLEMENTATION PROCESS OF THE OIC
PLAN OF ACTION
(DRAFT)**

SCOPE AND DEFINITIONS

4.R.T.LQLK..U Scope and Purpose

The Rules of Procedure of the Sessional Committee for Conduct of Activities in the Implementation Process of the OIC Plan of Action" hereinafter referred to, as the "Rules of Procedure", shall apply to the conduct of the activities of the Sessional Committee.

4.R.LLQLK.JJ. Definitions

The terms used throughout the present document, if not otherwise stated, has the following meaning:

- | | |
|-----------------------------------|---|
| 1. ORGANIZATION | The Organization of the Islamic Conference |
| 2. COMCEC | The Standing Committee for Economic and Commercial Cooperation |
| MEMBER STATES | Member States of the Organization |
| 4. GENERAL SECRETARIAT | The General Secretariat of the Organization |
| 5. GENERAL ASSEMBLY | General Assembly of COMCEC |
| 6. MINISTERIAL SESSION | Annual Meetings of the General Assembly of COMCEC |
| 7. FOLLOW-UP COMMITTEE | Follow-up Committee of the COMCEC |
| 8. SESSIONAL COMMITTEE | The organ of the COMCEC composed of the Member States, the OIC General Secretariat, and the subsidiary organs, specialized and affiliated institutions working in the field of economic and commercial cooperation. |
| 9. CONCERNED MEMBER STATES | Those Member States of the Organization which have made project proposal, as well as others that have expressed interest in the said proposals, as potential partners. |

10. SUBSIDIARY ORGANS	The Subsidiary Organs of the Organization
11. SPECIALIZED INSTITUTIONS	The Specialized Institutions of the Organization
12. AFFILIATED INSTITUTIONS	The Affiliated Institutions of the Organization
13. STRATEGY	Strategy to Strengthen Economic and Commercial Cooperation among the Member States of the OIC
14. PLAN OF ACTION	Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States of the OIC
15. PROJECT PROPOSAL	Cooperation projects proposed within the framework of the Plan of Action by the member countries, private bodies through the corresponding member countries or ICCI and the relevant OIC institutions through the Project Profile Form approved by the COMCEC

STRUCTURE

ARTICLE 3

- i. The Sessional Committee is comprised of the member states, the OIC General Secretariat, and of the subsidiary organs, specialized and affiliated institutions working in the field of economic and commercial cooperation
- ii. The COMCEC may decide on any changes in the composition of the Sessional Committee.
- iii. The Sessional Committee shall work under the direction of the COMCEC.

FUNCTIONS OF THE SESSIONAL COMMITTEE

A.R.T.I.C.L.E. 4:

In order to perform its functions in the implementation of the Plan of Action, the Sessional Committee shall:

- i. Review and evaluate the cooperation projects within the scope of the Plan of Action, in terms of priority, feasibility, financing, and assignment of coordinator to implement the project proposals.

- ii. Submission of the reviewed and evaluated project proposals to the COMCEC for approval and guidance.
- iii. The COMCEC may assign the Sessional Committee the task of reviewing and making appropriate recommendations on the existing cooperation agreements and statutes, including Strategy and the Plan of Action, if and when necessary.
- iv. During evaluation of the proposed projects, preference may be given to the proposals that incorporate entrepreneurs who submit plans to commercialize the results/findings of the project.

CONVENING OF THE MEETINGS OF THE SESSIONAL COMMITTEE

ARTICLE 5:

- i. The Sessional Committee shall meet regularly during the Follow-up Committee and the Ministerial Session of the COMCEC to carry out its functions in the implementation of the Plan of Action referred in Article 4 above.
- ii. Other related meetings within the OIC to which the concerned OIC institutions regularly attend may also be utilized to hold additional meetings when more frequent gatherings of the Committee may be needed.
- iii. The United Nations specialized organs and agencies, and other international organizations and institutions related to the activities of the Sessional Committee, may also be invited to the meetings of the Committee, if and when needed.

PROCEEDINGS OF THE SESSIONAL COMMITTEE

A.R.T.I.C L_E . 6 : Agenda for the Sessional Committee Meetings

- i. The agenda for the meetings of the Sessional Committee shall be drawn up by the COMCEC Coordination Office, in consultation with the General Secretariat and the concerned OIC institutions. The agenda will be communicated by the COMCEC Coordination Office to the members of the Committee, and the other invitees, at least one month before the meeting.
- ii. Any new item to be proposed for the agenda should be accompanied by the necessary documentation explaining the background, nature, purpose and feasibility of the item, to be sent to the COMCEC Coordination Office three weeks prior to the meeting of the Sessional Committee.

ARTICLE7: Functions of the General Secretariat and the COMCEC Coordination Office

- i. The General Secretariat shall participate in the meetings of the Sessional Committee to, inter alia, act as a mediator on procedural matters.
- ii. The COMCEC Coordination Office shall, inter alia, convene, in consultation with the General Secretariat, the meetings of the Sessional Committee and ensure the preparation of the relevant documentation.

ARTICLE8: Recommendations and Reports

- i. Recommendations of the Sessional Committee shall be decided by consensus.
- ii. The COMCEC Coordination Office, through the General Secretariat, shall submit the recommendations and reports of the Sessional Committee meetings to the COMCEC for adoption and appropriate action.

ARTICLE9: General Provisions

- i. For matters not covered by these rules, the Rules of Procedure of the COMCEC and the Organization of the Islamic Conference shall apply.
- ii. These Rules of Procedure shall take effect from the date of their approval by the COMCEC.

ATTACHMENT

RECOMMENDATIONS
EXPERT GROUP MEETING FOR ACCELERATING
THE IMPLEMENTATION OF THE OIC PLAN OF ACTION FOR
ECONOMIC AND COMMERCIAL COOPERATION

(Istanbul, 6-7 May 2001)

(1) The meeting viewed that promotion of political commitment was the primary requirement to achieve progress in the implementation of the Plan of Action and recommended that closer collaborative efforts be intensified among the current Chairman of the Islamic Summit, the Chairman of the COMCEC and the Secretary General of the OIC with a view to obtaining the required political commitment among member countries. In this connection, the meeting also highlighted the importance of intensifying efforts on the political front with a view to having the OIC Agreements signed and ratified expeditiously.

(2) In order to heighten the level of interest of the Member States and translate this interest into an effective participation there is a need to highlight some common objectives as the Plan's main targets such as:

- i) Food security
- ii) Alleviation of poverty
- iii) Rural development
- iv) Infrastructural development
- v) Production and trade development
- vi) Employment creation
- vii) Human resource development (Education, Training, Health, etc.)

(3) The implementation of the OIC Plan of Action may be accelerated by assigning priorities to the sectors and/or areas of cooperation and, at the same time, by introducing a time-frame with reasonable quantifiable targets.

(4) Focal Points may be set up for each priority area of the Plan of Action, one in each Member State and one consisting of a relevant OIC institution. The two Focal Points would work jointly to implement the projects which were identified in consultation with Member States (fully involving both public and private sectors). A Focal Point Unit may also be set up within the COMCEC Coordination Office to coordinate all Focal Point activities for the various Expert Group Meetings.

- (5) From the initial stage of pre-feasibility/feasibility study of any cooperation project in any sector/area, particularly under technology and technical cooperation, OIC organ(s)/institution(s) having appropriate expertise and physical facilities should be involved as focal point(s) so that this organ(s)/institution(s) can provide, among others, the required technological inputs to facilitate smooth implementation of the project.
- (6) DDB may continue to provide financial assistance to the host countries for the timely convening of the EGMs, as it has been doing in the past.
- (7) Project proposals should be received by the Member States at least one month before the meeting for their full consideration.
- (8) COMCEC may frequently review, evaluate and follow up the work of the Project Committees.
- (9) Member States should give priority to joint projects that can generate the interest of other Member States and be undertaken by groups of Member States at regional, sub-regional or inter-regional levels.
- (10) There is need for preliminary consultations between the Member States proposing the project and the Member State wishing to participate in it before submission to the EGM as it would enhance the chances of the project acceptance.
- (11) A degree of technical and professional expertise is needed in the preparation of pre-feasibility documents of regionally-attractive projects. These documents should indicate the technical viability of the project as well as the benefits that partner states could expect to derive from them.
- (12) A standard form of project profile may be developed by the COMCEC Coordination Office, adopted by the relevant OIC fora and circulated by the OIC General Secretariat. This form should be circulated at an early date by the proposing Member States.
- (13) There is a need to have a financial framework, detailing the ways and means and the institutional set up through which project proposals are to be financed within their existing mandate, policy and procedure. To this end, the relevant OIC institutions could be mandated to study, appraise and provide the necessary financial and technical support to the proposed cooperation projects.

(14) The nature and extent of financial obligations, which an interested Member State will be expected to fulfill, should be indicated in the feasibility studies and profile documents for any proposed project. These documents should also identify the possible sources of funds to be contributed by the other participating Member States.

(15) In order to infuse dynamism into cooperation efforts among the OIC countries, the private sector should be given a more effective role in OIC economic cooperation and should be included at all stages of the implementation process of the OIC Plan of Action. Accordingly, the project proposals may be, if feasible, determined in consultation with the private sector and circulated directly to the various private sector institutions through the ICCI.

(16) A working group comprising the Bureau of COMCEC, the OIC General Secretariat and IDB, with ICCI as the focal point, may be set up to assume the responsibility of the monitoring mechanism to implement the recommendations of the Private Sector Meetings.

(17) A marketing network for the SMEs may be developed by ICCI with the assistance of UNIDO and ICDT. Through such a network, SMEs in the Member Countries would enlarge their market through creating partnership and supply chains amongst themselves. These partnerships and supply chains would include provision of raw materials and co-production of spare parts, semi-manufactured goods and other items.

(18) For development of joint venture investment in industry and service, the sponsors of potential projects may be invited six months before the annual Private Sector Meeting to attend that Meeting. A joint BDB-ICCI Committee may scrutinize these projects and decide how to properly guide the sponsors in the preparation of feasibility studies of these projects and evaluation of the performance of management for the proposed joint venture projects. Afterwards, due information may be provided to the sponsors for re-structuring their proposals for discussion at the ICCI Private Sector Meeting. Thereafter, these projects may be submitted to IDB for consideration of financial and technical assistance.

(19) The ICCI may maintain contact with the IDB for information about facilities for trade financing schemes and the various windows available at the Bank.

(20) The OIC specialized institutions could make a major contribution by enhancing the institutional capabilities of Member States. The IDB and other OIC institutions should step up the commendable efforts they have been deploying in this area through technical assistance and technical cooperation programs.

(21) The OIC institutions should enhance their efforts to further cooperation with Regional Organizations. The concerned OIC family of institutions need to reinforce their cooperative efforts with the relevant regional organizations in the form of research, meetings, workshops and seminars on topics related to reinforcing economic cooperation among member countries.

(22) There is need to further enhance the existing level of coordination among the respective programs and activities of the various OIC related institutions in order to avoid duplication of tasks. In order to enhance the existing collaboration among these institutions, avoid duplication, monitor the progress of the programs assigned to each institution and share and learn from their respective experiences, consultative meetings should be held on a regular basis concurrently with the annual sessions of the COMCEC and Islamic Commission for Economic, Social and Cultural Affairs.

(23) Possible steps could be taken for trade facilitation among the Member States such as simplifying custom procedures, documentation and harmonization of standards by the exchange of trade related information through the existing OIC information network systems.

(24) There is need to take the necessary measures in order to assist in the smooth transportation of goods among the Member States.

(25) In order to facilitate shipping services among Member States, the Islamic Chamber (ICO) was called upon to cooperate with the OISA in proposing effective mechanism to this end.

(26) Member Countries are encouraged to utilize the services of the cooperative information system set up by the OISA at its headquarter in Jeddah to render services to the shipping companies in the member countries.

(27) Given the importance of electronic facilities in the exchange of information and trade promotion, Member States may extend support for the operation of the Trade Information Network (TINIC) data base in terms of regular and sustained flow of statistical, economic and other related information that would contribute to the promotion of intra-OIC trade.

(28) Efforts should be made to speed up the signing and ratification of the Framework Agreement for Trade Preferential System (TPS-OIC) to enable ICDT to organize trade negotiations among the Member States for exchange of preferences and consider

removal of non-tariff barriers which would contribute significantly to developing intra-OIC trade.

(29) Given the objective of establishing an Islamic common market ICDT, in collaboration with IDB, SESRTCIC and ICCI may organize seminars emphasizing the advantage for all Member States to make use of the TPS-OIC Agreement which provides a legal framework for the establishment of a free-trade zone for the OIC Member States.

(30) ICDT/Host country organizers may prepare a legal framework to regulate the convening of Islamic Trade Fairs and its organization (Rules of Procedure) and defining relevant procedures and mandate (Tender Document) in order to ensure their continuity and success with the objective of its registration as an International Fair with the International Fairs and Exhibitions Union.

(31) The meeting recommended that ICDT, IDB and IIT collaborate in the implementation of a program aimed at acquiring the new techniques, norms and regulations in the field of international trade for the benefit of the Member States.

**PROJECT CYCLE MANAGEMENT
FOR THE OIC PLAN OF ACTION (PCM-OIC-PoA)**

*(Revised
by the Meeting of the Working Group on the COMCEC Projects
held on 25-27 March 2003 in Ankara)*

EXPLANATORY NOTE

Purpose and Scope

1. The present study has been undertaken in compliance with the resolution of the 18th Session of the COMCEC (RES- 1/30), as part of the supplementary mechanism proposed by the COMCEC Coordination Office in its previous study (OIC/COMCEC/18-02/SM) on the modality of the involvement of the concerned OIC institutions in the process of the implementation of the OIC Plan of Action, with a view to further elaborating the proposed supplementary mechanism. The main idea for introducing the "project cycle management" (PCM) to the implementation process of the OIC Plan of Action is to provide a technical reference document for achieving better project preparation and thus ensuring its implementation. Being so, the purpose of preparing the PCM documentation (analysis techniques and guidelines) is to help support efficient and effective management of OIC Plan of Action projects.

2. The PCM concept can be summed up as a set of project design and management tools based on the logical framework approach (LFA) of analysis. The way in which projects are planned and carried out follows a sequence that has become known as the project cycle (programming, identification, formulation, financing, implementation, evaluation).

3. The LFA approach encourages the concerned parties to consider what are their own expectations, and how these might be achieved. The product of the LFA is presented in a LogFrame Matrix (also known as the LogFrame). By setting out project objectives in a hierarchy, and requiring planners to identify the critical assumptions and risks that may affect project feasibility, the LogFrame provides means of checking the internal logic of the project plan. In specifying verifiable indicators and means to verify progress, project managers or

coordinators are reminded to think about how they will monitor and evaluate the project right from the start.

4. The PCM documentation provides a structure to ensure that concerned parties are consulted and relevant information is available, so that informed decisions can be made at key stages in the life of a project. The PCM is already being widely used by many international and national development institutions as well as bilateral and multilateral aid agencies. These include World Bank Group, UNDP, the OECD Expert Group on Aid Evaluation, EU EuropeAid Co-operation Office, the British DFID, Canada's CIDA, the International Service for National Agricultural Research (ISNAR), Australia's AusAID and Germany's GTZ.

5. Having a long history, its techniques and tools have been developed over the years. Accordingly, now days many development institutions and aid agencies have their own version of PCM tools and techniques designed for their respective purposes. Although PCM tools and techniques may vary according to the specific purposes and scope of activities, they all remain same in essence. Hence, the present study aims at adapting, rather than inventing or developing, the available PCM tools and techniques to the implementation process of the OIC Plan of Action projects taking into consideration of the multilateral nature of the OIC Plan projects as well as the specific needs and conditions of the OIC economic and commercial cooperation.

6. It should be noted that in today's practice, a standard PCM documentation together with analysis techniques and guidelines constitutes a huge and voluminous documentation produced over the years through the experience gained during the project implementation process in a given activity being bilateral or multilateral cooperation. Therefore, the present study, as a start, needs to accommodate itself to tailoring the nucleus of the PCM in context of OIC economic and commercial cooperation focusing on the main components of the PCM, its available major tools and techniques, enumeration of its possible guideline items to be developed over time.

7. Within the context of the proposed supplementary mechanism, the PCM documentation will be primarily for the use of the concerned OIC institutions. Meanwhile, it might be used during the proceedings of the sectoral "Expert Group Meetings (EGMs) for the Plan of Action, as well as during the proceedings of the "project committees" envisaged in the

present Implementation Mechanism for the OIC Plan. It will also provide important information for OIC member countries interested in designing and proposing the project proposals and cooperation ideas within the OIC Plan of Action. International development and aid agencies to be involved in funding totally or partially the OIC cooperation projects as well as the potential consultants and contractors for the projects will be benefit as well from the information provided by the PCM documents.

Background and Methodology

8. The present Implementation and Follow-up Mechanism for the OIC Plan of Action requires holding sectoral Expert Group Meetings (EGMs) in each of the ten areas of the Plan whereby the experts from the member countries would address and discuss the issues, priorities and fundamentals in each sectors or areas for preparing project proposals for the implementation of the Plan. Thus, the possible project proposals in the individual area or sector of the Plan were to come mainly from the member countries themselves. Consequently, on each project proposal, a "project committee" composed of the potential partners to each project is to be formed. The responsibility for realizing the remaining stages of the proposed projects cycle would fall on the concerned project committee under the chairmanship of the owner of the original proposal. Progress reports would be made from time to time to the COMCEC on the actual progress of the project.

9. However, despite the efforts made so far, implementation of the OIC Plan of Action has been limited. The Sixteenth Session of the COMCEC decided that an experts' group meeting would be convened to explore all possible ways and means of accelerating the implementation of the Plan.

10. The Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action (EGM) held on 6-7 May 2001 in Istanbul examined the various issues of the implementation process and formulated a number of recommendations that were endorsed later on by the Seventeenth Session of the COMCEC.

11. During its 18th Meeting, the Follow-up Committee of the COMCEC asked the COMCEC Coordination Office to work on an appropriate mechanism in cooperation with the concerned OIC institutions benefiting from their expertise in this regard to implement the

recommendations made by the above-mentioned EGM. The Follow up Committee, referring the recommendations of the EGM which requested the relevant OIC institutions to study, apprise, and provide the necessary financial and technical support to the proposed cooperation projects, further asked the COMCEC Coordination Office to undertake, in coordination with the concerned OIC institutions, in their capacity as focal points, a study explaining the content and the terms of their possible assignment, and submit it to the 18th Session of the COMCEC for its consideration.

12. The COMCEC Coordination Office prepared a study proposing the supplementary mechanism for accelerating the OIC Plan of Action, and submitted it (OIC/COMCEC/18-02/SM) to the 18th Session of the COMCEC. In welcoming the proposed supplementary mechanism, the 18th Session of the COMCEC requested that the proposed supplementary mechanism be further elaborated within the preview of the recommendations made by the EGM so as to define the scope and the content of the possible tasks to be assigned to the relevant OIC institutions in the process of implementation the OIC Plan of Action, and the COMCEC further requested that due consideration should be given to the suggestion that the Sessional Committee of the COMCEC may be utilized for elaborating the assignment of the concerned OIC institutions for ensuring effective coordination and streamlining their activities in this regard, together with the preparation of the required "rules of procedures" and " project cycle management".

13. As reiterated in the above COMCEC resolution, the recommendations of the Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action (EGM) are the main reference for the active involvement of the concerned OIC institutions in the implementation process of the OIC Plan of Action. Hence it is important to note that these recommendations provide, for the time being, the guidelines for preparing both the PCM and "rules of procedures" for the concerned OIC institutions in the implementation process. Taking cognizance of these recommendations, as observed in the previous study, that is to say, the supplementary mechanism for accelerating the OIC Plan of Action (OIC/COMCEC/18-02/SM), when the concerned OIC institutions are given the mandate for implementation of the Plan of Action they will be sharing the responsibilities and the functions of EGMs and "project committees" mentioned in the Implementation Mechanism of the Plan of Action. Preparation of the draft PCM and the "rules of procedures" for the concerned OIC institutions in the implementation process are based on this perception.

14. Within this framework, the main functions of the concerned OIC institutions may be summarized under the following headings:

- Evaluation of the cooperation proposals and ideas within the scope of the Plan of Action, in terms of priority, feasibility, financing, assignment of coordinator, and so on;
- Submission of the evaluated project proposals to the COMCEC (the Follow-up Committee and the Full COMCEC) for approval and guidance;
- Project implementation in cooperation with the member countries in conjunction with the "project committees"; and,
- Review and make recommendations on the existing cooperation agreements and statutes within their domain of activities, including Strategy and the Plan of Action, and propose and draft new ones, if and when necessary

15. Equally important is the fact that during the project implementation process, it is necessary to ensure coordination among the OIC institutions taking part in the process, streamlining of their activities, effective usage of scarce resources and avoiding any sort of duplications. In identifying the proper formation within the existing system under which the concerned OIC institutions can work and coordinate their activities in the implementation process, it was noted that the Sessional Committee of the COMCEC appears to be the proper structure to serve this purpose, with some modifications to Article 11 of the Statute and Rules of Procedures of the COMCEC. However, this modification alone may not be sufficient in view of the all-inclusive and multifaceted character of the project implementation process. Therefore, to handle the situation it is suggested that a set of procedures based on the modified version of Article 11 can be work out regulating the works and proceedings of the concerned OIC institutions.

16. In drafting the modified version of Article 11, referred to above, as well as the set of procedures to be formulated in the form rules of procedures, the subject of cooperation with the international organizations, institutions and agencies needs to be covered for its vital importance for the OIC cooperation, as suggested in the previous study. Moreover, consideration may also be given to the inclusion of some of the trade unions among the member countries in the implementation process, such as the International Association of Islamic Banks, (IAIB), Federation of Consultants from Islamic Countries (FCIC), Federation of Islamic Countries Contractors (FICC) and the like, some of which have not yet gained the affiliated status, for their potential contribution to the implementation process. Meanwhile, for

their service and contributions to be eligible for the implementation process, a set of standards for profession and code of conduct for business activities may be developed, and they may encourage to meet the standards and to observe the code of conduct so as to take part in the implementation process.

17. In the draft PCM format, "rules of procedures" for the concerned OIC institutions in the implementation process may be included in the "Guidelines" section of the PCM documentation.

18. As explained in the previous study, the proposed supplementary mechanism is no more than an addition to the present implementation mechanism for the OIC Plan of Action. It is not meant to replace the existing mechanism and should be seen as a back up positioning that can be utilized when and if deemed necessary for the implementation process. Being so, it presumes that the tasks and functions of the sectoral expert group meetings (EGMs) and the project committees, which are the main components of the implementation process, may be carried out and shared with the concerned OIC institutions, to the extent possible. Clearly this requires, as expressed in the recommendations of Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action (EGM), direct involvement of these institutions in the evaluation and execution of the cooperation projects within the framework of the OIC Plan of Action as well as commitment of their available respective financial and human resources that could be allocated for that purpose without endangering their basic functioning. It encourages the best usage of the available resources with a renewed understanding and effective coordination among the OIC agencies taking into consideration the global developments as well as the potentialities offered by information technologies. In addition, it also gives due consideration to the global developments having direct impact on the OIC cooperation, and accordingly stresses the importance of project and action orientation, global perspectives and cooperative spirit with regional and international organizations and groupings, caring about information technologies and benefiting from them and so on.

