

REPORT & RESOLUTIONS ON ADMINISTRATIVE AND FINANCIAL AFFAIRS

21ST CONFERENCE OF THE FOREIGN MINISTERS

**Karachi, Islamic Republic of Pakistan,
4 - 8 Zul Qa'dah 1413H, 25 - 29 April 1993**

REPORT OF THE ADMINISTRATIVE AND FINANCIAL AFFAIRS COMMITTEE

1. The Administrative and Financial Affairs Committee of the Twenty-first Islamic Conference of Foreign Ministers (Session of Islamic unity and cooperation for peace, justice and progress) met in Karachi, Islamic Republic of Pakistan, from 4-8 Dhul Qa'dah 1413 H (25-29 April 1993) to examine the Agenda items referred to it by the Conference.

2. The Bureau of the Committee was composed of the same Member States as that of the Plenary, namely:

Chairman : Representative of the Islamic Republic of Pakistan.
Vice-chairmen : Representatives of Republic of Tunisia, Republic of Uganda and the State of Palestine.
Rapporteur : Representative of the Republic of Turkey.

3. The Committee Sessions were chaired by Mr. Rashed S. Khan of the Islamic Republic of Pakistan.

4. The General Secretariat was represented by Mr. Mohammad Shoaib Ansari, Director of Administration and Financial Affairs.

5. The Chairman opened the proceedings with a statement in which he welcomed the delegations and wished them a pleasant stay in the Islamic Republic of Pakistan.

6. The Chairman sought the assistance and cooperation of the delegations to facilitate his task in a positive atmosphere of true Islamic brotherhood and sincere determination to endeavour for achieving the noble objectives of Islamic solidarity.

7. The Committee then proceeded to examine the agenda items and agreed to submit to the Plenary, for adoption, the draft resolutions annexed to the present report.

Report of the Twenty-Second Session of the OIC Permanent Finance Committee

8. After reviewing the said Report (Doc. No. PFC/22-93/REP.1/Final)), containing the Report of the Permanent Finance Committee, the Committee recommended that it be accepted, and directed the General Secretariat and the Subsidiary Organs to comply with and implement the recommendations contained therein. It was particularly emphasized that the schedule of meetings of various committees and commissions of the OIC needs to be prepared so that timely submission of documents is ensured for each meeting. The documents for the PFC meeting should be sent to the Member States two months before the scheduled meeting.

9. The Committee further took note of the Report of the Thirteenth Session of the Finance Control Organ and replies of the General Secretariat and the Subsidiary Organs. The

Committee noted observations and recommendations of the Twenty-second Session of the Permanent Finance Committee. As regards the term "Currency Differential" appearing in the budgets, it is to be eliminated with effect from 1 July, 1993 by converting the presently drawn salaries in Saudi Riyals into US Dollars at the current rate of exchange, as applied in the host country, which is 1US\$ = SR3.75 without causing any decrease or increase in the salaries to the officials of the General Secretariat, Islamic Foundation for Science and Technology, and the Islamic Fiqh Academy.

Budgets of the OIC General Secretariat and the Subsidiary Organs for the Financial Year 1992/93 and 1993/94.

10. Having taken cognizance of the recommendations of the Twenty-second Session of the OIC Permanent Finance Committee, and in view of the various constraints faced by Member States, and considering the Report of the Secretary General (Doc. No.ICFM/21-93/AF/D.2) explaining financial difficulties faced by the General Secretariat and the Subsidiary Organs the Committee recommended the budgets of the General Secretariat and the Subsidiary Organs for the financial years 1992/93 and 1993/94 to be financed by mandatory contributions of Member States in accordance with the Charter and Financial Regulations of the OIC.

11. The Committee urged the General Secretariat and the Subsidiary Organs to continue to exert serious efforts to rationalize their expenditure and directed them to adhere fully to the OIC Financial & Personnel Regulations.

