



OIC STRATEGIE
STRATEGY et
and **PLAN**
PLAN d'ACTION
of de
ACTION l'OIC

ORGANISATION OF THE ISLAMIC CONFERENCE
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FOREWORD

In the face of the paramount political and economic changes taking place on the global scene since the late 1980s, the Organisation of the Islamic Conference (OIC) felt the need to formulate new strategies for strengthening economic co-operation among the member countries, which led to the preparation and adoption of the documents contained in this booklet.

In fulfilment of the mandate given to it by the Sixth Islamic Summit Conference held in 1991 in Dakar, the Standing Committee for Economic and Commercial Co-operation of the OIC (COMCEC), chaired by HE the President of the Republic of Turkey, prepared and adopted the two basic documents, namely, the *Strategy to Strengthen Economic Co-operation Among OIC Member Countries* and the *Plan of Action to Strengthen Economic and Commercial Co-operation Among the Member Countries of the Organisation of the Islamic Conference*. These documents which properly take into consideration the past experience and the sweeping changes that have been witnessed in the global economy, were then endorsed by the Seventh Islamic Summit Conference held in December 1994, in Casablanca. The Seventh Summit also mandated the COMCEC with then-implementation and revision, whenever necessary.

It is worth mentioning that the Strategy, as well as the Plan of Action itself, are based on certain new principles and operational modalities that aim to accelerate the process of implementation and to strengthen the political will of the member states regarding the expansion and promotion of economic co-operation under the OIC umbrella. In addition to such new principles as co-operation at the level of sub-groups of member countries, economic liberalisation and involvement of the private sector, one important difference of the new Plan of Action as compared to the previous 1981 Plan is that it has a rather detailed implementation and follow-up mechanism.

The Follow-up and Implementation Mechanism calls for holding expert level meetings in the areas of co-operation' of the revised Plan. At these meetings the experts are expected to identify feasible projects and form "project committees" composed of the member countries interested in these projects. Thereafter, the co-operation activities would proceed at the level of the "project committees", with regular reporting to be done to the COMCEC and other relevant OIC bodies for co-ordination.

As the Secretary General of the OIC, I would like to stress the importance of prompt and full implementation of the Plan of Action in realising the economic potential not only of the member countries, but also of the Ummah as a whole.

Finally, I would like to express my heartfelt thanks to Dr. Sadi Cindoruk, Director General of SESRTCIC and his able staff for their contributions at the stage of the preparation of the documents contained in this booklet and its publication.

Dr. Azeddine LARAKI
Secretary General of the OIC

PREFACE

During the Sixth Islamic Summit Conference held in Dakar, Senegal, on 9-11 December 1991, it was decided, through Resolution 2/6-E (IS), to request the Standing Committee for Economic and Commercial Co-operation (COMCEC) *"to take the necessary steps, including convening expert group meetings and workshops to formulate new strategies for the Plan of Action to Strengthen Economic Co-operation Among Member States to be submitted by the Secretary Central to the COMCEC for approval and appropriate action as early as possible"*. In passing this Resolution, the Summit not only recalled the past resolutions of the Islamic Summit and Foreign Ministers' Conferences, as well as of the COMCEC pertaining to the implementation of the 1981 OK! Plan of Action, but also took cognisance of *"the new economic configurations emerging at the global level particularly from the creation of a Single European Market, as well as developments in Eastern Europe, and the implications of these developments for the Member Countries"*, emphasised *"the important role the private sector could play in strengthening, expanding and diversifying the economic co-operation among Member States"* and reaffirmed *"the need to develop new strategies for the Plan of Action taking into consideration the structural changes that have taken place in the global economy and the developments in the economies of the member countries since 1381."*

In pursuance of the relevant decisions and directives of the COMCEC, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) in Ankara, Turkey, prepared the initial draft of a new Strategy to Strengthen Economic Co-operation Among OIC Member Countries. This draft was deliberated upon in great detail in two parts in two Expert Group Meetings held in Istanbul (4-6 September 1992) and in Cairo (16-18 February 1993), and submitted to the COMCEC for approval. The Ninth Session of the COMCEC, in September 1993, combined the two parts into a single document in its final form, which is reproduced below. The same session also asked SESRTCIC to prepare, in collaboration with the other relevant OIC institutions, the draft of a revised Plan of Action that would be in the form of a policy document covering the main areas of economic co-operation."

The initial draft of the said revised Plan was prepared by SESRTCIC, and reviewed by a Consultative Meeting of the OIC-related Institutions, held on 22-24 November 1993 in Istanbul. The document was, subsequently, examined by a High-level Round-table Meeting organised by the Islamic Development Bank (IDB) in Jeddah on 20-21 December 1993. The third draft was further revised by the inter-governmental Experts' Group Meeting held in Jeddah on 9-11 April 1994 for onward submission to the COMCEC Follow-up Committee. The Follow-up Committee deliberated upon the said draft during its Tenth Meeting in Istanbul on 14-16 May 1994 and decided to submit it to COMCEC. The Tenth Session of the COMCEC, held in Istanbul on 22-25 October 1994, studied the Draft and approved it.

The document, together with the Strategy approved earlier by COMCEC, was finally submitted to the Seventh Islamic Summit Conference, held in Casablanca on 13-15 December 1994, which endorsed them through Resolution 8/7-E (IS).

After "taking cognisance of the importance for the Member Countries of the new economic configurations emerging at the global level particularly from the creation of the Single 'European Market; creation and strengthening of regional economic groupings in the Americas, Asia and Pacific; progress in the Middle East Peace Trocess [and] conclusion of the Uruguay 'Round of Trade Negotiations", the Resolution went on to

"1. Endorse the Strategy and the Plan of Action to Strengthen Economic and Commercial Co-operation Among Member States of OIC adopted at the Tenth Session of the COMCEC.

"2. Note with appreciation that the Strategy of economic co-operation adopted by the COMCEC allows for co-operation among sub-groups of Member Countries and is based on the principles giving emphasis to the private sector, economic liberalisation, integration with the world economy, sanctity of the economic, political, legal and constitutional structures of the Member Countries and their international obligations.

"3. Also note with appreciation that the "Plan of Action is a general and flexible policy document open for improvement during its implementation, in accordance with the provisions stipulated in its chapter on follow-up and Implementation.

"4. Agree on the need to urgently implement the Plan of fiction to Strengthen 'Economic and Commercial Co-operation Among Member States of OIC, in compliance with the principles and operational modalities of the Strategy and the procedures set forth in its chapter on Follow-up and Implementation.

"5. Appeal to the 'Member States to host, as soon as possible, the ... Experts' Group Meeting(s) envisaged in the chapter on Follow-up and Implementation of the Plan of Action."

Arrangements have finally been completed to start off the implementation of the chapters of the OIC Plan of Action in the Fall of 1997 by convening the initial Sectoral Expert Group Meetings as foreseen in the Mechanism of Follow-up and Implementation contained in the Plan itself. In this connection, the SESRTCIC was approached by the COMCEC Co-ordination Office and the OIC General Secretariat to publish in the three official languages of the OIC these two important documents under one cover for ready reference of all the interested and concerned parties. We are happy to fulfill this request by putting out this handy booklet which, we hope, would be found helpful by the prospective users.