19. Reference should be made to the Strategy as well as the OIC Plan of Action as a basic framework policy and guidelines in delineating the PCM documentation. First, both documents have the authoritative power to guide the OIC cooperation activates since they received the approval of the Seventh Islamic Summit Conference held in December 1994, in Casablanca, the highest decision-making body of the OIC. Secondly, as it will be recalled, the

main thrust of the preparation of these documents within the OIC was to meet the challenges in the face of the paramount political and economic changes taking place on the global scene since the late 1980s. Thirdly, both documents are the result of painstaking preparations and extensive discussions of member countries reflecting their perception, vision and common desire in this regard.

20. The Strategy, as well as the Plan of Action itself, are based on certain new principles and operational modalities which are in conformity with the global trends, thus providing the OIC as a whole a favorable framework as well as tools to advance its cooperation efforts.

21. In this context, it should also be noted that the last clause (Article 31) of the Strategy document which reads as follows " The COMCEC will undertake a periodic review of the Strategy (the Plan of Action being the integral part of it) to evaluate its implementation in view of the results achieved and take appropriate decisions regarding future action" provides the flexibility to take necessary measures for the implementation process.

22 The OIC institutions working in the economic and trade fields have been extending their professional service and expertise to the work and mission of the COMCEC since the very beginning. As far as cooperation projects are concerned, some concrete results have also been achieved. However, they fall short of the desired level. Yet, it is safe to say that the OIC economic cooperation, in spite of its limits in terms of required resources, is now in a better position to do more, given the existent cooperation mechanisms, the stock of experience and expertise available with OIC agencies as well as the opportunities created by information technology.

23. Reiterating the fact that it would not be possible to make any progress in implementing the Plan of Action projects, no matter whatever mechanism is to be devised, in the absence of adequate and stable financial resources for funding the Plan projects, there is an important mission before the OIC institutions to innovate ways and means for creating such funding. Given the fact that the resources they can afford, at best, to allocate in the present circumstances, amount to be minimal in the face of the implementation process, it is important to look for other alternatives, such as seeking technical assistance from other international organizations and joining in their projects benefiting the OIC member countries or vice versa in the framework of the cooperation mechanism to be established with these

organizations and institutions as suggested in the previous study. The concerned OIC institutions are expected to consider the financial mechanism for the implementation process within the mandate to be given by the COMCEC.

24. It is firmly believed that, in line with the international prevailing practices for project implementation process as mentioned earlier, preparing PCM documentation for the concerned OIC institutions will be helpful and very instrumental in carrying out their task and assignment in this regard.

Format and Structure of the PCM-OICPA Documentation

25. As mentioned earlier, the present PCM preparation is an initial draft. Its actual scope and content will be shaped and developed according to the needs and requirements for implementation process of the OIC Plan of Action. Basic OIC Resolutions and the relevant Rules and Regulations governing the OIC economic and commercial cooperation (such as Relevant OIC Summit Resolutions, OIC Plan of Action, Strategy, Statute of the COMCEC) will be integral part of it. For practical usage, OIC-PCM can be divided into two parts:

PART-I

Main Documentation on:

- key issues
- procedures
- processes involved in project management

PART-II

Analysis techniques and Guidelines on:

- The logical framework approach
- Preparing terms of reference
- Preparing pre-feasibility study documents
- Preparing draft scope of service and basis of payment
- Preparing project schedules
- Managing contractors
- Preparing a project review report
- Preparing an annual plan
- Project Quality Standards
- Preparing project completion reports
- Preparing project ex-post evaluation reports
- Preparing a technical assistance facility
- Activity and Resource Schedules
- Quality Assessment Tool

- Abbreviation list
- Glossary

26. PCM-OICPA should be made available upon the receipt of the approval by the COMCEC in electronic format to enable ease of access and ongoing updating.

Reporting and Projects Info System

27. Preparing and producing documents and recording key data are an essential part of managing the project cycle and supporting quality outcomes. Documents can be divided into two main categories - those required by the Projects Info System (PIS), and detailed reference documents.

28. The Projects Info System (PIS) is going to be a set of three documents that provide the key summary of the status of a project as it moves through the activity cycle. The system of documents is critical to produce:

- Information exchange - both ongoing and aggregated information about the overall effectiveness of the implementation process,
- Activity monitoring,
- Standardized reporting, particularly performance reporting, and
- Focus on achieving outputs and outcomes.

The three key documents are:

- **Project Preparation Info (PPI):** a summary of the objectives, main issues and processing pathways of a proposed project during preparation.
- **Contractor Selection Procedures (CSP):** the critical path to contracting for project preparation and implementation.
- **Project Monitoring Info (PMI):** a summary of performance, main issues and proposed actions for a project during implementation. Normally, the PMI should be prepared every 6 or 12 months in accordance with the level of progress achieved. For the purposes of Annual Session of the COMCEC a minimum of one AMB per annum is required.

29. Obviously, the usefulness of these documents depends on the quality and currency of the information they contain. A number of other related documents are essential in providing detailed information and recording management decisions which will be determined and developed later on by the concerned OIC institutions. Throughout the activity cycle, these documents are entered into the supporting Project Info System to be created and managed by the COMCEC Coordination Office.

PROJECT CYCLE MANAGEMENT FOR THE OIC PLAN OF ACTION (PCM-OIC-PoA)

1. Project Cycle Management (PCM)

1.1. Objective of PCM and its Operational Context

1. The objective of PCM is to improve the management of projects and program of all kinds, by taking better account of essential issues and framework conditions in both designing and implementing projects and project ideas. PCM provides a consistent approach at all stages of the project cycle ensuring that the focus stays on the beneficiary, that a comprehensive overview of the project is available at all times and that monitoring and evaluation takes place effectively. This approach enhances the feasibility, relevance and sustainability of projects and programs. The word "project" in PCM system also means "programs" or any cooperation idea or activity in implementation process of the OIC Pan of Action.

2. Project managers or coordinators (the concerned OIC institutions) need to carry out the design and delivery of projects within the framework of OIC Strategy and the Plan of Action. PCM system helps to ensure that the OIC cooperation program maintains a clear strategic direction having internal integrity and it is managed effectively focusing on tangible results reflecting immediate needs and priorities.

3. In this regard, the following elements of the OIC Strategy are of particular importance as a policy framework:

- Bringing about structural transformations in the OIC economies to attain economic efficiency and social welfare through economic liberalization
- Striving for the objective of increased economic integration in such a way as to support the basic aspirations of the OIC community for a larger share in world economic activity
- Encouraging economic liberalization and public sector reform with a view to creating a sound environment for economic integration and benefiting fully from the globalization process and increasing interdependence in the world.
- Providing more effective role and opportunities for the private sector in OIC economic cooperation activities in order to introduce a new dimension and dynamism into the cooperation efforts among member countries.
- Encouraging and supporting every initiative to assemble the representatives of the private sector from member countries to exchange information, ideas and expertise, consider problems and issues of mutual interest, examine the possibility of direct cooperation, and establish joint projects.
- Giving priority to joint projects that can be undertaken by small groups of Member Countries at regional, sub-regional or inter-regional levels, without any financial obligation to the rest of the Member Countries.

4. Moreover, it should be noted that the present OIC Plan of Action document provides an instrumental framework for the PCM approach identifying problem and issues, and enumerating the objectives and action programs relating to the sectors or areas of cooperation. In the context of a multilateral action plan such as the present one, the realization of such overall objectives would require more detailed objectives to be set at the level of sectors and areas of cooperation that would ensure the eventual attainment of the overall macro objectives. The concerned OIC institutions can help the member countries formulate these detailed objectives during the implementation process.

5. In this context, it should be remembered that during the preparation of the Plan, Ankara Center had formulated general and specific activities and projects relating to basic information and data requirements in each of these sectors or areas, together with basic research projects that need to be undertaken on selected subjects. During the approval process, in view of having a compact Plan document, that part of the Plan was taken out. Therefore, it is suggested that this part of the Plan can also be incorporated in the proposed PCM system as a useful reference.

6. Finally, it should be stressed that active involvement of the private sector of the member countries in the OIC cooperation activities needs particular attention. As a matter of fact, this issue has been on the agenda of the OIC forums for a long time and been articulated very much on every occasion. And yet, there has not been developed a credible mechanism or methodology in this regard. In the proposed PCM system, it is suggested that the private sector or their representatives should be given the opportunity to make project proposals in the implementation process. In the project implementation process, priority should be given to the development of the private sector in the member countries. Hence, the terms "beneficiaries" and "concerned parties" used through the PCM, usually refer to the private sector. In this way it is expected that a more interactive relations will be developed with private sector in the implementation process.

1.2. The Main Stages of the PCM

7. The concept of a "cycle" is used to illustrate that projects need to move through a "life-cycle", with a start, middle and an end. Lessons learned from implementation (through

monitoring and evaluation) should feed back into identifying and preparing new activities. Learning from past and contemporary experience is an integral part of the whole cycle.

8. The way in which projects are planned and carried out follows a sequence beginning with an agreed strategy, which leads to an idea for a specific action, which then is formulated, implemented, and evaluated with a view to improving the strategy and further action.

9. Usually, as indicated in Figure 1, PCM consists of five or six stages. In the present PCM system, the first stage called "programming" can be replaced with the Plan of Action that is already prepared and available. The remaining stages are the following:

Stage 1 : Project Identification and Initial Assessment

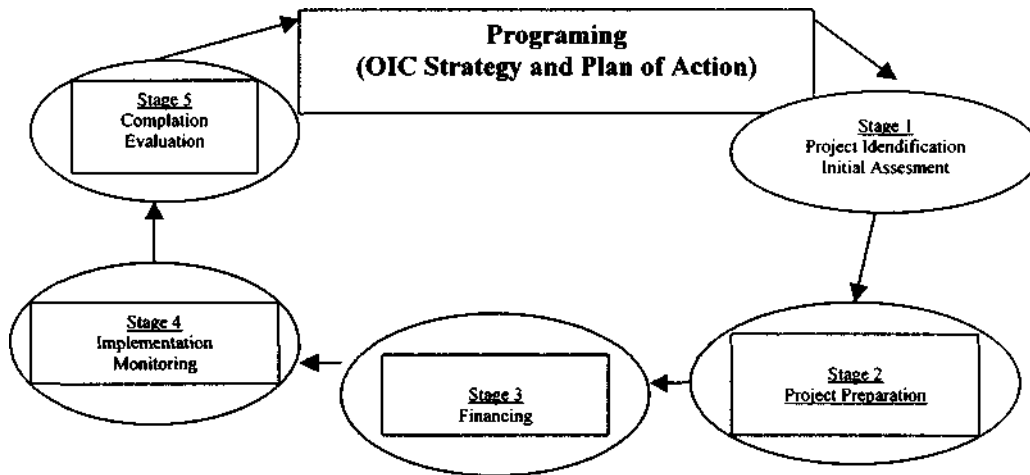
Stage 2 : Project Preparation

Stage 3 : Financing

Stage 4: Implementation and Monitoring

Stage 5 : Completion and Evaluation

Figure 1. Main Stages of the PCM



10. PCM outlines the main steps which the concerned parties, mainly project managers (the concerned OIC institutions in case of implementation process of the OIC Plan of Action) will follow from initially identifying a potential cooperation project through to implementing, completing and (for selected activities) conducting an ex-post evaluation. The cycle provides a number of explicit decision points and alternative choices. These are important opportunities to ensure clear strategic thinking and promote operational flexibility. The cycle also identifies a set of analytical tools, report formats, detailed guidelines and quality criteria, which help promote good practice.

1.3. Project Identification and Initial Assessment (Stage 1)

11. This stage involves identifying, screening and selecting multilateral cooperation projects. Early rigorous screening and initial assessment are critical for appropriate project selection. Sectoral, thematic and initial or "pre-feasibility" project studies may be done to help identify, select or investigate specific ideas, and to define what further studies may be needed to formulate a project or action. The outcome is a decision on whether or not the option(s) developed should be further studied in detail.

12. During this phase the roles of the project cycle coordinators or managers (in case of the OIC Plan of Action, the member countries as the main project proposer as well as the concerned OIC institutions and other relevant OIC bodies are expected to verify the cohesion of the idea and the policy and strategy framework, to verify whether the project idea is relevant to the concerned parties or to the beneficiaries, to see to it that the parties are clearly specified and their perception listened to. They are also expected to initiate and verify the quality of the identification of the real existing pressing problems and their causes, assuring that no pre-conceived solution is accepted without having verified the relevance to the beneficiaries.

13. Regarding this stage of the present PCM, the following tasks are to be carried out by the concerned OIC institutions:

- Receive formal project proposals from the member countries, or any other proper body within the OIC

- To launch a proper identification process if in doubt about the quality of the existing information.
- To identify and contract a moderator to guide the participatory workshop with the concerned parties, if found opportunity
- To ensure the verification and incorporation of relevant lessons from evaluations (from different national or international institutions, agencies).
- To assess the pre-feasibility study document and check the presence and quality of all the required information.
- Discuss possible proposals with the member countries and other beneficiaries, and screen proposals before submitting them for selection.
- Conduct initial assessment of proposals. This includes collecting further information or conducting a desk study as required
- Decide whether to proceed to project preparation and, if so, how

14. Project preparation involves investigating the feasibility of project proposals and, as appropriate, preparing a detailed project design for appraisal by the concerned OIC institutions and the concerned parties. This stage may be divided into preliminary and detailed preparation. While the member countries are expected to make a preliminary preparation, the concerned OIC institutions may need to prepare latter. In this connection, it should be recalled that the COMCEC Coordination Office has already prepared the project profile form (OIC/COMCEC/18-02/PPF), which was endorsed by the 18th COMCEC to be used for the purpose of securing a uniform and complete project proposal.

1.4. Project Appraisal (Stage 2)

15. All significant aspects of the project proposal or cooperation ideas are to be studied, taking account of the main objectives and goals of the OIC cooperation and, key quality factors and the views of the main parties or beneficiaries. Beneficiaries should actively participate in the detailed specification of the project idea. Relevance to problems, and feasibility, are key issues. Detailed implementation schedules, including a Logical Framework with indicators of expected results and impact, and implementation and resource schedules should be produced. The outcome is a decision on whether or not to propose the project for financing.

16. During the Appraisal phase, the concerned OIC institutions may launch any preparatory studies as may be required and manages their technical, contractual and financial aspects. Relevant project ideas are developed into project plans. The particular stress should be on feasibility and sustainability or quality of the suggested intervention. Beneficiaries and other parties participate in the detailed specification of the project idea that is then assessed for its

feasibility (whether it is likely to succeed) and sustainability (whether it is likely to generate long term benefits). Again, checks need to ensure that crosscutting issues and overarching policy objectives are adequately considered in the project design and objectives.

17. On the basis of these assessments to be made by the concerned OIC institutions through the Sessional Committee, a decision by the COMCEC is to be made on whether or not to draw up a formal financing proposal and seek funding for the project.

18. It is apparent that the concerned OIC institutions need to utilize the available techniques and tools or developed (some of them referred to above in italics) in order to have project appraisal criteria to be employed during this phase of PCM. The completion of Appraisal phase are to produce two important outcomes:

a) A feasibility study

- to establish whether the proposed project identified in the pre-feasibility study is relevant, feasible and likely to be sustainable, and detailing the technical, economic and financial, institutional and operational aspects of the project.

The purpose of the feasibility study is to provide the COMCEC with sufficient information to justify acceptance, modification or rejection of the proposed project for further financing and implementation.

b) A decision to be taken by the COMCEC

- to prepare a financing proposal based on the study
- to reject the project
- to further study certain aspects, if not yet clarified in a satisfactory manner

1.5. Financing (Stage 3)

19. During the Financing phase of PCM, based on the previous studies and subsequent discussions, a final version of the Financing Proposal (FP) needs to be drafted and assessed or examined by the concerned OIC institutions with regard to a set of quality criteria, and agreed

upon by the COMCEC. Subsequently, Financing Proposals are to be examined by the concerned OIC institutions on behalf of the COMCEC, and a decision is taken on whether or not to fund the project. The modalities of implementation be agreed upon and formalized in a legal document setting out the arrangements by which the project will be funded and implemented.

20. When assessing the quality of project design before submission of the FP to the COMCEC or to the competent authority, a further check should be made by the concerned OIC institutions to ensure that the project is relevant, feasible and sustainable.

21. The drafting of the final version of the FP will include specification of accompanying measures to facilitate project implementation, if not yet done. The expected outcomes of Financing phase of PCM are:

- a) A final version of the FP in the defined format*
- b) A decision taken by the concerned OIC institutions*
 - to submit the financing proposal to the COMCEC
 - to redesign or reject the project
- c) A signed financing agreement or memorandum signed by the concerned party(s), including the Technical and Administrative Provisions for implementation*

22. As mentioned in the preceding pages, one of the major tasks of the concerned OIC institutions in the present PCM system is to devise a financing mechanism for the implementation process. Given the financial limitations, such mechanism requires innovative approach and creative thinking. As suggested in the previous study, one way is to seek full or partial external financing from the relevant international development institutions or agencies. Another suggestion would be incorporation of the annual programs of the concerned OIC institutions with their respective associated financial allocation to the implementation process to the extent that it commensurate with the objective and goal of the annual programs. The member countries can also be approached for full or partial funding of the projects that are to be gone through the PCM system.

23. The conceired OIC institutions also need to have updated information at their disposal on the different types of funding available and on the main sources of funding. Knowledge

about this in the project identification and preparation stages will help to decide how a project should be developed and presented in a proposal.

24. Three main types of project funding available are grants, loans and equity. These are often combined to make up an overall funding package for a project. Funding for projects may come from the budget of the project proposer, from domestic sources such as environmental funds, from bilateral or multilateral funders, or from international financing institutions.

25. It is unusual to be able to obtain full and complete funding from any source. Most international funders will require a contribution (financial or in-kind) from the project proposer as a condition of their participation. It is also a good idea to think about co-funding (i.e. two or more funders) for larger projects, or in cases where there may be restrictions on what an individual funder can provide.

26. It is advisable to contact potential funders early in the development of a project proposal in order to know about their funding priorities, their procedures, and any conditions that will apply. In general, preparation efforts increase in relation to the size and complexity of a project and the amount of funding required.

1.6. Implementation and Monitoring (Stage 4)

27. Once a project has been planned and financial support been secured, implementation is to start. The agreed resources are used to achieve the project purpose and to contribute to the overall objectives. This usually involves contracts for studies, technical assistance, works or supplies. Progress is assessed to enable adjustment to changing circumstances.

28. The "Rules of Procedures" for the concerned OIC institutions (which is in the process of drafting by the COMCEC Coordination Office) is to specify overall distribution of responsibilities for implementation among the concerned OIC institutions. As a general rule, the "coordinator" to be chosen among the concerned OIC institutions during the project Appraisal phase of PCM system would be responsible for all aspects of implementation, including, among others, procurement, contractual and financial management, monitoring,

audits, etc., and would provide the COMCEC with regular feedback on the basis of regularly prepared monitoring reports.

29. Implementation involves the task of finalizing the memorandum of understanding and contracting a service provider, from the member countries. Project monitoring is an ongoing task during implementation and provides project performance data for use by the coordinator OIC institution or by the concerned parties, and identifies actions to correct problems where they exist. There are some steps to be taken during this phase of PCM system. These are the following:

- Prepare and negotiate the memorandum of understanding with the direct beneficiary(s)
- Tender for and select s managing contractor from the member countries, and brief and mobilize the contractor.
- Conduct project inception workshop and prepare first annual plan.
- Establish a management information system to collect, record and report information on physical and financial progress.
- Prepare and implement Annual Plans.
- Receive regular reports from contractor
- Arrange monitoring visits and conduct regular meetings
- If required, provide periodic technical supervision.
- Identify and correct problems and conduct reviews to modify project if required

1.7. Completion and Evaluation (Stage 5)

30. Completion and evaluation provides the concerned parties with information on the outcomes and impact of the project or program. The information is used to feed back lessons learned into both program strategy formulation and the design and management of future development projects.

31. Evaluation is defined as a systematic and objective assessment of the design, implementation and results of an ongoing or completed project, program or policy. The aim of any evaluation is to measure and establish the quality of a project or program with reference to relevance, effectiveness, efficiency, impact and sustainability. Key steps to be taken in conjunction with the completion and evaluation phase of PCM involves the followings:

- Prepare project completion report
- Document lessons learned.
- Select projects for ex-post evaluation.
- Undertake evaluation.
- Document lessons learned and publish evaluation report.
- Ensure key lessons are fed back into project preparation activities

32. The project is generally assessed against its objectives in terms of its performance, efficiency and impact. Increasingly, project evaluations are based on a Log Frame structure. It is therefore an advantage if the concerned OIC institutions use Log Frame techniques in their project identification and preparation. An explanation of Log Frame Analysis is provided in next section.

33. Evaluation takes place at particular stages of the project cycle:

- prior to starting implementation (known as ex-ante evaluation) in order to assess what it is likely to achieve
- during implementation e.g. mid term, or at other key points (milestone evaluation). This is often related to reports produced during implementation
- at the end of implementation (i.e. the evaluation stage)
- some time after the project has finished in order to evaluate long-term impacts (known as ex-post evaluation)

34. An important purpose of evaluation is to provide feedback to the funder and project proposer. Evaluation sometimes leads to the identification of new project ideas.

35. Most people are only involved in a few of the stages of the project cycle, or in only part of the work in each stage. Consequently, preparing a good project usually involves teamwork and dialogue among a wide range of the concerned parties. Effective coordination and close cooperation among the concerned OIC institutions are essential throughout the process. Project development takes time and to complete the work required for identification, preparation, financing and appraisal can take anything from three months to several years to complete, depending on the project. In the final analysis, as stated earlier by having PCM system as such it is believed at the end those who are involved or to be involved in the implementation process of the OIC Plan of Action will perceive how project identification and preparation fit into the project cycle, have a clear view of the different roles in project implementation process and understand the time and effort which project development and implementation requires in the context of the OIC cooperation.

2. PCM Analysis Techniques and Guidelines

36. In the PCM system there are some main tools and techniques used in the project cycle. To prepare successful project proposals it is necessary to understand and use recognized project development techniques. Usually, a selection of these assessment techniques is used

for a particular project and it is important is to know when to use them and generally understand what the results mean. It is also suggested that the proposed PCM system needs to be based on the use of Log Frame Analysis that provides a technique for preparing a clear and consistent project proposal. The use of Log Frames is increasingly required by potential project funders. Log Frames may also be used in the appraisal, monitoring and evaluation stages of the project cycle. In addition, project assessment techniques such as technical evaluation, cost-benefit analysis (for financial, economic and social aspects), risk assessment, stakeholder or socio-cultural analysis, institutional analysis, environmental impact assessment may also be given due consideration to the extent possible. These techniques are used in the preparation stage of a proposal in order to test whether the project will work and achieve the desired objective. This is often done by carrying-out a feasibility study.

37. Guidelines for the present PCM system that is going to be developed over time, is to form the basic reference for achieving high quality project preparation and implementation. The purpose of these guidelines is to help support efficient and effective management of OIC Plan projects.