12. The Committee also urged the Member States to honour their mandatory contributions promptly.

13. The Committee recommended that the budgets of the General Secretariat and the Subsidiary Organs be adopted as follows:

1992-93 Budgets

OIC General Secretariat, Jeddah. -US\$ 9,932,739
(Doc. No. ICFM/21-93/AF/D.2/ Annex.1).(with an increase of 15% on 1991/92 budget)(An amount of US\$1,295,576 is reserved for programme of activities)

Islamic Foundation for Science, Technology and Development, (IFSTAD), Jeddah (Doc. No. ICFM/21-92/AF/D.3) -US\$ 1,213,600

Islamic Fiqh Academy (IFA), Jeddah
(Doc. No. ICFM/21-93/AF/D.4) -US\$ 1,433,000

Statistical, Economic, Social Research and Training Centre for Islamic Countries (SESRTIC), Ankara.
(Doc. No. ICFM/21-93/AF/D.5) -US\$ 2,000,000

Islamic Centre for Technical and Vocational Training and Research (ICTVTR), Dhaka. (Doc. No. ICFM/21-93/AF/D.6) -US\$ 1,972,500

Research Centre for Islamic History, Art and Culture,(IRCICA) Istanbul. (Doc. No.ICFM/21-93/AF/D.7). -US\$ 1,785,000

International Commission for the Preservation of the
Islamic Cultural Heritage,(ICPICH) Riyadh
(Doc. No. ICFM/21-93/AF/D.8) -US\$ 641,000

Islamic Centre for Development of Trade (ICDT), Casablanca.
(Doc. No. ICFM/21-93/AF/D.9) -US\$ 1,090,432

14. The Committee also recommended that for the financial year 1993-94, the budget of the General Secretariat be kept at the level of 1992/93 budget, 7.5% increase to IFSTAD, IFA, ICTVTR and ICDT. The Committee noted with appreciation that IRCICA and ICPICH and SESRTCIC did not request increase in the budget for 1992-93 and 1993-94.

The budgets recommended for the General Secretariat and the Subsidiary Organs for the financial year 1993-94 are as follows:

1993-94 Budgets

OIC General Secretariat, Jeddah, (Doc.No.ICFM/21-93/AF/D.2
Annex.II -US\$ 9,932,739

Islamic Foundation for Science, Technology and Development
(IFSTAD), Jeddah (Doc. NO.ICFM/21-93/AF/D.3) -US\$ 1,304,620

Islamic Fiqh Academy (IFA), Jeddah
(Doc. No.ICFM/21-93/AF/D.4). -US\$ 1,540,475

Statistical, Economic, Social Research and Training Centre
for Islamic Countries (SESRTCIC), Ankara. -US\$ 2,000,000
(Doc. NO.ICFM/21-93/AF/D.5)

Islamic Centre for Technical and Vocational Training and
Research (ICTVTR), Dhaka. -US\$ 2,120,438
(Doc. No.ICFM/21-93/AF/D.6)

Research Centre for Islamic History, Art and Culture
(IRCICA), Istanbul (Doc.No.ICFM/21-93/AF/D.7). -US\$ 1,785,000

International Commission for the Preservation of the
Islamic Cultural Heritage (ICPICH), Riyadh
(Doc.No.ICFM/21-93/AF/D.8). -US\$ 641,000

Islamic Centre for Development of Trade (ICDT), Casablanca
(Doc. No.ICFM/21-93/AF/D.9). -US\$ 1,172,214

15. The Committee recommended that the meetings of the Financial Control Organ should necessarily precede the meetings of the Permanent Finance Committee, and must be held in the month of October, every year.

Financial situation of the OIC and the problem of the accumulation of arrears of mandatory contributions of Member States

16. The Committee examined the Report of the Secretary General (Doc. No.ICFM/21-93/AF/D.10) containing the report and recommendations of the Committee of Experts on the study on the problem of accumulation of arrears of mandatory contributions prepared by the General Secretariat (Doc. No. CAC/1-91/REP). It noted with deep concern the precarious and insolvent financial conditions facing the General Secretariat and the Subsidiary Organs due to the delay or non-payment of mandatory contributions by Member States, which had accumulated to almost US\$60.5 million (Doc. No.OIC/ARR-93) after allowing 50% concession, for once only, as per Resolution No. 1/6-AF(IS). The Member States were again urged to clear their arrears.