Dr. Sadi Cindoruk
Director General, SESRTCIC

**STRATEGY TO STRENGTHEN
ECONOMIC CO-OPERATION
AMONG OIC MEMBER STATES**

STRATEGY TO STRENGTHEN ECONOMIC COOPERATION AMONG OIC MEMBER STATES

I. OBJECTIVES AND BASIC PRINCIPLES

OIC ECONOMIC CO-OPERATION;

1. will aim at establishing a more integrated OIC community, in line with the recent developments concerning the formation of large economic blocs as one of the means to ensure fuller participation in the globalisation process.
2. will benefit from the experience of regional and inter-regional cooperation involving the OIC member countries, based upon the principle of mutuality of interests for all participating countries, to serve as an intermediate step towards economic integration among the member countries.
3. will emphasise the co-operation among member countries in their development efforts. Such co-operation will help:
 - (i) create powerful economic units capable of facing the challenges emanating from the emergence of large economic blocs, and
 - (ii) bring about structural transformations in the OIC economies to attain economic efficiency and social welfare through economic liberalisation.
4. will pursue 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 and a more equitable division of labour vis-à-vis the rest of the world. Towards such an end, the OIC member countries would co-ordinate their positions, without prejudice

to their national and regional interests as sovereign states, in order to fully participate in the global negotiations and in the decision-making process that aim at helping improve the world monetary, financial and trading systems.

5. will aim at establishing and expanding economic and technical co-operation with the newly-independent non-OIC Islamic countries, with a view to enhancing Islamic solidarity and cohesion.

6. will embrace all the basic requirements for human development and well-being by means of a comprehensive approach designed to solve the problems of immediate concern to the member countries, with particular attention to the special problems of the Least Developed, Land-locked and/or Sahelian member countries.

7. will aim at facilitating the diversification of trade and production of goods and services in member countries, through an enhanced role by the private sector and more efficient and rational operation of public enterprises, in order to increase complementarities and facilitate access to international markets.

8. will be based on a realistic and gradual approach, taking into account the existing programmes and projects within OIC and in member countries. Such programmes and projects should not involve unnecessary additional public financial commitments, in view of the more prominent role to be given to the private sector in the implementation of economic co-operation. In order to enhance this role, the OIC member countries would endeavour, within the framework of their economic policies and orientation, to encourage economic liberalisation with a view to creating a sound economic environment for integration and benefiting more fully from the globalisation process and the increasing interdependence at world level.

9. will aim at narrowing the technology gap with the industrialised countries as well as at developing new technologies.

10. will aim at increasing food production through optimal utilisation of the resource potentials and raising the efficiency of distribution systems which will help eradicate famine and malnutrition, and ensure food security in the OIC community.
11. will take into account joint action for the protection and preservation of the environment at national, regional and global levels, without jeopardising basic economic development objectives.
12. will aim at enhancing the development of human resources in the member countries.
13. will focus on joint action to promote technical co-operation among member countries.
14. will aim at augmenting and diversifying industrial production, especially through joint venture projects by giving priority to private sector projects, in order to enhance international competitiveness.
15. will aim at promoting, expanding and creating trade among the member countries through appropriate action that would be conducive to the realisation of greater integration in stages and over time, taking into account the existing OIC schemes and programmes, and without prejudice to their obligations towards the rest of the world.
16. will aim at encouraging member countries to focus on development of infrastructure by benefiting from the services of international and regional financial institutions, which will lead to a more integrated infrastructure among OIC member countries.

II. MODALITIES AND MECHANISMS

17. Considering the aspirations of Member States, maximum use should be made of the existing programmes and projects within the OIC and priority should be given to the identification of mutually beneficial new feasible projects and schemes involving the private sector and including joint ventures. These would contribute to the cooperation process, produce greater impact and yield higher benefits within the short and medium term and would offer prospects for identifiable action in the future.

18. Jointly approved time-framed programs should be worked out at the sectoral level defining the priorities and an action plan for each sector. COMCEC should define the objectives and ways and means of working out project ideas, and take appropriate action in their realisation, implementation and follow-up. In formulating these programmes, due consideration should be given to the problems of the Least Developed members countries.

19. In fulfilment of its mandate and in pursuance of the relevant Islamic Summit resolutions, the COMCEC shall take all the necessary measures to co-ordinate, support, and follow-up the ministerial meetings that will be organised in different priority areas of economic co-operation which are of importance to member countries, thus creating a suitable climate for further economic co-operation among OIC members.

20. The OIC shall give 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. This approach should facilitate a gradual transition to a more integrated OIC economic community over time by potential extension and/or inter-linking of the initial schemes.

21. The OIC Member Countries, through their economic policies and orientation, will encourage economic liberalisation with a view to creating a sound environment for economic integration and benefiting more fully from the globalization process and increasing interdependence in the world.

22. The private sector should be given a more effective role in OIC economic co-operation activities in order to introduce a new dimension and dynamism into the co-operation efforts among Islamic countries. The private sector would be called upon to act as a locomotive for trade, investment activities and development co-operation. The initiative of the private sector shall undoubtedly be positively reflected in bilateral and multilateral co-operation. In order to support this trend, the Organisation should encourage and support 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 co-operation, and establish joint projects.

In this regard it is recommended to establish a business sector forum in co-ordination with the Islamic Chamber of Commerce and Industry (ICO) to consider and promote investment opportunities and projects in member countries and to report regularly to the COMCEC. To this end, the General Secretariat should circulate periodical reports to the COMCEC on the results of these meetings.

23. A concerted effort will be made to take into account the complementarities among member countries and make use, on a priority basis, and to the extent possible, of the resources, skills, technology, facilities and capacities already available in the member countries, with due regard to national legislation, rules and procedures, international commitments and objective market conditions. Towards this end, the necessary arrangements must be made to facilitate the exchange of information and expertise and to promote technical co operation among member countries, as well as development of human resources and complementarity of skills. In this connection, priority

should be given to technical co-operation within the framework of COMCEC.

24. More favourable consideration should be given to the improvement and co-ordination of the overall economic, legal and administrative environment and simplification of procedures in the member countries in order to facilitate economic and technical co-operation amongst them. In this context, special consideration would be given to the extension of preferential treatment to the parties from the member countries, with due regard to the existing national legislation, rules and regulations and international commitments.

25. Innovative ways and mechanisms to encourage joint investments among the member countries will have to be developed within the framework of the General Agreement on Economic and Commercial Co-operation and under the secure environment provided by the Agreement for Promotion, Protection and Guarantee of Investments, now that both of these agreements have become operational. In the same context, viable, operational, and efficient measures and policies can be adopted to promote joint ventures among the member countries by giving a more prominent role to the private sector. Joint ventures would be one of the main modes of co-operation in all areas, taking advantage of the complementarities in factor endowments, production externalities, and enlarged markets.

26. The OIC and the Member Countries should co-ordinate their efforts with the aim to:

- a) avail the General Secretariat with the necessary means and facilities to enable it to organise expert group meetings as and when necessary;
- b) facilitate the generation of practicable and tangible cooperation ideas at expert level;

- c) enable the full evaluation of these recommendations and their translation into effective, action-oriented and implementable resolutions;
- d) facilitate the formulation of well-prepared and substantive agenda items for the ministerial meetings;
- e) ensure the commitment of Member States to the effective implementation and follow-up of the provisions of the resolutions adopted.

27. Co-operation issues, activities or projects will be included in the agenda of the ministerial meetings and be made subject of resolutions after full preparation and exhaustive initial study.