38. The Guidelines usually has the following components:

- a) Operational framework within which the concerned parties can undertake the main activities of the project cycle management
- b) Set of decision options at different stages of the project cycle management which aim to promote both clear decision making and operational flexibility
- c) Set of analytical tools, report formats, guidelines and quality criteria which will help promote good practice and enable the concerned OIC institutions to carry out their respective assignments in project implementation

39. Since the use of Log Frames as well as the Evaluation Criteria are of particular importance for the present PCM system, a brief explanation of them is provided in the next section.

2.1. Logical Framework Approach (LFA)

40. The core tool used within PCM for project planning and management is described as the Logical Framework Approach (LFA). The LFA is a technique to identify and analyze a given situation, and to define objectives and activities that should be undertaken to improve the situation. After program and project preparation, the LFA is a key management tool for

monitoring during implementation and evaluation. It provides the basis for activity schedules and the development of a monitoring system, and a framework for evaluation. It thus plays a crucial role in each phase of the cycle.

41. The origins LFA can be traced back to private sector management theory, such as the "management by objectives" approach that initially became popular in the 1960s. LFA has adapted as a planning and management tool by a large number of agencies involved in providing development assistance.

42. While it is not without its critics, LFA has proved popular and its use continues to expand into new agencies. It helps to provide a standardized summary of the project and its logic.

43. The concerned OIC institutions can use the LFA to prepare, manage, monitor and evaluate projects. It is important, therefore, to be familiar with its application. LFA is an analytical, presentational and management tool which can help the OIC institutions to:

- Analyze the existing situation during project preparation (particularly problems and beneficiaries).
- Establish a logical hierarchy of objectives and supporting activities.
- Identify some of the potential risks.
- Select an implementation strategy.
- Establish how outputs and outcomes might best be monitored and evaluated.
- Present and share information about the project structure and scope in a consistent and accessible format.

44. The LFA incorporates four main steps to help guide this process:

- problem analysis
- stakeholder analysis
- objective analysis; and
- selection of a preferred implementation strategy.

45. The Logical Framework Matrix, (known as The LogFrame) is the product of this analysis. It summarizes the goals, objectives, activities and outcomes of the project as well as its key assumptions, and monitoring and evaluation mechanisms. An example of the matrix format is shown in Figure 2 below.

46. The LogFrame matrix provides the core structure for developing key project documents, including:

- the project description in the project design document (PDD), along with monitoring and evaluation arrangements;
- output/activity and cost schedules;

- the risk management matrix;
- the scope of services; and
- The project specific memorandum of understanding.

Figure 2. LogFrame Matrix Structure

Project Description	Performance Indicators	Means of Verification	Assumptions
Goal: The broader development impact to which the project contributes - at a national and sectoral level.	Measures of the extent to which a contribution to the goal has been made. Used during evaluation.	Sources of information and methods used to collect and report it.	
Purpose: The development outcome expected at the end of the project. All components will contribute to this	Conditions at the end of the project indicating that the Purpose has been achieved. Used for project completion and evaluation.	Sources of information and methods used to collect and report it.	Assumptions concerning the purpose/goal linkage.
Component Objectives: The expected outcome of producing each component's outputs.	Measures of the extent to which component objectives have been achieved. Used during review and evaluation.	Sources of information and methods used to collect and report it.	Assumptions concerning the component objective/purpose linkage.
Outputs: The direct measurable results (goods and services) of the project which are largely under project management's control	Measures of the quantity and quality of outputs and the timing of their delivery. Used during monitoring and review.	Sources of information and methods used to collect and report it.	Assumptions concerning the output/component objective linkage.
Activities: The tasks carried out to implement the project and deliver the identified outputs.	Implementation/work program targets. Used during monitoring.	Sources of information and methods used to collect and report it.	Assumptions concerning the activity/output linkage.

47. LFA can be used throughout the activity management cycle in:

- identifying and assessing activities that fit within the scope of programs,
- preparing the project design in a systematic and logical way,
- appraising project designs,
- implementing approved projects, and
- monitoring and evaluating project progress and performance.

48. LFA is best started early in the cycle management but the same analytical tools can be used to help review and restructure ongoing projects which have not previously been designed using LFA principles. It is an aid to thinking and has flexible application.

2.2. Evaluation Criteria

49. During the cycle management it is also important to note that assessing and improving the quality of an individual project or program is central to any management activity. A good quality project or activity is one which:

- has appropriate objectives and design
- is managed in a professional manner
- achieves its objectives, and
- has sustainable outcomes.

50. These criteria are important when answering the focusing questions that drive the key decisions. The criteria are provided in detail in Table 1 below. It is important to address them while preparing a submission for approval at the various decision points. These are the criteria that the concerned OIC institutions need to use consistently at various stages in the project cycle.

Table 1. Decision Criteria

Criteria for decision-making

Focusing question (early Stage 1)

Does the proposal have sufficient merit to proceed to initial assessment?

- Objectives are appropriate
- The activity will contribute directly or indirectly to poverty reduction
- Institutional and organizational arrangements are clear, appropriate, workable and endorsed by the partner government.
- Risks have been identified and appear manageable.
- The project has strong support from key senior officials of the partner government.
- Realistic overall assessment indicates that the project is likely to achieve its objectives.
- The partner government's economic and social policy context is favorable for the project.

Focusing questions (end of Stage 1):

Should the proposal proceed to preliminary preparation?

- Objectives are consistent with OIC Strategy and Plan
- Institutional and organizational arrangements are clear, appropriate and workable
- Risks have been identified and appear manageable.
- A preparation schedule has been prepared
- The project has strong support from the concerned parties
- Realistic overall assessment indicates that project is likely to achieve its objectives.

Focusing question (Stage 2):

Should the proposal proceed to detailed preparation?

- Objectives are appropriate.
- The activity will contribute directly or indirectly to poverty reduction.
- The concerned parties are actively involved in preparation.
- Processes of preliminary preparation meet quality standards.
- The preliminary design satisfies quality standards.
- The preparation schedule is prepared and being followed.
- Overall assessment of the project is that it will achieve its objectives.
- Benefits are likely to be sustainable.
- The recurrent budget is likely to be maintained after the project.

Focusing question (Stage 3):

Should the proposal proceed to implementation?

Objectives are appropriate.

Poverty analysis undertaken and confirms the activity will contribute directly or indirectly to poverty reduction.

The processes of design meet quality standards.

- The final design satisfies quality standards.
- The project has strong support from the partner government.
- Overall assessment of the project is that it will achieve its objectives.

Design includes sustainability analysis and strategy.

Design includes a poverty analysis and poverty reduction strategy that provides a detailed assessment of how the proposal will contribute to poverty reduction.

Benefits to institutions and target communities appear sustainable.

Focusing questions (end of Stage 3):

What corrective action should be taken?

Objectives are still appropriate.

Institutional and organizational arrangements are clear, appropriate and workable and endorsed by the partner government.

Design is sufficiently flexible to allow for adjustments.

The project is on track and operating smoothly.

Annual plan, monitoring system, and contractor management procedures and reporting are prepared meeting the basic standards.

The contractor scores well in performance assessment.

The memorandum of understanding sets out clearly and in appropriate detail the responsibilities and contributions

The project has continuing strong support

Sustainability analysis and strategy is being applied effectively.

Benefits to institutions and target communities appear sustainable.

3. Conclusion

51. As pointed out in the Explanatory Note on the PCM, this draft preparation of PCM is part of the supplementary mechanism proposed by the COMCEC Coordination Office in its previous study (OIC/COMCEC/18-02/SM) on the modality of the involvement of the concerned OIC institutions in the process of the implementation of the OIC Plan of Action, with a view to further elaborating the proposed supplementary mechanism in compliance with the relevant resolution of the 18th COMCEC.

52. The idea of introducing the PCM system into the implementation process of the OIC Plan of Action is to help the concerned OIC institutions better manage their respective task

and assignments in this regard to be given by the COMCEC in a more coordinated manner. PCM provides a consistent approach at all stages of the project cycle ensuring that a comprehensive overview of the project is available at all times and that monitoring and evaluation takes place effectively. It is believed that this approach enhances the feasibility, relevance and sustainability of projects and programs within the OIC plan of Action.

53. Many international and national development institutions use PCM approach by employing different techniques and tools according to the specific purposes and scope of activities. The present draft of PCM is an attempt aiming at adapting the available PCM tools and techniques to the implementation process of the OIC Plan of Action projects taking into consideration of the multilateral nature of the OIC Plan projects as well as the specific needs and conditions of the OIC economic and commercial cooperation. PCM system has also additional guidelines and info system that should be created and developed over time as the need arises. Consequently it amounts to be a voluminous documentation that requires collective work on the part of the OIC institutions to produce them.

54. Certainly, in its present form there may remain some vague or missing points that needs to be clarified, and its actual scope and content may require some more clear definition. It is firmly believed that with the contribution of the member countries and the concerned OIC institutions, the present PCM draft will reach a better formulation and compact form that is going to be effective and workable in implementation process of the OIC Plan of Action.

-IX-

REPORT BY IDB ON THE FINANCING
OF INTRA-OIC TRADE AMONG OIC/IDB
MEMBER COUNTRIES

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

**REPORT BY IDB ON FINANCING OF INTRA-TRADE AMONG
OIC/IDB MEMBER COUNTRIES**

**(For the 19th Meeting of the Follow-up Committee of COMCEC to be held
on 12-14 May 2003 in Istanbul Turkey)**

BACKGROUND

1. Following the 1997, Tehran Eight Islamic Summit, IDB was requested to formulate and develop qualitative and quantitative ways and means to increase intra trade cooperation with other OIC institutions. At the 2nd Preparatory Meeting of the OIC (Tehran in June 1998), it was resolved that intra trade among member countries should be increased from 10% to 13% of their total trade beginning from 1420H.

2. An Inter OIC Task Force, which was set up by IDB, met in Jeddah in August 1998 and came up with specific recommendations on trade, which include the creation of new trade financing instruments by IDB under new terms and conditions, enhancement of co-financing., appointment of focal points in member countries, use of technology to provide intra trade information, formation of Eximbanks, promotion of bilateral payment arrangement mechanisms and capacity building in trade through technical assistance

3. The recommendations of the OIC Task Force was endorsed by the IDB Board of Executive Directors at its meeting in Cotonou, Benin in November 1998.

IDB TRADE FINANCING PROGRAMME

4. The Islamic Development Bank's (IDB) trade financing programme, which commenced operations in 1397H (1977), consists of four schemes/windows namely the Import Trade Financing Operations (ITFO), the Export Financing Scheme (EFS), Islamic Banks Portfolio (IBP) for Investment & Development and the Unit Investment Fund (UIF). IDB also manages a special programme, in cooperation with the Khartoum-based Arab Bank for Economic Development in Africa (BADEA) to finance exports from Arab countries to non- Arab League member countries of the Organisation of African Unity.

ACHIEVEMENTS TO DATE**Resources for trade financing and promotion**

5. In support of the Resolution on Intra trade of the Tehran Summit, IDB has made available an amount of US\$5.23 billion from its own resources for financing under ITFO and EFS since 1420H. Its breakdown is as follows:

US\$ Million			
YEAR	ITFO	EFS	TOTAL
1420H	1,000.0	200.0	1,200.0
1421H	1,030.0	200.0	1,230.0
1422H	1,060.0	270.0	1,330.0
1423H	1,200.0	270.0	1,470.0
TOTAL	4,290.0	940.0	5,230.0

6. In addition to the above, the Bank has also allocated a total amount of US\$4.51 million during the period 1420H to 1423H under its Trade Cooperation and Promotion Programme (TCPP) (1420H and 1421H: US\$1.84 million; 1422H: US\$0.52 million; 1423H: US\$0.32 million). The fund was used to finance market studies, organising of trade fairs, training, seminars and technical assistance for capacity building of the Lease Developed Member Countries.

Trade financing approval

7. From 1397H until 1423H, IDB had approved an aggregate amount of US\$18.94 billion under the four financing schemes (See Attachment 1), with the following breakdown:

- i. ITFO US\$15.40 billion
- ii. EFS US\$1.18 billion
- iii. EBP US\$1.94 billion
- iv. UIF US\$457.75 million

8. The amount approved between 1420H and 1423H was US\$5.95 billion.

Details are as follows:

US\$ Million

YEAR	ITFO	EFS	IBP	UIF	TOTAL
1420H	674.84	69.05	106.56	19.00	869.45
1421H	1,024.70	188.22	190.00	95.00	1,497.92
1422H	1,297.50	213.95	83.00	44.50	1,638.95
1423H	1,400.00	227.20	177.25	87.00	1,891.45
TOTAL	4,397.04	698.42	556.81	245.5	5,897.77

9. The approved amount in 1423H under the four schemes was US\$1.89 billion, which was an increase of 15% over the US\$1.64 billion approved in the previous year. The bulk of this approval (US\$1.63 billion or 86%) was made under the ITFO and EFS schemes.

Intra trade financing

10. The thrust of the trade financing programme is to support intra trade among member countries. Since 1397H, about US\$11.6 billion of the total amount of US\$15.40 billion or 75% approved under ITFO and the whole amount of US\$1.17 billion under EFS were used to finance trade among member countries. Performance of Intra trade financing under ITFO is shown in Attachment 2.

11. The total amount approved for financing of intra trade under ITFO and EFS between 1420H and 1423H was US\$4.0 billion or 78% of the combined approval of US\$5.09 billion.

2SMF and Syndication

12. To increase resources for trade financing, the EDB had introduced the 2SMF and syndication mechanisms in 1420H during which an amount of US\$209 million was approved. The amount approved in 1421H and 1422H were respectively US\$274 million and US\$295 million

13. In 1423H, an amount of US\$362 million was approved under the two mechanisms, of which US\$160 million was mobilised from other Islamic banks and financial institutions.

Trade promotion activities

14. EDB also promotes intra trade through its Trade Cooperation and Promotion Programme (TCPP). The thrust of the programme is strengthening of trade relationships, exploring possible trade cooperation and facilitating opportunities for intra trade and export development among member countries. The programme also provides technical assistance for capacity building to the Least Developed Member Countries.

15. Between 1420H to 1422H, IDB had organised thirty Seminars /Workshops, twelve trade fairs, two meetings of the Focal Points and financed six studies {in collaboration with member Governments and organisations such as the Islamic Centre for Development of

Trade (ICDT) and the Arab Industrial Development and Mining Organisation (AIDMO)} under the programme.

16. Three seminars/workshops, six trade- fairs and two training/studies were implemented in 1423H. (See Attachment 3 for details on TCPP activities during the year.)

CONCLUSION

17. IDB has made significant contribution towards financing of trade among member countries as evidenced by the size of approval under the four schemes to date. It has doubled its efforts since 1420H in response to the Resolution on Intra trade of the 1997 Tehran Eighth Islamic Summit. The Bank made more funds available from its own internal resources and raised additional funds from the market through the Two- Step Murabaha and syndication mechanisms for trade financing. Additional funds were also allocated to support activities under its Trade Cooperation and Promotion Programme

18. The result of these efforts has been very encouraging. The average annual approval for the four financing schemes between 1420H to 1423H was US\$1.49 billion, which is significantly higher than the average approval of US\$567 million that was achieved between 1397H to 1419H. The approval figure has reached US\$1.89 billion in 1423H.

19. The thrust of IDB's trade financing programme is to support intra trade. Between 1397H and 1423H, about US\$12.77 billion or 77% of the total amount of US\$16.57 billion approved under ITFO and EFS was used to finance intra trade. (1420H-1423H- US\$4.0 billion or 78% of combined total of US\$5.09 billion)

20. IDB has also been granting an amount in excess of US\$850 million annually to finance projects and technical assistance. A major portion of this financing is used for imports of goods and services from other IDB member countries. This, again, is another contribution by IDB to increase intra trade.

**Trade Finance and Promotion Department,
Islamic Development Bank**

ATTACHMENT 1

Trade Financing Approvals
From 1397H up to 1423H* -in US\$ Million

Year	ITFO		EFS		IBP		U.IF		TOTAL	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1397	5	50.52							5	50.52
1398	11	155.82							11	155.82
1399	22	338.09							22	338.09
1400	32	456.99							32	456.99
1401	31	453.44							31	453.44.
1402	27	400.30							27	400.30
1403	28	519.50							28	519.50
1404	42	704.42							42	704.42
1405	36	653.00							36	653.00
1406	53	601.01							53	601.01
1407	48	531.34							48	531.34
1408	60	577.00	2	8.38	5	24.00			67	609.38
1409	53	514.77	23	39.09	5	18.51			81	572.37
1410	64	545.30	18	28.38	5	20.43			87	594.11
1411	46	485.50	15	26.79	8	75.99			69	588.28
1412	60	503.90	11	64.35	3	130.00	1	1.53	75	699.80
1413	44	351.63	11	41.86	4	28.80	3	9.72	62	432.08
1414	47	405.39	6	28.30	8	179.85	1	5.00	62	619.08
1415	50	473.33	8	28.24	10	175.35	5	32.10	73	707.48
1416	44	498.50	10	66.08	6	187.50	5	32.50	65	783.78
1417	47	519.94	11	44.52	11	206.50	4	24.50	73	795.34
1418	32	479.40	8	36.99	18	234.20	7	47.50	65	799.92
1419	31	787.20	15	64.80	10	103.10	4	17.60	60	972.70"
1420	35	674.84	13	69.05	8	106.56	2	19.00	58	869.45
1421	61	1,024.70	21	188.22	9	190.0	8	95.0	99	1,497.90
1422	65	1,297.50	20	213.95	8	83.00	5	44.50	98	1,638.95
1423	78	1,400.00	21	227.20	13	177.25	9	87.00	121	1,891.45
Total	1,152	15,403.33	213	1,176.21	131	1,941.04	54	415.95	1,550	18,93*50

- Net of cancellations.

ATTACHMENT 2

PERFORMANCE OF INTRA TRADE FINANCING
UNDERITFO

Year	Number of Countries	Number of Operations	Amount*		Member Country Sources	
			IO M	US\$ M	US\$ M	%
1397H	4	5	43.61	50.52	27.98	55.4
1398H	9	11	127.44	155.82	99.10	63.6
1399H	13	22	262.36	338.09	268.51	79.4
1400H	18	32	350.06	456.99	371.09	81.2
1401H	14	31	367.89	453.44	342.64	75.6
1402H	12	27	357.34	400.30	316.30	79.0
1403H	11	28	480.60	519.50	430.50	82.9
1404H	14	42	671.68	704.42	530.05	75.3
1405H	12	36	661.77	653.00	555.00	85.0
1406H	13	53	531.09	601.01	527.02	87.7
1407H	11	48	425.34	531.34	411.50	77.5
1408H	12	60	427.10	577.00	510.50	88.5
1409H	13	53	394.34	514.77	424.80	82.5
141 OH	16	64	419.37	545.30	389.50	71.4
1411H	13	46	349.33	485.50	337.50	69.5
1412H	11	60	366.12	503.90	401.40	79.7
1413H	9	44	250.73	351.63	279.63	79.5
1414H	9	47	290.03	405.39	356.25	87.9
1415H	9	50	318.82	473.33	348.33	73.6
1416H	9	44	333.89	498.50	330.50	66.30
1417H	8	47	364.85	519.94	315.44	60.7
1418H	9	32	351.93	479.40	389.40	81.23
1419H	10	31	581.53	787.22	321.00	40.78
1420H	12	35	496.51	674.84	479.84	71.1
1421H	14	61	786.66	1,024.73	830.45	81.04
1422H	17	65	1,028.12	1,297.50	1,009.25	77.78
1423H	17	78	1,060.35	1,400.00	989.00	70.64
TOTAL		1,152	12,114.50	15,403.38	11,592.48	75.26

- Net of cancellations

ATTACHMENT 3

TRADE COOPERATION AND PROMOTION PROGRAMME ACTIVITIES IN 1423H

Seminars and Workshops:

Workshop on supply and demand of trade products of mechanical industries, Sharjah, UAE

Seminar on Trade between Arab Maghreb Countries and West African Member countries, Casablanca, Morocco

Trade Fairs:

- 9th Islamic Trade Fair, Sharjah - U.A.E.
- 10th MUSIAD International Trade Fair, Istanbul - Turkey
- 15th Dakar International Trade Fair, Dakar - Senegal.
- Exhibition on Arab Industries World, Jeddah - K.S.A.
- Tunis International Trade Fair, Tunis - Tunisia.
- Palestine Products Exhibition, Jeddah - K.S.A.

Meetings:

& Sellers & Buyers Meeting for Leather Industries, Damascus, Syria.

Training Courses & Studies:

&>, Studies on rules of origin for Arab Industries Goods.

&. Training on job for staff from Turkey EXIMBANK.

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ICDT ANNUAL REPORT
ON INTRA-ISLAMIC TRADE

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

ICDT'S ANNUAL REPORT ON INTER-ISLAMIC TRADE (2002)

ABSTRACT

The sixteenth edition of ICDT's Annual report takes stock of the Foreign trade of the OIC Member States in General and of Inter-Islamic Trade in particular.

I/ MAIN TRENDS OF THE FOREIGN TRADE OF THE OIC MEMBER STATES:

I/ Evolution of the World Economy:

1.1. Commodity trade and trade in services :

The world Commodity trade experienced in the year 2002 an increase by 2.5% against a decrease by 1% in 2001 (thanks to the rigidity of the USA' demand and in the big economies of Asian) according to the WTO' report published in April 2003.

Besides, the growth of the world trade was higher than that of the world production by 1.5% and remains unequal in some regions such Latin America, and Western Europe in the year 2002.

Given the world economic environment: the war on Iraq, the risk of an increase in fuels prices, the risk of the spreading of the Severe Acute Respiratory Syndrome (SARS), might cast a shadow on the prospects of the economic growth in 2003.

In the year 2002, the value of commodity exports increased by 4% reaching 6,240 billion US dollars after having experienced a drop by about 4% in 2001.

Trade in services has for its part experienced an increase by 5% in 2002 exceeding 1540 billion US dollars mark after a drop by 1% in 2001. This trade recovery in a context marked by the sluggishness of the world economy results from the high predominance of investment flows, considerable variations of the exchange rate (appreciation of the yen in comparison with the dollar), weakening of the confidence of translational companies, strengthening of restrictions on international trade transactions in order to lessen the risks linked to international terrorism and the aggravation of geopolitical conflicts.

Trade in services increased in spite of the quasi-contained fear for international terrorism and the increase in fuels prices, which have impeded the growth of trade in travelling and transport services. Such a crisis entailed redundancies of the personnel of the big airlines. Yet, such a severe crisis has to a large extent been compensated by the quick growth of trade in other services.

The recovery of the world trade varied according to regions: the United States, the Developed Economies of Eastern Asia, China and the transitional economies were at the origin of such recovery.

On the other hand Western Europe and Japan recorded stagnation and even a drop in their domestic demand.

In Latin America the Crisis in Argentina and Venezuela contributed to the slowing down of economy in this region.

In North America, the recovery of imports coincided with the improvement of domestic demand but exports dropped in this region.

1-2. The prospects of the world economy in 2003/2004:

The international economic environment suggests dark prospects for the world economy, which has been directly affected by the consequences of the war on Iraq, the persistence of the Severe Acute Respiratory Syndrome (SARS) and the influence of the fluctuations of the exchange rate and of the fuels prices and basic commodities.

