

**REPORT and RESOLUTIONS
OF THE NINETEENTH SESSION
OF THE COMCEC
Istanbul, 20 - 23 October 2003**

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Ankara, October 2003

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PART ONE

**RESOLUTIONS OF THE OIC FORMING
THE BASIS AND GUIDING ACTIVITIES
OF THE COMCEC**

I

RESOLUTION ADOPTED AT THE THIRD ISLAMIC SUMMIT CONFERENCE ESTABLISHING THE STANDING COMMITTEES OF THE OIC CHAIRED BY HEADS OF STATE

Resolution No. 13/3-P (IS)

The Third Islamic Summit Conference (Palestine and Al-Quds Session), meeting in Mecca Al-Mukarramah, Kingdom of Saudi Arabia, from 19th to 22nd Rabi-Al-Awal, 1401 H. (25-28 January, 1981);

Having listened to the proposals by His Majesty King HASSAN II, Chairman of Al-Quds Committee, that three committees will be established and chaired by the Kings and Presidents of the Islamic States,

Proceeding from a firm belief that joint Islamic action needs to be consolidated in the scientific and technological field, and in the economic and trade sphere,

Prompted by the desire to give information and culture a fresh impetus to help world public opinion understand the basic issues of the Islamic nations, particularly those of Al- Quds and Palestine, and to confront the tendentious campaign launched against Islam and Muslims,

DECIDES:

1. To establish three Standing Committees, the first for scientific and technological cooperation, the second for economic and trade cooperation, and the third for information and cultural affairs;
2. These Committees shall undertake to follow up implementation of the resolutions passed, or about to be passed, by the Islamic Conference in those fields; to study all possible means of strengthening cooperation among Muslim States in those fields, and to draw up programmes and submit proposals designed to increase the Islamic States' capacity in those fields;

3. Each Committee shall consist of the representatives of Islamic States, at ministerial level, and shall be chaired by the Head of State of an Islamic State;
4. Members of these Committees shall be elected by the Islamic Foreign Ministers' Conference for a renewable term of three years;
5. A Committee shall hold a meeting, if invited to do so by its Chairman or by a majority of its members; its meeting shall be valid if attended by a majority.

II

FINAL COMMUNIQUE OF THE FOURTH ISLAMIC SUMMIT CONFERENCE ENTRUSTING THE CHAIRMANSHIP OF THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION TO H.E. KENAN EVREN, PRESIDENT OF THE REPUBLIC OF TURKEY

Final Communique No. IS/4-84/E/DEC

"... The Conference decided to entrust H.E. Mr. Kenan EVREN, President of the Republic of Turkey, with the Chairmanship of the Permanent Committee on Economic and Commercial Cooperation..." (Page 18, para 40).

III
RESOLUTION NO. 30/10-E (IS) ON
ACTIVITIES UNDER THE AUSPICES OF THE
STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION (COMCEC)

The Tenth Session of the Islamic Summit Conference (Session of Knowledge and Morality for the Progress of Ummah) held in Putrajaya, Malaysia, from 20-21 Shaban 1424H (16-17 October 2003),

Recalling Resolution No. 31/9-E (IS) adopted by the Ninth Session of the Islamic Summit Conference;

Also recalling Resolution No. 2/6-E (IS) of the Sixth Session of the Islamic Summit Conference, held in Dakar, Republic of Senegal on 9-11 December 1991 on the activities of the COMCEC mandating it to formulate new Strategies for the enhancement of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States and to take appropriate action for its implementation;

Recalling resolution No. 8/7-E(IS) of the Seventh Session of the Islamic Summit Conference, held in Casablanca, Kingdom of Morocco, from 11 to 13 Rajab 1415H (13-15 December 1994) which endorsed the Strategy and the Plan of Action;

Recalling Resolution No. 30/30-E adopted by the Thirtieth Session of the Islamic Conference of Foreign Ministers;

Recalling the resolutions of the Ministerial level meetings in different areas of cooperation held under the auspices of the COMCEC;

Also recalling the resolutions adopted at the eighteenth previous sessions of the COMCEC initiating effective action in economic cooperation among the Member States, particularly in the area of trade;

Noting with appreciation the efforts of the General Secretariat, subsidiary organs, affiliated and specialized institutions of OIC, working in the field of economy and trade, to implement the resolutions of the COMCEC;

Noting with appreciation that the Strategy for Economic and Commercial Cooperation adopted by the COMCEC allows for cooperation among sub-groups of Member States and is based on the principles giving emphasis to private sector, economic liberalisation, integration with the world economy, sanctity of the economic, political, legal and constitutional structures of the Member States and their international obligations.

Also noting with appreciation that the revised 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.

Recognizing the importance for the Member States of the new economic configurations emerging at the global level particularly from the creation of regional economic groupings, signing of the Uruguay Round Agreements, and creation of the World Trade Organization and its subsequent Agreements;

Appreciating that, starting with its Eleventh Session, COMCEC serves as a platform where the Ministers of Economy of the Member States could exchange views on current world economic issues and that the topics "Implications of the Uruguay Round of trade Negotiations and the Establishment of the World Trade Organization on the external trade of OIC Member States", "Privatization Experiences in Member States", "Implications of Regional Economic Groupings particularly the European Union on the Economies of Member States", "Intra-OIC Trade and Investment and Economic Stabilisation and Structural Reforms in Member States", "Human Resource Development for Sustained Economic Growth and Poverty Alleviation in the Member States of the OIC", "Strengthening of Small and Medium-Sized Enterprises Facing Globalisation and Liberalisation" "The Effects of Non-tariff Barriers on Foreign Trade of the Member Countries" and "Private Sector Investment in the Member States and the Role of IDB" were the themes for the 11th, 12th, 13th, 14th 15th, 16th 17th and 18th Sessions of the COMCEC, respectively;

Having taken note of the report of the Secretary General;

1. **Stresses** the need for COMCEC to continue to pay utmost attention to coordination and cooperation among Member States with regard to the

membership of new countries that wish to join the World Trade Organization, and to the clarification of positions on the new issues and agreements under consideration within the framework of the WTO with a view to strengthening the negotiating position of these countries at the forthcoming multilateral trade negotiations especially with respect to the built-in agenda and to the new ones.

2. **Expresses satisfaction** that the Islamic Development Bank has successfully carried out the mandate given by COMCEC to organise Coordination Meetings for Member States to consult among themselves and better prepare for the WTO Ministerial Meetings held in Singapore from 9 to 13 December 1996, in Geneva from 18-20 May 1998, in Seattle from 30 November to 03 December 1999, in Doha from 9-14 November, 2001 and in Cancun, Mexico from 10-14 September 2003 respectively with a view to assisting them to adopt a common stand regarding the issues raised in the Agenda of those meetings.

3. **Thanks** the ICDT and IDB for organising an expert group meeting before the Fifth WTO Ministerial Conference for the benefit of the Member States.

4. **Thanks** the IDB for organizing a brainstorming meeting for Geneva-based missions on 1-2 May 2003 and a consultative meeting on 27-28 July 2003 for capital-based officials in preparation for the 5th WTO Ministerial Conference.

5. **Appreciates** also the technical assistance programmes of the Islamic Development Bank to assist Member States which are either members of the WTO or in the process of accession to the Organization, and the role of the Bank in organizing for consultative meetings of Member States and the Seminars and Workshops it organizes for this purpose.

6. **Appreciates** the efforts of the Islamic Chamber of Commerce and Industry in organizing Private Sector Meetings as directed by the COMCEC for an effective implementation of the Plan of Action.

7. **Underlines** the crucial importance of the active participation of the private sector in economic cooperation among the Member States and appreciating the cooperation and productive support of IDB for all the events of ICCI, calls upon ICCI to pursue its efforts to further involve the private sector in the economic cooperation among Member States.

8. Appreciates the Islamic Republic of Iran for holding the 10th Private Sector Meeting on 4-6 October 2003 in Tehran in collaboration with ICCI and the Iran Chamber of Commerce, Industries and Mines.

9. Notes with appreciation that the Regulations for the Islamic Trade Fair which was prepared by the Islamic Centre for Development of Trade, had been adopted by the Eighteenth Session of the COMCEC.

10. Expresses its gratitude to the United Arab Emirates for hosting the Islamic Trade Fair in Sharjah from 21 to 26 December 2002 on the theme: Free Trade and Sustainable development, and expresses its appreciation for the commendable efforts made by the Islamic Centre for Development of Trade and the Chamber of Commerce and Industry, Sharjah for the success of the fair.

11. Also welcomes the offer of the Bahrain Chamber of Commerce to host the 11th Private Sector Meeting in 2004 and the offer of Senegal to host the 13th Private Sector Meeting in 2006. The offer to host the 12th Private Sector Meeting into 2005 is awaited.

12. Further welcomes the offer of the Republic of Guinea to host the 10th Islamic Trade Fair in 2004 and calls upon the Member States to actively participate in the event.

13. Emphasizes the need to urgently implement the revised Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States the 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.

14. Stresses the importance of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the Plan of Action and requests that measures be taken by the Member States to accelerate the implementation of these recommendations through appropriate mechanisms to be proposed by the COMCEC Coordination Office in collaboration with the OIC General Secretariat and the OIC institutions.

15. Takes notes of approval by the COMCEC of the Draft Project Profile Form prepared by the COMCEC Coordination Office in pursuance of the relevant

recommendation of the Experts Group Meeting on Accelerating the Implementation of the OIC Plan of Action and requests the Member States to make use of it whenever they wish to submit project proposals within the framework of the OIC Plan of Action.

16. **Takes notes** with appreciation also of the study by the COMCEC Coordination Office, in cooperation with the OIC General Secretariat, SESRTCIC, ICDT, IUT, IDB, ICCI and OISA in their capacity as focal points, elaborating on the content and the terms of their possible assignment, in pursuance of the relevant recommendation of the Experts Group Meeting assigning mandate to the relevant OIC institutions to study, apprise and provide the necessary financial and technical support to the cooperation projects to be proposed, which will be finalized for submission to the 19th Session of COMCEC.

17. **Requests** the Member States to communicate their views on the supplementary Mechanism for implementation of the OIC Plan of Action which was proposed and circulated by the COMCEC Coordination Office at their earliest convenience so that it can be submitted to the 19th Session of COMCEC.

18. **Requests** the Member States to take appropriate measures including necessary cooperation, coordination and consultation among themselves to make efforts with the required possible economic and technical support from the developed countries, international community and relevant international organizations and financial institutions to increase their food production capacity with a view to arriving at national food security as well as enhancing the purchasing power of their people.

19. **Invites** the Member States to host sectoral Expert Group Meetings in priority areas of cooperation in the Plan of Action.

20. **Welcomes** the offer of the Arab Republic of Egypt to host two sectoral Expert Group Meetings in the area of "Transport and Communications" and "Food, Agriculture and Rural Development" of the Plan of Action.

21. **Thanks** the Kingdom of Saudi Arabia for hosting the Third Islamic Conference of Ministers of Tourism on 6-9 October 2002 in Riyadh.

22. **Invites** IDB to continue its active support in ensuring effective and urgent implementation of the revised Plan of Action.

23. **Thanks** the Republic of Senegal for the hosting of Seminar-Workshop in cooperation with IDB to familiarize the African member states with the Plan of Action, and recommends that similar seminars be held in other regions and sub-regions of OIC.

24. **Recognizes** that the Exchange of Views organized during the annual sessions of the COMCEC would be utilized to coordinate the positions of the Member States vis-a-vis major world economic issues.

25. **Welcomes** the offer of the government of the Republic of Sudan to host sectoral Expert Group Meeting on "Energy and Mining" and "Human Resources Development."

26. **Thanks** the Republic of Gabon for having organised a sub-regional seminar for the OIC States of Central and East Africa on "the role of IDB in the promotion of the private sector" in cooperation with IDB and the other concerned institutions of the OIC.

27. **Thanks** Burkina Faso for hosting a regional workshop on Industry for East, West and Central African OIC member states in cooperation with the IDB and other related OIC institutions.

28. **Welcomes** the offer of the Islamic Republic of Iran to host sectoral Expert Group Meeting in the area of Health and Sanitary Issues to be followed by a Ministerial meeting on the same topic.

29. **Thanks** the Republic of Turkey for hosting the Experts Group of Meeting on Accelerating the implementation of the Plan of Action, which was held on 6-7 May 2001 in Istanbul.

30. **Welcomes** the offer of the Republic Tunisia to host an experts group meeting on "Promoting the Activities of Small and Medium-sized Enterprises" in the field of production and exports.

31. Notes with satisfaction that the Framework Agreement on Trade Preferential System entered into force upon its ratification by more than ten Member States as required under the Agreement, and welcomes the offer of the Republic of Turkey to host the first round of negotiations to be held under the Framework Agreement.

32. Thanks the Government of the Kingdom of Morocco for hosting of an Experts Group Meeting to prepare the Launching of the First Trade Negotiations Round within the Framework Agreement on the Trade Preferential System Among the OIC Member States held in Casablanca on 24-26 June, 2003 and the Islamic Centre for Development of Trade and the COMCEC Coordination Office for organizing it and preparing the necessary documents in this regard.

33. Calls upon the concerned Member States to actively take part in the first round of trade negotiation under the Framework Agreement on Trade Preferential System.

34. Welcomes the proposal made by the WTO during the meeting of policy dialogue between the WTO and the representatives of six major regional development banks, including IDB, which was held at the WTO Headquarters in Geneva, on 3 May 2003, that the regional development banks convene policy dialogues of trade and finance ministers at the regional level, to which the WTO and the World Bank may also be invited.

35. Also welcomes the resolutions of the 18th Session of the COMCEC which expresses the view that the above policy dialogue meeting of the OIC ministers responsible for trade and finance could be convened in conjunction with the sessions of the COMCEC.

36. Welcomes the offer of Indonesia to host an International Workshop on Employment and Manpower Exchange.

37. Welcomes the offer of Arab Republic of Egypt to host an OIC Ministerial Meeting to promote intra-OIC trade.

38. Thanks IDB for organizing a Workshop on "Private Sector Investment in the Member States and the Role of IDB" on 14-16 September 2002 in Istanbul

in collaboration with related OIC institutions; and also thanks the Republic of Turkey for hosting the Workshop.

39. **Welcomes** the decision taken by the 18th Session of the COMCEC that "Impact of Electronic Commerce and the use of Information Technology in the Promotion and Development of Intra-OIC Trade" be the theme for the exchange of views at the 19th Session of the COMCEC.

40. **Thanks** the Republic of Tunisia for hosting the workshop on "Impact of Electronic Commerce and the Use of Information Technology in the Promotion and Development of Intra-OIC Trade" on 10-12 June, 2003 in Tunis in collaboration with SESRTCIC, ICDT, IUT and other relevant OIC institutions as a preparation for the exchange of views session to be held during the 19th session of COMCEC.

41. **Notes with appreciation** that the 19th Session of the COMCEC will be held from 20-23 October, 2003 in Istanbul under the chairmanship of the President of the Republic of Turkey and calls upon the Member States to effectively and actively participate in the meeting.

42. **Takes notes** of the initiative of ICCI on forming a working group comprised of the General Secretariat, the COMCEC Coordination Office, IDB, ICCI, SESRTCIC and ICDT, as the focal point assuming the responsibilities of the monitoring mechanism to implement the recommendations of the private sector meetings.

43. **Requests** the Secretary General to follow up the implementation of this resolution and submit a report thereon to the Eleventh Session of the Islamic Summit Conference.