These would involve:

- a) making available, by the sponsors) of a proposal, of a full initial report on the identification of the subject matter, its relevance, justification, financial implications and co-operation aspects of the issue in question;
- b) the collection of full data and information at the levels of the OIC General Secretariat, subsidiary organs and affiliated institutions, and the preparation of a background document on the subject, with contributions from the relevant member state and international institutions, when the initial idea is approved, and
- c) a detailed examination of the subject by meeting(s) of experts from the member countries and the relevant OIC bodies, where appropriate recommendations to comprise the substance of the eventual resolution itself would be drawn up on the subject for submission to the appropriate higher fora.

28. The resolutions adopted will consist of practicable, implementable and realistic projects and activities that lend themselves to joint action among the member countries to allow for proper monitoring and effective follow-up.

29. A concerted effort will be made to keep the agenda of especially the ministerial meetings short, current and focused on implementable proposals. Subsequent resolutions on a given subject should be placed on the agenda only in cases where significant progress is to be reported and/or new elements were to be included in the original resolution. In the case of resolutions that have exhausted their usefulness for one reason or another, measures might be taken by the Member States to remove them from the OIC agenda.

30. Measures should be taken by the Member States to secure full participation at required levels in the various OIC meetings in order to render the economic co-operation activities of the OIC more effective and beneficial.

31. The COMCEC will undertake a periodic review of the Strategy to evaluate its implementation in view of the results achieved and take appropriate decisions regarding future action.

**PLAN OF ACTION
TO STRENGTHEN ECONOMIC AND
COMMERCIAL CO-OPERATION
AMONG THE MEMBER COUNTRIES OF
THE ORGANISATION OF THE ISLAMIC
CONFERENCE**

PLAN OF ACTION TO STRENGTHEN ECONOMIC AND COMMERCIAL CO-OPERATION AMONG THE MEMBER COUNTRIES OF THE ORGANISATION OF THE ISLAMIC CONFERENCE

PREAMBLE

In pursuance of Resolution (1) of the Ninth Session of the Standing Committee for Economic and Commercial Co-operation (COMCEC) of the Organisation of the Islamic Conference (OIC), based on Resolution 2/6-E (IS) of the Sixth Islamic Summit Conference, the present document has been prepared under the title of the Plan of Action to Strengthen Economic and Commercial Co-operation Among the Member Countries of the Organisation of the Islamic Conference for adoption by the appropriate fora of the OIC and implementation by the Member States. The document constitutes, at the level of sectors and areas of co-operation, a policy document with detailed indicative action programmes, to serve as an operational complement of the Strategy to Strengthen Economic Co-operation Among the OIC Member States, which was already adopted by the COMCEC.

Since this document is addressed to the realisation of the collective aspirations of a large number of countries, with different levels of development and differing priorities at the national level, it was not found possible or feasible to set for it specific quantitative and temporal targets and objectives similar to those that would normally be found in a typical national development plan. Nevertheless, it was thought important to have certain major objectives, reflecting those already referred to in the new Strategy, that would represent a vision of what OIC co-operation should aim at in terms of not only intra-community achievements, but also in terms of the place and role of the OIC countries in the global economy. In this context, the following major objectives can be enumerated as a reflection of such a vision:

- (1) Realising food security for and raising the standard of living of the Muslim populations with a special emphasis on the eradication of poverty, famine and malnutrition in the Islamic world;
- (2) Realising increased and diversified production in various productive and service sectors of the economies of the member countries and promoting trade exchanges within the community;
- (3) Enhancing financial flows by reducing constraints on capital movements and investments among member countries;
- (4) Reducing the development gaps that exist within the OIC community to facilitate smoother and more effective economic and commercial co-operation amongst the member countries themselves;
- (5) Improving the quality of human capital and reducing the technology gap between the OIC community and the developed world by enhancing the level of Research and Development activities;
- (6) Promoting and expanding economic co-operation among the member countries in such a way as to realise a gradual integration of the economies of the OIC countries with a view to setting up an Islamic Common Market or any other form of economic integration, on a step-by-step and initially regional basis. This approach would not only help overcome the possible negative impacts on the OIC countries of the accelerating pace in the formation of global economic groupings, but also support the aspirations of the OIC community for a larger share in world economic activity and a more equitable division of labour vis-a-vis the rest of World.

In the context of a multilateral action plan such as the present one, the realisation of such overall objectives would require more detailed objectives to be set at the level of sectors and areas of co-operation that would ensure the eventual attainment of the overall macro objectives. Consequently, in the present document, a number of objectives are enumerated at the sectoral level aiming to cover the basic and major issues of concern to the member countries in that particular sector or area, with a co-operative focus to the extent possible. The emphasis on

joint action and co-operation is more pronounced in the action programmes under each sector. Yet, because of the encompassing nature of the sectoral objectives, while the programmes had to be kept of indicative in nature, leaving the formulation of the specific projects to member countries, it was found neither possible nor necessary to secure a one-to-one-correspondence between the objectives and the action programmes.

The Plan of Action is composed of two parts, in addition to the Preamble. The next part, constituting the main body of the Plan, covers the objectives and action programmes relating to the sectors and areas of co-operation. This is followed by the part where general and specific activities/projects relating to basic information and data requirements in each of these sectors/areas, together with basic research projects that need to be undertaken on selected subjects, are enumerated.

SECTORAL OBJECTIVES AND PROGRAMMES OF ACTION

FOOD, AGRICULTURE AND RURAL DEVELOPMENT

PROBLEMS AND ISSUES

The major problems facing the OIC community in the field of food and agriculture are hunger, malnutrition, famine, widespread and mass poverty, desertification and under-utilisation of the existing potentials. The insufficiency of food production, together with the impacts of natural phenomena that adversely affect agricultural production as a whole brings a great number of OIC member countries face to face with the need to import the greater part of their food requirements from other countries. This, in turn, means for them heavy food import bills that put a strain on the foreign exchange that is vitally needed for overall development, as well as increase political dependence on the major food suppliers. There are also major structural, institutional and policy weaknesses, as well as formidable financing problems, that need to be addressed.

There is, firstly, the rapid population growth and, in many cases, unfavourable age distribution leading to a higher rate of dependency, coupled with massive poverty, especially in the rural areas, since the highest proportion of the labour force is in agriculture.

A second major constraint pertains to inadequate capital formation, due to the lack of sufficient investable funds for agriculture and well-organised agricultural credit systems, especially for the small farmers. The inadequacy of capital formation results, further, in the underdeveloped state and insufficiency of the rural infrastructure of all types, especially roads, transport and communications networks, storage facilities and irrigation systems.

In terms of physical and natural constraints some countries face problems of different degrees in connection with availability and quality of arable land, water resources and rainfall, forests, potentially irrigable land, and human resources. Moreover, land tenure systems in a number of OIC countries have resulted in the dominance of small holdings. Coupled with this system, and as a consequence of its prevalence, land uses and farming practices are not conducive to application of technological changes and conservation of land and the overall environment.

Another major problem is technological backwardness and dependence and low level of technical know-how leading to low productivity, under-utilisation of resources and disguised unemployment.

The majority of the OIC countries suffer also from a poor state and/or insufficiency of indigenous agricultural research systems, extension services and low level of education in the rural areas.

Furthermore, there is the problem relating to the proper operation of the market system, especially policy-induced price biases against agriculture.

Finally, the developments that are taking place globally, especially the issues faced in the negotiations relating to agricultural subsidies within the framework of the Uruguay Round, indicate to yet another set of difficulties that would need to be addressed in this vital area.