17. The Committee affirmed that Member States are obligated to pay their mandatory contributions to the approved budgets, in accordance with Article VII of the Charter and Article 38 of the Financial Regulations. Any reservation on part of a Member State cannot exempt that Member State from paying its mandatory contributions to the approved budgets.

18. The Committee recommended that as all persuasive appeals have failed to elicit response from the defaulting members, a stage has reached that applying sanctions appears to be the only possible option left. The Committee recommended adoption of the Report of the Committee of Experts formed in pursuance to the directive of the Nineteenth ICFM to study the problem of accumulation of arrears.

19. At the conclusion of the proceedings, the Committee expressed its sincere thanks and appreciation to the Government and people of the Islamic Republic of Pakistan for the generous hospitality and for the excellent facilities it provided to ensure the success of the Conference. The Committee also extended its thanks to the Chairman and the Bureau and the staff of the General Secretariat of the OIC for their sincere efforts.

Rashed S. Khan

**Chairman of the Administrative and Financial Affairs Committee
Karachi, 6 Dhul Qa'dah 1413H (27 April, 1993)**

RESERVATIONS MADE BY THE MEMBER STATES

The following Member States made reservations, as enumerated below:

1. **Democratic Republic of Algeria**

Reiterated its reservations concerning the mode of establishing the Subsidiary Organs and the contribution to their budgets.

Expressed its reservations on para 8 of the Report of the Experts Committee on accumulation of arrears (concerning the Subsidiary Organs).

Expressed inability to associate with the interpretation of the Charter of the OIC as reflected in para 1 of resolution No.3/21-AF.

Expressed its inability to agree to the increase in the budget for 1992-93 for the General Secretariat.

2. **Islamic Republic of Iran**

On para 17 of this Report concerning contributions to the Subsidiary Organs.

3. **Republic of Iraq**

Iraq stated that it is unable to meet its obligations due to freezing of its assets abroad and the embargo and, therefore, should not face sanctions. All

contributions from Iraq were promised to be paid as soon as restrictions on Iraq are removed.

4. **Republic of Indonesia**

Expressed its inability to agree to the 15% increase proposed for the budget of the General Secretariat for the financial year 1992-93.

Expressed its inability to agree to 7.5% increase proposed for the budgets of IFSTAD, IFA, ICTVTR and ICDT for the financial year 1993-94.

5. **Hashemite Kingdom of Jordan**

Expressed its inability to agree to the 15% increase proposed for the budget of the General Secretariat for the financial year 1992-93.

6. **Republic of Lebanon:**

Expressed its inability to agree to the 15% increase proposed for the budget of the General Secretariat for the financial year 1992-93.

7. **Malaysia**

Expressed its inability to agree to the 15% increase proposed for the budget of the General Secretariat for the financial years 1992-93 and 1993-94.

8. **Republic of Yemen**

Expressed its inability to agree to the 15% increase proposed for the budget of the General Secretariat for the financial year 1992-93 and 1993-94.



RESOLUTION NO.1/21-AF

REPORT OF THE TWENTY-SECOND SESSION OF THE PERMANENT FINANCE COMMITTEE

The Twenty-first Islamic Conference of Foreign Ministers, (Session of Islamic Unity and Cooperation for Peace, Justice and Progress), held in Karachi, Islamic Republic of Pakistan, from 4 to 8 Zul Da'dah 1413 (25-29 April 1993),

Having considered the Report of the Twenty-second Session of the Permanent Finance Committee and the Report of the Thirteenth Session of the Finance Control Organ for the financial year 1990-91; and the Report, comments and replies of the General Secretariat and the Subsidiary Organs;