The slowdown of economic growth recorded in 2002 in industrialised countries, the almost continuous lack of confidence of enterprises and consumers in early 2003 that is illustrated by the stagnation of the stock markets and the increase in the oil prices contribute to the weakening of the growth of the world economy in 2003.

According to experts, the world growth will not exceed 3% in 2003.

- The IMF forecasts a low economic growth for 2003, according to it a degradation of the international economic environment is more likely to occur than an improvement within the next months, following the war on Iraq, the Severe Acute Respiratory Syndrome (SARS) and the fluctuations of the exchange rate and fuels prices and basic commodities for the next months. Its economic growth forecasts have been downgraded to 3.2% in 2003 against 4.1% in 2004.
- The IMF has also pointed out that after a sharp drop in international trade in 2001, the world trade is expected to increase by 2.9% in 2002 and by 4.3% in 2003 and 6.1% in 2004 upon a probable improvement of the activities of the electronic sector and a perceptible increase in the domestic demands in some countries such as the USA.

The IMF considers that the American Federal reserve is ready to reduce its rates if necessary and in case the drop in shares would have a negative impact on domestic demand. In the Euro zone, the IMF considers the Euro area has not also experienced a satisfactory economic recovery, this zone remains vulnerable to new difficulties, particularly in Germany and that it would need lower rates than that are currently applied. It forecasts a growth by only 0.8% for the Euro zone in 2002 and by 1.1% in 2003 and even 2.3% in 2004.

With regard to Japan, the IMF has on the contrary upgraded its forecasts. It guesstimates that the Japanese economy is expected to experience again an upward tendency by 0.3% in 2002 and that a growth by 0.8% may be reached in 2003 and 1% in 2004.

2. Evolution of the OIC Member States' Economies:

The economic growth of the OIC Members in 2001 by 4% was lower by 1% than that of all developing countries (5%). This increase is unequal and varies from a country to another; it is in fact directly affected by the ups and downs of the international economic situation, and particularly by the fluctuations of the raw materials prices, as well as the financial markets volatility.

Some Member States, net exporters of fuel (Gulf Arab States), of metals and gas (Countries of the Independent States community) or of agricultural products (African and Mediterranean States), experienced according to the circumstances, an increase or decrease in their economic growth.

The GDP growth rate of the OIC Member States dropped from 5.5% in 1996 to 4% in 2001, i.e a reduction by 37.5%, which indicates the fragility of Islamic economies despite the structural adjustments policies advocated by some Member States.

In 2001, the OIC Member States had totalled a GDP that represented more than 4.5% of the world GDP.

In 2001, the total exports of OIC Member States reached 498.2 billion USD dollars, accounting for 8.1% of the world exports and the imports were estimated at 429.6 billion US dollars, i.e 6.75% of world imports.

3/ Evolution of the Global Foreign Trade of the OIC Member States:

3.1. Commodity Trade:

The growth of foreign trade is closely linked to the world prices of fuels and metals, and also to primary agricultural products, which account for the major share of the foreign trade of the OIC Member States.

The exports value of the OIC Member States between 1999 and 2001 recorded a perceptible growth by 26.3% going up from 394 billion US dollars in 1999 to 498.2 billion US dollars in 2001. The import followed the same trend recording an increase by about 21.8% going up from 352 billion US dollars in 1999 to 429.6 billion US dollars in 2001.

This upward tendency of the OIC Member States' trade results from an increase in the trade of the OIC and the GCC Member States by about 35.6%, in the trade of Asian Countries and from a rise in the trade of Sub Sahara African Countries by 70.4% for exports and by 40.5% for imports thanks to the Côte d'Ivoire's trade (new OIC Member) as well as to an increase in fuels prices.

The geographical distribution of the global commodity trade:

In 2001, the distribution of the OIC Member States' world trade was as follows:

- > **Exports:** Asian countries accounted for the largest share with 43.3% of the Member States world exports; followed by the GCC countries with

28.8%, Middle East countries were in the third position with 11.7%, the AMU countries held the fourth position with 9% and finally sub-Saharan Africa with 7.2% of the world exports of the OIC Members States.

- > **Imports:** the same tendency rules Imports: Asian countries imports represented 40.5% of world imports of Member States, followed by the GCC and the Middle East States with respectively 24.2% and 18.9% for each region. AMU countries are in the fourth position with 9.2%, and finally, sub-Saharan Africa with 7.2% of the world imports of Members States.

Product structure of the global commodity trade :

Between 1998 and 2000, the following tendencies were noticed:

Exports:

- > An increase by more than 84% of inedible crude materials, rising from 2.8% in 1998 to 5.1% in 2000. The same tendency characterised the exports of the African Member States;
- > An increase by 73% of food products share between 1998 and 2000; rising from 5.9% in 1998 to 10.2% in 2000. African and Middle East countries were among the actors of this increase;
- > An increase in the share of machinery and transport equipment by more than 40%, rising from 13.7% in 1998 to 19.2% in 2000;
- > An increase in the share of miscellaneous manufactured products by 9%, going up from 26.2% in 1998 to 28.5% in 2000;
- > A decline by 27% in fuel's share, going up from 51% in 1998 to 37% in 2000. This fall is due to a drop in fuel prices in 2000, and also to the aftermath of the financial crisis of Asia, in countries that import these products, and which have an important share in inter-Islamic trade of about one-third.

Imports:

- > An increase by 46.7% in the imports of the other raw materials, rising from 4.5% in 1998 to 6.6% in 2000.
- > An increase by 14.7% in food products share, rising from 11.6% in 1998 to 13.3% in 2000;
- > A rise by 2.1% in the share of miscellaneous manufactured products, rising from 37.2% in 1998 to 38% in 2000;
- > A decline by 35% in fuel's share, falling from 8% in 1998 to 5.2% in 2000;
- > A decline by 4.5% in the share of machinery and transport equipment, going up from 38.7% in 1998 to 36.9% in 2000.

3.2. Trade in services:

In 2002¹, the total services exports of the OIC Member States reached 74.05 billion US dollars and imports 106.44 billion US dollars, i.e a global deficit by 32.38 billion US dollars.

Exports:

The main services exporters are as follows:

Among the main OIC Member States, services exporters, we may quote by descending order **Turkey** holds the first position totalling 19.48 billion US dollars of exports, i.e 26.31% of Member States' exports and the other countries by ascending order account for the following shares: **Malaysia** 11.91 billion US dollars, i.e 11.91% of Member States' exports, **Egypt** 9.8 billion US dollars, i.e 13.24% of Member States' exports, **Indonesia** 5.21 billion US dollars, i.e 7.04% of Member States' exports, **Saudi Arabia** 4.79 billion US dollars, i.e 6.48% of Member States' exports, **Morocco**, 3.03 billion US dollars, i.e 4.1% of Member States' exports and **Tunisia** 2.76 billion US dollars, i.e 3.74% of Member States' exports. These seven countries totalling 77% of total services exports of Member States in 2000.

Imports:

The main services importers are: **Saudi Arabia**, which totalled 25.26 billion US dollars, i.e 23.74% of Member States' imports, **Indonesia** 15 billion US dollars, i.e 14.1% of Member States' imports, **Malaysia**, 14.73 billion US dollars and 13.84%, **Turkey**, 8.14 billion US dollars, i.e 7.66%, **Egypt** 7.51 billion US dollars, i.e 7%, **Kuwait** with 4.93 billion US dollars, i.e.4.64%, **Nigeria** 3.47 billion US dollars, i.e 3.27% and **Pakistan**, 2.25 billion US dollars, i.e 2.12%. These eight countries have accounted for 76.42% of total Member States' imports in 2000.

The geographical distribution of services exports of the OIC Member States in 2000

Exports:

The geographical distribution of services exports of the OIC Member States is generally concentrated in the Middle East and Asia.

The geographical distribution is as follows:

- > The first services exporting region is **the Middle East**, accounting for 45% of total services supply of the OIC Member States, accounting for 33.32 billion US dollars;
- > The second exporting region is **Asia**, with 31.07% of the total services supply of the OIC Member States, i.e 23 billion US dollars;

¹ The available data at international level (IMF, World Bank, UNCTAD, UNCTAD, WTO) on commercial services in the OIC member States cover the year 2000 only.

- > The third exporting region is the **GCC**, with 10.74% of the total services supply of the OIC Member States, i.e 7.95 billion US dollars;
- > The **Maghreb** holds the fourth position with 7.95% of the Islamic total exports of services, i.e 5.89 billion US dollars;
- > And finally **Sub Saharan Africa**, with 5.25% of total sendees supply of OIC Member States, i.e 3.88 billion US dollars.

Imports:

The geographical distribution of services imports of the OIC Member States is generally concentrated in Asia and the Gulf Cooperation Council.

The geographical distribution is as follows:

- > The first services exporter area is **Asia**, which imported 39.57 billion US dollars, i.e 37.18% of Member States' imports;
- > The second importing area is the **GCC**, which imported 32.39 billion US dollars, i.e.30.43% of Member States' imports;
- > The third importing area is the **Middle East**, which imported 20.17 billion US dollars, i.e 18.95% of Member States' imports;
- > **Sub Saharan Africa** holds the fourth position accounting for 10.13 billion US dollars, i.e 9.52% of Member States' imports;
- > The Maghreb holds the last position with 4.17 billion US dollars, i.e 3.92% of Member States' imports.

Product structure of trade in services:

On the basis of the breakdown of the services balance of the OIC Member States in 2000, we can make the following observations:

- > **Exports:** tourism holds a privileged position in the total services exports of Member States, with a 32.50% share, i.e to 29.71 billion dollars. The second most important position in services exports is held by private transfers, which account for 22.31% of services total exports, i.e 20.39 billion US dollars. The third position is held by the transport sector with 16.3% of the OIC Member States' total exports accounting for 14.9 US billion dollars.
- > **Imports:** except for "other services", we notice that the transport sector accounts for an important share, with 27.5% of the total services imports of Members States, i.e 30.07 billion US dollars, followed by the private transfers with 21.04% of the total services imports of Member States, corresponding to 23 billion US dollars, and the third position is held by travels with 15.08% of Member States total services imports, i.e. 16.49 billion US dollars.

II. THE MAIN TRENDS OF INTRA-OIC TRADE EVOLUTION:

The increase in fuel prices, the fall in food products' prices and the adhesion of the Côte d'Ivoire to the OIC are among the factors that contributed to alter the trade data of the OIC Member States in 2001.

The share of intra-OIC trade in the overall trade of the OIC Member States has recorded a positive evolution by more than 10% in 2001.

The intra-OIC exports increased by 33% between 1999 and 2001, the intra-OIC exports share in the global exports of Member States increased by 5.23% going up from 10.10% in 1999 to 10.60% in 2001.

Besides, a noticeable increase has been noted in the share of intra-OIC imports in global imports increasing by 18%, from 11.93% in 1999 to 14.08% in 2001.

Table n° 1
Evolution of intra-OIC trade between 1999 and 2001
(In Billion US dollars)

Total exports	1999	2001	Variation
	394.43	498.19	26.31
Intra-OIC exports	39.73	52.81	32.92
Share in %	10.07	10.60	5.23
Total imports	352.6	429.63	21.84
Intra-OIC imports	42.07	60.50	43.81
Share in %	11.93	14.08	18.03

Taken globally intra-OIC trade (imports + exports) has consequently recorded positive results in so much as the share of this trade in the Member States' total trade increased from 11.57% in 1999 to 12.21% in 2001, i.e an increase by 5.53%.

A considerable upward trend has been noticed in intra-OIC trade value, the intra-OIC exports value rose from 39.73 billion US dollars in 1999 to 52.81 billion US dollars in 2001, i.e an increase by about 33% and intra-OIC imports increased from 42 billion US dollars in 1999 to 60.5 billion US dollars in 2001, i.e an increase by 43.8%.

1/ Product structure of intra-OIC Trade²:

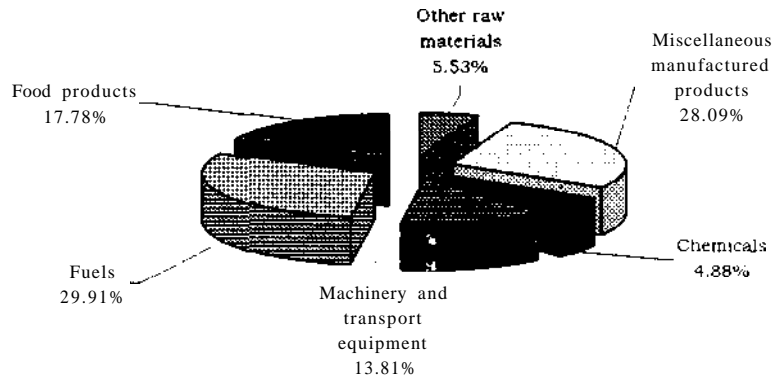
- Intra-OIC exports structure:

The exports of intra-OIC primary products reached 20 billion US dollars in 2000, i.e 53% of intra-OIC total exports, compared to 56% in 1998, i.e a 5% reduction.

As far as products are concerned, intra-OIC fuel and chemicals' exports experienced respectively a decrease by 14.1% and 3.5%, between 1998 and 2000. The decline in fuel exports was a result of a decrease in crude oil prices.

² The last available data on the product structure of Member States' States foreign trade date back from

Graph n° 1
Intra-OIC export structure in 1998 in %



Contrarily, intra-OIC exports of manufactured products showed a slight rise by more than 6%, going up from 17.7 billion dollars in 1998 to 17.9 billion dollars in 2000, accounting for 46.8% of exports compared to 44% in 1998. This rise is due to the intra-OIC exports of machinery and transport equipment (+8.7%) and of other miscellaneous manufactured products (+7%).

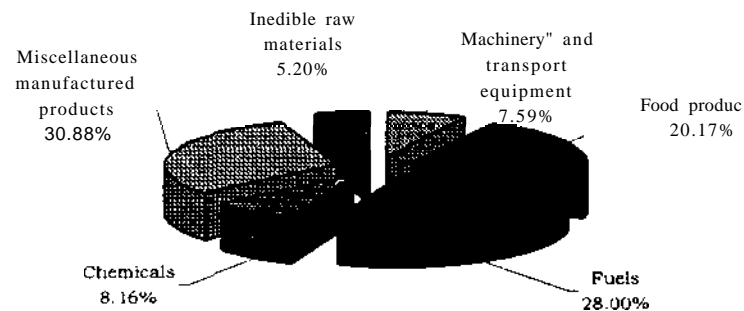
- Intra-OIC imports structure:

Intra-OIC imports were composed of primary products that represented 53.5% of intra-OIC total imports in 2000, (i.e 21.2 billion US dollars) compared to 58.5% in 1998, i.e 8.5% decrease. The decline in the imports of intra-OIC primary products is caused by a decrease in prices of oil products, in some basic products, but also by the repercussions of the Asian crisis.

Primary products are composed of mineral fuel (section 3 SITC rev 2), with 52.5% of the imports of intra-OIC primary products; the food products (section 0.1 and 4), with 37.8% and inedible primary products (section 2) with 9.7%.

Intra-OIC oil products and inedible primary products experienced a decline in their share, between 1998 and 2000, respectively by 16 and 19%.

Graph 2
Intra-OIC import structure in %



Besides, Intra-OIC imports of manufactured products registered a considerable rise by 5% going up from 17.6 billion dollars in 1998 to 18.5 billion dollars in 2000, i.e.46.5% of intra-OIC imports.

This growth is due to a rise in intra-OIC imports of machinery and transport equipment (+14.8%), miscellaneous manufactured goods (+13.5%), chemicals (+5.5%), which indicates a new impetus in the manufacturing sector.

2/ GEOGRAPHICAL DISTRIBUTION OF INTRA-OIC TRADE

In 2001, ten OIC Member States accounted for 74% of intra-OIC exports and for 68% of intra-OIC imports. These are by order of importance,:

The United Arab Emirates, Saudi Arabia, Indonesia, Turkey, Malaysia, Pakistan, Iran, Oman, Morocco and Egypt.

- > The share of these ten countries in intra-OIC exports was estimated at 74% in 2000 and in 2001. The exports value of this country group reached more than 39 billion US dollars in 2001.
- > The share of these ten countries in intra-OIC imports switched from 71% in 2000 to 68% in 2001, corresponding to a 4% decrease. Besides, the imports value of this country group registered a rise by 2.5%, increasing from 40 billion US dollars in 2000 to 41 billion US dollars in 2001.

INTRA-REGIONAL TRADE :

Intra-regional trade value increased from 18.3 US billion dollars in 1999 to 22.6 US billion dollars in 2001, i.e a 23.8% rise, in spite of a decrease in intra-regional trade share in intra-OIC trade by about 6.8%, falling from 46% in 1999 to 42.8% in 2001.

This decline is due to a drop in the share of intra-regional trade in intra-OIC trade of the GCC countries by 26.8% in 2001 in comparison with 1999, of the Maghreb countries by 15.8% and of Asian countries by 6.6% during the same period.

Table 2: Evolution of the intra-regional trade of the OIC Member Countries between 1999 and 2001 (In million US dollars)

OIC region	Trade value in million US dollars		Variation rate	Share of intra-regional trade In intra-OIC trade		Variation rate
	1999	2001		1999-2001	1999		2001
GCC	7348.00	7151.46	-2.67	18.49	13.54	-26.77
Asia	7035.00	8734.47	24.16	17.71	16.54	-6.62
Middle East	2064.00	3312.95	60.51	5.19	6.27	22.04
Maghreb	976.50	1081.05	10.71	2.46	2.05	-15.77
Sub Saharan Africa	840.00	2345.00	179.17	2.11	4.44	131.25
Total	18263.5	22624.93	23.88	45.96	42.84	-6.79

INTER-REGIONAL TRADE:

At the level of trade between the OIC regions, a perceptible increase can be noted by more than 40% between 1999 and 2001; thus inter-regional trade within the OIC increased from 21.5 billion US dollars in 1999 to 30.2 billion US dollars in 2001. The regions that have contributed to this inter-regional increase during this period are as follows: Sub Saharan African countries (+70.3%) thanks to the new membership of the Cote d'Ivoire in the OIC, the GCC countries (+61.3%) and the Middle East countries (+31.7%).

It can be noted that the share of inter-regional trade in some countries has dropped between 1999 and 2001, these are the Maghreb (-11%) and Asian countries (-6.5%).

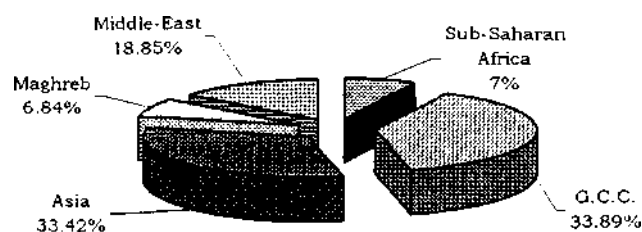
It should be noted that the trade share between the OIC regions in intra-OIC trade has consequently increased by 5.8% going up from 54.04% in 1999 to 57.2% in 2001.

Besides, the GCC and Asian countries together, have accounted for more than 70% in intra-regional trade and for 69% in inter-regional trade in 2001.

Table 3: Evolution of the inter-regional trade of the OIC Member Countries between 1999 and 2001 (In million US dollars)

OIC region	Trade value in million US dollars		Variation rate	Share of inter-regional trade In intra-OIC trade		Variation rate
	1999	2001	1999-2001	1999	2001	1999-2001
	8001.00	12909.07	61.34	20.14	24.44	21.38
Asia	6575.00	8171.38	24.28	16.55	15.47	-6.50
Middle East	4221.00	5558.41	31.68	10.62	10.52	-0.93
Maghreb	1928.90	2281.71	18.29	4.85	4.32	-11.01
Sub Saharan Africa	745.00	1269.00	70.34	1.87	2.40	28.15
Total	21470.9	30189.57	40.61	54.04	57.16	5.78

Graph n° 3
Geographical distribution of intra-OIC trade in 2001 in %



**INTER-ISLAMIC TRADE STRUCTURE
AND MAIN TRADING PARTNERS IN 2001**

Country of Origin	Exports to Islamic Countries in 2001 in %	Main Countries of Destination	Share In total intra-OIC exports of the country in% in 2001	Main Exported Products
Afghanistan	43.75	Pakistan U.A.E	68.57 11.43	- Inedible materials - Food products and live animals
Albania	3.46	Egypt Turkey	63.64 27.27	- Inedible raw materials. - Inedible raw materials
Algeria	6.96	Turkey Morocco	71.16 12.88	- Mineral fuels & lubricants - Products not classified elsewhere - Mineral fuels & lubricants
Azerbaijan	7.13	Turkey- Morocco	40.61 14.55	- Inedible raw materials.
Bahrain	7.79	Saudi Arabia U.A.E.	27.26 18.22	- Manufactured goods, Inedible raw materials - Manufactured goods, Inedible raw materials.
Bangladesh	4.50	U.A.E. Iran	29.43 14.26	- Food products and live animals. - Manufactured goods.
Benin	27.47	Indonesia Turkey	26.00 20.00	- Inedible raw materials - Inedible raw materials.
Brunei Darussalam	1.12	Indonesia	70.27	- Mineral fuels and lubricants, machinery and transport equipment.
Burkina Faso	8.64	Morocco Mali	28.57 21.43	- Inedible raw materials, mineral fuels and lubricants. - Inedible raw materials.
Cameroon	5.66	Gabon Nigeria	16.16 13.13	- Inedible raw materials. - Inedible raw materials.
Chad	10.26	Senegal Morocco	50.00 37.50	- Inedible raw materials.
Comoros	-	-	-	-
Cote d'Ivoire	22.76	Mali Burkina Faso	24.49 14.84	- Food products and manufactured - Food products and manufactured
Djibouti	68.02	Somalia Yemen	65.67 28.36	- Food products and live animals. - Food products and live animals.
Egypt	18.65	Saudi Arabia Iraq	19.04 11.79	- Food products and live materials - Manufactured goods - Minerals fuels and lubricants - Manufactured goods
Gabon	1.49	Morocco Indonesia	34.54 21.82	- Inedible raw materials, mineral fuels and lubricants. - Inedible raw materials.
Gambia	3.70	Malaysia	100.00	- Inedible raw materials
Guinea	8.18	Cameroon Côte d'Ivoire	44.93 13.04	- Food products and live animals. - Inedible raw materials..
Guinea Bissau	1.43	Cameroon Côte d'Ivoire	50.00 50.00	-NA -NA
Guyana	0.74	Suriname Nigeria	60.00 40.00	- N.A. - N.A.
Indonesia	7.82	Malaysia U.A.E	40.15 14.28	- Manufactured goods, machinery and transport equipment. - Manufactured goods, miscellaneous manufactured articles.
Iran	7.59	U.A.E Azerbaijan	32.00 15.62	- Food products and live animals - Minerals fuels and lubricants
Iraq	9.83	Jordan Morocco	61.47 34.22	- Mineral fuels and lubricants - Mineral fuels and lubricants
Jordan	44.51	Iraq Saudi Arabia	20.11 18.40	- Chemicals and products thereof - Chemicals and products thereof.
Kazakhstan	11.26	UAE Iran	33.88 21.56	- N.A. - N.A.
Kirghizstan	24.11	Uzbekistan Kazakhstan	41.74 33.91	- N.A - Manufactured goods
Kuwait	61.16	Saudi Arabia UAE	21.69 17.16	- Minerals fuels and lubricants • N.A.