OBJECTIVES

1. Make maximal utilisation of the existing potentials for food production to attain collective self-reliance and continuity of supply in food at the OIC level, and the improvement of overall agricultural performance in the member countries.
2. Ensure and maintain food security in line with the Declaration of the OIC Food Security Decade.
3. Co-operate to help reduce and eventually eradicate mass rural poverty and to improve the nutrition standards in the OIC community. Containment and moderation of the persistent trend of massive and continuous rural-urban migration resulting from inter-sectoral income differentials would be vital in this respect.
4. Develop measures individually and collectively to contain the devastating effects of natural calamities and of harmful natural phenomena, and to combat plant and livestock diseases and widespread pest infestation which lead to crop failures in the member countries and the OIC region.
5. Create and expand the inter-linkage of the agricultural sector with the rest of the national economy through establishment of joint ventures, especially in agro-based and agro-related industries, and by developing and improving infrastructure, marketing, storage and transport facilities in the rural areas.

PROGRAMMES OF ACTION

- 1. Promoting and expanding co-operation in the area of agricultural research and development of joint activities, by giving a pivotal role to the private sector.*
- 2. Developing modalities of co-operation and joint action among the member countries to enhance food security, promote collective self-reliance and ensure continuity of supply in food for the OIC community.*

3. Overcoming major threats to food production caused by plant and animal pests and diseases through Early Warning Systems and other co-ordinated mechanisms among interested member countries.

4. Identification and implementation of joint ventures in the area of food and agricultural production, with the active participation of the private sector, that will optimally utilise the existing resources and potentials in the OIC member countries in order to expand output and improve productivity in various sub-sectors.

5. Promotion of investments in rural infrastructure by making use of the existing facilities within the OIC, including those at IDB, and development of agricultural credit systems.

6. Improving the functioning of the overall market systems through appropriate economic policies and measures to help overcome the biases that impede agricultural production, development and foreign investment in agriculture.

INDUSTRY

PROBLEMS AND ISSUES

All OIC countries belong to the group of developing countries even though in recent years a small subgroup among them is being considered as newly industrialising countries. Thus, the great majority of the Islamic countries are non-industrialised economies, having as exportables only a limited number of primary commodities and/or raw materials.

Dependence on imports of manufactures and capital goods, on the other hand, is overwhelming, as the limited numbers of industries that exist are small scale operations that produce a restricted spectrum of consumer and/or intermediate products. Because of the low level of technology used and its rather out-dated nature, industrial production is not so efficient and is relatively costly, deriving only marginal benefits from the existing resources, which in the case of many countries are observed to be quite considerable.

Furthermore, amongst the OIC countries, not only linkages are lacking, but even basic information on needs and potentials, even in the case of close neighbours, is quite often missing, causing opportunities for co-operation and mutual gain to remain unutilised.

Finally, despite the urgency of the situation, the positive changes in favour of the OIC countries on the global scene were rather small, as, especially during the recent years, the developed countries have not been very eager to help the developing countries bilaterally or in terms of multilateral action. The possibilities of such action on the part of the developed countries look even more limited in the light of the substantial changes that have taken place in the global political and economic scene.

In short, the OIC group of countries continue to face, in a rapidly changing World, formidable problems in the areas of industrial production, diversification, technology and optimal utilisation of resources.

Consequently, the conditions and time seem right for the OIC countries to initiate and develop joint action aiming to establish, promote and expand industrial co-operation amongst themselves to help accelerate their industrialisation, taking fully into account their own national policies and economic priorities.

OBJECTIVES

1. Expand and diversify industrial production in the member countries by strengthening the existing manufacturing facilities and creating new capacities, to reduce the over-dependence on foreign imports, benefit from expanded markets at the OIC level, to encourage the expansion of the spectrum of exportable» for the OIC countries, taking into account the existing OIC agreements.

2. Co-operate to develop and expand the basic national infrastructure in the member countries in order to expand the capacities and efficiency in productive sectors.

3. Co-operate in the expansion of agro-industries in the member countries with a view to increasing the levels, technological content and efficiency, output mix and value added in agricultural production.

4. Encourage and support the expansion and development of capital goods industries through joint industrial ventures of appropriate scale in the OIC countries in order to help reduce the extensive dependence on imports of key investment goods.

5. Enhance the level of technology in industrial production and try to reduce the growing technology gap with the developed countries by developing and strengthening indigenous technological capabilities in the member countries through joint action.

6. Support OIC-level industrial co-operation through special arrangements, priorities and preferential schemes within the OIC framework, with due consideration to be given to the special conditions and requirements of the Least developed and Landlocked Islamic countries.

PROGRAMMES OF ACTION

1. Promoting contacts among industrialists of the member countries to share information and experiences that will help enhance private sector co-operation in this area.

2. Developing appropriate policies and measures in the member states conducive to OIC co-operation in industrial investment, production and trade of industrial products.

3. Exploring ways and means for a fuller and more optimal utilisation of the existing natural, human and technological resources, facilities and potentials in the member countries to promote industrial co-operation and development in the Islamic world;

4. Organisation of periodic and specialised investment forums under COMCEC, as catalytic media for the interested parties and agents from the public and private sectors in the member countries, relating

to the establishment of joint and other industrial ventures in areas most commensurate with the needs and capacities of the member countries.

5. Establishment of joint industrial ventures, with special emphasis on private sector co-operation, in order to create linkages between member country economies, expand the supply of indigenously produced manufactures and increase the manufactures export capacity of the member countries.

ENERGY AND MINING

PROBLEMS AND ISSUES

The importance of energy has increased considerably with the development of economic life and diversification of economic activity, Today it is a vital input into every aspect of economic life, especially in production activity, and energy usage has become a basic indicator of economic growth and development.

Being a part of the developing world, the OIC countries rightly view energy as an indispensable input into industrialisation and, thus, a contributor to their overall development. Thus, procurement of sufficient energy at reasonable cost and its optimal usage for expanded production with minimal damage to the environment is a priority concern for the majority of these countries.

Despite the fact that the OIC countries as a whole are well-endowed with potential sources of energy, most of them face energy shortages and energy-related burdens on the balance-of-payments that threaten to impede their development processes. Some are not only poor in natural sources of energy, but they also lack the necessary means to invest for producing new and renewable energy. For others, there are difficulties in proper exploration and exploitation of the existing domestic sources of energy due to usage of obsolete technologies, insufficiency of proper technical know-how and skills, and lack of investible funds to overcome both. As a result, many of the OIC countries face negative energy balances year after year that forces them to spend substantial portions of scarce foreign exchange on energy imports.

As for mining and mineral production, the issues are similar. A variety of minerals have always been important inputs for industrial production and they have more recently become so to some extent for agriculture because of the increasingly wider usage of mineral-based chemical fertilisers in agricultural production all over the World.

The OIC countries as a whole are well-endowed with mineral deposits of different kinds, figuring among the leading reserve holders and even producers' on a global scale, of a number of minerals. Yet, because of the overall underdeveloped state of the economy, the slow pace of industrial production and lack of diversity in the product mix in most of the OIC member countries, not only are the exploration and exploitation of the mineral resources far from optimal, but also production is low, wasteful and costly due to the underdeveloped nature of the production activity where only in rare cases up-to-date-technologies are actually employed. Furthermore, there are even greater problems in the processing of minerals in many OIC countries which result in the exportation of minerals as raw materials at prices mostly controlled by the industrial countries.