1. Takes note of the Report of the Twenty-second Session of the Permanent Finance Committee (Doc. No.ICFM/21-93/REP.1/Final), and the comments and replies contained in the Report of the Secretary General (Doc. No. ICFM/21-93/AF/D.1) and directs the General Secretariat and its Subsidiary Organs to comply with and implement the recommendations contained therein.
2. Takes note of the observations contained in the Thirteenth Report of the Finance Control Organ, replies of the General Secretariat and the Subsidiary Organs, and directs the General Secretariat and its Subsidiary Organs to comply with them.
3. Decides to eliminate from the financial year 1993-94 the term "currency differential" appearing in the budgets of the General Secretariat, IFSTAD and IFA by converting the salaries expressed in Saudi Riyals presently drawn by the officials of the General Secretariat (including New York and Geneva Office), IFSTAD and IFA

into US Dollars at the current rate of exchange which is 1 US\$= SR.3.75; without causing any decrease or increase to the officials.

4. Requests the General Secretariat to prepare draft Rules and Procedure, and Bye-laws for the Permanent Finance Committee to be considered by it in its Twenty-third Session for submission to the Twenty-second ICFM.



RESOLUTION NO.2/21-AF

BUDGETS OF THE GENERAL SECRETARIAT AND THE SUBSIDIARY ORGANS FOR THE FINANCIAL YEARS 1992/93 AND 1993/94

The Twenty-first Islamic Conference of Foreign Ministers, (Session of Islamic Unity and Cooperation for Peace, Justice and Progress), held in Karachi, Islamic Republic of Pakistan, from 4 to 8 Zul Qa'dah, 1413H (25-29 April, 1993).

Having taken cognizance of the recommendations of the Twenty-Second Session of the Permanent Finance Committee regarding the budgets of the General Secretariat and the Subsidiary Organs for the financial year 1992/93 and 1993/94;

Having examined the budget proposals of the General Secretariat and the Subsidiary Organs for the financial year 1992/93 and 1993/94;

Considering the economic realities and financial constraints of the Member States;

1. Approves the budgets of the General Secretariat and the Subsidiary Organs for the financial year 1992/93 and 1993-94 to be financed by mandatory contributions of Member States in accordance with the Charter and Financial Regulations as follows:

1992-93 Budgets

General Secretariat, Jeddah. - US\$9,932,739
(Doc. No.ICFM/21-93/AF/D.2)

Islamic Foundation for Science, Technology and Development
(IFSTAD),Jeddah. (Doc. No. ICFM/21-93/AF/D.3) - US\$.1,213,600

Islamic Fiqh Academy, (IFA), - US\$1,433,000
Jeddah (Doc.No.ICFM/21-93/AF/D.4)

Statistical, Economic, Social Research and Training Centre
for Islamic Countries (SESRTIC), Ankara (Doc. No.ICFM/21-93/D.5) -
US\$2,000,000

Islamic Centre for Technical and Vocational Training and
Research (ICTVTR), Dhaka. (Doc. No.ICFM/20-91/AF/D.6) - US\$1,972,500

Research Centre for Islamic History, Art and Culture
(IRCICA), Istanbul. (Doc. No.ICFM/21-93/AF/D/7) - US\$1,785,000

International Commission for the Preservation of the
Islamic Cultural Heritage (ICPICH), Riyadh - US\$ 641,000
(Doc. No. ICFM/21-93/D.8)

Islamic Centre for Development of Trade (ICDT) Casablanca -
US\$1,090,432
(Doc. No.ICFM/20-91/AF/D.9)

1993-94 Budgets

General Secretariat, Jeddah. (Doc. No.ICFM/21-93/AF/D.2) - US\$ 9,932,739

Islamic Foundation for Science, Technology and Development
(IFSTAD),Jeddah. (Doc. No. ICFM/21-93/AF/D.3) - US\$ 1,304,620

Islamic Fiqh Academy, (IFA), - US\$1,540,475
Jeddah (Doc.No.ICFM/21-93/AF/D.4)