PART TWO

LIST OF BASIC DOCUMENTS AND REPORT
OF THE NINETEENTH SESSION
OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION
OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE

I

LIST OF BASIC DOCUMENT CONSIDERED
AND/OR PRESENTED AT THE NINETEENTH SESSION
OF THE COMCEC

(Istanbul, 20-23 October 2003)

Original: English

**LIST OF BASIC DOCUMENTS CONSIDERED
AND/OR PRESENTED AT THE NINETEENTH SESSION
OF THE COMCEC**

(Istanbul, 20-23 October 2003)

	<u>Document Code</u>
1. Agenda of the Nineteenth Session of the COMCEC.....	OIC/COMCEC/19-03/A
2. Background Report by the OIC General Secretariat	OIC/COMCEC/19-03/D(1)
3. World Economic Developments with Special Reference to OIC Member Countries by SESRTCIC.....	OIC/COMCEC/19-03/D(9)
4. Supporting the Reform of the International Financial Architecture by SESRTCIC.....	OIC/COMCEC/19-03/D(9)
5. Report of the Follow-up Committee by the COMCEC Coordination Office.....	OIC/COMCEC-FC/19-03/REP
6. Report by the OIC General Secretariat on the Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States.....	OIC/COMCEC /19-03/D(2)
7. Report by COMCEC Coordination Office on the Supplementary Mechanism for the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States.....	OIC/COMCEC/19-03/REP
8. Supplementary Mechanism by COMCEC Coordination Office for the Acceleration of the Implementation of the OIC Plan of Action.....	OIC/COMCEC/19-03/D(23)
9. Joint report by SESRTCIC and ICDT on a Stock Exchange Alliances and Possible Methods for Establishing an Islamic Stock Exchange and Clearing Union.....	OIC/COMCEC/19-03/D(10)
10. Report by IDB on the Expansion of Intra-Trade Among OIC/IDB Member Countries.....	OIC/COMCEC/19-03/D(12)
11. Report by IDB on the Role of IDB in the Promotion of Trade Among the Member Countries and Impediments to Intra-Trade.....	OIC/COMCEC/19-03/ D(13)
12. ICDT's Annual Report on Inter Islamic Trade.	OIC/COMCEC/19-03/ D(4)

	<u>Document Code</u>
13. Report by ICDT on the Trade Fairs of Islamic Countries.....	OIC/COMCEC/19-03/D(7)
14. Report by ICDT on Trade Preferential System Among the OIC Member States.....	OIC/COMCEC/19-03/D(5)
15. Ministerial Declaration of the COMCEC Relating to the Launching of the First Round of Trade Negotiations Within the Framework of the Trade Preferential System Among the OIC Member States.....	OIC/COMCEC/19-03/D(24)
16. Rules of Procedure of the Trade Negotiating Committee.....	OIC/COMCEC/19-03/D(25)
17. Report by IDB on IDB Group's WTO Related Technical Assistance to the "OIC" Member Countries.....	OIC/COMCEC/19-03/D(14)
18. Report by ICDT on Issues Relating to the Activities of the World Trade Organization.....	OIC/COMCEC/19-03/D(6)
19. Report by ICCI on the Ninth Private Sector Meeting	OIC/COMCEC/19-03/D(17)
20. Report by ICCI on the Tenth Private Sector Meeting	OIC/COMCEC/19-03/D(15)
21. Report of the Workshop on "Impact of Electronic Commerce and Use of Information Technology on the Promotion and Development of Intra-OIC Trade".	OIC/COMCEC/19-03/D(8)
22. Report by the OIC General Secretariat on Matters Related to Economic Assistance to Some Islamic States.....	OIC/COMCEC/19-03/D(3)
23. Report of the Sessional Committee.....	OIC/COMCEC/19-03/SC.REP
24. Report on the Activities of the Islamic Chamber to the 19* Session of COMCEC.....	OIC/COMCEC/19-03/D(18)
25. Presentation by the Vice- Chancellor of the IUT on the Activities of the Islamic University of Technology.....	OIC/COMCEC/19-03/D(19)
26. Report of the OISA on the Activities of the Organization of the Islamic Shipowners Association	OIC/COMCEC/19-03/D(21)
27. • Report by SESRTCIC on Implications of Establishing an Islamic Common Market: Gradual Integration and Possible Consequences.....	OIC/COMCEC/19-03/D(9)

	<u>Document Code</u>
28. Report on the Activities of the SESRTCIC to the 19 th Session of the COMCEC.....	OIC/COMCEC/19-03/D(11)
29. Report by ICCI on the Role of Private Sector in Promotion of Intra-OIC Trade Through the Use of Information Technology.....	OIC/COMCEC/19-03/D(16)
30. Report of the Chairman of the COMCEC to the Tenth Islamic Summit Conference.....	OIC/COMCEC/19-03/D(20)
31. Report by WTO on the Multilateral Trading System. . . .	OIC/COMCEC/19-03/D(22)
32. Country Reports and/or written presentations on the "Impact of Electronic Commerce and Use of Information Technology on the Promotion and Development of Intra-OIC Trade".....	OIC/COMCEC/19-03/CR(....)
Kingdom of Bahrain, Arab Republic of Egypt, Republic of Indonesia, Islamic Republic of Iran, Republic of Iraq, Hashemite Kingdom of Jordan, Kingdom of Morocco, Mozambique Republic of Senegal, Suriname Republic of Tunisia Republic of Turkey Turkish Republic of Northern Cyprus	

II

REPORT
OF THE NINETEENTH SESSION
OF THE STANDING COMMITTEE FOR
ECONOMIC AND COMMERCIAL COOPERATION
OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE

(Istanbul, 20-23 October 2003)

**REPORT
OF THE NINETEENTH SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION**

(Istanbul, 20-23 October 2003)

1. The Nineteenth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held from 20 to 23 October 2003. The Session was preceded by a Meeting of Senior Officials on 20-21 October, held under the Chairmanship of H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey, to consider items of the Draft Agenda and prepare Draft Resolutions for consideration by the Ministerial Session.

2. The Session was attended by the representatives of the following Member States of the Organization of the Islamic Conference (OIC):

1. Islamic State of Afghanistan
2. Republic of Albania
3. Peoples Democratic Republic of Algeria
4. Republic of Azerbaijan
5. Kingdom of Bahrain
6. People's Republic of Bangladesh
7. Negara Brunei Darussalam
8. Burkina Faso
9. Republic of Cameroon
10. Republic of Chad
11. Arab Republic of Egypt
12. Republic of Guinea

13. Republic of Indonesia
14. Islamic Republic of Iran
15. Republic of Iraq
16. Hashemite Kingdom of Jordan
17. Republic of Kazakhstan
18. State of Kuwait
19. Kyrgyz Republic
20. Republic of Lebanon
21. Malaysia
22. Kingdom of Morocco
23. Mozambique
24. Federal Republic of Nigeria
25. Sultanate of Oman
26. Islamic Republic of Pakistan
27. State of Palestine
28. State of Qatar
29. Kingdom of Saudi Arabia
30. Republic of Senegal
31. Republic of Sudan
32. Republic of Suriname
33. Syrian Arab Republic
34. Republic of Tajikistan
35. Republic of Tunisia
36. Republic of Turkey
37. Republic of Uganda
38. State of the United Arab Emirates
39. Republic of Uzbekistan
40. Republic of Yemen

Bosnia-Herzegovina and the Turkish Republic of Northern Cyprus participated in the Session as observers and the Republic of Macedonia as guest.

3. The Session was attended by the OIC General Secretariat and the following subsidiary, affiliated and specialized OIC institutions:

1. Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC)
2. Islamic Center for Development of Trade (ICDT)
3. Islamic Development Bank (IDB)
4. Islamic Research Center for History, Culture and Art (IRCICA)
5. Islamic University of Technology (IUT)
6. Islamic Chamber of Commerce and Industry (ICCI)
7. Islamic Cooperation of the Insurance of Investment and Export Credit (ICIEC)
8. Association of National Development Financing Institutions (ADFIMI)

4. The Session was also attended by the representatives of the following international organizations:

1. United Nations Industrial Development Organization (UNIDO)
2. Gulf Cooperation Council (GCC)
3. World Trade Organization (WTO)
4. World Bank International Financing Committee (IFC)
5. Developing Eight (D-8)
6. Federation of Consultants from Islamic Countries (FCIC)
7. Federation of Islamic Countries' Contractors (FICC)

(A copy of the List of Participants of the Nineteenth Session of the COMCEC is attached as Annex 1.)

Opening Session

5. The Opening Ceremony of the Nineteenth Session of the COMCEC was held on 22 October 2003 under the chairmanship of H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC.

6. In his inaugural Statement, H.E. Ahmet Necdet SEZER, welcoming all the delegates, referred to the last WTO Ministerial Meeting held in Cancun. He pointed out that the Cancun Meeting brought about a disadvantageous position for the less developed countries in the world trade. In this connection, H.E. SEZER, drew attention to the Framework Agreement for a Trade Preferential System Among OIC Countries, which has entered into force in the year of 2003. As an important development, He further stated that this was an alternative opportunity to the OIC Member States in the current world trading environment. In this context, he stressed the importance of the Agreement, which would pave the way for growth and raising standard of living. H.E. Sezer expressed his hope that the conflict between Palestine and Israel would soon be settled peacefully, and that Iraq's territorial integrity would gain its sovereignty and political unity would be preserved.

(A copy of the text of the Inaugural Statement of H.E. Ahmet Necdet SEZER is attached as Annex 2.)

7. H. E. Dr. Abdelouahed BELKEZIZ, Secretary General of OIC made a statement at the Opening Ceremony of the 19th Session of COMCEC. Expressing his profound gratitude to H.E. Mr. Ahmet Necdet SEZER, President of the Republic of Turkey and the Chairman of the COMCEC, for his wise guidance of the work of the Standing Committee. H.E. conveyed his concern over the latest developments in the world economy, especially after the Cancun Meeting, and encouraged the OIC member countries to take the necessary precautions to tackle them. He stated that the primary attention of the Member States should focus on the implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States. In this context, he appraised the entry into force of the Framework Agreement for a Trade Preferential System Among OIC Countries, which would pave the way for rapid expansion of intra-OIC trade. He pointed out the important role of the Islamic Trade Fairs organized by the ICDT and that of the efforts by IDB in the promotion of intra-OIC trade.

(A copy of the address of H.E. Abdelouahed BELKEZIZ, Secretary General of the OIC is attached as Annex 3.)

8. The Heads of Delegation of the State of Kuwait, Mozambique and the Islamic Republic of Pakistan, made statements on behalf of the Arab, African and Asian groups of Member States respectively. In their statements, they expressed their thanks and appreciation to H.E. Ahmet Necdet SEZER for his wise guidance as the Chairman of the COMCEC. The Heads of Delegation, referring to the importance of the implementation of the resolutions of the COMCEC, stressed the need for further strengthening economic cooperation among the Member States. They also thanked the President, the Government and People of Turkey for their continued support to the economic cooperation among the OIC Member States as well as for the warm welcome and excellent arrangements made for the Meeting.

(The texts of the Statements made on behalf of the Arab, Asian and African Member States are attached as Annexes 4, 5 and 6 respectively.)

9. H.E. Ahmed Mohammed ALI, the President of the Islamic Development Bank, addressed the Session elaborating on the activities of the Islamic Development Bank and highlighting the progress achieved by the Bank in terms of the tasks assigned to it by the COMCEC.

(The text of the Message of the President of IDB is attached as Annex 7.)

10. Following the Opening Ceremony, H.E. Ahmet Necdet SEZER received the Heads of Delegation.

Ministerial Working Session

11. The Ministerial Working Session of the Nineteenth Session of the COMCEC was held on 22 October 2003 under the Chairmanship of H.E.

Assoc. Prof. Dr. Abdullatif ŞENER, Minister of State and Deputy Prime Minister of the Republic of Turkey.

12. The Session adopted the Draft Agenda of the Nineteenth Session of the COMCEC.

(The Agenda of the Nineteenth Session of the COMCEC is attached as Annex 8.)

13. An Exchange of Views on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade" was held under agenda item 9. This was initiated with a presentation by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey and Chairman of the Senior Officials Meeting, who gave a brief account on the outcome of the deliberations of the Senior Officials on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade".

(The text of presentation of the Chairman of the Senior Officials is attached as Annex 9.)

14. The Heads of Delegation of the Republic of Turkey, Mozambique, Kingdom of Morocco, Turkish Republic of Northern Cyprus, Republic of Iraq, Syrian Arab Republic, Republic of Tunisia, Hashemite Kingdom of Jordan, Kingdom of Bahrain, Islamic Republic of Iran, Republic of Indonesia, Republic of Senegal, Suriname and Arab Republic of Egypt took part in the exchange of views, which also included a number of country reports on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade".

(Country reports, submitted in writing, are available separately).

15. The Session then adopted Resolution OIC/COMCEC/19-03/RES(1) and Resolution OIC/COMCEC/19-03/RES(2).

(Resolution OIC/COMCEC/19-03/RES(1) and Resolution OIC/COMCEC/19-03/RES(2) are attached as Annexes 10 and 11, within the context of the Resolution (1);

Supplementary Mechanism for Implementation of the OIC Plan of Action as Annex 12,

Ministerial Declaration of the COMCEC Relating to the Launching of the First Round of Trade Negotiations Within the Framework of the Trade Preferential System Among the OIC Member States as Annex 13,

Rules of Procedure of the Trade Negotiating Committee as Annex 14, and

Recommendations of the Workshop on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade" that was taken note of is attached as Annex 15.)

16. The Session also reviewed the Report of the Meeting of the Sessional Committee, which was held during the present Session of the COMCEC on 21 October 2003.

(The Report of the Sessional Committee is attached as Annex 16.)

Closing Session

17. The Closing Ceremony of the Nineteenth Session of the COMCEC was held on 23 October 2003 under the chairmanship of H.E. Assoc. Prof. Dr. Abdullatif ŞENER, Minister of State and Deputy Prime Minister of the Republic of Turkey.

18. H.E. Sher Afgan KHAN, Ambassador of Islamic Republic of Pakistan to Turkey and Rapporteur of the Meeting, presented the Resolutions adopted at the Ministerial Session. In His presentation H.E. KHAN summarized the

proceedings of the Drafting Committee highlighting some of the points of agreement.

19. H.E. Ambassador, Thierno Nabika DIALLO, the Assistant Secretary General for Economic Affairs, read out a statement by H.E. Dr. Abdelouahed BELKEZIZ, the Secretary General of OIC. In His statement, H.E. Dr. Abdelouahed BELKEZIZ, stressed the importance of the economic and commercial cooperation among the OIC Countries, which is the real basis for solidarity among them. In this connection, He referred the entry into force of the Framework Agreement on Trade Preferential System Among OIC Countries as a significant step towards that goal. H.E. BELKEZIZ extended His thanks and appreciation to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, for the wisdom and dynamism with which he directed the Session. He also thanked to H.E. Assoc. Prof. Dr. Abdullatif ŞENER, Minister of State and Deputy Prime Minister, for His smooth conduct of the Session on behalf of the Chairman of COMCEC as well as to other parties which contributed to the success of the Session.

(The text of the Statement of the Secretary General of the OIC, is attached as Annex 17.)

20. In her statement on behalf of all participating Member States, H.E. Madam Aicha Agne POUYE, Minister of Trade and Head of Delegation of Republic of Senegal, lauded the significant results achieved at the Session and the wise and able leadership of President Ahmet Necdet SEZER in achieving the objectives of the economic cooperation among the Member States. She also thanked to H.E. Assoc. Prof. Dr. Abdullatif ŞENER, Minister of State and Deputy Prime Minister of the Republic of Turkey, for the excellent manner He conducted the Meeting. H.E. Madam POUYE stated that, taking into account the failure of the fifth Ministerial Meeting of WTO, the Heads of delegations of OIC Member States at the 19th Session of the COMCEC had expressed the vital need to strengthen economic cooperation between the OIC countries. H.E. Madam POUYE referred to the promise made by His Highness Prince Abdallah Ben Abdel Aziz, of the Kingdom of Saudi Arabia, to contribute substantially to

the IDB resources so as to enable it to continue its support for the Member States' development. She concluded by thanking the General Secretariat, COMCEC Coordination Office and the subsidiary, affiliated and specialized institutions of the OIC for their contributions to the successful conclusion of the Meeting.

(The text of the statement of H.E. Madam POUYE is attached as Annex 18.)