OBJECTIVES

1. Encourage greater co-operation among member countries in more efficient exploration and exploitation of their energy and mineral resources, as they deem appropriate, as well as in their processing and production, with a view to making optimal use of their existing resource potentials. In this respect, special attention should be paid to the needs of the least developed member countries, as well as to the development of alternative sources of energy for rural areas.
2. Encourage the development of the most efficient methods of energy utilisation by improving the methods of energy utilisation by improving the methods of energy management and conservation.
3. Encourage the interested member countries to establish and expand regional and sub-regional networks for distribution of energy among themselves.

4. Encourage and support Research and Development (R&D) activities, within the OIC community on sources of energy

5. Develop and strengthen activities relating to the development, transfer and adaptation of related technologies at the country level and through co-operative schemes among OIC countries.

PROGRAMMES OF ACTION

1. Promoting co-operation among the member countries in order to ensure a more efficient supply, distribution and utilisation of energy and processing of minerals on a sub-regional and regional basis.

2. Securing co-operation and co-ordination between the scientific research and development centres in the member countries, with a view to consolidating and enhancing the overall R&D capacity in the OIC countries.

3. Endeavouring to secure financial support for the implementation of the energy and mining development projects in the member countries.

FOREIGN TRADE

PROBLEMS AND ISSUES

Despite the similarities in the production structures in many of the OIC countries, there are certain inherent complementarities amongst them as well, since they make up a grouping of 50 countries at varying levels of development, dispersed over a large area on three continents and two climatic zones. Yet, this inherent potential does not yet manifest itself in the form of reasonable levels of trade amongst the majority of them. In fact, the intra-OIC trade remained around 10 % of the total volume of OIC countries' trade for many years.

One reason is lack of diversification in production in the individual countries and similarities among groups of OIC countries. Many of them, especially the Least-Developed group, produce a limited range

of primary commodities as exportables. This puts a serious limit on expanded trade relations with other OIC partners.

Since they are able to earn only limited amounts of foreign exchange from the sale of a restricted number of primaries, financing of their trade flows becomes a real problem. More generally, they are faced with formidable problems in their current accounts and overall balance-of-payments. This, in turn, leads to important trade diversions since the private entrepreneurs and traders, who are the main actors in a free trade system, are reluctant to enter into medium or longer-term payments' arrangements with the countries that are unable to finance their trade flows.

Finally, the trade regimes in various OIC countries, with differing sets of trade restrictions and barriers, constitute yet another impediment to the free flow of trade among the member countries that prevents a rapid and unhindered expansion of trade within the OIC community.

OBJECTIVES

1. Endeavour to promote trade flows among the OIC countries and the diversification of tradables, keeping in view the mutuality of advantages, respective levels of economic development and the international obligations of the member countries.
2. Expedite the implementation of the Trade Preferential System Among the OIC Countries.
3. Promote and encourage free trade and export processing zones in the Member countries and encourage private sector investments in these zones by parties from other member countries.
4. Develop measures to minimise the problems being faced by the Land-locked member countries by facilitating effective cooperation between these countries and their transit neighbours.
5. Co-ordinate the views and positions of the member countries in various international fora, in the context of multilateral trade negotiations and/or discussions, particularly within the GATT and World Trade Organisation, with a view to increasing the global

share of the OIC member countries and securing better terms for them.

6. Encourage and support the establishment of free trade areas at the sub-regional and regional levels, as basic and transitory stages towards fuller OIC integration, including the eventual creation, in a step-by-step manner, of an Islamic Common Market.

PROGRAMMES OF ACTION

1. Encouragement of trade promotion activities and joint action within the OIC community at the bilateral, regional and multilateral levels.

2. Continuation of the regular organisation of the Islamic Trade Fairs by ICDT, in collaboration with ICCI and other relevant bodies.

3. Undertaking joint action and measures related to financing of trade at various levels among the member countries by making use of IDB programmes and mechanisms in the area of trade financing.

TRANSPORT AND COMMUNICATIONS

PROBLEMS AND ISSUES

Specialisation and division of labour lie at the foundation of a productive and growing economy, and linkages among the various economic agents and locations of differentiated economic activity constitute a vital prerequisite. Not only raw materials and produced goods, but information about various aspects of the economic life will also have to be carried from one place to another. For this reason, existence and smooth operation of facilities and means of transport and communications are essential elements not only for the healthy operation of a modern economy but for overall economic and social development as well. Furthermore, in a world where globalisation and interdependence are increasingly becoming the rule, smooth linkages and healthy communications have gained vital importance not only between the parts of a country, but among countries as well.

The great majority of them being developing countries, the OIC members are faced with considerable problems in the area of transport and communications as well. In many of them, large areas are at best only precariously linked to the capital or to the metropolitan/industrial regions. Transport and telecommunications links are insufficient, underdeveloped and/or outdated, keeping large pockets of the country in relative or absolute isolation.

In terms of linkages among the OIC countries, proper modern facilities either don't exist or are not sufficient to serve today's needs even between neighbouring lands. Many OIC countries have to follow the routes drawn up, the facilities established and operated, and rules made and enforced by global conglomerates to trade or to communicate with one another. Incentives are not there, costs are high and direct exchanges are highly difficult to maintain.

OBJECTIVES

1. Strengthen the existing transport, telecommunications and postal connections, promote direct linkages, to the extent possible, among member countries, and establish new facilities and services through joint action at bilateral and multilateral levels.
2. Develop joint schemes and co-ordinated arrangements, on a sub-regional and regional basis among the consenting member countries, in selected sub-sectors, with a view to expanding and linking them up at the OIC level at a later stage, as and when it would be deemed desirable and feasible.
3. Support and facilitate the establishment of joint private ventures in the area of shipping, and related maritime activities, including the consideration of the establishment of an Islamic Shipping Company.
4. Facilitate the establishment, through private sector cooperation, of joint ventures in the member countries in the manufacturing of vehicles, machinery and equipment and of building materials relating to transportation and communications, as well as manufacture of high technology electrical and electronic components and telecommunications equipment.

5. Extend the necessary preferences and provide incentives within the OIC community to promote and enhance co-operation in the area of transport and communications, in line with the relevant national and international legal and institutional set-up.

6. Encourage joint action and co-operative schemes in the areas of air transport and telecommunications to be implemented through bilateral and/or multilateral agreements, keeping in view the existing technical capabilities for implementation.

7. Facilitate adequate co-operation and co-ordination among the member states in various international fora in the relevant fields, taking due account of the activities of the existing sub-regional, regional and global institutions and organisations operating in these areas.

PROGRAMMES OF ACTION

1. Ensuring an optimal utilisation of the existing facilities and services in "the OIC community in the area of transport and Communications, their rehabilitation and expansion.

2. Facilitating and strengthening the maritime transport links among the member countries by creating the necessary legal and institutional environment in the areas of registration, provision of facilities, and other procedures.

3. Extension by the OIC member countries of preferential treatment in the area of transport and communications, to other OIC countries or parties that belong to them, within the context of their national laws and regulations.

4. Expediting the implementation of the Agreements that have already been concluded within the OIC in the area of transport, telecommunications and postal services.

TOURISM

PROBLEMS AND ISSUES

The rapid economic expansion realised in the industrialised countries, especially after the Second World War, has not only raised incomes and extended the duration of paid leave for large portions of the society, but it also increased overall welfare, in terms of leisure and retirement benefits. Furthermore, the means of transportation and communication were expanded and improved. Thus, increasing numbers of people started to travel to other countries for business and pleasure, including the less developed regions of the World. As a result, tourism not only developed rapidly into a sector in its own right, but it also became globalised. Today tourism is an important way of contributing to world peace through enhanced global understanding and cultural rapprochement. Furthermore, for many countries, it constitutes a vital economic sector, which not only has become an important source of foreign exchange, but also a generator of local business and employment for the national economy of the host countries.