Country of Origin	Exports to Islamic Countries in 1999 in %	Main Countries of Destination	Share in total intra-OIC exports of the country in % in 1999	Main Exported Products
Lebanon	38.00	Saudi Arabia U.A.E	22.00 21.43	- Food products and live animals - N.A.
Libya	6.12	Turkey Tunisia	57.27 38.86	- Minerals fuels and lubricants - Minerals fuels and lubricants
Malaysia	5.66	Indonesia U.A.E	31.32 16.69	- Machinery and transport equipment - Minerals fuels and lubricants - Machinery & transport equipment
Maldives	0.58	Bangladesh	100.00	- N.A.
Mali	10.27	Malaysia Nigeria	26.67 20.00	- N.A. - N.A.
Mauritania	11.42	Cote d'Ivoire Cameroon	33.33 24.56	- Food products and manufactured goods. - Food products and manufactured goods..
Morocco	7.08	Libya Tunisia	11.55 10.43	- Chemicals and products thereof. - Chemicals and products thereof
Mozambique	0.37	Djibouti	66.66	- N.A.
Niger	40.91	Nigeria	90.48	- N.A.
Nigeria	7.91	Cote d'Ivoire Indonesia	26.70 23.88	- N.A. - Mineral fuels and lubricants
Oman	15.57	U.A.E Egypt	53.36 20.32	- N.A. - N.A.
Pakistan	21.87	U.A.E. Saudi Arabia	34.66 14.70	- Food products and live animals. - Food products and live animals.
Palestine	-	-	-	-
Qatar	6.29	U.A.E Saudi Arabia	61.28 13.69	- Inedible raw materials - Minerals fuels and lubricants
Saudi Arabia	14.62	U.A.E Bahrain	17.44 15.09	- Mineral fuels and lubricants. - Mineral fuels and lubricants.
Senegal	22.38	Mali Gambia	25.79 16.84	- Inedible raw materials - Inedible raw materials
Sierra Leone	1.85	Morocco	100.00	-
Somalia	87.50	U.A.E. Yemen	53.25 27.27	- N.A. - Food products and live animals.
Sudan	15.05	Saudi Arabia Egypt	36.47 21.80	- Food products and live animals - Inedible raw materials. - Food products and live animals.
Suriname	1.74	Guyana	66.67	- NA.
Syria	23.22	Turkey Lebanon	33.15 15.67	- Food products and live animals. - Minerals fuels and lubricants
Tajikistan	32.21	Uzbekistan Turkey	41.43 35.71	- N.A *-NA
Togo	40.00	Benin Nigeria	40.05 26.14	- N.A - N.A
Tunisia	11.13	Libya Iraq	33.80 10.56	- Food products and live animals - Chemicals and products thereof
Turkey	13.35	Saudi Arabia Algeria	10.96 10.08	- Machinery and transport equipment; manufactured goods - Manufactured goods
Turkmenistan	52.79	Iran Azerbaijan	38.56 19.68	- N.A - N.A
Uganda	6.73	Algeria Malaysia	47.62 9.52	- N.A - N.A
U.A.E	14.75	Oman Pakistan	25.44 20.60	- N.A - Minerals fuels and lubricants.
Uzbekistan	12.40	Tadzikistan Kazakhstan	35.40 18.86	- N.A - N.A
Yemen	13.99	Malaysia Kuwait	54.47 14.43	- Food products and live animals - Food products and live animals

**FRAMEWORK AGREEMENT ON TRADE
PREFERENTIAL SYSTEM AMONG THE MEMBER
STATES OF THE ORGANISATION OF THE
ISLAMIC CONFERENCE**

STATUS OF SIGNATURE AND RATIFICATION

COUNTRIES	SIGNATURE	RATIFICATION
Bangladesh	04/11/97	-
Burkina Faso	14/09/93	-
Cameroon	25/10/94	09/02
Chad	14/01/92	-
Egypt	15/11/96	.....31/12/99.....
Gambia	08/11/95	-
Guinea	05/09/93	.....30/05/95.....
Indonesia	04/02/92	
Iraq	24/10/01	-
Iran	08/11/95	.....12/05/93
Jordan	01/02/93	.....21/12/98.....
Lebanon	.....15/11/96	
Libya	05/11/92	02/11/92.....
Morocco	.....29/09/93	03/10/02*
Nigeria	.....04/11/98	
Pakistan	.....25/10/94.....	11/10/93
Palestine	10/09/92.....	-
Saudi Arabia	10/09/92	-
Senegal	01/09/91.....	.....30/06/94
Sudan	.....13/05/92	
Tunisia	21/01/93.....	.....31/07/00
Turkey	.....23/09/91.....	.....28/11/91
Uganda	05/09/93.....	14/11/01.....

- Date of the publication of the TPS/OIC ratification by the Moroccan parliament in the Official Bulletin.

-XI-

REPORT BY ICDT
ON THE NINTH TRADE FAIR
OF ISLAMIC COUNTRIES

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

REPORT ON THE NINTH TRADE FAIR OF ISLAMIC COUNTRIES

Under the High Patronage of H.H Sheikh Dr. Sultan Bin Mohamed Al Qassimi, Member of the Supreme Court and Ruler of Sharjah, the Islamic Centre for Development of Trade organised in cooperation with the Ministry of Economy and Trade of the State of the United Arab Emirates and Sharjah Chamber of Commerce and Industry, the Ninth Trade Fair of Islamic Countries, from 16th to 21st Shawal (21-26 December 2002). This event was held in Sharjah Expo centre under the motto: "Islamic World: free trade and sustained Development".

The delegation of the Islamic Centre for Development of Trade led by Mr. Allal RACHDI the Director General of the Centre attended this important event. This delegation was composed of the following members:

- Dr. El Hassane Hzaine, Director of Studies and Training
- Mr. Mohamed Mokhtar Bdioui, In charge of Trade Promotion
- Mr. Mahmoud Bocar Sail, in charge of Studies
- Mr. Aymen Kacem, in charge of Studies.

Sharjah Expo Centre is one of the most modern exhibition complexes. It extends over 15,000 sqm of outdoor exhibition space and an indoor exhibition space of 16,000 sqm. The latter is divided into four exhibitions halls of 4,000 sqm each. In addition to press and information facilities, conference rooms provided with the most modern audiovisual equipment, the fair offered also technical services as well as other services provided to exhibitors such as car renting, quick mail services and secretariat, phone Fax, Internet and photocopy of documents.

1. Participating countries:

- People's Democratic Republic of Algeria (300 square meters and 37 companies and enterprises),
- Azerbaijan (1 company),
- Arab Republic of Egypt (204 square meters and 13 companies and enterprises),
- Republic of Indonesia (60 square meters and 12 companies and enterprises),
- Republic of Iraq (108 square meters and 27 companies and enterprises),
- Republic of Yemen
- Islamic Republic of Iran (1,200 square meters and 50 companies and enterprises),
- The Hashemite Kingdom of Jordan (144 square meters and 16 companies and enterprises),
- Kazakhstan (1 company),
- Republic of Kirghizistan (1 company),
- Republic of Sudan,

- Kingdom of Bahrain (153 square meters and 33 companies and enterprises),
- Kingdom of Saudi Arabia (280 square meters and 18 companies and enterprises),
- State of Kuwait (360 square meters and 24 companies and enterprises),
- The Great People's socialist Libyan Arab Jamahiriya (108 square meters and 15 companies and enterprises),
- Malaysia (170 square meters and 14 companies and enterprises),
- Mali (1 company),
- Comoros Islands,
- Islamic Republic of Mauritania (1 company),
- Kingdom of Morocco (350 square meters and 35 companies and enterprises),
- Mozambique (1 company),
- Federal Republic of Nigeria (8 companies),
- Islamic Republic of Pakistan (132 square meters and 10 companies),
- State of Palestine (250 square meters and 35 companies),
- Republic of Senegal (60 square meters and 4 companies),
- State of Qatar (204 square meters and 78 companies and enterprises),
- Thailand (189 square meters and 20 companies and enterprises),
- Republic of Tunisia (200 square meters and 27 companies and enterprises),
- Republic of Turkey (570 square meters and 30 enterprises and institutions),
- State of the United Arab Emirates (1,026 square meters and 23 companies and enterprises),
- Republic of Mongolia (1 company).

2. Participation of the Islamic Development Bank:

The Islamic Development Bank participated in this event by sponsoring the participation of some Least Developed Countries, OIC Members, namely:

- The Republic of Sudan,
- The Republic of Yemen,
- The Republic of Kazakhstan,
- The Republic of Mali,
- The Islamic Republic of Mauritania,
- The Republic of Comoro Islands,
- The Republic of Kirghizistan
- The Republic of Azerbaijan,
- The State of Palestine.

3. Inauguration of the Fair:

The High organising Committee chaired by of H.H Sheikh Abdallah Bin Salem Al Qassimi supervised the preparation of the protocols for the opening ceremony of the Fair and the Ninth Private Sector Meeting of Islamic Countries. The inaugural ceremony was held in Sharjah campus and chaired by H.H. Sheikh Dr. Sultan Bin Mohamed Al Qassimi, Member of the Supreme Court and Ruler of Sharjah. It was attended by His Excellency Dr. Abdelouahed BELKEZIZ, the Secretary General of the Organisation of the Islamic

Conference, and His Excellency Dr. Ahmed Mohammed Ali, the President of the Islamic Development Bank and their Excellencies the Ministers of Commerce of the Member Countries of the Organisation of the Islamic Conference. It was also attended by local VIPs and notables, reporters, businessmen as well as by other guests interested by this event.

The inaugural speech was delivered by H.H Sheikh Fahim Bin Sultan Al Qassimi, Minister of Economy and Commerce of the States of the United Arab Emirates. It was followed by those of Mr. Ahmed Bin Mohammed Al Midfa, Chairman of Sharjah Chamber of Commerce and Industry, and H.H. Sheikh, Ismail Abu Dawood, Chairman of the Islamic Chamber of Commerce and Industry and of His Excellency Dr. Abdelouahed BELKEZIZ, Secretary General of the organisation of the Islamic Conference.

The inaugural ceremony continued in the evening by a visit of H.H. Sheikh Dr. Sultan Bin Mohamed Al Qassimi, Member of the Supreme Court and Ruler of Sharjah to the EXPO Centre. He was accompanied by the Crown Prince and deputy Ruler of Sharjah, as well as by the Secretary General of the Organisation of the Islamic Conference. H.H and the official delegations accompanying him visited the four exhibitions halls, stopping in the different pavilions to get information from exhibitors. During the visit of His Highness to the Centre's pavilion, Mr. Allal RACHDI, Director General of ICDT briefed Him of the Centre's role in Inter-Islamic Trade promotion and presented to Him some publications, among which the Annual Report on Inter-Islamic Trade and the magazine "Tijaris" as well as data on Inter-Islamic Trade.

The Fair lasted for 6 days; the three first days were devoted to official delegations and businessmen. Then the Fair was opened to the General Public. The opening hours were as follows: from 10 a.m to 1 p.m and from 4 p.m. to 9 p.m.

4. The pavilion of the Islamic Centre for Development of Trade:

The Centre participated with a stand of about 50 sqm in which it exhibited by the means of illustrated billboards its activities as well by other hoardings containing data on the evolution of trade between the Member States of the Organisation of the Islamic Conference. ICDT also presented a videotape showing extracts of the previous Trade Fairs of Islamic Countries. The Centre also presented by the means of retro projection some information on the Trade Information Network for Islamic Countries as well on its databases.

About 14,000 copies of the Magazine "Tijaris" (7,000 in Arabic, 4,000 in English and 3,000 in French) together with about the equivalent of brochures and leaflets and publications containing information on the mission and services provided by the Islamic Centre for Development of Trade. The Centre also exhibited some documents prepared by it, especially the Annual Report on Inter-Islamic Trade, studies and the foreign trade directory and the investor's guide in the OIC Member states. A large number of participants visited the Centre's pavilion requesting information on the services provided by the Centre for the benefit of the OIC Member States and businessmen and seeking its services to find export outlets for their products.

5. Activities in conjunction with the Fair:

On this occasion, the Islamic Centre for Development of Trade participated actively with IDB in the proceedings of the Ninth Private Sector Meeting of Islamic Countries organised by the Islamic Chamber of Commerce and Industry from 21st to 23rd December 2002.

Mr Allal RACHDI, Director General of the Islamic Centre for Development of Trade established official contacts and it is worth underling in this respect the official visit to H.H. Sheikh Dr. Sultan Bin Mohamed Al Qassimi, Member of the Supreme Court and Ruler of Sharjah.

The Centre has also organised in collaboration with the Islamic Development Bank, a seminar and a buyers/sellers meeting on trade in the mechanical engineering products in the OIC Member States From December 24th to 25th 2002.

The opening ceremony of this event started with the reading of verses from the Holy Koran, under the chairmanship of His Excellency Dr Mohammed Khalfan Bin Kharabash, Minister of Finance and Industry of the State of the United Arab Emirates. Represented b y Mr Jassem Rachid Chamissi, Secretary General of the Ministry delivered a speech on His Behalf. During this seminar, several experts from the OIC Member States as well as from regional and international organisations made presentations on this subject, namely the Islamic Development Bank and the UNIDO. (See the comprehensive report on this workshop herewith attached).

6. First evaluation of the Fair:

The number of deals that were settled is estimated at about 650 million Emirati dirhams and that of participants at about 120,000 visitors; 8,377 VIPs, 10,400 businessmen and 650 companies and Islamic organisations.

As concerns the press coverage, all the medias (written press, Radio, TV) in the United Arab Emirates and in the region focused their attention on this outstanding event. Among the newspapers that followed this event, it is worth mentioning AL KHALEEJ, AL BAYAN, AL ITTIHAD, AKHBAR AL ARAB, KHALEEJ TIMES AND GULF TODAY, GULF NEWS

Likewise, the Director General of the Islamic Centre for Development of Trade, Mr Allal RACHDI gave an interview to the TV of the Sharjah Emirate that was directly broadcasted. In this interview, he tackled the Trade Fair of Islamic Countries (TFOIC) and the seminar and buyers/sellers meeting that was organised jointly with the Islamic Development Bank and the Sharjah Chamber of Commerce and Industry on the Mechanical engineering industries in the Member States of the Organisation of the Islamic Conference.

On the other hand, the Islamic Centre for Development of Trade organised a press conference at its headquarters in Casablanca, which gathered reporters of the main the press media (Written press, TV radio etc.). The Moroccan local written press, notably the newspaper LE MATIN DU SAHARA devoted its main

columns to this event, commending the efforts made by the Centre to promote inter-Islamic Trade.

All participants agree that the fair was with God's will a great success, and allowed Member States to exhibit their goods and products, strengthening thus cooperation links and giving rise to new economic and trade partnerships between the countries of the Islamic world.

7. Tribute to the sponsors and organisers of the Fair:

Upon a visit made by Mr. Allal RACHDI, Director General of the Islamic Centre for Development of Trade to the pavilions and the stands of the fair in company with Mr Ahmed Mohammed Al Midfa, Chairman of Sharjah Chamber of Commerce and Industry, and with other distinguished personalities representing the Federations of Chambers of Commerce and Industry in the United Arab Emirates, Sharjah Chamber of Commerce and Industry awarded medals to organisers mainly to the Islamic Centre for Development of Trade, the Islamic Chamber of Commerce and Industry and the Islamic Development Bank, as a reward for their services and support and contribution to the organisation and success of this event, as well as a souvenir. It also offered presents to sponsors, such as ADNOC Distribution Company, the national Bank of Sharjah, Gulf Air, GIKA group.

8. Closing ceremony of the Fair and the distribution of trophies and merit prizes

In compliance with article 15 of the regulations of the Trade Fair of Islamic Countries that was adopted by the 18th session of the Standing Committee for Economic and Commercial Cooperation of the OIC held in Istanbul from October 22nd to 25th 2002, the trophies committee composed of the Representative of the State of the United Arab Emirates And the Representative of the Islamic Centre for Development of Trade held a meeting on the basis of the following criteria, namely,

- Area
- Quality of exhibited products
- Number of exhibiting companies
- Number and level of the official commercial representation
- Participation frequency in the Fair to date.

Trophies were awarded to the three following countries:

First prize	:	Islamic Republic of Iran
Second prize	:	Republic of Turkey
Third prize	:	Kingdom of Morocco

And as a reward for the great efforts made by the State of Palestine to participate in the Fair in a very honourable manner in spite of its exceptional circumstances, this country has been awarded a special merit Prize.

Other merit Prizes were awarded to all participating countries.

It was established at official level as well by the press that this event was crowned with a great success, whether with regard to the number of participating countries and companies or the number of businessmen and the importance of the exhibition area, estimated at 14,000 sqm and accounting for 90% of available space. This event was also an excellent opportunity to do business.

-XII-

NOTE ON THE TENTH TRADE FAIR
OF ISLAMIC COUNTRIES

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

THE 10TH TRADE FAIR OF ISLAMIC COUNTRIES

**9-14 DECEMBER 2004
CONAKRY**

In Compliance with the resolution n°1, paragraph 46 of the 14th Session of the Standing Committee for Economic and Commercial Cooperation among the OIC member States (COMCEC), held in Istanbul from 1st to 4th November 1998, which accepted the offer of the Republic of Guinea to organize the 10th Trade Fair of Islamic Countries and upon the invitation of the Islamic Centre for Development of Trade (ICDT), Subsidiary Organ of the Organization of the Islamic conference (OIC) , in charge of the Organisation of the Trade Fair of Islamic Countries (TFOIC), addressed to the Ministry of Commerce, Industry and the Small and Medium Enterprises of the Republic of Guinea; the supervision authority of the Organisation of the 10th Trade Fair of Islamic Countries, both parties organised in Casablanca on 29th and 30th April 2003 (27 and 28 Safar 1424 H), the first preparatory meeting of the 10th edition of the Trade Fair of Islamic Countries.

This meeting was attended by:

-The State of the United Arab Emirates:

Mr. Saed Obeid Al Jarwane, Director General of Sharjah Chamber of Commerce and industry;

- The Republic of Guinea:

- > Mr. Ibrahima Kalil SOUMAH, Chief of the Cabinet at the Ministry of Commerce, Industry and the SMEs;
- > Mr. Abderahmane SANO, President of the Centre International d'Echanges et de Promotion des Exportations de Guinee CIEPEX (Guinean International trade and Export Promotion Centre).

- The Islamic Centre for Development of Trade

- > Mr. Allal RACHDI : Director General
- > Mr. Houcine RAHMOUNI : Deputy Director General

- > Mr. El Hassane HZAINÉ ; Director of Studies and Training
- > Mr. Mohammed Mokhtar BDIQUI in charge of promotion
- > Mr. Aymen, Kacem, in charge of external communication

Adoption of the Agenda Items

After the opening session, participants adopted the following agenda items concerning the preparations of the 10th edition of the Fair:

- > Organisers and general commissioners
- > Date and venue of the Fair
- > Theme of the Fair
- > Participants
- > Exhibited products
- > Participation of the LDCs
- > Facilities granted to participants (visas, customs, transport, accommodation)
- > Trophies and certificates of participation
- > Coordination between both parties on the promotional and marketing campaign
- > Coordination between both parties in the organisation of the activities on the sidelines of the Fair
- > Miscellaneous.

Preparation of the 10th Trade Fair of Islamic Countries:

Both parties discussed the agenda items relating to the different aspects of the organisation of the 10th edition of the TFOIC to be held in Conakry from 9th to 14th December 2004 under the theme "Intra-OIC trade and strategic partnership for the Development of Africa".

Both parties have written down the results of their discussions in the Memorandum of Understanding that was signed by Mr. Abderahmane Sano, President of the Centre International d'Echanges et de Promotion des Exportations (CIEPEX), (the Guinean Trade and Export Promotion Centre) and Mr. Allal RACHDI, Director General of the Islamic Centre for Development of Trade, on 30th April 2003 (28 Safar 1424 H).

Date of the next meeting

Both parties agreed to hold a second preparatory meeting in Conakry in the second fortnight of September 2003 that will be extended to other OIC institutions and particularly, the Islamic Development Bank (IDB) and the Islamic Chamber of Commerce and Industry (ICCI), the date of this meeting will be fixed through an exchange of letters between both parties.

Discussions took place in a brotherly and friendly atmosphere and a perfect convergence of point of views was noted.

- XIII -

REPORT ON THE ISLAMIC DEVELOPMENT BANK
GROUP'S WTO-RELATED TECHNICAL ASSISTANCE

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

**REPORT ON
THE ISLAMIC DEVELOPMENT BANK GROUP'S (IDB Group)
WTO- RELATED TECHNICAL ASSISTANCE
TO THE " OIC " MEMBER COUNTRIES**

I. Introduction

The conclusion of the Uruguay Round in April 1994 and the establishment of the WTO in its wake, constitutes one of the most important milestones in the history of the world trading system. The new trade body - WTO came into effect in January 1995 with the following key objectives:

- to set rules for international trade and trade related activities,
- to provide a forum to negotiate trade liberalization multilaterally,
- to settle dispute between contracting parties,
- to provide information on trade and trade policies; and
- to cooperate with other multilateral institutions.

The WTO's mandate includes not only the original GATT-1947 as amended and added to but also the new General Agreement on Trade in Services, the Agreement on Trade-related Intellectual Property Rights and various plurilateral trade agreements. In short, WTO is a permanent institution which covers all trade in goods, services and ideas (Intellectual Property Rights) and provides more automatic and comprehensive dispute settlement system than did GATT.

While the new multilateral trading system as epitomized by WTO, greatly contributed to liberalization of the world trade, yet it has placed onerous demands on the limited human and technical resources of the developing countries. As a result, many developing countries including some IDB member states have not been able to integrate their economies into the world trading system so as to fully partake the benefits of trade liberalization.

Keeping in view these developments on the international trade scene, the Islamic Development Bank embarked upon an intensive Technical Assistance Programme in 1997 to help OIC member countries to upgrade their institutional and manpower resources relating to WTO activities. The

resolutions adopted at the 11th, 12th and 13th sessions of the COMCEC provided further fillip to the IDB's efforts in that direction.

II. Activities of the IDB WTO-Related Technical Assistance Program

With an aim to enhance capacity building of institutional and manpower in OIC member countries, the IDB created a special WTO Unit in January 1998 dealing specifically with issues concerning the World Trade Organization (WTO). Of the total IDB countries, 37 are the members of the WTO and 8 members have observer status which are in the process accession to the WTO (list attached). The IDB's WTO-related Technical Assistance Program covers numerous activities such as courses, seminars, workshops, studies, consultative meetings for the OIC member countries in preparation for the WTO Ministerial Meetings as well as providing specific technical assistance to the OIC member countries. The following itemized progress report has been prepared specifically keeping in view the above referred COMCEC resolutions and the IDB's WTO-related Technical Assistance Program conceived in 1997 with the objective of improving the institutional and manpower capability of the member countries.