21. In His closing statement, H.E. Assoc. Prof. Dr. Abdullatif ŞENER, Minister of State and Deputy Prime Minister, extended His thanks and appreciation to all parties who made contribution to the 19th Session of the COMCEC. He stated that the importance of the regional economic and commercial cooperation have assumed renewed significance following the failure of the Fifth Ministerial Meeting of WTO held in Cancun last September. In this connection, He considered the entry into force of the Framework Agreement on Trade Preferential System Among OIC Countries as a concrete step in the direction of increasing and facilitating trade volume among the OIC Countries. H.E ŞENER called on the Member States, who have not yet done so, to sign and ratify the Framework Agreement as soon as possible, and called on the Member States that ratified it to actively participate in the first round of trade negotiations to be held in Turkey in 2004. H.E. ŞENER also pointed out the necessity of active involvement of representatives of the private sector of the Member States in the activities organized by the ICCI. He also thanked the efforts of the IDB for the financial support extended to the private sector in the Member States.

(The text of the closing statement of H.E. ŞENER is attached as Annex 19.)

ANNEXES

- 1 -

LIST OF PARTICIPANTS
OF THE
NINETEENTH SESSION OF THE
COMCEC

(Istanbul, 20-23 October 2003)

Original: English

**LIST OF PARTICIPANTS
OF THE NINETEENTH SESSION
OF THE COMCEC**

(Istanbul, 20-23 October 2003)

A. MEMBER STATES OF THE OIC

AFGHANISTAN

- Mr. ZIYAUDDIN ZIYA
Deputy Minister of Trade
- Mr. NECIBULLAH TABĪBĪ
Economy Advisor
- Mr. FERĪDUN HAFIZI
Assistant to Trade Attache

REPUBLIC OF ALBANIA

- Mr. LUAN SHAHOLLARI
Deputy Minister, Ministry of Economy
- Mr. FATJON SERAJ
Desk Officer, Ministry of Economy

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

- H. E. HAMID BOURKI
Ambassador of Algeria to Turkey

REPUBLIC OF AZERBAIJAN

- Mr. ARĪF BAHSELIEV
Head of Division, Ministry of Economic Development
- Mr. ROVSHAN KAZIMOV
Expert, Ministry of Foreign Affairs

KINGDOM OF BAHRAIN

- Mr. ALI AHMED RADHI
Assistant Secretary for Local Trade,
Ministry of Commerce

- Mr. MOHAMMED GHASSAN ADNAN SHAIKHO
Director of International Organizations Directorate,
Ministry of Foreign Affairs
- Mr. JEHAD BUKAMAL
Vice Treasurer,
Board Member of the Chamber of Commerce and Industry
- Mr. ALI FAKHRO
In-Charge of Public Relations and Media,
Chamber of Commerce and Industry

PEOPLE'S REPUBLIC OF BANGLADESH

- H.E. A.T.M. NAZRUL ISLAM
Ambassador of Bangladesh to Turkey

NEGARA BRUNEI DARUSSALAM

- H. E. PEHIN DATO HAJIHUSSIN BIN AHMAD
Brunei Darussalam 's Ambassador Accredited to the Republic of Turkey

BURKINA FASO

- H. E. OUMAR DIAWARA
Ambassador of Burkina Faso to Riyadh
- Mr. AUGUSTE ZINGUE OU ATT ARA
Department of International Institutions,
Ministry of Foreign Affairs

REPUBLIC OF CAMEROON

- H.E. Dr. MOHAMADOU LABARANG
Ambassador of Cameroon to Riyadh
- Mr. MOHAMADOU TALBA
General Inspector, Ministry of Trade and Industry Development
- Mr. ABANCHIME LIMANGANA
Head of Section, Ministry of External Relations
- MOHAMADOU LAWAL
Head of Section, Ministry of Economic Affairs

REPUBLIC OF CHAD

- H. E. Dr. AHMED MAHAMADI
Minister of Trade, Industry And Handcraft
- Mr. ADOUDOU ALLAZAM MAHAMAT
Director of Industry

ARAB REPUBLIC OF EGYPT

- H. E. Ambassador, MOHAMED A. MONTEM EZZ EL DIN
Assistant Minister of Foreign Affairs
- H. E. ALAA ELDİN SHALABY
Senior Advisor of Minister of Foreign Trade
- Ms. MANAL ABD EL TAWAB
Commercial Vice Consul,
Egyptian Consulate General, Istanbul
- Ms. DALIA FAYEZF
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Egyptian Consulate General, Istanbul

REPUBLIC OF GUINEA

- Mr. ORHAN ARGÜN
Honorary Consul, Istanbul

REPUBLIC OF INDONESIA

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- Mr. ROSSALIS RUSMAN ADENAN
Counsellor, Embassy of Indonesia, Ankara
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Ministry of Foreign Affairs, Jakarta
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Consul General of Bosnia Herzegovina, Istanbul

TURKISH REPUBLIC OF NORTHERN CYPRUS

- H.E. SALİH COŞAR
Minister of Economy
- Dr. AHMET AKER
Undersecretary of Ministry of Economy
- Mr. AYFER SAID ERKMEN
Head of Economic, Culturel and Social Affairs,
Ministry of Foreign Affairs and Defence

C. GUEST

REPUBLIC OF MACEDONIA

- Mr. VLADIMIR SIMEONOV
State Counsellor, Ministry of Foreign Affairs
- H.E. MUHEDIN RUSTEMI
Ambassador of Macedonia to Turkey
- Mr. JORDAN PANEV
Consul General, Istanbul
- Mrs. BLAGA MARKOVSKA
Head of Department of Multilateral Economic Relations
- Mr. ŞABAN YAŞARI
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D. THE OIC GENERAL SECRETARIAT

- H.E. Dr. ABDELOUAHED BELKEZIZ
Secretary General
- H.E. Ambassador, THIerno NABIKA DIALLO
Assistant Secretary General for Economic Affairs
- Ambassador, A.H.M. MONIRUZZAMAN
Director of Economic Affairs
- Mr. BILAL KAMEL SASSO
Head of Protocol and Public Relations
- Mr. ALBARAA TARABZOUNI
Professional Officer in Economic Affairs Department

E. SUBSIDIARY ORGANS OF THE OIC

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- H.E. Ambassador, ERDİNÇ ERDÜN
Director General
- Mr. OKER GÜRLER
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Director of Economic and Social Research Department
- Mr. KAMURAN MALATYALI
Senior Economist

THE ISLAMIC CENTER FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. ALLAL RACHDI
Director General
- Mr. EL HAS SANE HZAINÉ
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In Charge of Studies
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THE ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)

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Vice - Chancellor

ISLAMIC RESEARCH CENTER FOR HISTORY CULTURE AND ART (IRCICA)

- Prof. Dr. EKMELEDDİN İHSANOĞLU
Director General
- Mr. EROL ÖCALIR
Head of Finance Department
- Mr. MOHAMMED TAMİMİ
Head, Cultural Heritage

- Mrs. ZEKİYE ZEYNEP DURUKAL
Head, Corporate Research

F. SPECIALIZED ORGANS

ISLAMIC DEVELOPMENT BANK (IDB)

- H. E. Dr. AHMAD MOHAMED ALI
President
- Mr. SELİM CAFER KARAKAŞ
Executive Director
- Mr. ABDUL AZIZ M. AL-KELAIBI
Director, Cooperation Office
- Mr. MOHAMED ABDEL KADER AL-SAYED
Acting Division Chief,
Trade Finance and Promotion Department
- Mr. AHMED ABDUL WASIE
Operation Officer, Cooperation Office
- Mr. AHMED MOHAMED NAWAWI
Bank Secretariat, Responsible for Exhibition of the IDB's Publication

G. AFFILIATED INSTITUTIONS OF THE OIC

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- H.E. AQEEL AHMED AL-JASSEM
Secretary General
- Ms. ATTIYA NAWAZISH ALI
Manager of Trade Promotion
- Mr. KHALID RABAH AL-HARBI
Director General
- Mr. SYED NASIR ALI MİRZA
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**ISLAMIC CORPORATION OF THE INSURANCE OF INVESTMENT AND
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- Mr. THIENDELLA TANOR FALL
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ASSOCIATION OF NATIONAL DEVELOPMENT FINANCING INSTITUTIONS (ADFIMI)

- Dr. SALİH YILMAZ
Deputy Secretary General

H. OTHER INTERNATIONAL INSTITUTIONS

ECONOMIC COMMITTEE OF THE GULF COOPERATION COUNCIL (GCC)

- Mr. ALI SALİH AL-ATAR
Director of Negotiations Department

FEDERATION OF CONSULTANTS FROM ISLAMIC COUNTRIES (FCIC)

- Mr. ATILLA KAPRALI
Secretary General

FEDERATION OF ISLAMIC COUNTRIES' CONTRACTORS (FICC)

- Mr. ABDERRAHIM LAHJOUJI
Honorary President

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

- Mr. CELAL ARMANGİL
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DEVELOPING EIGHT (D-8)

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INAUGURAL ADDRESS OF H.E. AHMET NECDET SEZER,
PRESIDENT OF THE REPUBLIC OF TURKEY AND
CHAIRMAN OF THE COMCEC
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Original: Turkish

INAUGURAL ADDRESS
OF H.E. AHMET NECDET SEZER,
PRESIDENT OF THE REPUBLIC OF TURKEY
AND
CHAIRMAN OF THE COMCEC
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Honourable Ministers,
Distinguished Secretary General,
Distinguished Delegates,

I am happy to welcome you and be with you once again on the occasion of the Nineteenth Session of the Standing Committee for Economic and Commercial Cooperation of the Islamic Conference. I extend my best wishes to all the delegations and hope that your efforts will yield beneficial results.

The rapidly changing world conditions increase the need to further develop the existing cooperation among our countries bound by sincere fraternal sentiments and which are sharing common historic, moral and cultural values.

COMCEC is an important forum established for the purpose of advancing economic and commercial cooperation among our states. Under the aegis of this platform, a multitude of views have been offered and plans have been devised for nearly twenty years in many areas from measures to encourage and facilitate commerce to secure cooperation between private sectors and foster the opportunities for joint investments. The efforts towards exploiting the potential originated at this forum will undoubtedly be more effective and productive during the next period.

Honourable Ministers,
Distinguished Delegates,

Negotiations within the World Trade Organization (WTO) have reached an important turning point. The optimistic outlook, which emerged from the Doha Process several years ago for providing a fair structure to the world trade system as a fair arrangement

for both developed and developing countries, has not been maintained. The steps expected to be taken particularly by the developed countries in favour of the less developed countries, unfortunately have not been materialized and the impetus acquired in Doha has been largely lost.

Commerce is an essential activity for the developing countries aspiring to wealth. One of the most serious structural problems of the global economic system is the failure of the developing countries in getting their deserved share of the growing and diversifying world trade.

At the root of this structural problem lies the inefficacy of those countries in efficiently exploiting the resources they have as well as the institutions and rules which determine the mechanisms of international commerce and economic relations. For this reason, there is a need to decrease the income gap between countries and to revise the rules and institutions governing international commerce to make them more sensitive to the problems of developing countries in order to combat poverty and to ensure global wealth and peace. If the necessary measures for this purpose are delayed there will be less hope for the developing countries to have their deserved share of the world commerce and wealth.

The majority of the COMCEC Member States are developing countries. More significantly, 22 COMCEC member states have the status of least developed countries. While endeavouring to cope with development problems, these countries are trying to harmonize with the global rules of trade. Participation of the COMCEC Member States in world trade will materialize at a more fair and just basis if and when developed countries revise their trade policies and take into account the predicament of the developing countries, and provided that the institutions and rules regulating global trade are restructured.

Honourable Ministers,
Distinguished Delegates,

The failure in obtaining a favourable conclusion of the Cancun Conference of the World Trade Organization, as well as the slow nature of trade arrangements at a global scale demonstrate that regional trade arrangements are an option to yield quicker results. The fact that the Framework Agreement for a Trade Preferential

System, initiated as a COMCEC scheme in this international conjuncture has become effective during the current year constitutes an important development. The trade negotiations to be initiated in 2004 among our countries as a result of the Framework Agreement coming into effect are the first comprehensive action towards the liberalization of trade in the framework of the OIC. This initiative oriented to the objective of establishing a deepening and comprehensive trade system through the rounds of negotiation to be held is in line with the general principles and aims of COMCEC.

As members of the COMCEC, we have the necessary potential and experience to start and successfully conclude the trade negotiations provided by the Framework Agreement for a Trade Preferential System which we adopted in 1990. The COMCEC Member States, through their membership in the World Trade Organization have taken steps towards adopting the rules of international trade. 47 of the COMCEC Member States, including 17 least developed countries, are either full members of the WTO or have the observer status. The COMCEC Member States have, as well, materialized fairly effective and high potential initiatives in their regional cooperation schemes. There exist regional initiatives which have matured in recent years and are promising for the future. These initiatives include the comprehensive Trade Agreement to liberalize trade, opened to signature by the Organization for Economic Cooperation; the Customs Union among the members of the Gulf Cooperation Council; and the Agadir Initiative started with the purpose to set up a Free Trade Zone among certain countries of North Africa and the Middle East. In addition to some arrangements among themselves, the COMCEC Member States are working towards important initiatives with non-OIC member countries.

The experiences of the COMCEC Member States in adapting to international rules of trade and in the arrangements for regional trade create a substantial potential to increase trade among our countries. Such experience and potential will certainly constitute a great asset for the success of the negotiations to be started for establishing the Trade Preferential System.

Honourable Ministers,
Distinguished Delegates,

COMCEC has now reached a significant phase of its mission of strengthening economic and commercial cooperation. We will make crucial decisions within the framework of COMCEC by adopting important documents relevant to the purpose and scope of the Trade Preferential System negotiations to be initiated in 2004. The COMCEC experience in international and regional commercial cooperation is a guarantee that we will successfully carry out the negotiations for establishing a Trade Preferential System which will make significant contributions to the welfare of the Islamic World.

With these thoughts I am inviting you, distinguished representatives of the COMCEC Member States, to take part in the negotiations for the Trade Preferential System.

Honourable Ministers,
Distinguished Delegates

The Nineteenth COMCEC Session must also make crucial decisions relevant to the Economic Cooperation Plan of Action and the Implementation Mechanism. The work in this field carried out since long by the COMCEC Coordination Office and the concerned OIC institutions has now reached a certain phase. I would like to express my thanks to the OIC General Secretariat as well as to the subsidiary, affiliated and specialized OIC institutions.

We expect that the supplementary mechanism, which envisages a more intensive communication and coordination among the concerned institutions, will give a new impetus to efforts to overcome problems encountered in the implementation of the Plan of Action. It is our wish that there will be continued efforts for a more efficient implementation of the Plan of Action. In this context, in addition to technical preparations aimed at enhancing coordination among the concerned institutions, there is also a need to work towards smoothing out the financial dimension of the projects within the scope of the Plan of Action.

In recent years, promoting cooperation between the private sector representatives and businessmen has become a priority objective of economic policies. For this reason, we

are pleased to note that there is a growing emphasis on the cooperation among the private sectors in the COMCEC activities covered by the Plan of Action.

We find it significant and appropriate that at the exchange of views meetings to be held during this Session, the effects of e-trade and information technologies on the development of trade will be discussed. I believe that your discussions will be helpful in determining the policies and areas of cooperation to be implemented by the OIC Member States concerning the use of the information technology which has become the driving force of economic development and trade.

Honourable Ministers,
Distinguished Delegates,

In conclusion, I would like to refer to the developments deeply affecting the Middle East and causing profound regret and concern in the entire Islamic world. The Middle East is about to enter a new era. We hope that for the solution of the Israeli-Palestinian conflict, both sides will accelerate their steps in line with the adopted Road Map and will effectively cooperate to put an end to armed conflict, terrorism and violence. It is of vital importance to make a resolute effort in order to prevent any initiatives to hinder the implementation of the Road Map, including terrorist acts and having recourse to violence. We should not miss this important opportunity for a peaceful solution of the conflict. Materialization of the vision of the coexistence of two states in an atmosphere of peace and security within recognized borders will be the decisive factor for ensuring a permanent peace.