Tourism is also very important for the OIC countries not only due to their existing and potential tourism resources, but also because their citizens travel in large numbers for business, leisure and other purposes. Consequently, tourism figures in the economic development plans and aspirations of many of these countries with its realised and potential contributions to economic growth. Yet, one can readily observe that the actual shares that the OIC countries are able to command in the global tourism revenues remain quite low.

Information on the tourist venues and facilities of the OIC countries is generally missing with minimal promotion activity being carried out in the countries from where most of the tourists originate. The accommodation facilities and their capacities in many of them are insufficient, and trained personnel for quality service are mostly missing. Transport and communications facilities in many OIC countries are substandard. Their links to the major metropolitan areas in the developed World are mostly determined according to needs in those areas. Furthermore, there is room for improvement in the trade, visa and customs procedures, as well as the legal and educational framework in the member countries.

In terms of tourist exchanges amongst the OIC countries themselves, not only are the impediments even greater in terms of the already enumerated shortcomings in various spheres, but also these countries remain effectively disjointed from one another due to the highly restricted and inefficient nature of the existing transportation and telecommunications links amongst the majority of them.

OBJECTIVES

1. Promote and develop tourism in the OIC countries, as an important means to demonstrate the inherent qualities, as well as the true nature of the Islamic civilisation and culture, to the rest of the World.
2. Support and develop joint action, at bilateral and multilateral levels, to strengthen, promote and expand tourist activities among the member countries, and in the Islamic world in general.
3. Formulate co-ordinated OIC action addressed to the improvement and enhancement of supply in the area of tourism, through the establishment of new facilities and activities in the member countries, in order to attain globally competitive standards in terms of facilities, quality of services and diversity of tourist activities.
4. Develop modalities of co-operation and co-ordination to facilitate the transfer of up-to-date technology into the tourism sector in the member countries in a manner that would facilitate its smooth assimilation, without harming the historical and cultural authenticity and tradition nor doing damage to the environment.
5. Encourage and promote extensive private sector involvement and co-operation in tourism, through joint ventures, in the area of improvement and enhancement of physical capacities and quality service.

PROGRAMMES OF ACTION

- 1. Increasing the public awareness in the OIC countries about the existing tourist resources and facilities in the Islamic world with a view to encouraging tourist visits to other Islamic countries by providing full information to potential visitors.*
- 2. Establishment of direct contacts among the relevant parties concerned with tourism in the member countries on promotion of tourism in the sub-regions, regions and the whole of the Islamic world.*
- 3. Creation of the appropriate legal, institutional and administrative conditions and environment in the member countries in support of an expanded tourist activity among the member countries.*
- 4. Encouraging and facilitating joint tourism ventures and other investments in the member countries by the private sector in the expansion and upgrading of the existing tourist capacities and activities and for the construction of new facilities of appropriate quality and service standards, using up-to-date technologies.*
- 5. Encourage and support the activities relating to the development of the necessary human capital in the area of tourism to ensure the availability of managerial and service personnel of international standards.*

MONEY, BANKING AND CAPITAL FLOWS

PROBLEMS AND ISSUES

Co-operation and co-ordination in the area of money and finance have always been a sensitive and controversial issue. Those who are in need of funds are not always ready to take the necessary measures to ensure that the funds supplied, whether on loan or grant basis, are utilised in a manner that would be beneficial for themselves as well as for others. On the other hand, international financial institutions follow, in most cases, purely financial and economic criteria in granting funds. In between, it was often hard to strike a balance that would safeguard the interests of both parties.

Since no meaningful and useful co-operation could be carried out in any field without financial arrangements and co-ordination, there is an urgent need for vision, imagination and courage in taking appropriate action in these vital areas.

The majority of the OIC countries are crippled with a heavy debt burden. They are in a state of debt overhang. As a result, the debt burden has become an extremely limiting factor for any meaningful sustained development process in these countries.

On the other hand, the financial structure, overwhelmingly dominated by the banking sector, is very limited and narrow in many OIC countries. Capital and money market institutions are quasi-absent, while the existing ones, with few exceptions, are highly limited in scope.

Furthermore, there are various institutional rigidities in many countries, ranging from exchange control regulations and non-convertibility of the national currency to unfavourable investment environment and restrictions on free movements of capital and profit transfers. Moreover, most of the Islamic countries lack a developed infrastructure that is indispensable for any successful investment.

The developments taking place globally, politically and economically, indicate that many developing countries are likely to face increased difficulties of access to funds either from public or private sources.

The available investible surplus for the OIC community, as a whole, is shrinking gradually. New modalities and a new mentality regarding monetary and financial co-operation will be needed if the OIC countries are to make an optimal use of their available financial resources.

OBJECTIVES

1. Facilitate the flow of financial resources and direct foreign investment flows among the member countries through gradual removal of restrictions on capital movements and ensuring investment protection and guarantees.

2. Promote and develop capital markets, and improve access thereto by other member countries, with a view to encouraging investments on the basis of mutual benefits and sound commercial practice.
3. Develop and promote various means of financial intermediation, such as insurance companies, mutual funds and investment companies, to help widen and deepen the financial markets.
4. Strengthen direct co-operation among the conventional and Islamic financial institutions in the member countries in the area of capital movements, direct finance and payments' arrangements for trade financing.
5. Develop co-operation between Islamic countries, including the existing regional financial institutions, to help find effective solutions to the debts of the most severely indebted member states. In this framework, possibilities for developing an OIC-sponsored strategy could be explored.

PROGRAMMES OF ACTION

- 1. Expanding and intensifying monetary and financial co-operation among the OIC member countries in order to allow for an optimal use of the capacities, facilities and skills that already exist in the OIC community.*
- 2. Development and application of all the necessary institutional and administrative measures by the member countries to encourage an enhanced flow of capital within the OIC community as an essential element of financial co-operation.*
- 3. Developing and intensifying direct co-operation between financial institutions in the member countries, together with the Islamic financial institutions and particularly the Islamic Development Bank, in the areas of development and trade financing, through banking facilities and direct financing.*

TECHNOLOGY AND TECHNICAL CO-OPERATION

PROBLEMS AND ISSUES

Looking beyond the year 2000, it is quite apparent that technological developments will have an even more considerable impact than they are having today on overall development and on the daily life with the introduction of new products, new processing methods and a new working environment. Consequently, the development plans, programmes and policies in the OIC member countries should be geared to these developments so that the countries will not only follow them all closely and prepare themselves properly to assimilate them, but they should also create the right conditions in their economies to generate indigenous capacities themselves in this vital area.

The existing educational infrastructure and technological base in the Islamic countries are rather weak and the educational system in many is not able to respond to the requirements of today. The number of scientists and technical man-power is rather limited and the working environment and facilities for them are not developed enough to meet the present needs. The latter fact is very much reflected in the continuous outflow of skills from the member countries in the form of a brain-drain. It is obvious that much still needs to be done by the Islamic countries with regard to developing their human resources and related capacities.

Furthermore, the basic science and technology infrastructure in the OIC countries is neither large enough nor sufficiently strong to bring about the necessary quantum leap towards self-reliance, although all of them need a strong science and technology base to be able to solve their problems relating to food, shelter, fuel, energy, health, population, exploitation of natural resources and in boosting up their agricultural and, industrial production. For all this a critical operational size of scientific capability and level of technology is required in any country. It is also important for the OIC countries to develop such capabilities in order to break their dependence on imported technologies and to improve the efficiency of production.