(1) Consultative Meetings

The IDB organized various consultative meetings in favour of the OIC member countries in preparation for the last four WTO Ministerial Conferences held in Singapore, Geneva, Seattle and Doha. These consultative meetings provide a forum for member countries to exchange views and coordinate their positions on matters related to the WTO.

Consultative meeting held in preparation for the 1st WTO Ministerial Conference held at Singapore in December 1996

Three consultative meetings were held (senior trade officials at Jeddah and Singapore). In these meetings, the major recommendations emerged were that the IDB would provide the following assistance to member countries:

Technical assistance to member countries in the process of negotiating their membership in the WTO.

Technical assistance on request, and on a case-by-case basis, to enable member countries that already members of the WTO to derive maximum benefits from the Organization.

Organize a seminar to assess the outcome of the first Ministerial Conference of the WTO and to evaluate the likely impact of the decision aimed at during the conference on present and future IDB members of the WTO.

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.

Consultative Meetings held in preparation for the 2nd WTO Ministerial Conference at Geneva in May 1998

Four consultative meetings were held (Brainstorming meeting of experts, senior officials, commerce ministers during the Conference, and commerce ministers after the closing session of the Ministerial Conference).

The following papers dealing with issues of interest to the OIC member countries were presented and discussed (a) Implementation of the Uruguay agreements: agriculture, textile and clothing, anti-dumping, special and differential treatment for developing countries, (b) dispute settlement mechanism, (c) accession to the WTO (d) Built-in agenda.

The meetings concluded that OIC member countries should have their own comprehensive agenda whereas their own interests are highlighted and responses to other issues in the agenda impacting their interests are covered e.g. environment, labor standards, consumer interests, NGOs, transparency etc. It was suggested that IDB should consider developing a key department in order to provide technical assistance to member countries on WTO-related issues.(the IDB Management in that regard established the Cooperation Office to undertake this task along with other tasks as well).

Consultative Meetings held in preparation for the 3rd WTO Ministerial Conference at Seattle in November 1999.

Two consultative meetings were held at Jeddah and Seattle (senior trade officials at Jeddah and delegates attending the Ministerial Conference at Seattle). The meetings covered wide spectrum of issues ranging from implementation of the existing WTO agreements, Built-in agenda, multilateral negotiations, Singapore issues and possible new issues likely to be taken in Seattle. The meetings also discussed the three studies on agriculture, investment and services undertaken by the IDB and the participants appreciated the IDB's efforts. The meeting stressed on certain points:

Called for full and faithful implementation of the WTO agreements.

Inclusion of interests of developing countries in the built-in agenda.

On-going work on Singapore issues (trade & investment - trade, competition policy, transparency, government procurement and trade facilitation) should be combined.

Labor and environmental standards should not be used as protection measures.

The meeting underscored the need for further work on Electronic-Commerce.

Addressed the need to enhance further the technical assistance to the LDCs.

Emphasized on fair and accelerated terms regarding the accession process.

Need of a positive agenda for developing countries.

- **Consultative meetings held in preparation for the 4 WTO Ministerial Conference at Doha in November 2001.**

Four consultative meetings were held (experts group at Geneva, senior officials at Jeddah, coordination at Doha, and a follow-up at Doha). The main aim of these meetings was to exchange views among OIC member countries and coordinate their position on the major issues in the agenda for the WTO Ministerial Conference on implementation issues, Singapore issues (trade and investment, trade and competition policy, transparency, government procurement and trade facilitation, negotiations on agriculture & services and expected new issues). Detailed discussions were carried out during these meetings and it was agreed by the OIC member countries to adopt a unified stand whenever feasible. In addition, the final draft of the IDB's two studies on Trade-related aspects of Intellectual Property Rights (TRIPs) and Electronic-Commerce were discussed and reviewed in the Geneva meeting. In order to keep abreast of the on-going negotiations in the Committee of Heads of Delegation during the Doha Ministerial Conference, the IDB organized a follow-up meeting in favour of OIC member countries where responses to queries about the on-going negotiations were given and review of the final draft Declaration was conducted before it is being adopted in the closing session of the WTO Ministerial Conference.

- **Consultative meeting for the OIC member countries to evaluate the results of the Doha Conference and their effects on them, and to prepare for the forthcoming trade negotiations. 28-30 October 2002. Jeddah - Kingdom of Saudi Arabia.**

This meeting provided a forum of the OIC member countries to discuss and evaluate the results of the Doha Conference and their effects on them, as well as to prepare for the forthcoming multilateral trade negotiations and other subjects of common interest to the OIC member countries.

D **Brainstorming Meeting of the Geneva-Based OIC Member Country Permanent Missions, in Preparation for the 5th WTO Ministerial Conference. 29 Safar-01 Rabi'I1424H/01-02 May 2003. Geneva.**

The 5th WTO Ministerial Conference is scheduled for 10 - 14 September 2003 in Cancun, Mexico. It is expected that the Conference will

provide an opportunity for the Ministers to take stock and review the current negotiations emanating from the Doha Trade Agenda, and to consider a number of important decisions that are likely to impact the economic and trade interests of all countries, in particular the developing countries.

Given the importance of the Ministerial Conference for the OIC member countries, the Islamic Development Bank (IDB) organized a brainstorming meeting for the Geneva-based OIC member country missions on 29 Safar - 01 Rabi'I 1424H / 01 - 02 May 2003 in Geneva.

The meeting provided an informal forum to the OIC member country representatives based in Geneva to brainstorm and exchange views on the issues currently negotiated in the WTO and those, which are likely to feature in the Cancun agenda.

(2) **Courses, Seminars and Workshops**

In order to enhance the capacity building of the OIC member countries, IDB organized a series of courses, seminars and workshops covering a wide range of WTO issues with an aim to familiarize the member countries with contents and provisions of the Uruguay Round Agreements and the activities of the WTO so they could be in a better position to defend their interests. Furthermore, IDB signed two Memoranda of Understanding (MOU) with the World Trade Organization (WTO) and International Trade Center (ITC) in order to provide best services in this endeavour.

Trade Policy Courses

The IDB organized three-week Trade Policy Courses in the IDB working languages, (Arabic, English and French), in collaboration with the World Trade Organization (WTO). These courses are short versions of the regular Trade Policy Courses organized by the WTO in Geneva for a period of three months and cover a wide range of topics: 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 trade policy courses held are as follows:

1. The first trade policy 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).
2. The second trade policy course was in English language for the English-speaking member countries of the Bank. It was held at Rawalpindi, Pakistan, from 19 Dhul Hijjah 1419H to 8 Muharram 1420H (5-24 April 1999).
3. The third trade policy course was in French language for the French-speaking member countries of the Bank. It was held in Ouagadougou, Burkina Faso from 14 February to 3 March 2000.
4. The fourth trade policy course in Arabic was held in Doha, State of Qatar on 10-28 Rajab 1421H (7-25 October 2000).
5. The fifth trade policy course in English was held in Istanbul, Republic of Turkey, 1-19 Rabi Awwal 1423H/13-31 May 2002.
6. Due to recent developments at the international level, the WTO informed the IDB that it would be best to postpone to a later date the 6th Trade Policy Course for the OIC member countries, that was originally scheduled to begin at IDB Headquarters, Jeddah - Kingdom of Saudi Arabia, 19 Muharram - 7 Safar 1424H / 22 March - 9 April 2003. A note was circulated to all OIC member countries informing them that the new date for the course will be communicated at later on.

Seminars

7. 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).
8. 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).

9. Seminar on WTO for the Muslim Countries in Central Asia and some Middle East Countries. Ashgabat, Republic of Turkmenistan, December 1996.
10. Seminar on WTO for IDB member countries in West and Central Africa. Dakar, Republic of Senegal, January 1997.
11. Seminar on Accession to the WTO and Implementation of the Uruguay Round Agreements, Jeddah, Kingdom of Saudi Arabia, June 1997.
10. Seminar on Policies and Methods of Promoting IDB Member Countries' Exports of Textile and Ready-made Garments to European Market. Amman, Jordan, August 1997.
11. Seminar on Accession to the World Trade Organization and Implementation of the Uruguay Round Agreement, Jeddah, Kingdom of Saudi Arabia ,7-101997.
12. 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.
13. 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.
14. Seminar on Policies and Methods of Promotion of Non-Traditional Exports of IDB Member Countries. Damascus, Syria, August 1998.
15. Seminar on Technical Barriers to Trade and their Implication for the Exports of IDB Member Countries in the Mediterranean Region. Cairo, Egypt, September 1998.
16. Regional seminar on Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary Measures (SPS) , in collaboration with the International Trade Centre (ITC), Geneva was held in Conakry, Guinea, 2-5 August, 1999.
17. Seminar on Technical Barriers to Trade and Sanitary and Phyto-sanitary Measures was held in English, Dhaka, People's Republic of Bangladesh, on 21-24 Dhul Hijjah 1420H (27-30 March 2000)

18. Seminar on WTO Dispute Settlement Mechanism and Anti-dumping Agreements in Arabic, Jeddah, Kingdom of Saudi Arabia, 5-8 Jumad Thani 1421H (3-6 September 2000).
19. Seminar on WTO and Multilateral Trading System for IDB member countries in the Middle East and North Africa, Amman, Hashemite Kingdom of Jordan, 24-27 Dhul Hijjah 1421H (19-22 March 2001).
20. Seminar in English on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements , Kuala Lumpur, Malaysia, 29 Muharram-2 Safar 1422H (23-26 April 2001).
21. Seminar in French on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements, Dakar, Senegal, 27-29 Dhul Hijjah 1422H/11-13 March 2002

Workshops

22. 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).
23. 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.
24. Workshop on Impact of WTO Agreements on Trade in Services in IDB Member Countries. Amman, Jordan, 24-26 January 1999.
25. Workshop to discuss the three studies, namely agriculture, investment and services at Geneva, 13-16 Rabi Thani 1420H / 26-28 July 1999.
26. Regional symposium on Trade and Environment (organized in collaboration with United Nations Environment Programme, Regional Office for West Asia. Cairo, 6-8 September 1999.
27. Regional Workshop on Dispute Settlement Procedures and Practices. (Organized in collaboration with United Nations Economic and Social Commission for Western Asia (UN-ESCWA). Beirut, Lebanon, 13-16 September 1999.

28. International Workshop on WTO and Liberalization of World Trade in Services. Kuala Lumpur, Malaysia, 28-29 September 1999. (Organized by the Federation of Consultants for Islamic Countries (FCIC))
29. Regional study and a workshop on the impact of trade liberalization on the environment in the Arab region, Manama, Bahrain, 7-11 July 2001. (Project submitted by the Centre for Environment and Development in the Arab Region (CEDARE).

(3) Studies

The IDB has undertaken so far five major sectoral studies on Agriculture, Investment, Services, Trade-related Aspects of Intellectual Property Rights (TRIPs), and Electronic-Commerce. In that regard, the IDB hired the services of some world renowned experts in such fields and collaborated with UNCTAD in supervising some of these studies. Each study included selected set of case studies on OIC member countries and contained valuable technical tips and negotiation strategies on the various issues concerning the OIC member countries.

As an added measure to ensure that these studies are fully adopted to the needs of the OIC member countries, the IDB consulted with the OIC member countries on the outlines of preparing the Terms of Reference (TORs) of these studies and held brainstorming sessions where the drafts of these studies were discussed and reviewed by a pool of experts from the OIC member countries and other specialized institutions (WTO/UNCTAD/ESCWA/ICDT etc). In addition, IDB (Cooperation Office -WTO Unit) generates on regular basis technical WTO notes where current WTO issues of concern to the OIC member countries are being assessed and analyzed. Both the studies and the technical notes are being circulated to the OIC member countries and related institutions

(4) **IDB Participation in WTO Committees**

The IDB currently attends two WTO Committees on Trade and Development and Trade and Environment as an observer.

(5) **WTO Specific Technical Assistance to OIC Member Countries**

IDB in line within its WTO-related Technical Assistance Programme provides specific technical assistance to the OIC member countries on request through hiring consultancy services on vital WTO issues such as accession, drafting of national laws, establishing WTO Units and providing capacity building in general. They include the following:

1. Assistance to **Suriname** for drafting laws related to "professional and financial services" and "safeguards".
2. Seminar on specific agreements under WTO (agriculture, rule of origin, services, investment, environment etc. (**Chad**).
3. Workshop on the impact of Uruguay Round Agreements on the economy of **Niger**.
4. Six Seminars/workshops on WTO-related topics (**Saudi Arabia**).
5. "Support to Kazakhstan for Accession to WTO" (**Kazakhstan**).
6. Study visit of officials for acquiring skills and experience in WTO operations (**Kyrgyz Republic**).
7. "Support to Lebanon for Accession to WTO" (**Lebanon**)
8. Undertaking of sectoral studies, enhancing negotiating skills, and capacity building in WTO-related areas (**Sudan**).
9. Support to Sudan for Accession to WTO (**Sudan**)
10. Support to Tajikistan for Accession to WTO (**Tajikistan**).

11.Support for establishing of WTO Unit in the Ministry
(UAE)

12.Support for Accession to WTO (**Yemen**)

13.Financing of 4 strategic studies for the government of
Sudan in the framework of its accession to WTO
(**Sudan**).

14.Technical assistance to Kyrgyz Republic relate to
building capacity in the current negotiations. (Kyrgyz
Republic).

-XIV-

REPORT BY ICDT RELATING
TO ACTIVITIES OF THE WORLD TRADE
ORGANIZATION

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

ISSUES RELATING TO ACTIVITIES OF THE ORGANISATION OF THE ISLAMIC CONFERENCE

I- RESULTS OF DOHA MINISTERIAL CONFERENCE :

The 142 Members of the World Trade Organisation (WTO) put and end to six days marked by intense negotiations in Doha by agreeing on the opening of a new round of international trade negotiations that should end by 1st January 2005, the ninth in the history of the WTO called **Doha development agenda**.

The first meeting of the Committee on trade negotiations in charge of supervising negotiations will take place on 31st January 2002 at the latest. The Committee will set up all the committees or organs that are needed to facilitate negotiations.

Besides Members have approved accession protocols to the WTO of the People's Republic of China and of China (Taipei), which have respectively become the 143 and 144 Members of this organisation.

They also granted the waiver with a view to the implementation of Cotonou Agreement that governs preferential trade between the EU and the ACP countries, which was ratified about 18 months ago, but it was frozen due to the opposition of some Latino-American countries, bananas exporters.

1 / Summary of the Ministerial Declaration :

Negotiation methodology :

According to the Ministerial declaration, "the conduct, conclusion and entry into force of the outcomes of negotiations shall be treated as part of a single undertaking", even though, agreements reached at an early stage may be implemented on a provisional or a definitive basis. Only the improvements and clarifications of the Dispute Settlement understanding shall be conducted separately.

The new declaration authorises Members to start negotiations on a series of issues. Among the traditional issues of the built-in agenda, such as agriculture and services but also new negotiations on environment, industrial tariffs, anti-dumping measures, fisheries subsidies, regional agreements and dispute settlement. The Declaration establishes also future negotiations on "Singapore themes", namely, investment, competition, transparency of public procurements and trade facilitation, in spite of the strong opposition of a large number of developing countries.

Agriculture :

As expected, agriculture was the first stumbling stone. At the end of a long week and of an endless last night, the UE accepted the mention in the negotiation mandate, of "the reduction of, with a view to phasing out all forms of export subsidies" by adding the mention "without prejudicing the outcome of negotiations". The strong points of the agricultural mandate include substantial

improvements of markets access and "substantial reductions in domestic trade-distorting domestic support".

One of the key requests of Developing Countries concerns the creation of "a development box" remains achievable in the course of negotiations of post Doha conference. In fact, The Declaration specifies that "the special and differential treatment for Developing countries shall be an integral part of all elements of the negotiations" so as "to effectively take into account their development needs, including food security and rural development". The modalities for further commitments, including provisions for special and differential treatment shall be established no later than 31 March 2003, in other words the expiry date of the moratorium, which protects agricultural subsidies from the rules of the system of dispute settlements.

Services :

- Negotiations on services started in January 2000 will continue.
- By June 30th 2002, participants shall submit their initial requests aiming at specific commitments (sectors that they wish to be liberalised by other Member States) and initial offers by 31st March 2003.
- The developmental dimension will be taken into account in negotiations on services.

Market Access to industrial products :

The aim of negotiations is to reduce or as appropriate eliminate tariffs including the reduction or elimination of tariff peaks, high tariffs and tariff escalations as well as non-tariff barriers, in particular on products of export interest to developing countries".

Environment :

Members have agreed to launch immediate negotiations "without prejudicing their outcomes on three environmental issues: (i) relationships between the WTO rules and some trade provisions of the multilateral environmental agreements on (MEAs), (ii) the procedures of steady information exchange between the secretariats of the WTO and the MEAs as well as the criteria for the granting of observer status and (iii) the reduction or elimination of tariff and non-tariff obstacles to environmental goods and services.

Besides, the Ministerial Conference requested the Committee on Trade and environment to pursue work on all items on its agenda within its current terms of reference and make recommendations to the fifth session of the Ministerial Conference, including the opportunity of launching negotiations.

Singapore's themes :

The ongoing educative process at the WTO since the First Ministerial Conference of Singapore in 1996 on investment, rules relating to competition policies, the transparency of public procurements and trade facilitation will continue until the Fifth Ministerial Conference in 2003.

Members agreed to start negotiations after the Fifth Ministerial Session on the basis of a decision to be taken by explicit consensus at that session on modalities of negotiations.

WTO rules :

The final Declaration provides for negotiations aiming at "clarifying and improving" disciplines on subsidies and countervailing measures and in particular anti-dumping measures. Yet negotiations shall preserve the basic concepts and principles along with the efficiency of these agreements. Members have also launched negotiations aiming at clarifying and improving the existing disciplines and procedures within the WTO that apply to regional agreements".

Provisions concerning development :

Among the references to development included in the Declaration, the following should be underlined:

- Launching of a work programme on the integration of small economies (without creating a new sub-category of WTO Members), setting up of a framework for technical cooperation activities of the WTO (§ 38-41) and drawing up of work programme for the LDCs to be defined by the sub-committee on the LDCs.
- Establishment of two working groups on debt, finance and technology transfer, which will convey the outcomes of their deliberations to the next Ministerial Conference to be held on 2003.
- Development of plan of action, to be adopted by the general council in December 2001 that will ensure adequate funding for technical assistance. Besides § 41 enumerates the fields in which members undertake to extend technical assistance and ensure capacity building in developing countries.
- Members have committed themselves to the objective of duty-free quota-free market for products originating from LDCs.
- As concerns the special and differential treatment (S&DT), § 44 "takes note" of the proposal of developing countries to negotiate a framework agreement on S&DT, but proposes no action. But Ministers have agreed to that all the provisions relating to S&DT shall be reviewed with a view to strengthening them and making them more precise, effective and operational.

2/ Summary of the Decision on implementation issues:

The Declaration calls on Members to launch negotiations on implementation, in a separate decision on implementation related issues and concerns. Indeed Developing Countries have exerted pressure on industrialised countries long before Seattle failure, to address these issues and in particular the imbalances resulting from Marrakech Agreements.

Even though developing countries have not obtained what they wanted with regard to textiles, they have come to Doha with some results in the field of

implementation, especially with respect to restrictions for reasons of balance of payment and subsidies¹.

A number of proposals submitted by the LDCs concerning technical and financial assistance in the field of technical obstacles to trade (TOT) and sanitary and phytosanitary standards (SPS) have also been introduced in the decision like some extensions of the transition periods concerning the agreement on Trade Related Investment Measures (TRIMS).

3/ Summary of the Ministerial decision on Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) and Public Health

- The WTO members reiterated their commitment to the TRIPs agreement. The Declaration confirms that members will allow flexibility in the implementation of the TRIPs agreement so as to enable developing countries and the least developed countries to take measures to resolve the problems of public health, while promoting access to medicine.
- The Declaration confirms again that governments have the right to protect public health by granting compulsory licences for the production of generics of medicine of vital importance in the event of epidemics, such as the HIV/AIDS, tuberculosis and Malaria.
- The Declaration fully respects the international system of patents and the role of research-development in the discovery of a new and more efficient medicine, needed by some members of the WTO to cope with difficult sanitary situations.
- The Declaration does not in any way reduce the rights and obligations of the patents granted by virtue of the TRIPS Agreement. It simply confirms that the agreement gives to members the needed room for manoeuvre to enable them to take necessary measures to settle the problems of public health stemming from epidemics, such as those of VIH/AIDS, Tuberculosis and Malaria without fearing to give rise to a dispute.
- In the Declaration, Members have undertaken to keep on doing their utmost with a view to finding solutions to the problems facing countries whose ability to manufacture generic medicine is limited. Members have thus agreed to extend by ten years the transition period accorded to the Least Developed Countries to implement their obligations related to the patents of pharmaceutical products.

¹ (A compromise was reached concerning the eligibility of developing countries with respect to exemption from commitments on subsidies reduction. The adopted provision stipulates indeed that such exemptions shall not be revoked until the GDP per capita of a country is higher than 1000 Us dollars for three consecutive yeafs).

11/ POST DOHA WORK PROGRAMME :

A/ The Trade Negotiations Committee (TNC) and the negotiations organs:

The TNC Committee held its first meeting on January 28th and after four days of tough deliberations, the main bone of contention of this meeting concerned the choice of the chairman, the WTM members agreed on February 1st 2002 on the organisation modalities of the future trade negotiations.

At the end of this agreement, the TNC whose mission consisted of monitoring negotiations, was placed under the supremacy of the General Council to which it must submit regular reports. Mr Panitchpakdi Supachai, the new Director General of the WTO since September 1st 2002 will monitor negotiations until January 2005.

The Trade Negotiations committee will meet every two or three months or more often if necessary.

The structure of the negotiations committee is as follows:

- Two new negotiating groups were created: the first one on market access for non-agricultural products and the second one on the rules of the WTO (Subsidies, anti-dumping rules, and regional agreements).
- Negotiations on agriculture and services will continue within the framework of special sessions of the Committee on Agriculture and the Council on services.
- Special sessions were scheduled for the following committees:
 - v The Committee on Trade and Development-Negotiations on special and differential treatment;
 - The TRIPS council-Negotiations on the establishment of a multilateral notification and registrations system for wines and spirits;
 - s The Committee on trade and environment-negotiations on the WTO/multilateral Environment Agreements (MEA) relationships and environmental goods and services.
 - The Dispute Settlement Body - Negotiations on the disputes Settlement Understanding.
- *The pending² implementation issues*, for which the Ministerial Declaration does not provide for any specific mandate, will be examined at the level of the competent organs of the WTO and will submit a report to the negotiations committee by the end of 2002, with a view to taking an appropriate on their work.

The issues for which there is a precise and definite negotiations mandate in the Doha Declaration will be dealt within the framework of this mandate.

Schedule of Meetings

Meetings	Deadline
• Negotiations relating to the memorandum of understanding on Dispute Settlements	May 2003
• Negotiations on the registration system of geographical indications	Fifth Ministerial Conference in 2003 (in Mexico)
• Mid-term review	Fifth Ministerial Conference in 2003 (in Mexico)
• Deadline provided for other negotiations	On January 2005 at the latest on January 1 st 2005 as single commitment.
• Decision on the adoption and the implementation of outcomes	Extraordinary session of the Ministerial Conference date Non-fixed yet

B/ Chairmanship of the negotiations organs:

- The Chair of the TNC for negotiations organs will rotate between Geneva-based Ambassadors. It has been split in two, one for the special negotiations sessions and another for the regular sessions. The chair of the special sessions will last until the fifth Ministerial Conference in 2003 fall, date on which, their terms may be extended.