Turkey is ready today, as she was in the past, to cooperate with all sides in order to secure a peaceful, stable and prosperous future for the Middle East.

We are closely observing the developments in Iraq, our neighbour. Establishing law and public order, ensuring Iraqi people's security of life and property and satisfying their basic needs are among the most urgent requirements in Iraq.

Parallel to ensuring law and order and stability in Iraq, sovereignty must be gradually transferred to the Iraqis. During this process, the preservation of Iraq's territorial integrity and political unity constitute our basic principles. Uniting all the sectors of

the population which make up Iraq around these basic principles is highly important not only for Iraq, but also for the stability of the region.

A democratic Iraq, leaving behind years-long troubles, leading a peaceful, stable, tranquil and prosperous life will make a substantial contribution to regional and international stability. In this framework, a special responsibility falls upon the neighbours of Iraq and the countries of the region to achieve this aim.

As Iraq's neighbour and friend of the Iraqi people, Turkey will continue to spend her best efforts to contribute to the reconstruction process. Turkey will provide continued support in various areas for Iraq's stability and the preparation of a new era in that country. Such contributions will concretely reflect Turkey's fundamental vision for Iraq. Turkey's vision for Iraq is the collective vision of the Iraqi people and the international community and it does not include any other special agenda.

Honourable Ministers,
Distinguished Guest,

Turkey has always attached great importance to her relations with the Islamic world with which she has close historic, moral and cultural affinity. I would like to emphasise that Turkey will continue to support, as before, the activities of the Organization of the Islamic Conference and COMCEC.

I would like to thank you for your contributions to the COMCEC sessions and hope that your efforts will be greatly beneficial for our aspirations for welfare and peace.

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ADDRESS OF H.E. DR. ABDELOUAHED BELKEZIZ,
SECRETARY GENERAL OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Original: Arabic

ADDRESS
OF H.E. DR. ABDELOUAHED BELKEZIZ
SECRETARY GENERAL
OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE
AT THE OPENING CEREMONY
(Istanbul, 22 October 2003)

Bismillahir Rahmanir Rahim

Honorable President of the Republic of Turkey and Chairman of the COMCEC,
Excellencies,
Distinguished Delegates,
Distinguished Guests,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

It is indeed a great pleasure and privilege for me to attend this important session of the COMCEC. I extend to you all my warm greetings and fraternal sentiments.

At the outset, I would like to address my very sincere appreciation and gratitude to His Excellency Mr. Ahmet Necdet Sezer, Honourable President of the Republic of Turkey and Chairman of the Standing Committee for Economic and Commercial Cooperation (COMCEC) for gracing this occasion. Presence of His Excellency amidst us testifies to his abiding interest in the work of the COMCEC which under his wise and inspiring stewardship is making commendable efforts for the realization of the objective of strengthening economic cooperation among the Member States of the Organization of the Islamic Conference.

I take this opportunity to thank the Government of the Republic of Turkey for the warm reception and hospitality extended to the delegates ever since their arrival in

this beautiful city. I also thank all the OIC bodies and the COMCEC Coordination Office, for their contribution to hold this meeting in an efficient manner.

Mr. Chairman,

The Nineteenth Session of the COMCEC is taking place after the Tenth Islamic Summit Conference which was successfully held in Malaysia from 16-18 October 2003. This Summit has register with appreciation progress made in the implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States which is being implemented by the COMCEC with the wise guidance of its Chairman, H.E. the President of the Republic of Turkey.

Mr. Chairman,
Distinguished Delegates,

New trends are emerging in the world economic system along with the development of new complexities with implications for the economies of the Member states. These developments must be monitored closely so as to be able to withstand any adverse effects emanating from them. Close cooperation and consultation among the Member States are necessary to enable our economies to cope with these new developments in the world economic scenario. In this context, I am happy to note that a mechanism for regular consultations among the Member States on WTO matters and deliberation on this important issue on annual basis have been provided for within the framework of the COMCEC. We have an opportunity in this Session to discuss the outcome of the Fifth WTO Ministerial Meeting held in Cancun, Mexico in September this year. In view of the lack of progress in the Cancun Meeting in vital areas, among others, of lifting of agricultural subsidies and providing market access for the developing countries, we in the OIC need to further strengthen our stand in order to bolster our negotiating position.

The practice of holding regular exchange of views on pre-selected issues during each COMCEC sessions also helps us to monitor developments so vital for the economies of the Member States and in taking appropriate actions in an informed manner. In this connection, the theme for the exchange of views selected for this Session is very timely and opportune in view of the ever increasing importance of

electronic commerce and the use of information technology in modern business activities. I hope the exchange of views on "Impact of Electronic Commerce and Information Technology on the Promotion and Development of Intra-OIC Trade" will result in a number of important recommendations that will have immediate and positive impact on the expansion of Intra-OIC Trade.

This brings us to the importance of accelerating intra-Islamic economic cooperation which has assumed greater relevance and added importance under current circumstances. As we ponder over the best possible way of moving forward with the implementation of the various resolutions and decisions in this regard of the Islamic Summits and other OIC fora, we can not overlook the vital need to proceed with much greater speed, determination and necessary political will. It must be recognized that we must improve our track record in these areas if any significant progress in this respect is to be achieved in the near future.

In this context, our primary attention should focus on the implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States. While undertaking a review of the state of implementation of the Plan of Action we need to deliberate on the implementation of recommendations of the Experts Group Meeting (EGM) for Accelerating the Implementation of the OIC Plan of Action which was held in Istanbul in May 2001 and which were adopted by the Seventeenth COMCEC session. I assign particular importance to the recommendations giving the OIC institutions some role in the implementation of the Plan. The last session of COMCEC welcomed the supplementary mechanism, which has been developed in this connection in pursuance of the recommendations of the EGM. The COMCEC Coordination Office in cooperation with the OIC institutions has been working on developing further the proposal. I hope COMCEC will consider the matter and come up with appropriate steps in this regard. In this connection, I would also like to underline the importance of urgent response of the Member States to the concrete project proposals and project ideas which have been identified by the Sectoral Experts Group Meetings held so far and circulated among all Member States. This will help moving to the next phase of the activities for implementing these projects without further delay. I would also like to appeal to the Member States to come forward with offers to host Experts Group Meetings in other priority areas where no such EGMs have been held.

Much has been said on the importance of the expansion of intra-OIC trade, which is an area where decisive action on the part of the Member States is particularly called for as intra-OIC trade continues to remain stagnated around 11 per cent of the total global trade of the Member States. I would like to mention in this connection that, following the entry into force of the Framework Agreement on Trade Preferential System among the OIC Member States, the preparatory work for the holding of the first round of trade negotiation under the Framework Agreement is going on satisfactorily. I would like to thank in this connection the Government of the Kingdom of Morocco for hosting of the Experts Group Meeting to Prepare the Launching of the First Trade Negotiations Round within the Framework Agreement on the Trade Preferential System Among the OIC Member States held in Casablanca on 24-26 June, 2003. I would also like to express my appreciation for the excellent preparatory work, including the documentation, done by the COMCEC Coordination Office and the Islamic Centre for Development of Trade for the Experts Group Meeting and the assistance rendered by the Islamic Development Bank in this regard. With these satisfactory preparations, I hope that the forthcoming first round of trade negotiation will bear out positive results. I urge Member States, which have not yet done so to sign and ratify this Agreement so as to facilitate their taking part in the forthcoming trade negotiation.

While on the subject of expanding intra-OIC trade, I would like to reiterate the importance of the Islamic Trade Fairs being organized biennially by ICDT in cooperation with the concerned host country. At the last session we had adopted necessary regulations for holding Trade Fairs which I hope will facilitate the organization of such fairs. The report of ICDT in this regard will be of interest to the Member States in consideration of the matter.

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

I must mention here the commendable and sustained role played by the Islamic Development Bank in the promotion of intra-OIC trade. I would like to mention, in particular, a number of schemes and projects of IDB, which are aimed at strengthening commercial cooperation among the Member States.

To conclude, Honorable Chairman, once again I would like to stress the importance of the current session of the COMCEC. I am confident that the deliberations of the distinguished delegates will throw light on all relevant contemporary issues as well as impending problems having direct bearing on our basic objective, namely, invigoration of the economic and commercial cooperation among the Member States. I am sure; the quality of their deliberations will help us achieving concrete results. We seek the help and blessings of Allah Subhanahu wat'aala for success of our endeavors.

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

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STATEMENT BY H.E. MAHMOUD A. AL-NOURI
MINISTER OF FINANCE OF THE STATE OF KUWAIT
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Original: Arabic

**STATEMENT
BY H.E. MAHMOUD A. AL-NOURI
MINISTER OF FINANCE OF THE STATE OF KUWAIT
AT THE OPENING CEREMONY**

(İstanbul, 22 October 2003)

Your Excellency President Ahmet Necdet SEZER,
Your Excellency Abdullatif ŞENER, Minister of State and Deputy Prime Minister,
Your Excellency Abdelouahed BELKEZIZ, the OIC Secretary General,
Your Excellences,
Honorable Members of Delegation,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuh

It is a pleasure for me, on behalf of my brothers in the Arab Group, to express my profound thanks and great appreciation to the President, Government and people of the Republic of Turkey for their warm welcome and generous hospitality since our arrival in this historic city of Istanbul and the excellent preparation of this meeting which will in contribute to the success of our work.

I must first and foremost, together with my brothers of the Arab Group, extend to your Excellency and to the Turkish people our congratulations and best wishes on the occasion on the eightieth Turkish national anniversary.

I must also thank your Excellency for the important remarks you made in your address which clearly reflect noteworthy realities, namely that the COMCEC members have the ability and capacity to play a major role through their cooperation to enhance the well-being of their people. This importance was also highlighted by your reference to the failure of the recent Cancun Conference to meet the aspiration of developing countries who wished to receive their fair share of international trade.

I cannot fail in this regard to commend the great efforts exerted by the President of the Republic of Turkey - President of COMCEC to promote commercial and economic cooperation among OIC Member States and his good offices to implement the Plan of Action to strengthen economic cooperation among our Islamic States.

We must, in this connection, refer to the economic developments in our Arab World which may be summarized in the fact that we have arrived at the last stage of the Arab comprehensive free trade area for the Arab leagues Member States and it is scheduled that in one year's time all customs duties will be abolished among Arab States.

On the other hand, I wish to indicate that we, at the Cooperation Council of the Arab Gulf States, have applied the customs union system since the early days of 2003 and, accordingly, we have unified customs duties towards the outside world as well as a single entry point.

Your Excellency Mr. President,

The future for our States is promising of well-being and stability that will create greater opportunities for work and foreign investments and, accordingly, ensue in development, stability, security and well-being for our people.

This cannot be achieved in the Middle-East unless a fair solution is arrived at in Palestine founded in the securization of the Palestinian State with Al Kods Al Sharif as its capital, the sound implementation of the Map of the Road and the cooperation of all nations in assisting Iraq to accede to the international organization as a democratic State providing its people with all liberties and living in peace with its neighbors.

Our agenda teems with important items that call for great care on our part as they reflect in general on the economies of our countries. The choice by the COMCEC of the Theme "Impact of electronic commerce and the use of the information technology in the promotion and development of intra-OIC trade" for an exchange of views is noteworthy because of its importance, given the increasing use and constant development of technology to promote intra-country trade. We hope to benefit from the expertise of our nations in this field, to overcome the obstacles impeding electronic commerce, notably the low knowledge level in the use of information technology, let alone the lack of new legislation characterized by transparency that keep pace with world developments in this field.

In this connection, I wish to express my appreciation of the conclusions arrived at by the expert group entrusted to prepare the launching of the First Round of trade negotiation under the Framework Agreement on Trade Preferential System among Islamic countries which will promote intra-OIC trade and enable to alleviate

poverty, improve the standard of living and achieve sustained development in Member States. However, COMCEC is still called upon to achieve further success to keep pace with regional and international developments and adapt to them in particular after the hopeless results of WTO's Fifth Ministerial Conference, recently held in Cancun, which did not rise to the expectations of developing and less developed countries, thus dictating a pooling of efforts and the further promotion of regional cooperation among us.

Your Excellency, Mr. President

I avail myself of this opportunity to express sincere thanks to the Islamic Development Bank for its efforts to promote economic and commercial cooperation among OIC Member States, through the convening of consultative meetings to coordinate stands as regards WTO agenda item, in addition to the Bank's role in implementing the Plan of Action to promote economic cooperation through convening expert group meetings on the Plan of Action sectors.

Before concluding, I want to propose to this conference that the address of His Excellency the President of the Republic of Turkey be included in the documents of the session, given its lofty statements and wise recommendations that should guide our deliberations.

In conclusion, I can but reiterate the thanks and appreciation I expressed at the outset to the President, government and people of the Republic of Turkey for the warm welcome and generous hospitality extended to the participating delegations. I beseech Almighty God to bless our endeavors in favor of the prosperity our Islamic Ummah.

W a salamu Alaikum w a rahmatullah wa Barakatuh.

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STATEMENT BY MR. KAMAL AFSAR,
COMMERCE SECRETARY, MINISTRY OF ECONOMY
OF THE ISLAMIC REPUBLIC OF PAKISTAN
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Original: English

**STATEMENT
BY MR. KAMAL AFSAR
COMMERCE SECRETARY, MINISTRY OF ECONOMY
OF THE ISLAMIC REPUBLIC OF PAKISTAN
AT THE OPENING CEREMONY**

(Istanbul, 22 October 2003)

Honorable President of the Republic of Turkey,
Excellency Ahmet Necdet Sezer,
Excellency the Secretary General of OIC,
Distinguished Heads of Delegations,
Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

It is a matter of great privilege and honor for me as the leader of the delegation of the Islamic Republic of Pakistan to speak on behalf of the OIC Asian Group. At the outset, I take this opportunity to express our deep gratitude to H.E. Mr. Ahmet Necdet Sezer, President of the Republic of Turkey and to the Government of the Republic of Turkey for making excellent arrangements for hosting the Nineteenth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) in Istanbul and for making our stay extremely comfortable.

The 19th Session of COMCEC is being held almost immediately after the Tenth Summit of the OIC which was held on 16-18 October 2003 in Malaysia. It has therefore assumed even greater significance.

Mr. Chairman and Distinguished,
Ladies and Gentlemen,

Out of 191 countries of the United Nations, 57 are in the OIC. We have a population of over 1.25 billion which is almost one fifth of the world. We also possess roughly one fifth of the world's landmass. We own some of the most abundant energy and mineral resources in the world. We possess 70% of world's energy resources. And we supply 40 percent (%) of the global exports of raw materials.

Unfortunately, the OIC as a group has failed to convert their abundant human and physical resources into economic achievement.

The OIC countries have less than 5% of the world GDP. To add to this, the GDP of the rest of the world is growing at a faster pace than that of OIC countries.

Out of the world's 48 least developed countries, 22 are in OIC. 23 OIC countries are classified as "severely indebted" by international institutions. In Foreign Direct Investment the performance of OIC countries continues to be dismal. OIC countries are able to attract a meager amount of \$15 billion FDI only. What is most saddening is that Intra-OIC trade is only 11 percent (%) of its total trade volume.

Honorable Chairman,

The questions therefore that arise and need to be addressed immediately are: How can we generate economic growth in OIC countries? How can our citizens benefit from superior technology and better governance?

We hope that during the deliberations of this session important recommendations would be made for finding the answers to these questions and for furthering the mandate of COMCEC. It is indeed a matter of common concern for the Muslim countries of the world to enhance trade and commercial relations in a concerted manner so that Muslim world becomes an important player in world trade and economic matters and not remain marginalized at the fringes.

The recent OIC summit held in Malaysia has already addressed itself for a rejuvenated and restructured OIC. We hope that the deliberations of this 19th Session of the Standing Committee for COMCEC would make concrete recommendations in this regard and facilitate the accomplishment of the call made in the 10th OIC summit partially in the fields of trade, commerce and investment.

Ladies and Gentlemen, once again I thank you all.