Finally, there are issues related to the mismanagement of human and material resources and capacities. In many countries there are information gaps. Authorities dealing with technical co-operation and technology are not equipped with the necessary means and finance.

All in all, not only the existing legal, administrative and bureaucratic environment, but a host of other factors exogenous to developing countries as a whole can be seen to underlie the growing technology gap between the OIC countries and the developed world. They have to be addressed and dealt with by means of integrated multi-sectoral approaches and joint action in all related areas, in addition to specific measures to be taken in the areas of technology and technical co-operation per se.

OBJECTIVES

1. Consolidate the existing capacities in the OIC community, including the technical co-operation mechanisms within the IDB, in the areas of technical co-operation, technology transfer and indigenous technology development and ensure their optimal utilisation through co-operation and joint action among the member countries.
2. Develop co-operation among the member countries to expand, proliferate and diversify activities in the areas of technical cooperation and technology and to create new capacities and facilities in this regard, with an enhanced role for research and development, with a view to reducing the technology gap between the member countries and the developed World.
3. Strengthen and equip the national focal points in order to expand and enhance technical co-operation through joint OIC action.
4. Give high priority to science and technology inputs and objectives in formulating the national development plans and programmes of the member countries with an emphasis on the establishment, development and consolidation of the national science base for overall development and enhanced OIC action.

5. Strengthen public and private national institutions and establishments in the member countries to enhance and develop the creative capacity for absorption, adaptation and development of technology.
6. Reduce and reverse the "brain-drain" from the OIC community.
7. Endeavour to ensure appropriate financial resources to help meet the needs of technical co-operation activities in the OIC community.

PROGRAMMES OF ACTION

- 1. Developing the national science base and technology development capability in the member countries to affect positive impacts on economic growth and sustainable development.*
- 2. Strengthening of the national institutions operating in the area of technical co-operation and technology with a view to enhancing and building up their capacities and capabilities to facilitate co-operation among member countries.*
- 3. Creation of the conducive environment in the member countries for the promotion and expansion of technical co-operation and technology-related activities among them.*
- 4. Designating national focal points, by those member countries which have not yet done so, to act as major reference points in the process of exchanging information and experiences and for the identification of national needs and capacities in the OIC community with respect to technical co-operation and technology-related activities.*
- 5. Promoting, expanding and developing technical and technological co-operation activities and programmes among the member countries, taking into proper consideration the activities and programmes of the COMSTECH.*

6. *Making best use of the existing OIC mechanisms in the field of technical co-operation and inviting the **IDB** and other OIC institutions to increase their allocations in this regard.*

HUMAN RESOURCE DEVELOPMENT

PROBLEMS AND ISSUES

The object of economic and social development is man and his welfare. Yet, development policies and processes have long been preoccupied with the goods and facilities produced and consumed and the material inputs needed to enhance them. Even human beings who lie at the core of the economic activity have been viewed as inputs into the production processes. Moreover, the quality of life has normally been measured by the amount of material things and related services offered to man as a result of economic development.

Yet, there has recently developed an increasing realisation about the inherent weaknesses in this conventional approach to growth and development, and the issues of "human development" and "human resources development" were given equal prominence on the global agenda. It is understandable that since the object is man and this new approach deals mainly with the needs and qualities of human beings, both materially and in terms of other indicators of the quality of life, the extent and the exact coverage of the issues differ among societies, since they have different historical and cultural backgrounds and are at different levels of development. Nevertheless, the OIC countries face very similar problems in this area, the main differences being in degree rather than being in kind.

The majority of the OIC countries, especially the Least Developed ones among them, suffer from relatively high infant mortality rates and low life expectancy, as well as from the underdeveloped state of health care facilities and services. Thus, large segments of the population, especially the rural poor and the residents of the shanty towns around the big cities, lack or have very limited access to modern health services.

There is, also, the acute problem of the low level of human capital development due to low levels of educational and training standards in the rural areas, in particular, and the Least Developed countries, in general. Many OIC countries lack sufficient numbers of qualified university graduates commensurate with their actual and potential development needs. Others suffer from an acute problem of unemployment among university graduates.

Related to these problems in education is the overall underdevelopment in the area of technology and technical know-how, which manifests itself in high levels of outside dependence for technology and low capacities for absorption for imported technologies and innovations in the majority of the OIC countries.

The population explosion in many OIC countries is exerting enormous pressures on these countries' resources. Many countries suffer, also, from unfavourable age distribution leading to higher rate of dependency as well as widespread and massive poverty.

Furthermore, urban-rural, as well as inter-regional disparities within the countries, in terms of income, standard of living and availability of basic services, is a widespread phenomenon in many OIC countries. High and extensive incidence of poverty in the national economies has extremely negative impacts on productivity, investments and consumption and investments, due to the precariously low level of the earnings of the poor.

The Human Development Index (HDI) rankings for the OIC countries, even after taking account of the shortcomings of the index, are not satisfactory. More than half of the OIC countries fall in the low human development category.

From the above, it may seem that the issues relating to human resources development and the measures needed to tackle these problems involve mainly economic activities, however the technological and cultural dimensions of the problem are also important. Hence, co-operation and co-ordination between COMCEC and COMSTECH and COMIAC would contribute substantially to the implementation of the provisions of the present chapter of the OIC Plan of Action.

OBJECTIVES

1. Consider human welfare as the ultimate objective of effective development so that the policies to be conceived would be human-centred, offering equal opportunities to all the people, with full participation in economic, social and cultural life.
2. Contain and eventually eradicate mass poverty by, inter alia, gradually reducing the urban-rural and intra-country regional income disparities.
3. Integrate population policies into national development strategies, plans and programmes, linking them with programmes on child survival, health, education, housing and employment.
4. Give special emphasis to the development of basic education, in particular primary education, integrating training in basic skills into the curricula.
5. Eradicate adult illiteracy within a defined time-frame by means of well-designed adult literacy programmes.
6. Improve and develop education and training standards in the member countries, especially those in the Least Developed ones, in order to enhance and develop the human capital and overall skill capacities, with a view to catering simultaneously to the manpower needs at the national as well as OIC levels.
7. Elaborate detailed national health strategies and policies to ensure health for all and, in this context, strengthen and develop primary health care, with greater emphasis put on preventive measures and provision of basic minimal living conditions and health facilities.
8. Facilitate the participation of women in development both by improving the education of women and programmes directly targeted at them, and by ensuring that general economic and social programmes fully take into account the role of women.
9. Support and participate in the multi-faceted UN-OIC Programme on Human Resources Development.

PROGRAMMES OF ACTION

- 1. Endeavouring to eradicate poverty and improve the nutrition status in the OIC member countries.*
- 2. Development of integrated multi-dimensional programmes on basic education and training in the OIC member countries.*
- 3. Improving the quality and efficiency of secondary and higher education to enhance the quality of human capital in the OIC community, with arrangements for assistance and co-operation among member countries.*
- 4. Formulation and Implementation of extended health care programmes for all in the OIC community, with co-operation and assistance among OIC countries*

ENVIRONMENT

PROBLEMS AND ISSUES

There exists an organic relationship between development and protection of the environment, that is they need one another, yet they can also do harm to one another. Development is possible only if it can exploit the resources that the earth can offer, but unbridled development can waste those resources and harm the environment critically. Meanwhile, if economic and social activity can be carried out efficiently and intelligently, development can be achieved in a way to create the means and mechanisms to protect and preserve the environment. So the issue at stake is both to achieve the desired development and to do it by doing minimal harm to the environment. This exactly is the point about sustainable development. The idea is to continue to fulfill the development aspirations of mankind without depleting the natural resources of the earth to render it inhabitable within a few generations.