The WTO designated on February 15th 2002, the chairmen of the different negotiations organs as follows:

- Council for trade in services, special session: Ambassador Alejandro Jara (Chile), regular session; Ambassador, Mary Whelan (Ireland)
- Negotiating group on market access for non-agricultural products, Ambassador Pierre Louis Girard (Switzerland)
- Negotiating group on rules, Ambassador Timothy John Groser (New Zealand).
- Committee on Trade and environment, special session, Ambassador Yolande Bike (Gabon); ordinary session, Ambassador oguz Demiralp.
- Council on TRIPS, special session, Ambassador Eui Yong Chung (South Korea), ordinary session Ambassador Eduardo Perez Motta (Mexico)
- Dispute settlement organs, special session Ambassador Peter Balas(Hungary); regular session, Ambassador Magdi Farahat (Egypt)
- Committee on trade and envelopments, special session, Ambassador Ransford Smith (Jamaica), regular session, Ambassador Toufiq Ali (Bangladesh).

Besides, the WTO members have appointed on February 15th 2002, Mr. Sergio Marchi (Canada) as chairman of the General Council, Mr Supperamaniam (MALAYSIA) as Chairman of the regular sessions of the council on commodities as well as the chairmen of the following working groups:

Working group on Trade and Investment	Luiz Felipe de Seixas Correa (Brazil)
Working group on trade and competition policy	Fredric Jenny (France)
Working group on transparency in government procurements	Ronald Saborio Soto (Costa Rica)
Working group on trade, debt and finance	Hernando Jose Gomez (Columbia)
Working group on trade and transfer of technology	Stefan Haukur Johanesson (Island)

It may be underlined with pride that the OIC Member States will actively participate in the future negotiations, several Ambassadors in Geneva will chair some negotiating organs, as mentioned here above, and these are in particular:

- a Ambassador Supperaniam (Malaysia= chairman of the regular sessions of the council for commodities
- a Ambassador Magdi Farahat (Egypt), Chairman of the regular sessions of the Committee on Agriculture;
- a Ambassador Yolande Bike (Gabon), Chairman of the special session and Ambassador Oguz Demiralp (Turkey) Chairman of the regular sessions of the Committee on trade and environment;
- a Ambassador Toufiq Ali (Bangladesh) chairman of the ordinary sessions of the Committee on trade and development.

C/ Negotiations methodology :

As it was pointed out before, according to Doha Ministerial Declaration "the monitoring and concluding of negotiations as well as the entry into force of their outcomes will be considered as part of single commitment, yet, the agreements concluded in the first negotiations stages may be implemented on a provisional or final basis.

The negotiating process encompasses all the negotiations themes included on Doha agenda items, the fifth Ministerial Conference that is scheduled to be held in Mexico in 2003, will take stock of the progress achieved during the negotiations that will be concluded on January 1st 2005 at the latest.

Only negotiations on the improvements and clarifications of the memorandum of understanding on the disputes settlement and the multilateral registration system of geographical indications for some products will be conducted separately and should be completed in May 2003 at the latest.

- Decision making process:

Developing countries, of which OIC countries have obtained reassurances that allow the representatives of Member States to play the leading role in

negotiations; appointed persons should normally be chosen among the representatives of the WTO³

In fact, following, the objections expressed by Developing countries on negotiations, some instructions as to the conduct of negotiations were defined, namely,

- a The supremacy of the General Council: The negotiating committee was placed under the authority of the General Council, the TNC and the other organs do not constitute a parallel mechanism.
- a Limitation of the room for manoeuvre of chairmen: the reports of the chairmen of the negotiations group, to be submitted to the surveillance bodies, should reflect consensus or where this is not possible, different positions on issues. Such measures will limit their capacity to submit in their own responsibility compromise proposals.
- a Only one negotiating organ will meet simultaneously, in order to enable those countries, which are not adequately provided with decision-making power to follow most of the meetings.
- a After each session, reports in the three official languages of the WTO will be promptly prepared and circulated to the different delegations.

III/ CURRENT NEGOTIATIONS:

In order to end the Doha Round as planned at the beginning of 2005, it is henceforth imperative that an agreement be reached at the Ministerial Conference to be held in September in Cancun (Mexico) with regard to agriculture, services and medicine in order to fight the big pandemia. Such deadline will present problems in view of the state of the transatlantic relations that were severely deteriorated by the war on Iraq.

Two informal Ministerial Meetings were held in Sidney on 14th and 15th November 2002 and in Tokyo from 14th to 16th February 2003. These meetings were not decision-making fora, but a gathering of the Ministers of Commerce of 25 countries to examine the progress achieved since the fourth WTO ministerial conference, which was held in Doha (State of Qatar), in November 2001. The debates mainly focused on the ways and means to boost negotiations in order to ensure the success of the fifth WTO ministerial conference, which will be held in Mexico in September 2003.

- The informal meeting of the Ministers of Commerce of the WTO held in Sydney on November 14th and 15th 2002.

In addition to the issues concerning the commercial truck, especially, market access, the rules, the geographical indications and Singapore's issues (competition, investment, transparency in government procurement and trade facilitation). The Sidney Meeting tackled some concerns of developing member countries regarding, especially, a plan allowing the compulsory approval of the essential drugs in poor countries whose production capacities are inadequate to

³ The open support of Mike Moore to the launching of negotiations on controversial themes, especially, investments and competition policy has given rise to doubt as to his ability to act as an "honest broker" in all member states' interest.

struggle against diseases such as AIDS, malaria or tuberculosis. Ministers have also discussed the progress of the proposal relating to implementation and to the provisions on special and differential treatment, which aim at facilitating the integration of developing countries in the world economy.

Ministers have also had fruitful discussions on other wide range of issues.

- The informal meeting of ministers of Commerce of the WTO held in Tokyo from 14th to 16th February 2003.

This meeting mainly dealt with the agricultural reform and the way and means to keep up the negotiations pace preceding the fifth Ministerial Conference of the WTO that was scheduled to be held in Cancun (Mexico) in September 2003.

The following countries have attended the informal meeting: Australia, Brazil, Chile, Costa Rica, the European Union, Egypt, Hong Kong, India, Japan, Kenya, Korea, Lesotho, Malaysia, Mexico, New Zealand, Nigeria, Senegal, Singapore, Switzerland and the United States. The Director General of the WTO, Mr Supachai Panitchpadki has also attended the meeting. Even though it was only an informal meeting and not a decision-making forum, yet, it provided an important platform for discussion and an opportunity to make the WTO negotiations progress. This meeting mainly dealt with the proposals of Mr. Stuart Harbinson, the chairman of negotiations on agriculture.

A/ Market access Negotiations on non-agricultural products:

At the first meeting of the negotiations group on market access, Members have examined different negotiations approaches on market access for industrial products, especially the way of tackling customs duties, non-tariff obstacles, the concerns of developing countries and environment products. The EU, Japan, New Zealand, South Korea and the United States have presented proposals that will be submitted to discussions.

At the special session of April 11th and 12th 2002, Members were already profoundly concerned with the problem of fixing a reference date in order to agree on the negotiations modalities on industrial tariffs. Debates were then centred on an earlier proposal that was made by the chairman of the negotiations group who suggested that Members should reach an agreement on modalities by 30th March 2003, as it is the case of agriculture and services.

These modalities should define the negotiations' code of conduct and may include objectives with respect to figures, sector by sector reduction formulas, and request-offer formulas. The method based on a formula approach or linear tariff reductions of equal importance entail in general reductions in percentages that affect all the product categories. The method based on the request-offer formulas rests on general on bilateral requests and offers, the results extend to all the other WTO members on the basis of the Most Favoured Nation Treatment.

The Doha Mandate (paragraph 16 of the Doha Declaration) commits Members to "reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in

particular on products of export interest to developing countries. Product coverage shall be comprehensive and without a priori exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed countries participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII bis of GATT 1994 and the provisions cited in paragraph 50 below. To this end, the modalities to be agreed will include appropriate studies and capacity-building measures to assist least-developed countries to participate effectively in the negotiations".

In order to provide the best conditions to the proceedings of the negotiations group on market access, participants have agreed on the following on July 18th 2002:

- > To submit proposals on the negotiations modalities on market access by November 1st 2002, whilst welcoming any proposals submitted before this date and taking into account those submitted before December 31st which are included in a summary of proposals that will be presented to the first meeting of the group in 2003;
- > To agree on the guidelines of the main modalities by March 2003 with a view to reaching an agreement on these modalities by May 31st 2003.

Current positions:

- South Korea supported by Japan, has declared that it "prefers to "follow a formula approach coupled with limited use of the request-offer approach when necessary". According to Korea, the modalities based on a formula approach will entail the greatest comprehensive tariff reduction for all Members. It will also be an effective means to reach an agreement in the shortest possible time (for example with January 1st 2005 as deadline). Yet Korea has made such proposals with some reservations while noting the importance of reducing customs duties to a certain target-level corresponding to the developmental level of countries.
- China, India and Kenya have declared to the negotiations group that they prefer a request-offer approach. According to Kenya, several developing countries were not able to open their market in a linear manner, in view of the weakness of their industrial base, while pointing out that it feared the possibility of a disindustrialisation, as well as the loss of receipts for the daily functioning of the Government, in case the country is obliged to perceptibly reduce import tariffs on industrial products.
- The EU has shown a certain flexibility and has pointed out that if there are different modalities to reduce customs duties "the chosen modality should entail the greatest possible tariff reductions for Members". According to the European Union the most important objective of negotiations should consist in making up for the gap between the rights effectively applied and the bound duties.
- The United States have submitted on July 3rd their document stressing the need for ensuring a wider market access for environmental products. Malaysia pointed out that negotiations on environmental products did not involve an agreement on environmental standards for the various industrial products.

- The improvement of market access for environmental goods is a delicate subject which was included in the mandate of the negotiations group on market access. The first obstacle is linked to the definition of environmental goods. Some members suggest using as starting point already existing lists, like for example the list of environmental goods of the APEC (proposal backed by New Zealand and the United States). Others (the EU), would rather opt for the application of the production process or methods (PMP) in order to make a distinction between these different products. The utilisation of the PMP as definition criteria is strongly opposed by developing countries.
- An in-depth debate on non-tariff obstacles on the basis of the list of non-tariff obstacles⁴ notified by participants was also held by the group. The debates on this part of the mandate have more than ever been targeted and progress was achieved with respect to this issue. It was also underlined that it was important to take into account the special and differential treatment in every proposal on negotiations modalities on non-tariff obstacles. The deadline for an agreement on negotiations modalities on customs duties and non-tariff obstacles was May 31st 2003.

B/ Negotiations on agriculture:

A few days before Tokyo meeting (14-16 February 2003), Mr Stuart Harbinson, Chairman of negotiations on agriculture distributed a first draft of the modalities paper in order to stimulate the debates on agricultural negotiations. The modalities consist of rule and formulas to be used by the WTO Members in order to draw up their calendar for the reduction of customs duties, domestic support, which distort trade as well as export subsidies and to increase the volume of tariff quotas.

The Doha Ministerial has fixed March 31st as a deadline for the setting up of the negotiations modalities on agriculture of the WTO. The proposals of Stuart Harbinson, chairman of the WTO working group on agriculture were rejected by the European Union, the United States and the CAIRNS group (Which numbers 17 big exporting countries) and a part of developing countries.

One of the most cutting criticisms was made by the European Union which deemed that the paper does not reflect the equilibrium of positions taken by the WTO Members' for a greater liberalisation of trade in agricultural products several key objectives contained in the Declaration do not appear in the proposal. Particularly the paper does not take into account the commitments taken in Doha for the inclusion of non-trade concerns in negotiations.

For the EU, the WTO should take into account the support extended to farmers linked to food security and the protection of animals and environment. Besides, the text does not take into account the "massive distortions of competition caused by some forms of subsidies practiced by some developed countries, alluding to the United States.

Developing Countries such as India, Kenya and Nigeria which showed satisfaction with the paper of Harbinson which they consider as a small victory

⁴• These notifications were compiled in a preliminary copy of the document TN/MA/W/25

for Developing countries coalition. The latter which have fought for the last three years for the opening of their markets in proportion to their developmental level and for the protection of their food security.

Some information sources have indicated that India has welcomed "the negative list" approach, which allows developing countries to exempt their strategic products from general reductions commitments. Yet, India rejected the proposal of tariff reduction spread over ten years granted to developing countries, which it considers as very short.

Current positions:

The divergences between the main protagonists in agricultural negotiations concern several issues:

- > Exports subsidies: constitute a major controversy between on the one hand the European Union and Japan, which simply propose their reduction and the United States, the CAIRNS group and Developing countries, which claim their full removal. Opinions about this issue are have not converged for the last two years.
- > The formula of customs duties reduction: The United States and the CAIRNS group propose to reduce their customs duties according to the Swiss formula (At the end of this period all the customs duties should be lower than 25%), the European Union, the other countries "friends of multifunctionality", India, Mauritius, and other Island countries propose a reduction formula similar to that of the Uruguay Round (Minimal average reduction per tariff line). The like-minded country group (made up of Cuba, Egypt, Honduras, India, Indonesia, Malaysia, Pakistan, Dominican Republic, Tanzania, Uganda and Zimbabwe) propose a first tariff reduction by 50% spread over three years, followed by another reduction by 50%. No convergence is expected between the countries, which propose the first two formulas, which are radically different.
- > Domestic supports: Positions are still unchanged and issues are also still alike: Which redefinition of the green box? Should the blue box be abolished? What reduction formula of the orange box' measure should be adopted?
- > The other non trade concerns were given little attention. Countries are still opposed to on the ways and means to take them into account and to what extent? Besides they are almost not mentioned in Harbinson paper.
- > Geographical indications: Some member countries (European Union) think that this issue should be tackled within the framework of agricultural negotiations, while for other (the United States), the TRIPS is the ideal framework.

Finally the only notable progress can be summarised as follows:

- > The acceptance of the United States to discuss about export credits, considered as a form of export subsidy. But the detailed proposals they have presented to on this issue remain insufficient;
- > The consensus on the need for improving the administration of tariff quotas;
- > Exemption from commitments for the LDCs.

C/ Negotiations on Trade in Services :

After the deadline of 30th June 2002 fixed in Doha Ministerial Declaration for the presentation of initial request for specific commitments. Concrete progress has been achieved as shown by the submission of bilateral initial requests for about 30 countries, asking for the improvement of market access and covering all the sectors. Even though, these requests are bilateral and confidential, it well known that it is Developed countries, which have submitted the greatest number of requests, Developing countries have also participated in an effective manner to the current stage of the submission of requests. At least one third of all the submitted requests are made by Developing Countries, in which they ask for concessions in the fields where they have competitive advantages in the services sector (such as the information technology sector).

- The requests of Developed Member Countries cover a wide range of services, from energy to tourism, including professional services, franchising services, information technology services and environmental services. The requests of Developing countries concern transborder movements of professionals, professional services and maritime services. If Developing Member Countries wish to really participate, they must immediately start analysing requests and it is desirable that they define the sectors for which they should submit their own requests in their interest.

Negotiations have also concerned government procurements and subsidies in the services sector. With respect to governments procurements and even though article XIII.2 provides for multilateral negotiations, developing countries argue that governments procurements in the field of services are exempted from obligation in the areas of national treatment, market access and the treatment of the Most Favoured Nation (MFN), by virtue of article XIII. 1. Yet, the EU for which this issue is invested with a great importance, thinks that the market access, national treatment, MFN treatment are covered by the negotiations mandate, if we admit the possibility of choosing the sector that should be opened and to impose some restrictions to national treatment when necessary.

- With respect to the subsidies that are not currently subjected to disciplines, several members (Argentina, Chile, and Hong Kong) have proposed that Members should provide information on their services subsidies programmes.

Special safeguard provisions for trade in services

No agreement has been reached on an essential point for Developing Countries and which have in the past formed the subject of intense debates: the special safeguard provisions for trade in services.

Several member developing countries have pointed out that it is necessary to protect their services sector against unexpected circumstances, but developed countries (United States and EU) are opposed to this mechanism and are concerned with the implementation difficulties.

- Autonomous unilateral liberalisation :

After more than two years of discussions, the special session of the Council on Trade in Services (CTS) approved on March 6th 2003 the modalities of the treatment of autonomous liberalisation, a credit for the autonomous liberalisation⁵.

The granting of credits for autonomous liberalisation measures will take place through bilateral negotiations. According to the Chairman of the Council on Services, the Ambassador Jara (Chile), the modalities do not involve any legal obligation or any entitlement to automatic credit or recognizance.

Any member which has undertaken an autonomous liberalisation may apply for a credit during negotiations in progress. In the implementation of the modalities and in the recognizance of credits, members will fully take into account the flexibility provided for developing countries on an individual basis as well as the developmental level of these countries. Several developing countries consider such provisions as a progress towards the recognizance of the objectives of the GATS, namely an increasing participation of Developing countries in trade in services.

- Modalities of the special treatment in favour of the LDCs

The modalities of the special treatment in favour of Member LDCs is another important issue "linked to the modality". In June 2002, debates focused on the following different points: the LDCs take on specific commitments in a limited number of services sectors, they should also be provided with assistance to be extended by developed countries in order to better define the fields of some interest for them in terms of trade and they should undertake to invest in the fields in which the LDCs have taken on specific commitments; foreign suppliers should be encouraged to help them in the fields of technology transfer and training in each of the sectors of specific interest in terms of exports to the LDCs among others. On the occasion of an informal meeting in early October 2002, the LDCs have announced that they intend to present formal proposal.

D/ Agreement on Trade Related Property Rights (TRIPS):

The extraordinary session of the TRIPS Council held its second meeting on June 28th 2002. The agenda items were as follows: negotiations on the establishment of a Multilateral system of the notification and recording of geographical indications for wines and spirits; observer status of intergovernmental organisations and other issues.

The extraordinary session has successively tackled the four categories of issues included in the note of the president, namely 1) the definition of the expression "geographical indications" and of the geographical indications likely to be included in the system, 2) objective of the notification and recording system 3) the meaning of the notification and recording system and 4) participation. There

⁵ Autonomous unilateral measures are measures taken unilaterally by the WTO Members to liberalise the services sector within the framework of their own national liberalisation processes or of structural adjustment programmes of the World Bank and of the IMF, since 1995.

was a broad exchange of views. It was possible to identify a number of common points of views on some items, but divergences persisted on several other issues. With respect to the third category of issues (multilateral notification and recording system), the third extraordinary session has decided to ask the WTO secretariat to establish with the help of the WIPO International Bureau, a document of factual information on the existing international notification and recording systems.

If it is obvious that the geographical indications (GI) are on the agenda items of the new negotiations round of the WTO, members profoundly disagree about the scope of the required debates. Deep divergences concern in particular the extension to other products of the higher protection level provided for wines and spirits under article 23 of the agreement of Trade Related Intellectual Property Rights (TRIPS). Some Developing countries lay the stress on the fact that there is a clear negotiations mandate on the extension of the geographical indications.

Other countries such as Argentina insist on the fact that such a mandate does not exist, either with regard to the negotiations conduct or to appropriate actions that deserve to be defended.

It is important to acknowledge since the beginning, the discriminatory and overlapping nature of the current impasse concerning the geographical indications. The existence of a double protection system of geographical indications-one for wines and spirits and the other which is weaker for other products- is considered as discriminatory. Several countries provided with well-known geographical indications were not in a position to ensure for themselves an additional protection under the Agreement on the TRIPS.

In the debates two country groups are opposed:

- > India, Pakistan, Thailand, Switzerland, the European Union, Morocco among others are in favour of the extension of the protection of the GI. They consider it as means to develop the marketing of products for which they have a comparative advantage (the Darjeeling or basmati rice for example), to obtain for it higher price and prevent abuses. These countries think that the GI are a means to protect the traditional knowledge and know-how.
- > Australia, Canada, New Zealand, the United States among others, which are big exporters of agricultural products fear the use of these geographical indications for protectionist purposes. They also stress the administrative costs to be incurred by Developing countries.

Within the TRIPS, debates are taking place to know if Doha Declaration has provided for the launching of negotiations on the extension of the GI. The first group thinks that it is obviously the case, while the second group refuses this interpretation.

TRIPS and public health :

- The chairman of the Council on TRIPS has pointed out at the end of its meeting on February 5th 2003, that debates have gone back to the level they reached before the Doha Conference of the year 2001 on the diseases covered by the Agreement. South Africa supported by Norway think that the continuation of such debates is a waste of time. Brazil and India have declared that they would not accept a lessening of the objective of Doha Declaration on this issue. For its part, Kenya pointed out that efforts should be concentrated on the establishment of national production capacities and not on the limitation of concerned diseases. The USA considers that confidence should be restored in the pharmaceutical sector, which might fear a weakening of the intellectual property rights as result of a reinterpretation of the Doha Declaration. Such position is shared with South Africa, Chile and Bulgaria.

- > The USA, Canada and Switzerland are radically opposed to any modification of the text. The USA propose either a moratorium on the disputes relating to the imports of generic drugs in the countries which can prove a situation of sanitary crisis, or an exemption from the implementation of the TRIPS of the countries wishing to export generic drugs to countries facing such emergencies.
- > For the USA, flexibility in the formulation of the text may entail an extension of its provisions to non contagious diseases such as diabetes, high blood pressure, and asthma, which yield high benefits to American pharmaceutical laboratories. Besides, to avoid the utilisation of a possible agreement by developing countries provided with high production capacities of drugs to produce medicine. The USA have insisted on the fact that the moratorium solution of claims would concern poor countries only and would actually exclude high income developing countries.

E/ Agreement on textiles and clothing

Meeting under the auspices of the General Council on July 31st 2002, Developing countries have denounced the absence of agreements that would enable them to have an easy access to the markets of rich countries, as requested by the Ministerial Conference in Doha in November 2001.

Exporting members that are mainly concerned (India, China, Hong Kong, Brazil, Thailand, Indonesia, Pakistan and Bangladesh among others), have explicitly expressed their discontent at the Council Meeting as to what they called "lack of flexibility" showed by Developed countries, considering that powerful "textile lobbies" are controlling the sector and are thus influencing their commercial policies.

The USA and the EU, the main targets of Developing countries' criticisms, have naturally rejected them putting forward the fact that the non- implementation of the agreement on textiles and clothing is only an exception that can be easily corrected. They have also underlined that concessions granted by them for the benefit of some developing countries were little justified in so far as these countries had themselves allowed a very small opening only of their textiles market.

F/ Committee on Trade and Development:

Reaching the deadline of July 31st 2002, date on which the Members of the Committee on trade and Development had to report on the review of their special and differential treatment in favour of Developing countries, the WTO members have decided to extend the deadline to December 31st 2002, date of reference to submit to the General Council "clear recommendations" pending a decision on special and differential treatment.