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STATEMENT BY DR. SALVADOR NAMBURETE,
MINISTER OF INDUSTRY
AND TRADE OF THE MOZAMBIQUE
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Original: English

STATEMENT
BY H.E. SALVADOR NAMBURETE
MINISTER OF INDUSTRY AND TRADE
OF THE MOZAMBIQUE
AT THE OPENING CEREMONY

(Istanbul, 22 October, 2003)

H.E. Ahmet Necdet SEZER, President of the Republic of Turkey;
H.E. Prof. Dr. Abdullatif ŞENER, Minister of State and Deputy Prime Minister of the Republic of Turkey;
H.E. Dr. Abdelouahed Belkeziz, Secretary General of OIC,
Excellencies,
Ladies and Gentlemen,

As I take the floor for the first time, allow me to extend, on behalf of the African Group and of my delegation, our congratulations for chairing the 19th Session of the COMCEC.

Let me equally join the previous speakers in thanking the Government of Turkey for the warm hospitality accorded to our delegations since our arrival in this historic city of Istanbul, and for the excellent working arrangements put at our disposal to ensure the successful holding of this Session.

Mr. Chairman
Excellencies,

Our session is taking place soon after three important events, the II Conference of Heads of State and Government of the African Union, held in Maputo, the Fifth WTO Ministerial Conference held last September in Mexico and the Tenth OIC Summit held

last week in Malaysia. The results of these important meetings could subsidize our deliberations.

As you all know,

We in Africa are committed to peace, political and social stability as pre-conditions for growth and economic development. Thus, the Maputo summit stressed the need to prevent the conflicts and solve those which are still persisting in the continent as well as the implementation of the New Economic Partnership for African Development (NEPAD).

As many African delegations pointed out in the WTO Ministerial Conference, we would like to stress the sentiment that negotiations on trade preferential system, which is one of the key agreements of our organization, should lead to the elimination of the existing imbalances among member states inherent in this system.

To that end, COMCEC must continue to work and redouble its efforts towards playing a proactive role through balanced, fair, equitable and transparent rules and processes. This will help build confidence of the members of this organization that the process of trade liberalization and globalization of the world economy will indeed raise growth, accelerate development and reduce poverty in our countries.

The General Agreement on Economic, Technical and Commercial Cooperation among OIC Member States is one of driving forces for development of our countries, nevertheless, some of members of our organization, including my own country, are not yet part of this instrument, even though Mozambique supports these initiatives aimed at promoting the cooperation among the COMCEC community.

Indeed, my country would like to participate in all negotiations of agreements set by the COMCEC, as observer. This will certainly allow us to know the sensitivities thereon. We therefore, support the launching of a first round of trade negotiations scheduled for early next year.

Mr. Chairman

We, in Mozambique opted for peace as a strategic choice and can now enjoy its results; notwithstanding the enormous socio-economic challenges in particular, absolute poverty that affects over 60% of the population.

The stable political environment, coupled with sound macroeconomic reforms, has made it possible to drive inflation down from 70% in 1994 to less than 6% in 1997, and it has remained basically under control with the exception of 2000 due to effect of floods. The value of the currency has been stable since then, except flood years. As a result of this Mozambique has been growing at an average growth rate of 8% per year, between 1994 and 2002, with double digit rates in 1997, 1998 and 2001.

Most of these achievements are part in parcel of our micro economic reforms and management, supported by a long-standing international cooperation, in particular with our brotherly OIC countries.

The promotion of small and medium sized enterprises (SMEs) is the pivotal factor for economic development of all OIC member states. We, therefore congratulate the COMCEC for according high priority to this crucial issue.

The holding of the second meeting of the OIC Task Force on SMEs in my country is a testimony thereon. Mozambique is proud of being honored with the hosting of that important event whose deliberations will contribute to appropriately address the challenges ahead.

Mr. Chairman,
Excellencies,
Ladies and Gentlemen,

In its five-year term, the Government of Mozambique has been directing its efforts towards alleviating the suffering of the people, having to that effect designed the Plan of Action for the Reduction of Absolute Poverty (PARPA), and defined other priorities such as the consolidation of peace and the strengthening of democracy. In the

implementation of this Plan of Action we count with the support of all OIC member states and institutions.

The external debt burden has had devastating effects on economic and social development prospects of the vast majority of developing countries including, in particular the African OIC member States. Its cancellation or rescheduling in more favorable terms is of critical importance if we are to break the poverty cycle in these countries.

My country has reached HIPC II level of debt forgiveness and we thank all those who contributed directly or indirectly for this achievement. We believe, however, that a durable and more comprehensive solution to the debt problem has to be found. We are of the view that initiatives towards solving developing countries' debt problem must take into account the need for simplicity and flexibility of procedures, and their coverage must be broadened to include the largest possible number of developing countries.

We believe that only in this way more resources will be devoted to social and economic development activities which are critical for the reduction of social tensions, thus creating a more stable and investment conducive environment.

In the political sphere, Mozambique is consolidating its democratic foundations and is preparing itself to hold its second local elections in November this year, at the same time it is getting ready to hold the general elections next year. We count on the support of OIC member states for a successful conclusion of these endeavors.

Mr. Chairman,
Your Excellencies,

Before I conclude, I would like to express my delegation's view that efforts by COMCEC aimed at strengthening the cooperation among OIC member states and the building of stronger economic ties, are fundamental for the empowerment of the Ummah and the achievement of the United Nations Millennium Development Goals in an irreversible manner.

To that effect, African OIC members States concurs with the view that the OIC should use its political strength and any resources at its disposal to further promote economic cooperation and peace. We also hope to see the conflicts affecting other OIC members being resolved through dialogue and come to an end as soon as possible.

I thank you for your kind attention.

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STATEMENT BY H.E. DR. AHMAD MOHAMED ALI
PRESIDENT OF
THE ISLAMIC DEVELOPMENT BANK
AT THE OPENING CEREMONY

(Istanbul, 22 October 2003)

Original: Arabic

SPEECH OF H. E. Dr. AHMAD MOHAMED ALI
PRESIDENT OF THE ISLAMIC DEVELOPMENT BANK
AT THE OPENING CEREMONY OF THE 19TH SESSION OF COMCEC
Istanbul, 22 October 2003

In the Name of Allah the Merciful, the Compassionate and peace be upon our honest Prophet and Lord, and his Kinship and Companions.

Your Excellency President Ahmet Necdet Sezer, President of the Republic of Turkey, Chairman of COMCEC,
Your Excellency Dr. Abdelouahed Belkeziz, Secretary General the Organization of the Islamic Conference,
Distinguished Heads and Members of Delegation,
Brothers and Sisters,

Assalamu Alaikum wa Rahmatullahi wa Barakatuh

It is a great pleasure for me to extend, in the name of your Organization the Islamic Development Bank, our sincerest thanks to and deepest appreciation of the Republic of Turkey, its President, Government and People, for the warm welcome and great hospitality with which the IDB and the other delegations were received, as well as for the excellent arrangements made in preparation for this Meeting. The continuous efforts made by your dear country in this area stems from your support of the process of common Islamic action to enhance cooperation between Member States of the OIC. The active participation of Member States and the other participating organizations is indeed praiseworthy. Our heartfelt thanks go also to the Secretariat of your esteemed Committee for inviting the IDB to participate in this vital Meeting so that we may all contribute to achieving the noble goals of our Member States.

Mr. President,
Your Excellencies,
Brothers and Sisters,

The rightful guidelines and useful ideas included in your speech pave the way for discussion of all Agenda items. The speech will certainly be one of the most important documents that will leave its stamp on the discussions as well as the results and recommendations of this important Meeting.

I would also like to commend the valuable speech of the dear brother Dr. Abdelouahed Belkeziz, Secretary General of the Organization of the Islamic

Conference, for the sound ideas it included and the comprehensive review it made of the reality of the Islamic common action and the cooperation process between Member States. Your organization, the IDB, is proud to be a part and support of this process.

Mr. President,
Your Excellencies,
Brothers and Sisters,

This Meeting is being held under grave global circumstances and events and accompanying successive developments through which our Ummah has been passing and which exerted political, social and economic pressures on our Member States. This has doubled the responsibility laid on the shoulders of your esteemed Committee to come out, within its mandate, with well-defined recommendations that would meet a part of the urgent needs of those States.

The Agenda of this Meeting abounds with many important and vital subjects that aim to activate common economic, commercial and social action, especially encouraging and developing intra-OIC trade and benefiting from the valuable opportunities made possible by e-commerce and modern technology in achieving this cooperation. Your organization the Islamic Development Bank, as usual, has been keen to participate in this beneficial process by contributing from the start to the preparation, execution and follow-up of the Plan of Action to Enhance Economic and Commercial Cooperation Among Member States, taking part in all the sectoral meetings held within the framework of the Implementation Mechanism of the Plan and financing some of them. It has also provided the COMCEC with its views and comments regarding the Supplementary Mechanism for the accelerated execution of the Plan.

Mr. President,
Your Excellencies,
Brothers and Sisters,

As you know, the Islamic Development Bank has, since its inception in 1975, paid special attention in its programmes to encouraging intra-OIC trade. Within this framework, it is worth mentioning that the total financing approved in 1423H amounted to US\$ 1.9 billion compared to US\$ 1.74 billion in 1422H, i.e. an increase of 15.8%. The Bank meets most of the trade financing from its own resources but it constantly tries to diversify them through introducing a two-step Murabaha and syndicated loans. In 1423H, the Bank mobilized US\$ 370 million from the market. This amount is expected to reach US\$ 600 million in the current year(1424H).

It is worth mentioning that between 1397H and 1423H, the Bank utilized US\$ 77.12 billion to finance intra-OIC trade, i.e. 77% of the amounts used to finance trade estimated at US\$ 57.16 billion.

Within the same framework, the Bank offered more than US\$ 850 million to finance projects and technical assistance, the larger portion of which is allocated to financing the import of goods and services. This represents an additional contribution that aims to enhance intra-OIC trade. Generally speaking, a noticeable improvement has taken place in trade financing in 1423H compared to the previous year. The amount approved for financing imports reached US\$ 40.1 billion, i.e. an increase of 6% over that of 1422H, which was US\$ 1.29 billion. Of this amount, US\$ 989 (71%) was allocated to financing the imports of Member States within the framework of encouraging intra-OIC trade.

The Bank also took several measures to enhance the use of trade financing schemes, most important of which was the use of the euro, sterling, yen and dollar alongside the Islamic Dinar as currencies used by the Export Finance Scheme. To enhance the export capacities of Member States, the Bank has adopted the method of per-shipment financing of goods within the framework of the EFS. The Bank takes this opportunity to urge Member States that have not to date joined the Scheme to take the necessary steps to do so in order to benefit from it.

Mr. President,

Within the framework of the Bank's efforts to encourage the exports of Member States and flow of investments among them, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), an IDB body the creation of which was suggested by your esteemed Committee, provides insurance related to export credit and national risks related to investments among Member States. The operations of the Corporation have been continuously growing and the sum of insurance obligations up to the first half of 1424H has reached US\$ 326 million. The Corporation has prepared a project to provide Member States with technical assistance in the field of developing the investment climate in them encourage investment and, qualify investment-encouraging bodies in them so that they would also be able to attract foreign direct investments. The project is presently being studied by the Bank management and would hopefully be implemented in the near future.

Furthermore, the Corporation gives special importance to developing its relations with similar institutions in Member States, particularly export insurance agencies, through the provision of re-insurance of risks and technical assistance services. The Corporation also gives special importance to developing relations with banks and

financial institutions in Member States to achieve integration between insurance and financing in the interest of beneficiaries and investors in Member States. I take this opportunity to urge the financial authorities in Member States to support the Corporation's efforts in this area by urging commercial banks to accept the insurance provided by the Corporation as guarantee to financing operations.

In response to the growing role played by the Private Sector in the economy of Member States, the Islamic Corporation for the Development of the Private Sector, which as you know is an IDB body, has, since its inception in 1420H, approved 28 projects in vital fields such as telecommunications, health services, industry and oil at the total amount of US\$ 170 million. It is worth mentioning that 40 IDB Member States and 5 public financial corporations have joined the membership of the Corporation and we hope that the rest of the Member States would fulfil the Corporation's membership requirements in the near future to be able to benefit from its financing and services.

In continuation of the efforts to enhance economic cooperation among Member States, the IDB has welcomed the entering into force of the Agreement on Preferential Trade System between Member States after it was ratified by eleven Islamic states, thus paving the way for the start of negotiations among themselves to reduce customs tariffs and so facilitate intra-trade. In this respect, I have the pleasure to express the Bank's readiness to contribute to these efforts by supporting the envisaged negotiations round within the framework of the Agreement to activate its articles and benefit from the valuable opportunities it offers.

In the wake of the latest developments resulting from the failure of the Fifth Ministerial Meeting in Cancun, the Bank has the pleasure to respond, within the framework of its technical assistance scheme, to the request made by a number of delegations of Member States to organize a consultative meeting of the representatives of the permanent missions of the OIC Member States in Geneva to evaluate the results of the Cancun meeting and exchange views over the steps to be taken prior to the meeting of the Organization's General Assembly to be held on 15 December 2003.

Mr. President,
Your Excellencies,
Brothers and Sisters,

The subject of e-commerce has received considerable attention during the last millennium because of its profound impact on the multilateral trade system. Through the continuous progress achieved in modern telecommunications and the spread of the worldwide web (the internet), the importance of e-commerce on all fronts has become even more apparent as the efficiency of conventional trading

operations increased and the concepts and methods previously used in trading, marketing and signing contracts changed. New methods have been developed to carry out existing transactions, and modern trade services and windows have been developed through optimal use of e-commerce.

Since the infrastructure of telecommunications is the backbone of e-commerce, the absence or weakness of such infrastructure in some Member States poses a core challenge in benefiting from this process. Therefore, it is essential to build the capacities of Member States in this field, set up the legal and regulatory frameworks, and create the conducive environment for e-commerce businesses. Thus, and to pave the way for Member States, the Bank is preparing a study on e-commerce to cover its financing schemes and assist Member States in this vital field. The said study and its results and recommendations will be distributed to the Member States as soon as it is over.

Mr. President,
Your Excellencies,
Brothers and Sisters,

As you know, our Meeting is being held after the uniquely successful conclusion of the 10th Islamic Summit Conference, which was held last week in Putrajaya, Malaysia, with all its meetings, workshops and fairs. The Summit Conference has emphasized that improving the level of economic and commercial cooperation among Member States will provide the base required to achieve a gradual development towards a wider economic integration. The Summit has commended the role of the IDB in supporting development programmes in Member States and called on them to make utmost use of the services provided by the Bank. H. R. H. Prince Abdullah Bin Abdelaziz, Crown Prince of Saudi Arabia and Head of the Saudi delegation to the Conference, called for enhancing the Bank's financial resources allocated to financing exports among Member States and insurance of exports. He also underlined that Saudi Arabia will be the first to offer financial support to encourage trade exchange among Member States and that it will contact the Bank's Board of Governors to discuss the details of this support.

I would like, in the name of your institution the Islamic Development Bank, to express our thanks and gratitude to H. R. H. Prince Abdullah Bin Abdelaziz for his kind initiative and to urge from this awesome platform all Member States to support those constructive efforts because of their deep impact on enhancing cooperation and encouraging intra-OIC trade. I would also like to emphasize that the IDB will spend every effort to put forward the appropriate mechanisms that would translate this initiative into action programmes to enhance commercial cooperation between Member States.

Mr. President,
Your Excellencies,
Brothers and Sisters,

Within the framework of the Bank's efforts to diversify its financing sources to increase the size of the finance offered to support socio-economic development in Member States, the Bank has managed, thank God, to access the international capital market through the primary issuance of Sokouk (bonds) that are in conformity with the rules of Islamic Sharia. Registration for Sokouk has exceeded the originally targeted US\$ 300 million and reached US\$ 400 million. The credit rating for those Sokouk has been AAA, which is the same as the Bank's own rating based on the size of the Bank's capital, minimum ratio between credit assets and equities, highest performance for credit assets portfolio, solidness of liquidity status, and the extent of support received from contributing Member States. The Bank managed within a short period to identify 24 projects to be immediately financed by Sokouk resources, allocated US\$ 190 million to finance three of them, and continues to consider financing other projects.