Statistical, Economic, Social Research and Training Centre
for Islamic Countries (SESRTIC), Ankara (Doc. No.ICFM/21-93/D.5) -
US\$2,000,000

Islamic Centre for Technical and Vocational Training and
Research (ICTVTR), Dhaka. (Doc. No.ICFM/20-91/AF/D.6) -
US\$2,120,438

Research Centre for Islamic History, Art and Culture
(IRCICA), Istanbul (Doc. No.ICFM/21-93/AF/D/7) . -
US\$1,785,000

International Commission for the Preservation of the
Islamic Cultural Heritage (ICPICH), Riyadh (Doc. No. ICFM/21-
93/D.8) -US\$ 641,000

Islamic Centre for Development of Trade (ICDT) Casablanca -
US\$1,172,214
(Doc. No.ICFM/20-91/AF/D.9)

2. Urges the Member States to settle their contributions towards the budgets of the General Secretariat and the Subsidiary Organs for 1991/92 and 1992/93 by 30 June 1993 and for 1993-94 by 30 June, 1994.



RESOLUTION NO.3/21-AF

FINANCIAL SITUATION OF THE OIC AND THE PROBLEM OF ACCUMULATION OF ARREARS OF MANDATORY CONTRIBUTIONS OF MEMBER STATES.

The Twenty-first Islamic Conference of Foreign Ministers, (Session of Islamic Unity and Cooperation for Peace, Justice and Progress), held in Karachi, Islamic Republic of Pakistan, from 4 to 8 Zul Qa'dah 1413H (25-29 April, 1993),

Being aware of the important role played by the Organisation of the Islamic Conference through its General Secretariat and the Subsidiary Organs, at both Islamic and International levels for consolidating Islamic solidarity and cooperation and for defending causes of the Ummah;

Bearing in mind that the efforts exerted by the General Secretariat and the Subsidiary Organs to implement the numerous tasks assigned to them by various Islamic Conferences require financial and material support;

Being conscious of Article VII, Para 1 of the Charter of the Organisation of the Islamic Conference which stipulates that all expenses on the administration and activities shall be borne by Member States according to their national income;

Expressing deep concern over the financial difficulties of the General Secretariat and the Subsidiary Organs due to the delay in payment and non-payment of contributions by some Member States, a situation that jeopardizes the implementation of the various activities entrusted to them;

Having taken cognizance of the report of the Secretary General on the deteriorating financial situation of the Organisation of the Islamic Conference (Doc. No. ICFM/21-93/AF/D.10);

Having also taken cognizance of the recommendations of the Twenty-second Session of the Permanent Finance Committee to take urgent measures that may ensure settlement of arrears and regular payment of mandatory contributions by Member States;

Having reviewed the report and recommendations of the Experts Committee on the study prepared by the General Secretariat on the problem of accumulation of arrears of contributions of Member States (Doc. No.CAC/1-91/REP attached with Doc. No.ICFM/21-93/AF/D.10).

Taking Note of the recommendations of the Meeting of Experts to Study the Problem of Accumulation of Arrears;

1. Reaffirms the relevant provisions of the OIC Charter and of Resolution No. 6/18-AF which stipulate that membership to the OIC means automatic membership to all the OIC Subsidiary Organs and therefore all reservations made on budgets of some or all of the latter by some member states would not exempt them from their obligations to pay their annual mandatory contributions to those budgets.
2. Approves the Report of the Committee of Experts to study the Problem of Accumulation of Arrears (Doc. CAC/1-91/REP) and its implementation with effect from July 1, 1994, after obtaining the necessary guidelines to this effect from the Twenty-second Islamic Conference of Foreign Ministers.

3. Urges the Member States that have not settled their arrears up to the financial year 1990-91 to do so as promptly as possible, but not later than December 31, 1993, by availing 50% concession granted in Resolution No. 1/6-AF(IS), or by installments in consultation with the General Secretariat, after which date the concession shall stand withdrawn.
4. Requests the General Secretariat to continue to follow up the matter and present a report to the Twenty-second Islamic Conference of Foreign Ministers.