The special session of the Committee on Trade and Development met on January 17th, 24th and 29th, then on February 3rd and 7th. At the session February 7th, debates concerned a new draft report of the Chairman Ransford Smith (Jamaica), on which Members wished to rely in order to agree on a final report to be submitted to the General Council.

The same fundamental issues remained at the core of the debates namely, the proposals focusing on particular agreements, the analysis and the examination of various transversal issues, the setting up of a supervisory mechanism, the examination of proposals concerning the institutional arrangements as well as technical and financial assistance and training and the way to include the special and differential treatment in the structure of the WTO rules.

Another stumbling block concerns the way this issue should be approached as well as the order in which the different proposals specific to agreements and the transversal issues should be tackled. Some members of which Switzerland, Japan, Norway and the United States would like first to stress the principles and objectives. Other Members-essentially developing countries, uphold that according to Doha mandate, priority should be given to the consideration of specific proposals.

An important ground for controversy was the interpretation of some aspects of Doha mandate. While Members recognized the importance Ministers attached to the work programme relating to special and differential treatment and admitted the need for re-examining all the provisions relating to special and differential treatment with a view to strengthening them and making them more accurate, effective and operational, there were two much disagreements as to the way to reach such objectives.

- Some Members proposed to make the provisions relating to the special and differential treatment more accurate, effective and operational by bringing changes to the current wording of some provisions providing for a "maximal effort" and that was stipulated in the mandate. Others did not want to amend the text of the agreements or modify otherwise what they considered as the equilibrium of the existing rights and obligations.
- Some delegations estimated that the best thing to do would be to send back these proposals to the negotiations organs, while others thought that such practice is not in accordance with Doha mandate. They thought that proposals could in any case be directly tackled by the negotiations groups and other organs.
- In spite of these divergences, members seemed rather willing to reach an agreement on a proposal of developing countries aiming at asking the General

Council to bring some "clarifications" to the mandate relating to the special and differential treatment conferred by Doha Ministerial Conference. In this context, Members adopted on February 10th, just before the meeting of the General Council, a report (ref TN/CDT/7), in which they recommend to the General Council to "give clarifications as it may deem appropriate" on the mandate of the special and differential treatment.

Yet, the general Council has neither adopted the report nor accepted the demand of "clarification" as result of an opposition of a number of countries.

Some Member Countries (European Union, the United States, Australia...) were against the adoption of a request for a "clarification" of the mandate of the special and differential treatment made by the Committee on trade and Development because that would give rise to an inopportune precedent for the future. Others members, especially, Developing countries insist in the fact that a "clarification" is necessary in so much as these divergences, noted since the first session of negotiations are partly due to the absence of the common perception of the conferred mandate.

F/ Singapore's issues

At Doha Ministerial Conference, the mandate conferred by the Doha Declaration concerning the opening of negotiations on trade and investment, trade and competition, the transparency of government procurements and trade facilitation at the fifth session of the Ministerial Conference was interpreted in an extremely different manner. As a result and as requested by several delegations, the Chairman of the Conference had to give clarifications on the exact meaning of the adopted text. He considered that a decision should be made by explicit consensus before starting negotiations. In view of some reserves made by participants on this issue and of the absence of an explicit mandate, the debate on modalities did not at all progressed and the one on the basic issues moved on little. Yet disagreements on the substance are obvious if we consider the specific issues to be finally taken into account by negotiations.

- **Working group on trade and investment:** The disagreements which have divided for a long time the supporters of a multilateral agreement on investments (EU, Canada, Korea, Japan) and the opponents to such an agreement (in general developing countries and non-governmental organisations) do not seem to have much changed since the suspension in 1998 of negotiations on a multilateral agreement on investment organised under the auspices of the OECD.
- **Investment organised under the auspices of the OECD:** Debates concerned the international investment agreement of the WTO and focused on some issues like the definition of the different kinds of investments that would be taken into account by the agreement. Should its implementation scope be limited to foreign direct investment (FDI), in other words, a means to get long term interests by investing on activities based in other countries? It is the opinion of developing member countries as well as of Japan and Korea among others. Or should the agreement encompass also a definition of investment

"based on assets" extending to portfolios and to other financing modes, in general short term and speculative modes? Canada and the United States are in favour of this broad definition, while the EU prefer a definition of the FDI encompassing the whole elements but would add a portfolio investment if it meets all the criteria, in order to exerting an influence on the management of the beneficiary and establish with him a long term relationship.

The prescriptions in the field of transparency and non-discrimination, especially, national treatment and that of the most favoured nation (MFN) are also included among the issues to be debated. With respect to modalities, discussions focused on the "positive list" approach. The latter is similar to the method contained in the GATS, which limits the sectors in which commitments have been made, but like the GATS it also provides for non-discrimination by imposing fundamental obligations on the MNF treatment and national treatment. Other issues require a clarification, especially, those relating to exceptions, safeguards concerning the balance of payments and to consultations in order to define disputes concerning investments by virtue of an international investment agreement, which should be governed by the Dispute Settlement Mechanism.

Working group on trade interaction and competition policy: This working group has so far tackled most of the basic issues for which it has been mandated by Doha Declaration, namely, the fundamental principles such as transparency, non-discrimination, equitable procedure, but also provisions relating to unjustifiable agreements, modalities for voluntary cooperation as well as strengthening of the institutions in charge of competition in developing countries through capacity building.

The EU pronounced itself in favour of a restricted definition similar to that contained in the OECD's recommendation applying to competition in domestic markets. Yet, this does not exclude export cartels, which have more direct consequences on the WTO developing member countries. A series of instructions, drafted under the auspices of the UNCTAD, deal more deeply with this issue. Transparency and non-discrimination and equity in respect of procedures were discussed at the 26 and 27 September 2002 sessions. The crucial and controversial has issue on negotiations modalities has not been tackled yet.

- **Transparency of government procurements:** Australia is the sole member, which has submitted a formal working document on the methods to *conclude government procurements markets*, which essentially deals with the need for establishing a framework of provisions relating to the obligation of giving explanations and to probity by requiring an adequate documentation on government procurements contracts and on the chosen method. This would allow to make sure that tenderers are treated in an objective, loyal and equal manner.
- **Trade Facilitation:** Debates on the simplification of import procedures took place at the Council on Commodity Trade, during which developing countries submitted several proposals in order to add the degree of specificity to the already existing agreements on the simplification of export procedures. Event though such proposal might become a very useful instrument for developing member countries and would allow to improve in a perceptible manner the efficiency of their customs, the latter made some reservations about it and

expressed their fears. They argued that in view of their undeveloped customs system, it would be difficult for them to make commitments on these issues. It is the EU, which submitted the most complete plan on this issue by proposing separate agreements on GATS articles relating to trade facilitation, namely articles V (freedom of transit) VIII (Levies and formalities on imports and exports) and X (publication and application of trade related rules)

F/ Working group on trade, debt and finance:

The second meeting of the working group on trade, debt and finance of the WTO held on July 11th and 12th 2002 was mainly devoted to the presentation of the reports of some regional and international agencies on the links of trade and finance. The Organ has finally adopted its work programme for 2002 that was blocked at April meeting, upon disagreements on the importance to be given to the debt section in the plan.

The next meetings of the working group are fixed for September 30th and to 17th December.

IV- THE OIC MEMBER STATES AND THE WTO:

In April 2003, the total number of the WTO Member was estimated at 146 countries with the accession of Armenia (which has become on February 5th 2003, the 145th Member) and the ex Yugoslavian Republic of Macedonia) of which 38 are OIC Members.

- The OIC Member States whose accession to the WTO is underway:

The number of the OIC Member States that have applied for accession to the WTO is estimated at eleven, these are: Algeria, Saudi Arabia, Azerbaijan, Kazakhstan, Lebanon, Libya, Uzbekistan, Sudan, Syria, Tajikistan and Yemen.

It should be noted that the access conditions of the new applicants have become excessive and inconsistent with the economic Developmental level of the applicant country. In fact, the candidates are subject to more restraining obligations than those to which the WTO Members are subject (called the WTO-plus obligations) and the special and differential treatment is not accorded to developing countries during their accession to the WTO.

The transition periods accorded to the first WTO Members were not automatically offered to acceding countries under Article XII, whatever their economic development level may be. Some transition periods were allowed in limited sectors and for short periods after the transmission of a comprehensive implementation schedule and in return of which the conformity to the WTO was guaranteed (promulgation of the required legislation, training of the staff in charge of implementation etc...in all sectors.

It is therefore, important for the OIC countries to defend the idea of according appropriate transition periods to acceding countries. Likewise, market access

should be adapted to the economic development to the candidate applying for accession. The adhesion to multilateral agreements, such as the Agreement on government procurement and the Agreement on Civil aviation should not be considered as a pre-requisite for accession to the WTO. It is also important to simplify and to speed up the accession procedures applicable to the LDCs.

1. Algeria :

With an observer status since 1987, Algeria officially submitted to the WTO a report on its foreign trade regime in June 1996. The submission of this report will represent the first step in the membership procedure in this organisation.

Since then, some WTO Member States, such as the United States, the EU, Switzerland, Japan and Australia, sent a series of questions to Algeria. The answers were sent to the WTO secretariat and a first meeting of the working group on the accession of Algeria to the WTO was held in Geneva in April 1998.

Algeria held four rounds of multilateral negotiations (April 1998, February 2002, May 2002 then November 2002) and two rounds of bilateral negotiations in the agricultural, industrial and services sectors (April 2002 and November 2002).

With respect bilateral meetings, Algeria has met about ten countries, these are the United States, Japan, Switzerland, Australia, Canada, the European Union, Cuba, Uruguay, Turkey and the Republic of Korea.

The working group on the accession of Algeria, which is chaired by M.C Perez del Castillo (Uruguay) numbers 43 countries.

2. Saudi Arabia :

The multilateral negotiations on the accession of Saudi Arabia to the WTO, started in May 1996, and the bilateral negotiations on the markets access, a short time later.

The working group on the accession of Saudi Arabia to the WTO, chaired by Canada, made considerable progress in the examining of this country's foreign trade system.

At present, negotiations deal with: agriculture, inspection before shipment, sanitary and phytosanitary standards, technical obstacles to trade, TRIPS and services. The working group of focusing on the drafting of the accession protocol.

About thirty WTO members have asked to discuss on bilateral basis on the access conditions of Saudi Arabia to the WTO. Saudi Arabia has already concluded 13 bilateral agreements with several of these countries, of which Australia, Pakistan, Uruguay, South Korea, Mexico, Brazil, Venezuela, Argentina and since February 2003, with Turkey. The discussions with the European Union and the United States remain difficult.

The working group on the accession of Saudi Arabia, which is chaired by Canada, gathers 51 countries in addition to the European Union and its Member States.

3. Azerbaijan :

Azerbaijan's Working Party was established on 16th July 1997. Azerbaijan submitted a Memorandum on its Foreign Trade Regime in April 1999. Replies to a first set of questions concerning the aide-memoir were circulated in July 2000 then a second series in December 2001. The first meeting of the working group was held on June 7th 2002.

4- Kazakhstan :

Kazakhstan's Working Party was established on 6th February 1996. Bilateral market access negotiations in goods and services commenced in October 1997, and are continuing based on a revised goods offer and the existing services offer. Topics under discussion in the Working Party include: agriculture, the customs system (and customs union arrangements), price controls, import licensing, industrial subsidies, SPS and TBT, transparency of the legal system and legislative reform, services and TRIPS. The Working Party last met in December 2002 and the next meeting might take place in the first half of 2003.

5- Lebanon :

Lebanon's Working Party was established on 14th April 1999. The aide-memoir on the Foreign Trade Regime was circulated in June 2001 and the answers to issues concerning the aide-memoir were circulated in June 2002. The working group met for the first time on October 14th 2002 and the next meeting might take place in the second half of 2003.

6- Libya:

Libya deposited an official application for accession to the WTO on December 2 1st 2001 (Doc.WTO/ACC/2ii).

7- Sudan :

The Working Party on the accession of Sudan was established on 25th October 1994. Sudan's Memorandum on its Foreign Trade Regime was circulated in January 1999. Replies to a first set of questions concerning the Memorandum were circulated in November 2000 and a second set is pending. The Working Party has not yet met.

8- Tajikistan :

On 29th May 2001, a formal request for accession under Article XII was sent to the Director-General by the Government of Tajikistan. A Working Party was established at the General Council meeting on 18 July 2001. Tajikistan has submitted the aide-memoir on its foreign trade system in February 2003 and the working group has not met yet.

9- Uzbekistan :

The Working Party on the accession of Uzbekistan to the WTO was established on 21 December 1994. Uzbekistan submitted its aide-memoir on the Foreign Trade Regime in September 1998 and replies to questions on his aide-memoir

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were circulated in October 1999. Bilateral market access contacts have been initiated. The Working Party met for the first time on July 17th 2002.

10- Syria:

Syria's request for accession was notified to the Director General of the WTO on October 2001.

11- Yemen :

Yemen's request for accession was circulated on 14th April 2000. The General Council established a Working Party on 17th July 2000. The aide memoir on the Foreign Trade Regime was circulated in November 2002. The Working group has not met yet.

Country	Date of the setting up of a working group	Chairman of the working group
Algeria	17 June 1987	Uruguay
Azerbaijan	16 July 1997	Germany
Kazakhstan	6 February 1996	Finland
Lebanon	14 April 1999	France
Libya	21 st December 2001*	-
Saudi Arabia	21 July 1993	Canada
Sudan	25 October 1994	Morocco
Syria	30 October 2001*	-
Tajikistan	18 July 2001	-
Uzbekistan	21 December 1994	Mexico
Yemen	17 July 2000	-

* The working group was not established yet.

Source : WTO

V/ ACTIONS THAT ICDT IS PLANNING TO CARRY OUT AFTER DOHA CONFERENCE :

With regard to the WTO multilateral trade negotiations, ICDT will continue its coordination work between the OIC Countries during the next negotiations in Geneva.

Technical assistance will also be ensured for the benefit of Member States, particularly the Least Developed among them in order to assist them in negotiations through consultancy and expertise services.

Besides, ICDT is planning to organise several seminars and meetings between the OIC countries so as to make an assessment of the negotiations stakes, and even their impact on the trade policies and economies of Member States. Popularisation actions will be carried out for new themes in negotiations such as competition policy, trade facilitation, electronic commerce etc...

These activities will involve the participation of not only the representatives of concerned administrations but also those of the private sector in the OIC countries.

In anticipation of the WTO Fifth Ministerial Conference to be held in Cancun in September 2003, ICDT has sent a mail to IDB with a view to coordinating their activities relating to the preparation of the OIC Member States to this Conference.

NEGOTIATIONS DEADLINES

WITHIN THE FRAMEWORK OF DOHA WORK PROGRAMME

Deadlines	Subjects (Negotiations within the framework of Doha Ministerial Declaration)	Observations
30 th June 2002	Services: Initial requests for specific commitments (liberalisation measures, which countries wish to obtain from their partners)	About thirty member countries, of which some developing countries have submitted initial requests for commitments. It is essentially a bilateral move
20 th September 2002	Trade Related Intellectual Property Rights (TRIPS) Suggested deadline for the presentation of proposals on the establishment of a multilateral system of notification and recording of the geographical indications for wines and spirits.	Negotiations on this issue are currently going on the basis of the draft paper of the Chairman JOB (02)/49. So far non consensus has been reached.
1 st November 2002	Market access for non-agricultural products Presentation of the proposals on the negotiations modalities on market access.	Deadline for an agreement on modalities is 31 st May 2003
31 st March 2003	Agriculture: Establishment of modalities for the new commitments, including the provisions for special and differential treatment. Services : Presentation of initial offers of market access (liberalisation commitments, which countries are ready to offer to their trading partners).	A first draft of modalities for the new commitments is available see TN/AG/W/1 of 17 th February 2003 and TN/AG/W/1/rev.1 of 18 th March 2003); In spite of that the deadline was not respected. It is essentially a bilateral move
May 2003	Market access products for non agricultural products	This agreement on modalities will be based on the guidelines that are expected to be defined before March 31» 2003
31 st May 2003	Memorandum of understanding on disputes settlement: Target Date for the conclusion of an agreement on the improvements and clarifications to be introduced to the memorandum of understanding on disputes settlement.	Paragraph 47 of Doha Ministerial Declaration specifies that the improvements and clarifications of the memorandum of understanding on the disputes settlement will not be considered as part of a single undertaking.
Ministerial conference of Cancun, 10-14 September 2003	Evaluation of negotiations: The fifth session of the Ministerial Conference will make an evaluation of the progress achieved in negotiations, give all the required political orientations and will make decisions according to needs. Agriculture: Presentation of global draft lists based on the modalities that should be adopted in March 2003, including the provisions for the special and differential treatment. TRIPS: Conclusion of negotiations concerning the establishment of a multilateral system of notification and recording of the geographical indications for wines and spirits	

	Link between trade and investment	Launching of negotiations "on the basis of a decision that will be taken by explicit consensus this session on the negotiations modalities"
	Interaction of trade and competition policy Transparency of government procurements Trade facilitation Trade and environment: The Committee on Trade and environment will present a report and make recommendations if it is deemed useful with respect to the future action, including the opportuneness of negotiations. Small economies Recommendation of the General Council with a view to an action	
	Trade, debt and finance	Report of the General Council on the progress achieved in the examination of these issues
	Trade and technology transfer Electronic commerce	
1st January 2005	Conclusion of negotiations under the terms of Doha Ministerial Declaration	

Source: ACCL, Geneva 2003

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DRAFT AGENDA OF THE NINETEENTH SESSION
OF THE COMCEC

as recommended
by the Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 12-14 May 2003)

DRAFT AGENDA
of the Nineteenth Session of the COMCEC
(Istanbul, 20-23 October 2003)

1. Opening Session
2. Adoption of the Agenda
3. Background Reports
 - i. Background Report by the OIC General Secretariat
 - ii. World Economic Developments with Special Reference to OIC Member Countries by SESRTCIC
 - iii. Supporting the Reform of the International Financial Architecture by SESRTCIC
 - iv. Report of the Follow-up Committee by the COMCEC Coordination Office
 - v. Review of the Implementation of the Plan of Action
 - a) Report by OIC General Secretariat
 - b) Report by COMCEC Coordination Office
 - vi. Establishment of a Union of Stock Exchanges and Clearing Houses Among the OIC Member Countries by SESRTCIC and ICDT.
4. Reports by IDB and ICDT on the Expansion of Intra-OIC Trade
5. Preparations for Launching the First Round of the Trade Negotiations of the Framework Agreement on Trade Preferential System Among the Member States of the Organization of the Islamic Conference (TPS-OIC).
 - i. Report by ICDT
 - ii. Report by COMCEC Coordination Office
6. Matters Related to the **World Trade Organization** Activities
7. Report by ICCI on the **Ninth and Tenth** Private Sector Meeting Among OIC Member Countries
8. Report by ICDT on Trade Fairs of Islamic Countries
9. Exchange of Views on the "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade".
10. Matters Related to Economic Assistance to Some Islamic Countries
11. Report of the Sessional Committee
12. Date of the Twentieth Session of the COMCEC
13. Any Other Business
14. Adoption of the Resolutions of the Nineteenth Session of the COMCEC
15. Closing Session.

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CLOSING STATEMENT BY
H.E. DR. AHMET TIKTIK, CHAIRMAN OF
THE CLOSING SESSION OF THE NINETEENTH MEETING
OF THE FOLLOW-UP COMMITTEE

Nineteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 14 May 2003)

Original : English

**CLOSING STATEMENT BY
H.E. DR. AHMET TIKTIK, CHAIRMAN OF
THE CLOSING SESSION OF THE NINETEENTH MEETING
OF THE FOLLOW-UP COMMITTEE**

(Istanbul, 14 May 2003)

Distinguished Delegates,
Distinguished Assistant Secretary General,
Honorable Guests,

I would like to express my satisfaction for the successful conclusion of another Meeting of the Follow-up Committee of the COMCEC.

During this Meeting, we have debated on important issues related to economic and commercial cooperation among OIC countries. I believe that the Follow-up Committee, during this session, has made a substantial contribution to the success of the COMCEC.

Among its main topics, the Follow-up Committee Meeting has reviewed the Implementation of the OIC Plan of Action and the studies of the COMCEC Coordination Office on the Supplementary Mechanism. I hope the member countries will communicate their views on the Rules of Procedures and the Project Cycle Management of the Supplementary Mechanism prepared by the COMCEC Coordination Office latest by 15th July, 2003. Thereafter, COMCEC Coordination Office will be able to submit the said studies to the Nineteenth Session of the COMCEC to be held in Istanbul in October.

Distinguished Delegates,
Esteemed Guests,

In addition to the endeavors to expand intra-OIC trade, it would be incumbent on us to make use of the opportunities and services offered by all the OIC institutions.

In this regard, I would like to express my special thanks to the IDB and ICDT for their valuable efforts for the expansion of intra-OIC trade.

It is encouraging that the efforts to expand intra-OIC trade have resulted in an increase of its share in the total foreign trade volume of the OIC Member States from %10 in 1997 to %12 in 2001, and the volume of this trade reached approximately US \$56 billion. As you are all aware, we need to continue to work together to improve intra-OIC trade.

In this meeting, we emphasized as well the importance of the implementation of the Plan of Action and the OIC agreements and statutes particularly the TPSOIC Agreement. We, as the Follow-up Committee, called upon the member countries who have not done so, to sign and ratify the TPSOIC Agreement.

I believe that, the studies done by ICDT and COMCEC Coordination Office for launching the first round of trade negotiations of TPSOIC Agreement will be reviewed by the workshop to be held in Casablanca next month so that the results could be submitted to the Nineteenth Session of the COMCEC for approval.

Distinguished Delegates,
Honorable Guests,

During this meeting, we have also reviewed the preparations for the exchange of views on "The Impact of Electronic Commerce and Use of Information Technology in the Promotion of Intra-OIC Trade" to be held during the Nineteenth Session of the COMCEC. I hope that, all the member countries will attend the workshop to be held prior to the COMCEC on the subject in Tunisia and I believe that Member Countries will provide the necessary support for the success of the exchange of views session.

During the 19th Follow-up Committee Meeting, we have considered a new proposal, "Facilitation of Trade and Transportation within the OIC Countries" as the theme for the Exchange of Views Session of the Twentieth Session of the COMCEC. I have no doubt that the facilitation of the transportation will positively affect the intra-OIC trade.

The cooperation among the private sectors of the OIC Member Countries has a catalyst role for the expansion of intra OIC trade. In this regard, we have to give more

important role to the private sector in COMCEC activities. I want to thank Islamic Chamber of Commerce and Industry for their efforts to strengthen cooperation among the private sector.

Distinguished Delegates,
Honorable Guests,

Before concluding my remarks, I would like to express my condolences to the Kingdom of Saudi Arabia for the recent tragic event, which took place in the city of Riyadh.

I would also like to express my most sincere thanks and appreciation to all delegations, to the General Secretariat of the Organization of the Islamic Conference and its Subsidiary and Affiliated Institutions for their valuable contributions to the success of the Meeting. I also thank to the supporting staff and the interpreters for their devoted endeavors.

Hoping to see you at the Nineteenth Session of the COMCEC this October, I wish you all a safe journey back.

I announce closed the nineteenth meeting of the Follow-up Committee of the COMCEC.