Mr President,
Your Excellencies,
Brothers and Sisters,

Your institution the Islamic Development Bank has the pleasure and honour to continue to cooperate with your esteemed Committee and will spare no effort, God willing, to achieve the noble goals you are working for.

In conclusion, I would like to take this opportunity to express my thanks, appreciation and gratitude to Your Excellency Mr President and to Their Excellencies the Ministers in Member States for the continuous support that the Bank receives to remain a symbol of solidarity and integration among Member States. I pray to Allah the Almighty to crown this Meeting with success.

Was-salamu Alaikum wa Rahmatullahi wa Barakatuh

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AGENDA
OF THE NINETEENTH SESSION
OF THE COMCEC

(Istanbul, 20-23 October 2003)

Original: English

AGENDA
of the Nineteenth Session of the COMCEC
(Istanbul, 20-23 October 2003)

1. Opening Session
2. Adoption of the Agenda
3. Background Reports
 - i. Background Report by the OIC General Secretariat
 - ii. World Economic Developments with Special Reference to OIC Member Countries by SESRTCIC
 - iii. Supporting the Reform of the International Financial Architecture by SESRTCIC
 - iv. Report of the Follow-up Committee by the COMCEC Coordination Office
 - v. Review of the Implementation of the Plan of Action
 - a) Report by OIC General Secretariat
 - b) Report by COMCEC Coordination Office
 - vi. Promotion of Cooperation Among the Stock Exchange of the OIC Member States by SESRTCIC and ICDT.
4. Reports by IDB and ICDT on the Expansion of Intra-OIC Trade
5. Preparations for Launching the First Round of the Trade Negotiations of the Framework Agreement on Trade Preferential System Among the Member States of the Organization of the Islamic Conference (TPS-OIC).
 - i. Report by ICDT
 - ii. Report by COMCEC Coordination Office
6. Matters Related to the World Trade Organization Activities
7. Report by ICCI on the Ninth and Tenth Private Sector Meeting Among OIC Member Countries
8. Report by ICDT on Trade Fairs of Islamic Countries
9. Exchange of Views on the "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade".
10. Matters Related to Economic Assistance to Some Islamic Countries
11. Report of the Sessional Committee
12. Date of the Twentieth Session of the COMCEC
13. Any Other Business
14. Adoption of the Resolutions of the Nineteenth Session of the COMCEC
15. Closing Session.

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TEXT OF PRESENTATION BY HE. DR. AHMET TIKTIK,
UNDERSECRETARY OF THE STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY AND CHAIRMAN OF THE SENIOR
OFFICIALS MEETING ON THE OUTCOME OF THE EXCHANGE OF
VIEWS ON "IMPACT OF ELECTRONIC COMMERCE AND USE OF
INFORMATION TECHNOLOGY IN THE PROMOTION AND
DEVELOPMENT OF INTRA-OIC TRADE"

(Istanbul, 22 October 2003)

Original: English

TEXT
OF PRESENTATION BY H.E. DR. AHMET TIKTIK
UNDERSECRETARY OF STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY AND CHAIRMAN
OF THE SENIOR OFFICIALS MEETING ON THE OUTCOME OF THE
EXCHANGE OF VIEWS ON "THE IMPACT OF ELECTRONIC
COMMERCE AND THE USE OF INFORMATION TECHNOLOGY IN THE
PROMOTION AND DEVELOPMENT OF INTRA-OIC TRADE"
(Istanbul, 22 October 2003)

Mr. Chairman,
Excellencies,
Distinguished Delegates,

During the discussions on the subject the Senior Officials have considered various aspects of the impacts of e-commerce and the use of the new information technology on the promotion of intra-OIC trade, several observations and recommendations were made.

Now, I would like to submit to the august house a summary of these observations and recommendations.

First, I will present some of the conclusions we have reached at the Senior Officials' Meeting.

- Electronic commerce needs to be regarded as a trade facilitation tool in expanding the intra-OIC trade.
- A modern and functional telecommunication infrastructure is necessary to the development of e-commerce.

Towards this end, a number of policy measures need to be taken most notably:

- Liberalization of telecommunications and the regulatory framework,
- Easy access to Internet applications,
Simplification of trade procedures and documents by using information and telecommunication technologies efficiently.

Mr. Chairman,
Excellencies,
Distinguished Delegates,

We also agreed on a number of recommendations to disseminate the practice of e-commerce, and the use of information technology in trade transactions among the OIC Member States.

Now, I would like to present, briefly, some of these recommendations:

1. Urging the governmental authorities to devise necessary policies that would contribute to developing e-commerce, especially with respect to the telecommunication infrastructure and human skills;
2. Facilitating the participation of the private sector by encouraging investment, the entrepreneurship in the field of information and communication technology,
3. Creating legal and regulatory framework favorable to the development of electronic commerce and related fields. For that purpose Member States are encouraged to:
 - Adopt and harmonize laws and regulations facilitating electronic transactions among the Member States,
 - To protect intellectual, artistic and cultural property;
 - To set up a recognized certification mechanism to establish trust between concerned parties.

The points of agreement which came out of the discussions, some of which I have just submitted to you, are annexed to the Draft Resolution Number One.

This completes my presentation on the subject of this year's Exchange of Views Session we held at the level of Senior Officials.

Thank you.

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RESOLUTION (1)
OF THE NINETEENTH SESSION OF THE COMCEC
(Istanbul, 20-23 October 2003)

Original -English

**RESOLUTION (1)
OF THE NINETEENTH SESSION
OF THE COMCEC**

(Istanbul, 20-23 October 2003)

The Nineteenth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), held in Istanbul from 20 to 23 October 2003,

Recalling the relevant Resolutions of the OIC Summit Conferences and the Islamic Conferences of Foreign Ministers;

Recalling in particular the emphasis laid by the 10th Islamic Summit Conference, held in Putrajaya, Malaysia from 16 to 18 October 2003, on further enhancing economic cooperation among the OIC Member States;

Recalling the Strategy and Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States of the Organization of the Islamic Conference, approved by the Tenth Session of the COMCEC and endorsed by the Seventh Islamic Summit Conference;

Taking into consideration the resolutions adopted at the previous Sessions of the COMCEC and the recommendations made at the Nineteenth Meeting of its Follow-up Committee;

Reaffirming the commitment to removing all obstacles to closer economic and commercial cooperation among OIC Member States;

Having considered the current international situation and its economic and financial repercussion on the OIC Member States;

Taking into consideration the Resolution adopted at the Tenth Session of the COMCEC calling for holding an exchange of views at the annual COMCEC sessions on important world economic developments concerning Member States;

Taking cognizance of the need to follow up the outcome of the exchange of views sessions and coordinate the positions of Member States in relevant international fora in the areas covered at these sessions;

Reaffirming the commitment of Member States to the strengthening of the intra-regional trading system through mutual economic cooperation and progressive trade liberalization for the development of economic infrastructure; and **recalling** the related decisions of the COMCEC that the subject be on its agenda as a permanent item;

Recognizing in this respect the need for more cooperation and coordination among OIC Member States to ensure an increase in their share of the world trade;

Noting the background and progress reports, working papers, studies submitted by the OIC General Secretariat, the COMCEC Coordination Office, the Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC), the Islamic Center for Development of Trade (ICDT), the Islamic Development Bank (IDB) and the Islamic Chamber of Commerce and Industry (ICCI) on the agenda items;

I. Reports and Studies by the General Secretariat and Other OIC Bodies:
(Agenda Item: 3)

(i) *Background Report by the OIC General Secretariat:*
(Agenda Item: 3.i)

1. **Expresses its appreciation** for the Background Report by the OIC General Secretariat (OIC/COMCEC/19-03/D(1)) on the progress achieved by Member States and OIC institutions in the field of economic and commercial cooperation;

2. **Notes with satisfaction** that the Export Financing Scheme and the Islamic Corporation for the Insurance of Investments and Export Credit established by the Islamic Development Bank in pursuance of a decision of the First Session of COMCEC are functioning successfully; and **urges** Member States that have not yet done so to make use of these facilities;

3. **Also notes with satisfaction** that IDB is operating the OIC Information System Network (called "OIC-Exchange" which is accessible through the website www.OIC-Exchange.com) and **invites** Member States to make necessary arrangements to draw maximum benefit from;

4. **Appreciates** that the ICDT has reviewed the structure of the Trade Information Network for Islamic Countries (TINIC) that is accessible through the Internet, **recommends** to Member States to make full use of it and **requests** Member States to provide ICDT with data relating to trade, investment statistics and regulations;

5. **Urges** Member States that have not yet done so to sign and/or ratify at an early date the various OIC Agreements and Statutes in the field of economic cooperation with a view to providing the necessary framework for such cooperation;

6. **Appreciates** the efforts made by the OIC institutions working in the area of economic and commercial cooperation, namely, the Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC), the Islamic Center for Development of Trade (ICDT), the Islamic University of Technology (IUT), the Islamic Development Bank (IDB), the Islamic Chamber of Commerce and Industry (ICCI), and the Organization of Islamic Ship-owners Association (OISA), and **appeals** to Member States to give the needed support and assistance and to meet their financial obligations to these institutions so that they may continue to perform their functions effectively;

(ii) World Economic Developments with Special Reference to OIC Member States: (Agenda Item: 3 ii)

7. **Expresses thanks and appreciation** to SESRTCIC for preparing, in accordance with the decision of the 12th Session of the COMCEC, annual economic reports on the OIC countries (OIC/COMCEC/19-03/D(09)) containing recent information on economic and related developments concerning Member States within the context of international economic developments;

8. **Takes note** of the Report of SESRTCIC regarding the recent world economic developments and the implications for the OIC Member States, which has drawn the following salient conclusions:

- i. As a result of the global slowdown in world economic activity in 2001, a relatively slight improvement was observed in 2002 which is expected to continue in 2003 but at a lower pace than the earlier expectations.
- ii. The economies of some of the OIC countries have become, on average, more vulnerable as compared to the other developing countries due to the intense competition and unpredictable fluctuations in international trade, and instability in financial and monetary flows.
- iii. There is need to improve and enhance the capacities and efficiency of the OIC financial institutions with respect to prevention, management and resolution of financial crises in a timely and effective manner.
- iv. There is need to further coordinate the OIC countries' efforts aimed at making the necessary contacts with the concerned international parties and organisations so as to safeguard their economic interests.

9. **Entrusts** SESRTCIC to continue to monitor world economic developments and their implications for the OIC Member States and report to the annual sessions of the COMCEC ;

*(Hi) Supporting the Reform of the International Financial Architecture:
(Agenda Item: 3. Hi)*

10. **Expresses thanks and appreciation** to SESRTCIC for preparing, in line with the Resolution No. 2/3 0-E adopted at the 30th Session of the Islamic Conference of Foreign Ministers held in Tehran, Islamic Republic of Iran, the report on the International Financial Architecture, particularly from the point of view of its implications for the OIC Member States (OIC/COMCEC/19-03/D(9));

11. **Takes note** of the Report of SESRTCIC regarding the International Financial Architecture and its implications for the OIC Member States, which has drawn the following salient conclusions:

- i. Since the reform of the international financial architecture is still in process, harmonisation of the interests of both the developed and the developing countries should be guaranteed at all stages.
- ii. As the policies of the international financial institutions are dominated by the developed countries, efforts should be made to acquire an active and higher degree of participation of the developing countries, including the OIC countries, in the process of decision making.
- iii. Monetary and financial consultation, cooperation and coordination among the OIC Member Countries need to be enhanced and intensified to achieve optimal use of the resources that exist in the OIC countries. In this regard, consultation and cooperation among the central bank and monetary authorities of the OIC countries needs to be encouraged.
- iv. The international rating agencies need to be urged to perform their analysis on a more transparent, objective and sound basis.

12. **Entrusts** SESRTCIC to continue to follow-up and study developments on the subject and their implications for the member states and report to the next Session of the COMCEC ;

(iv) Report of the Follow up Committee: (Agenda Item: 3iv)

13. **Expresses its appreciation** to the Government of the Republic of Turkey for hosting of 19th Meeting of the Follow up Committee;

14. **Also thanks** the COMCEC Coordination Office for preparing, and disseminating the Report of the Follow up Committee (OIC/COMCEC-FC/19-03/REP) to the member states and the relevant OIC institutions;

15. **Endorses** the recommendations made by the Follow up Committee at its 19th Meeting;

(v) Review of Implementation of the Plan of Action: (Agenda Item: 3.v)

a) Report by the OIC General Secretariat

16. **Appreciates** the report titled Review of Implementation of the Plan of Action (OIC/COMCEC/19-03/D2) submitted by the OIC General Secretariat and **requests** the OIC General Secretariat to continue to submit to the Annual Sessions of the COMCEC a periodical review of the implementation of the Plan of Action;

17. **Requests** the Member States that have already offered to host sectoral experts group meetings to expedite the convening of the said meetings; and expressed the view that the Member States offering to host the EGMs are to do so within a specified time period of two years, on the end of which it can be open to other Member States willing to host the same meeting.

18. **Appeals** to Member States to come forward with proposals for hosting Expert Group Meetings in the priority areas of the Plan of Action, where no EGM has so far not been held;

19. **Renews** its appeal to the Member States that were the proponents of projects to expedite the formation of the project committees as envisaged in the Plan of Action with a view to implementing the projects proposed at the sectoral experts group meetings;

20. **Reaffirms** the importance of the need to develop regionally-based projects by a group of Member States in a particular region to get the support of the regional institutions and, accordingly, **Stresses** the importance to ensure the active involvement of regional institutions such as the Economic Cooperation Organization (ECO), the Gulf Cooperation Council (GCC), the and Arab Maghreb Union (AMU) in future experts group meetings.

21. **Reaffirms** also the need to involve the private sector in developing cooperation projects for consideration by the expert group meetings.

22. **Welcomes** the offers of Member States to host the following meetings under the auspices of the COMCEC and requests the Member States to communicate the exact dates for these meetings as early as possible:
 - i. The offer of the Government of the Arab Republic of Egypt to host sectoral experts group meetings in the areas of "Transportation" and "Food, Agricultural and Rural Development".

 - ii. The offer of the Government of the Islamic Republic of Iran to host experts group meetings in the areas of "Health and Sanitary Issues" and "Tourism"

 - iii. The offer of the Government of the Islamic Republic of Iran to host the Expert Group Meeting on the Islamic Common Market, the dates for its convening having been changed from December 2003 to June 2004.

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

- v. The offer of the Government of the Republic of Indonesia to host an international workshop on "Employment and Manpower Exchange".
 - vi. The offer of the Government of the Republic of Turkey to host the first round of trade negotiations under the Framework Agreement on Trade Preferential System in April 2004 in Antalya, Republic of Turkey
 - vii. The offer of the Government of the Republic of Tunisia to host an expert group meeting on "Promoting the Activities of Small and Medium-Sized Enterprises" in the field of production and exports.
 - viii. The offer of the Government of the Republic of Senegal to host the Fourth Islamic Conference of Ministers of Tourism in 2004.
23. **Invites** Member States to host, where appropriate, sectoral or inter-sectoral expert group meetings in areas of cooperation listed in the Plan of Action;

24. **Calls upon** the concerned OIC institutions working in the field of economic and commercial cooperation under the auspices of the COMCEC to continue to extend the necessary assistance to Member States, and **appreciates** the assistance already offered by them;

b) Report by the COMCEC Coordination Office

25. **Emphasizes** the need to urgently implement the revised Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States of the 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.

26. **Stresses** the importance of the recommendations of the Expert Group Meeting for Accelerating the Implementation of the Plan of Action.

27. **Endorses** the supplementary mechanism, as annexed herewith, developed by the COMCEC Coordination Office, in cooperation with the OIC General Secretariat, SESRTCIC, ICDT, IUT, IDB, ICCI and OISA, in pursuance of the relevant recommendation of the Experts Group Meeting.