Yet, the issue is not so simple, not only because mankind is not yet prepared to put voluntary limits on its development aspirations, but also because ways and means of changing production and consumption

patterns to fit the requirements of sustainability are not yet fully defined and developed.

The problem is all the more difficult for the majority of the world's population living in the developing countries, because they feel trapped between the need to pull themselves out of the depths of abject poverty and the pressing necessity to protect and preserve the earth's environment as a common heritage for all mankind. It is grossly unfair to ask them to restrain their industrial development, refrain from use of chemical fertilisers, limit the exploitation of their forests and mines. Most of all, it is unfair to ask them to pay for cleaning up the earth and/or be asked to adhere to highly restrictive environmental standards being imposed for past damage done to the earth by the developed countries.

All these arguments aside, however, it is a fact that the problems of environmental degradation have already reached a critical stage. Some important issues of unsustainability in the earth's ecosystem have already become highly apparent and they require urgent action.

Humans and their economic activities consume 40 per cent of the productivity of plant material created each year by photosynthesis. The rate of increase in human use is about 2 per cent per year, meaning a doubling in 35 years. Since humans are but one of among 5 million to 30 million species on earth that make use of these materials, this would appear to be ecologically unsustainable.

Global warming is increasingly being accepted as a fact by all. Recent data on ozone depletion extending over to the temperate zones are raising new concerns about the magnitude and possible consequences of the problem.

Land degradation is proceeding at alarming rates. Thirty-five per cent of the earth's land is already degraded, and this damage is largely irreversible in a human time scale. Soil loss outpaces soil formation by at least a power of ten;

Loss of bio-diversity is reflected in the decline of the world's richest habitat, the tropical forests, 55 per cent of which have already been destroyed. Some 5,000 species become extinct every year, a rate 10,000 times higher than in pre-human days.

On the social and economic sphere, the number of poor in the world continues to grow despite a quintupling of the global economy's output since 1950. The gap between rich and poor countries is continuously increasing for the most part of the developing countries. More than one billion people still live in abject poverty and suffer extensively from inadequate access to the basic facilities and amenities of decent living, like education, health services, infrastructure, land and credits that are required to give them a chance for a better life. One-third of the world's population has inadequate sanitation and one billion people are living without safe water.

Close to half of the fifty OIC member countries are officially classified as Least Developed countries and several others are barely above the said demarcation line. That is, the majority of the Muslims are poverty-stricken and they suffer the same misery that their brothers in the Third World do. Yet, they are also part of the global family and their lands traverse large areas in the temperate and tropical zones, with a lot of the earth's environmental resources placed on, under and above them. Thus, issues of environmental protection and sustainable development have to be very much on their agenda as well.

OBJECTIVES

1. Cooperate in a spirit of global partnership to help conserve the global environment and protect the health and integrity of the Earth's ecosystems.
2. Encourage greater co-operation and joint action among member countries, in the following areas, keeping in view the vital requirements of the individual countries:
 - a. Planning and improved management of land resources,
 - b. Protection of the quality and supply of fresh water
 - c. Combating desertification, drought and deforestation,
 - d. Conservation of bio-diversity,
 - e. Protection of oceans, seas, coastal areas and development of marine life and other resources,
 - f. Protection of the atmosphere,
 - g. Environmentally sound management of toxic chemicals, hazardous and solid wastes, including radioactive wastes.

3. Cooperate to the fullest possible extent, in order to strengthen national and regional capabilities for environmental management and development, as an instrument of using optimally the natural resources that the member countries need for their overall development.
4. Cooperate extensively for introducing, promoting and disseminating environmental education and increasing the public awareness about the protection and preservation of the environment.
5. Encourage and support co-operation and joint action in the field of designing and implementing pilot projects for integrated natural and maritime resource management, including the exploitation of sea beds and oceans.
6. Initiate and develop joint action to promote research for enhancing institutional reform that will help facilitate capacity-building and development of technical know-how in the field of environment.
7. Develop new modalities to stimulate and promote the private sector participation in cross-cutting issues of environment, development, technology and social change.
8. Cooperate in the transfer and development of environment-friendly technologies that will use natural resources efficiently and do the least damage to the environment.
9. Cooperate in order to strengthen the scientific base for sustainable management of environmental resources, assessment and building up of scientific capacity and capabilities, at the national and community levels.

PROGRAMMES OF ACTION

1. Designing of special programmes on environmental issues among the member countries in the areas of education, training and technical co-operation.

2. Establishing and developing direct contacts and co-operation, at the regional and OIC level, among the scientific and technological communities and decision-makers on the issues related to the environment.

3. Development of co-operative schemes among the member countries for combating emergencies and other developments that threaten to create environmental hazards and cause damage to public health.

4. Integrating environmental considerations into economic development plans, programmes and policies, as well as in specific areas of economic activity, at the national level, and in the OIC economic co-operation activities and joint action.

MECHANISM OF FOLLOW-UP AND IMPLEMENTATION

In the light of the above principles and the lessons of the past experience, the following mechanism for follow-up and implementation would constitute an integral part of the present Plan of Action:

- a) After the adoption of the Plan of Action, member countries should prepare and compile a list of requirements and available capacities in the sectors identified by the Plan of Action for an effective implementation of the Plan, including appropriate projects geared to their requirements.
- b) Following the finalisation and adoption of the Plan of Action by the COMCEC, a series of expert group meetings (EGM) would be held to deal, on a priority basis, with one area or a number of interrelated areas of the Plan at a time with a view to:

- (i) reviewing the requirements for implementing the provisions of the Plan of Action pertaining to each sector or area of co-operation, and making proposals, when necessary, to enhance co-operation in this area;
 - (ii) identifying sub-sectors suitable for implementation of projects that would be realisable in a reasonable period of time;
 - (iii) identifying the member countries that would show interest and be ready to participate in the activities/projects in the already-agreed sub-sectors;
 - (iv) constituting "project committees", if necessary, in the already-identified sub-sectors to prepare the necessary studies for specific projects, using the capacities of the relevant OIC institutions, as may be needed, and to propose the required steps for the implementation of the said projects.
- c) The inter-sectoral EGM would report to the COMCEC, through its Follow-up Committee, to ensure co-ordination regarding possible relations and inter-linkages between the various sectors and areas of the Plan of Action.
- d) The actual participation of businessmen would be vital in regards the areas of co-operation of the new Plan of Action, at the level of the EGM and especially within "project committees", not only to benefit from their experience and insight in the area of specific project identification and development, but also to promote direct links among them, as the ultimate actors of co-operation.
- e) Involvement of the financing institutions in this process, preferably from the very beginning, would be instrumental in overcoming the chronic problem of finance in the

implementation of agreed projects or activities, a problem that impeded OIC joint action in the past.

- f) Ministerial meetings would be held, either separately or concurrently with the annual sessions of the COMCEC, under the chairmanship of the designated member country, if and when the need arises to review the progress realised at the level of the EGM and "project committees". In this context, the Ministerial Meetings would give final approval to schemes worked out and finalised by experts, as well as take the required steps to implement the approved projects.
- g) There would be a regular item on the agenda of the annual sessions of the COMCEC entitled "review of implementation of the Plan of Action", in addition to other items as may be determined by its Follow-up Committee.