28. **Agrees** that the Sessional Committee of the COMCEC is the appropriate body under the supervision of which the concerned OIC institutions are to function and coordinate their activities in fulfilling their mandate with regard to the implementation of the OIC Plan of Action; and, accordingly, **adopts** the necessary modifications, in Article 11 of the Statute and Rules of Procedures of the COMCEC .

29. **Adopts** the Rules of Procedure of the COMCEC Sessional Committee to regulate and coordinate the activities of the OIC specialized institutions in the field of commercial and economic cooperation to implement the OIC Plan of Action, as proposed in the supplementary mechanism; and **Requests** the OIC General Secretariat to submit the said Rules of Procedure to the 31st Islamic Conference of Foreign Ministers prior to their submission to the 11th Islamic Summit Conference.

(vi) *Promotion of Cooperation among the Stock Exchanges of the OIC Member States: (Agenda Item 3.6)*

30. **Notes with appreciation** the Report submitted jointly by SESRTCIC and ICDT on the "Establishment of a Union of Stock Exchanges and Clearing Houses Among the OIC Member Countries" (OIC/COMCEC/19-03/D6);

31. **Takes note** in particular of the following conclusions reached in the joint report:

- i. It is an important project for enhancing investment opportunities in the OIC countries with the existing stock exchanges, clearing houses and

related financial institutions coordinating their policies, rules and procedures in an effort to bring them in line with those of the rest of the world.

- ii. A step-by-step approach may be undertaken for the establishment of the proposed alliance among the OIC stock exchanges and clearing houses in the private sector in the OIC Member States.

32. **Entrusts** SESRTCIC and ICDT to undertake the necessary studies on creating a mechanism for cooperation among the OIC Member States in the areas of financial markets and clearing of stocks and bonds without such studies leading to the creation of any new bodies but the activation of the existing mechanisms in such fields.

**II. Reports by IDB and ICDT on the Expansion of Intra-OIC Trade:
(Agenda Item 4)**

33. **Appreciates** the reports submitted by IDB and ICDT on the expansion of intra-OIC trade (OIC/COMCEC/19-03/D21) and (OIC/COMCEC/19-03/D9);

34. **Appreciates** the steps taken by IDB through its operational plans to mobilize the needed resources under four schemes, namely the Import Trade Financing (ITFO), the Export Financing Scheme (EFS), the Islamic Bank Portfolio (IBP), the Unit Investment Fund (UIF) and the two mechanisms (two steps murabaha and syndication); and appreciates also the continuous efforts of IDB in this regard enabling it to finance an amount of US\$ 4 billion in favor of intra-trade from 1420H - 1423 (1999-2002) constituting 78% of its trade financing operations totaling an amount of US\$5 billion.

•35. **Expresses** its appreciation for the parallel efforts of IDB to increase intra-OIC trade through financing trade-related projects and technical assistance; and further urged Member States to subscribe to the EFS and to accede to the programs of ICIEC and to other schemes designed to boost intra-OIC trade.

36. **Appreciates** the efforts of IDB to allocate a total amount of US\$1.05 billion through Two Step Murabaha (2SMF) and syndication mechanisms since 1420 H with about US\$362 million having been approved in 1423H alone under the two mechanisms, of which US\$ 160million was mobilized from other Islamic banks and financial institutions for the purpose of financing intra trade among OIC/IDB Member States.

37. **Appreciates** the approvals aggregating US\$1.89 billion made by IDB in 1423 H (2002-2003) under its four trade financing schemes and about US\$16.58 billion or 87.5% of the total amount of US\$18.94 billion approved by IDB under ITFO and EFS since inception.

38. **Takes note with appreciation** of the ICDT's Annual Report on "Trade Between the OIC Member States 2002-2003" and, while noting that the intra-OIC trade recorded positive results for the third consecutive year as the share of intra-OIC trade in total trade of the Member States increased from 11% in 1999 to 12% in 2001, and the value of this trade reached approximately US \$ 53 billion, expresses the hope that greater efforts will be exerted to further strengthen the volume of intra OIC trade with a greater margin.

39. **Requests** Member States to provide ICDT regularly with data relating to trade and investment statistics and trade regulations so as to enable ICDT to strengthen its databank to service Member States.

40. **Urges** the appointed focal points of trade to play a more active role in promoting the trade financing program of the IDB, and **requests** Member States, who have not yet done so, to expedite the nomination of focal points of trade;

41. **Requests** Member States to encourage the appointed National Agents for the Export Financing Scheme (EFS) to play a more active role in assisting IDB in promoting its trade financing facilities, in general, and the EFS, in particular;

42. **Urges** financial institutions, including insurance companies, in Member States to support IDB's efforts, among others, by according more favorable terms to transactions that promote direct trade among Member States;

43. **Thanks** Member States who have actively assisted in identifying viable trade operations for financing by the IDB, and **urges** other Member States, who have not done so, to actively support IDB in its efforts to increase intra OIC trade financing;

44. **Requests** IDB to consider provision of technical assistance for capacity building of the focal points in Member States;

45. **Entrusts** IDB and ICDT to continue to monitor the expansion of intra-OIC trade and report it to the COMCEC;

III. Reports by ICDT and COMCEC Coordination Office on Launching the First Round of Trade Negotiations of the Framework Agreement on Trade Preferential System Among the OIC Member States (TPSOIC). (Agenda Item 5)

46. **Notes with satisfaction** that the Framework Agreement on the Trade Preferential System among the OIC Member States has entered into force following its ratification by the required number of Member States .

47. **Expresses thanks and appreciation** to the ICDT for organizing under the auspices of the COMCEC, from 24-26 June 2003 in Casablanca, an Expert Group Meeting to prepare the launching of the First Round of trade negotiations under the Framework Agreement on Trade Preferential System among Islamic Countries.

48. **Urges** the OIC Member States that have not yet signed or ratified the Framework Agreement on Trade Preferential System to do so at their earliest convenience to enable them to take part in the first round of the forthcoming trade negotiations.

49. **Adopts** the Ministerial Declaration of the COMCEC on the launching of the first round of trade negotiations and the Rules of Procedure of the Trade Negotiating

Committee (TNC) as annexed herewith; and **requests** the OIC Secretary General to circulate the above mentioned documents to the OIC Member States.

50. **Expresses its gratitude** to the Government of the Republic of Turkey for offering to host the first round of the trade negotiations which will be held in April, 2004 in Antalya under the Framework Agreement, and **urges** the Member States which have already ratified the Framework Agreement to participate actively in the forthcoming trade negotiations to be carried out under the auspices of the COMCEC;

51. **Welcomes** the launching of the first round of trade negotiations under the Framework Agreement on the Trade Preferential System among the OIC member countries which have ratified the Framework Agreement of the TPS-OIC and will be participating in the first round of trade negotiations to confirm their participation and the names of their delegates no later than February 1st, 2004, to the Secretariat of the Trade Negotiating Committee.

IV. Matters Relating to WTO Activities: (Agenda Item 6)

52. **Expresses** thanks and appreciation to IDB and ICDT for their reports on matters related to the World Trade Organization (WTO) activities (OIC/COMCEC/19-03/D22) and (OIC/COMCEC/ 19-03/D12);

53. **Takes note with appreciation** of the Report by the ICDT on the fifth Ministerial Conference of the WTO held in Cancun from 10th-14th September 2003 and **expresses** its concern over the lack of progress in the negotiations on the issues of vital interest to the developing countries.

54. **Emphasizes** in line with the operative paragraph 2 of Resolution 3/9-E(IS) adopted at the 9th OIC Summit Conference held in Doha, State of Qatar, in order to uphold the universality of WTO encompassing all countries to participate in the organization's decision making process to benefit from multilateral trading system, the need to ensure that politically motivated considerations and non trade related issues should not be an impediment to the accession of any country to the organization, and,

in this regard, urges the Member States that are members of WTO to address the issue, where deemed appropriate and possible, at the relevant sessions of the WTO.

55. **Commends** IDB on its report on the activities of the WTO-related technical assistance programme extended to the OIC Member States.

56. **Expresses** its appreciation to the IDB on its efforts to organize consultative meetings in order to enable Member States to exchange its views and coordinate its stands whenever feasible on all issues of common interest with the aim to prepare for the WTO ministerial meetings and evaluate the results of these meetings; and **appreciates** IDB's efforts for providing technical assistance to enhance the capacity-building of OIC Member States in human resources development and institutional sectors such as organizing trade policy courses, seminars, workshops on the main topics and providing specific direct technical assistance to the OIC Member States.

57. **Commends** IDB on its efforts in preparing for the 5th WTO Ministerial Meeting (10-14 September 2003) through holding three consultative meetings for Member States to exchange their views with a view to arriving, whenever possible, at a unified stand on all issues on the Agenda of the WTO Ministerial Meeting, the latest consultative meeting being held in conjunction with the 5th WTO Ministerial Meeting at Cancun (on 9-9-2003) which was attended by 130 participants from 24 Member States including 16 concerned ministers in addition to various regional institutions.

58. **Welcomes** the readiness of IDB to hold a consultative meeting for the representatives of the permanent missions of OIC Member States in Geneva in order to evaluate and discuss the conclusions of the 5th WTO Ministerial Meeting and to study the measures that can be taken to arrive at a common vision by the OIC Member States to coordinate a common stand before the convening of the WTO General Council on the 15th December 2003 to discuss the undecided issues.

59. **Calls on** IDB, ICDT and other related institutions to keep on extending their assistance to the Member States in the context of the multilateral trade negotiations;

60. **Calls on** IDB and ICDT to pool and coordinate their efforts to reinforce the human and institutional capacities of OIC Member States, so as to facilitate their full integration into the multilateral trading system on equitable and fair basis;

61. **Entrusts** IDB and ICDT to monitor matters relating to WTO activities and report thereon to the annual sessions of the COMCEC and other concerned fora;

V. Report by ICCI on the Ninth and Tenth Private Sector Meetings among the OIC Member States: (Agenda Item 7)

62. **Appreciates** the efforts made by ICCI to organize annual Private Sector Meetings, prior to the annual COMCEC sessions and calls for their continuation;

63. **Expresses thanks and appreciation** to the United Arab Emirates for hosting, and to ICCI for organizing the Ninth Private Sector Meeting from 21-23 December 2002, in Sharjah, United Arab Emirates in collaboration with the Chamber of Commerce and Industry of Sharjah and the UAE Federation of Chamber of Commerce and Industry and with the assistance of IDB;

64. **Expresses thanks and appreciation** to the Islamic Republic of Iran for hosting, and to ICCI for organising the Tenth Private Sector Meeting from 04-06 October 2003, in Tehran, Islamic Republic of Iran in collaboration with the Iran Chamber of Commerce, Industry and Mines with the assistance of IDB;

65. **Takes note with appreciation** of the reports submitted by ICCI on the Ninth and Tenth Private Sector Meetings (OIC/COMCEC/19-03/D(17) and (15)).

66. **Takes note with appreciation** of the recommendations contained in the Reports of the Ninth and Tenth Private Sector Meetings focusing on steps to be taken to strengthen the role of the private sector in economic cooperation among Member

States; and **appeals** to Member States to give due consideration to these recommendations.

67. **Commends** the efforts of the ICCI in initiating activities other than the private sector meeting such as Investment Conferences to provide platforms for the private sector to meet, strengthen and expand their business ties;

68. **Takes note** that the ICCI will organize the 1st Forum on the Private Sector on Tourism in Saudi Arabia in 2004, the 11th Private Sector Meeting in the Kingdom of Bahrain in 2004, the 13th Private Sector Meeting in Senegal in 2006 and Business Woman's Forum in the United Arab Emirates in 2004. (The venue of the 12th Private Sector Meeting is not yet determined)

69. **Calls upon** the IDB in cooperation with the ICCI to inform the private sector in Member States, of the availability of IDB's lines of financing for trade, investment and its mechanism;

70. **Welcomes** the setting up of regional offices of the ICCI in Saudi Arabia, Malaysia, Turkey, Egypt and Cameroon to further expand the network of the ICCI within Member States through their respective National Chambers and took note of the setting up of the Islamic Chamber Research Centre in Tehran within the Iran Chamber of Commerce, Industry and Mines.

71. **Encourages** the federations and national chambers of commerce and industry of Member States to develop a framework for closer cooperation with the Islamic Chamber and contribute to its programs aimed at enhancing trade and investments among Islamic countries;

72. **Appreciates** the offer made by the Bahrain Chamber of Commerce and Industry to host the 11th Private Sector Meeting in 2004 and calls on Member States to encourage their private sectors to actively participate in the Meeting;

VI. Report of the ICDT on Islamic Trade Fairs (Agenda Item 8)

73. **Notes with appreciation** that the Ninth Trade Fair of Islamic Countries was organized successfully in Sharjah, State of the United Arab Emirates from 21st-26th December 2002, by the State of the United Arab Emirates and ICDT, under the theme "Free Trade and Sustainable Development".

74. **Notes with appreciation** the progress report submitted by ICDT on the organization of the 10th Trade Fair of the Islamic Countries to be held in Conakry, Republic of Guinea, from 9-14 December 2004 under the theme, "Intra-OIC Trade and Strategic Partnership for the Development of Africa"; **urges** the OIC Member States to actively participate in the Fair; and **welcomes** the initiative of Member States to hold these Fairs, in future, concurrently with some high level meetings as far as possible.

75. **Takes** note of the proposal made by the Kingdom of Bahrain to consult with the fraternal Republic of Guinea on the hosting of the 10th Trade Fair of the OIC Member States to coincide with the 11th Private Sector Meeting, **urges** the Kingdom of Bahrain and the Republic of Guinea to arrive at an agreement in this regard before the end of 2003; and **requests** the Islamic Center for Development of Trade to submit a report on the outcome of these consultation to the OIC General Secretariat and the COMCEC Coordination Office.

76. **Notes with appreciation** the Progress Report submitted by ICDT on the organization of the forthcoming first Tourism Fair of Islamic Countries to be held in the Republic of Turkey in 2004, and urges the OIC Member States to actively participate in this fair;

77. **Welcomes** the offer made by the Republic of Senegal to host the 11th Trade Fair of OIC Member Countries in 2006, and the offer of the Republic of Iraq to host the 12th Trade Fair of OIC Member Countries in 2008;

78. **Welcomes** the offer made by the Republic of Lebanon to host the Second Tourism Fair of Islamic Countries in 2005, and the offer of the Arab Republic of Egypt to host the Third Tourism Fair of Islamic Countries in 2007;

79. **Requests** ICDT to prepare regularly a progress report on the Trade Fairs of Islamic Countries as well as the Tourism Fairs and submit them under a separate agenda item to the COMCEC Sessions;

VII. Exchange of Views on "Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of Intra-OIC Trade " (Agenda Item 9)

80. **Expresses** its thanks and appreciation to the Republic of Tunisia for hosting the Workshop on the Impact of Electronic Commerce and the Use of Information Technology in the Promotion and development of Intra-OIC Trade among Member States in Tunis from 10-12 June, 2003.

81. **Expresses its appreciation** to ICDT for the preparation and submission of the report and recommendations of the aforesaid Workshop organised by the Government of the Republic of Tunisia and the ICDT in collaboration with IDB, SESRTCIC and IUT, and **expresses** appreciation for papers submitted by some OIC institutions such as ICDT, SESRTCIC, ICCI, IUT and ITC on various aspects of the subject;

82. **Requests** OIC institutions, in particular the Islamic Center for the Development of Trade, the Islamic Development Bank, SESRTCIC and the Islamic Chamber of Commerce and Industry to take the step needed to implement the recommendations of the above-mentioned Workshop.

83. **Takes note with appreciation** of the recommendations contained in the Report of the Workshop as annexed herewith;

84. **Invites** Member States that have more advanced e-commerce and ITC systems to share their experiences with the other Member States and, where possible, to extend technical cooperation for the other Member States upon their request.

85. **Refers** to the decision of the Tenth Session of the Islamic Summit Conference, held in Putrajaya, Malaysia, to support the initiative of H.E. President Abdoulaye WADE of Senegal about the "Digital Solidarity World Fund; and **urges** Member States to actively participate in the implementation of this important project.

86. **Requests** ICDT to follow-up the implementation of the recommendations of the aforesaid workshop and present its report on the subject to the Session of COMCEC.

87. **Requests** the Government of Malaysia and the IDB to expedite the operationalization of the OIC Network with a view to enhancing intra-OIC trade among Member States.

VIII. Report of the Sessional Committee (Agenda Item 11)

88. **Takes note** of the Report of the Sessional Committee on the Activities of the OIC Institutions (OIC/COMCEC/SC-03/REP), which was held during the Nineteenth Session of the COMCEC, and the recommendations thereon;

89. **Notes** that the OIC institutions engaged in the activities under the purview of the COMCEC have taken tangible steps towards increased cooperation and coordination among themselves and with Member States in order to avoid any possible duplication of work;

90. **Renews its appeal** to Member States to take the measures needed for a greater involvement in the activities of the OIC subsidiary organs and affiliated and specialized institutions;

IX. Date of the Twentieth Session of the COMCEC (Agenda Item 12)

91. **Decides** that the Twentieth Session of the COMCEC be held from 23 to 26 November 2004, and the Twentieth Meeting of the Follow-up Committee be convened from 11 to 13 May 2004, respectively in Istanbul;

92. **Decides** that "Trade and Transport Facilitation Among the OIC Member States" be the theme for the exchange of Views at the Twentieth Session of the COMCEC, and **requests** ICDT, ICCI and OISA to organize a workshop on this topic in collaboration with related OIC institutions, namely, SESRTCIC and IDB and other international Organizations, prior to the Twentieth Session of the COMCEC and submit its report to the Session;

93. **Welcomes** the offer made by the Government of the Islamic Republic of Pakistan to host the workshop on the "Trade and Transportation Facilitation among OIC Member States" in 2004 in coordination with the ICDT, ICCI and OISA;

94. **Invites** Member States to send to the OIC General Secretariat, sufficiently in advance of the Twentieth Session of the COMCEC, country reports reflecting their experiences on the subject matter for the exchange of views;

95. **Requests** the Follow-up Committee, at its Twentieth Meeting, to draw up the draft agenda of the Twentieth Session of the COMCEC and recommend alternative themes on which exchange of views would take place during the subsequent COMCEC sessions;

96. **Requests** the OIC General Secretariat to communicate to Member States the dates of the Twentieth Session of the COMCEC and the Twentieth Meeting of the Follow-up Committee;

X. Any Other Business (Agenda Item 13)

97. **Takes note** of a statement by H.E. Ambassador Erdiñç Erdün, the Director General of the Statistical, Economic and Social Research and Training Centre for Islamic Countries (Ankara Centre) informing that the Centre is celebrating its 25th anniversary this year and thanking all the Member States for providing their continuous support and encouragement to the Centre.

98. **Congratulates** the Ankara Centre on the occasion of its 25 anniversary, **expresses** its satisfaction, **appreciates** its activities and **reaffirms** the importance of its role in enhancing the cooperation among the Member States.

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RESOLUTION (2)
ON MATTERS RELATED TO ECONOMIC ASSISTANCE
TO SOME COUNTRIES

(İstanbul, 20-23 October 2003)

Original: English

RESOLUTION (2)
ON MATTERS RELATED TO ECONOMIC ASSISTANCE
TO SOME COUNTRIES

(Istanbul, 20-23 October 2003)

The Nineteenth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC); held in Istanbul, 20-23 October 2003;

A. Economic Measures in Support of Palestine

Recalling the resolutions adopted by OIC Summits in support of the Palestinian people;

Recalling also the previous resolutions adopted by the Standing Committee at Ministerial Meetings and at meetings of other committees;

Recalling further the resolutions adopted by the 30th Islamic Conference of Foreign Ministers in support of State of Palestine;

Condemning the repeated Israeli aggression against the Palestinian people and occupation of Palestinian territories in violation of the resolutions of international legitimacy and agreements signed and recognized internationally and demanding the cessation of all forms of aggression and the violation of the Muslim and Christian holy places and also demanding the immediate withdrawal of the Israeli occupying forces from all the Palestinian territories as well as of aggressions against the Palestinian people, including the latest Israeli illegal measures against President Yasser ARAFAT, the elected President of Palestine, and the insistence on imposing the separation-wall on the Palestine territories, in spite of the overwhelming international opposition.

Noting the role played by the Palestine National Authority in all its cities, hamlets and camps, including East Jerusalem in order to improve the living conditions of the Palestinian people and build up national economy.

1. **Appeals** to the Quartet to send peace-keeping force to secure the implementation of the Road-Map scheme.

2. **Notes** with deep appreciation the assistance provided by some Member States and the OIC relevant institutions.

3. **Commends** the efforts made by the Palestine National Authority in the Palestinian Self-Rule regions and its camps in order to reconstruct what was destroyed, by Israeli occupation, as well as the Palestinian steadfastness in the face of Israeli aggression and **urges** Member States and other relevant parties to exert further efforts and provide greater assistance to build up a national economy, develop and consolidate it.

4. **Expresses** deep appreciation for the assistance provided by some Member States to the Palestinian people to build up their national economy and **urges** Member States and the relevant OIC bodies to provide as early as possible the required and approved assistance to enable the Palestine National Authority and the Palestinian people to build up a national economy and consolidate its national institutions as the infrastructure of these institutions was totally destroyed by the Israeli occupying forces.

5. **Reaffirms** the previous resolutions on providing all forms of support and assistance: economic, technical and material and moral to the Palestinian people and the Palestinian National Authority, recommending preference in import to Palestinian products, exempting them from taxes and customs duties.

6. **Urges** businessmen and investors of Member States to contribute to the implementation of economic, industrial, agricultural and housing projects in the Palestinian Self-Rule regions, with a view to building up the national economy and enabling the Palestine National Authority and its national institutions to implement their development programmes, during the coming period, in the various economic, social and health fields.

7. **Appeals** to Member States, to provide employment opportunities to the Palestinian labour force, given the harsh condition imposed by the Israeli occupation forces, with a view to enhancing the socio-economic condition of the Palestinian people and putting an end to unemployment.

8. **Urges** Member States to conclude bilateral agreements with the Palestine Liberation Organization and its National Authority in the economic, commercial and social fields, with a view to enhancing the socio-economic condition of the Palestinian people.

9. **Urges** all OIC Member States and affiliated institutions to provide urgent assistance to build up a Palestinian strong and independent national economy.

10. **Requests** the OIC Secretary General to pursue his efforts aimed at implementing the previous resolutions adopted in support of the State of Palestine and submit a progress report thereon to the next COMCEC Session.

B. Assistance to Lebanon

Noting the continued occupation by Israel of Lebanese territories and sites on the Lebanese frontiers and Israel's abstention from withdrawing from all of them to the internationally recognized frontiers, in accordance with Resolution 425 of 1978 and its repeated aggressions against Lebanon and its violation of Lebanese sovereignty in the seas air and land;

Reaffirming the right of Lebanon to compensation for human casualties, material damage and enormous economic loss sustained because of recurring Israeli aggression against citizens and infrastructure and the ensuing great loss in human lives and properties as well as repercussions on economic and social conditions in Lebanon;

Realizing the urgent need of Lebanon to finance the reconstruction of its infrastructure and develop its economic sectors;

Expressing the concern about the threats of Israel to wage war against Lebanon if it attempted to implement its project of channelling waters out of the Wazani river in south Lebanon towards some Lebanese hamlets so as to meet their vital, human and basic needs from these waters in an equitable and fair manner;

Bearing in mind that Lebanon exerts its natural right in using such waters which take their source from its territory and flow through it, in accordance with the rulings of international law without diverting the course of the river or harming Israel;

Appreciating the efforts exerted by the Lebanese government to ensure security and stability, exercise its authority, reconstruct and provide their needs to the Lebanese citizens living in the region occupied by Israel who are confronted with great difficulties;

1. **Strongly condemns** Israel for its continued occupation of Lebanese territories, including the Shaba'a plantations and sites on the Lebanese frontiers; Condemns as well Israel's repeated aggression against Lebanon and its people.
2. **Condemns** Israel's threats to wage armed aggression against Lebanon, in particular its recent threats with regard to the implementation of the project of channeling waters out of the Wazani river in south Lebanon towards some hamlets so as to meet their vital, human and basic needs in water.
3. **Reaffirms** the right of Lebanon to use waters which take their source in Lebanon's soil and flow across it according to its legitimate rights and the rulings of international law, whether for drinking, irrigation or development purposes, and declare that Israel shall bear the responsibility for any aggression against Lebanon should it deprive it from the right to benefit from its waters.
4. **Greatly appreciates** the assistance provided to Lebanon from some Member States and from the concerned OIC institutions.

5. **Reaffirms** its previous resolutions urging assistance to Lebanon, financial and humanitarian, as well as various development assistance in the light of its needs in the economic, technical and training fields and requests again the OIC Member States and other international and regional organizations to take urgent and active measures to contribute to the reconstruction of what was destroyed by the Israeli occupation and respond to the proposal of holding a conference of donor countries for this purpose.

6. **Requests** the Secretary General to follow up this matter and report thereon to the next COMCEC Session.

C. Economic Assistance to the Republic of Albania

Recalling relevant resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

1. **Expresses deep appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Expresses** its strong support to the people of Albania beset by major economic difficulties at the present phase of their transition towards a market economy.
3. **Urges** OIC Member States, Islamic institutions and international organizations to grant generous economic assistance to Albania so that the Government of Albania may successfully implement its development programme.
4. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

D. Economic Measures in Support of Uganda

Recalling relevant resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and the 18th session of the COMCEC;

1. **Invites** Member States, Islamic institutions and international organizations to grant urgent financial and economic assistance to Uganda so that it may cope with the refugee problems and other related **consequences** as well as implement its economic, social and cultural programmes.
2. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

E. Economic Measures in Support of The Islamic State of Afghanistan

Recalling earlier resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and the 18th session of the COMCEC;

Recalling further the final communique of the 9th extraordinary session of the Islamic Conference of Foreign Ministers held in Doha on 10th October 2001;

Noting the extra-ordinarily grave situation prevailing in The Islamic State of Afghanistan:

1. **Recognizes** that The Islamic State of Afghanistan was on the verge of a great human tragedy and the impending humanitarian catastrophe calls for immediate emergency relief measures.
2. **Urges** the Member States and Islamic institutions to extend urgent and substantial assistance to the people of The Islamic State of Afghanistan.

3. **Commends** those Member States that have already provided assistance to the people of The Islamic State of Afghanistan.
4. **Expresses its deep appreciation** for the creation of a fund for the Afghan people by the 9¹ extraordinary session of the Islamic Conference of Foreign Ministers. This fund should be established as soon as possible.
5. **Expresses its gratitude and appreciation** to the OIC Member States for their generous contribution to the newly formed OIC Fund for the welfare of Afghan refugees to return from neighbouring and other countries to their own country.
6. **Requests** the Secretary General to follow up this matter and report to the next COMCEC session.

F. Economic Measures in Support of the Republic of Somalia

Recalling resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th session of the COMCEC;

1. **Expresses appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Urges** OIC Member States, to provide material and other assistance on an emergency basis to Somalia.
3. **Commends** those Member States that have already provided aid and assistance to the people of Somalia.
4. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

G. Economic Assistance to the Kyrgyz Republic

Recalling relevant Resolution of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

Expressing its understanding of the situation which has arisen in the Kyrgyz Republic after attainment of independence and sovereignty;

Taking into consideration the economic difficulties of the transitional period to the free market economy;

1. **Expresses deep appreciation** for the assistance extended by some Member States and OIC relevant bodies.
2. **Appeals** to all Member States and Islamic financial institutions to contribute generously to the process of overcoming the economic difficulties experienced by Kyrgyz Republic either on bilateral basis or through multilateral and regional organisations in order to enable Kyrgyz Republic to fulfil its economic programme.
3. **Appeals also** to the Islamic Development Bank to increase its financial and technical assistance to Kyrgyz Republic.
4. **Requests** the Secretary General to follow up this matter and to report to the next COMCEC Session.

H. Economic Measures in Support of the Republic of Azerbaijan

Recalling resolutions adopted by the Islamic Summit Conference and Islamic Conference of Foreign Ministers expressing support and assistance to the Republic of Azerbaijan;

Referring to the relevant UN Security Council Resolutions;

1. **Strongly condemns** continuous aggression by the Republic of Armenia against the Republic of Azerbaijan resulting in the occupation of the one fifth of its territory and in one million of refugees and displaced Azeri people.
2. **Reaffirms** its support of the sovereignty and the territorial integrity of the Republic of Azerbaijan and full solidarity of the Member States of the OIC with the government and people of Azerbaijan at this grave and very critical time of the country's history.
3. **Recognizes** the need to reinforce concrete solidarity of the OIC Member States with the government and people of Azerbaijan.
4. **Welcomes and appreciates** the assistance extended by the OIC Member States and relevant bodies, the United Nations institutions and international organizations.
- 5 • **Appeals** to the Member States and Islamic institutions to make available to the Government of Azerbaijan the much needed economic and humanitarian assistance with a view to alleviating the sufferings of the Azeri people.
6. **Calls upon** the international organizations to continue to grant humanitarian, and economic assistance to the Republic of Azerbaijan.
7. **Requests** the Secretary General to follow up the matter and submit a report thereon to the next COMCEC Session.

I. Economic Measures in Support of Bosnia-Herzegovina

Guided by the principles and objectives of the Charter of the Organization of the Islamic Conference emphasizing the common goals and destiny of the peoples of the Islamic Ummah and their commitment to the consolidation of international peace and security;

Recalling the previous resolutions adopted by the OIC expressing its Members' full solidarity with the Government and people of Bosnia-Herzegovina;

Taking also into account the resolutions adopted by the Extraordinary Sessions of the Islamic Conference of Foreign Ministers on the situation in Bosnia-Herzegovina, held in Istanbul and Jeddah and followed by the special Ministerial Meeting held in Islamabad as well as the 21st through 30th Islamic Conferences of Foreign Ministers, 10th Islamic Summit Conference and 18th session of the COMCEC;

Expressing its appreciation for the work of the Assistance Mobilization Group for Bosnia-Herzegovina, formed in 1995 during the Kuala Lumpur meeting of the OIC Contact Group Ministers of Foreign Affairs and Defense towards providing humanitarian and economic assistance for concrete rehabilitation and reconstruction projects in Bosnia-Herzegovina;

1. **Expresses deep appreciation** for the assistance extended by Member States and OIC relevant bodies. It also stresses the importance of the continuation of the activities undertaken by the OIC Assistance Mobilization Group and noted with appreciation the Islamic Chamber of Commerce and Industry's special programme to assist the private sector of Bosnia-Herzegovina.
2. **Welcomes** the contributions of OIC Member States at the Donor Conference for the reconstruction of Bosnia-Herzegovina, held in Brussels in April 1996, encourages OIC Member States to pursue their efforts as regard financial contributions for the final return of refugees adopted at the OIC Conference held in Doha in May 2001 and expresses its satisfaction for the efforts exerted by the OIC Committee for the Reconstruction of Bosnia-Herzegovina.
3. **Appeals** to Member States, Islamic institutions and other donors to make generous donations as well as provide financial aid to enable the early implementation of the IDB programme aimed at providing humanitarian assistance to the Government and people of Bosnia-Herzegovina for the reconstruction of the country.

4. **Expresses its appreciation** for the assistance provided by the OIC Member States and for the commendable efforts of those Islamic and other international humanitarian bodies in providing relief and assistance to the victims of the aggression in Bosnia-Herzegovina.
5. **Urges** the International Community to take efficient measures to ensure the rehabilitation and reconstruction of Bosnia-Herzegovina.
6. **Categorically demands** that the sovereignty, territorial integrity and political independence of Bosnia-Herzegovina be safeguarded and protected within its internationally recognized frontiers and supports the Government of Bosnia-Herzegovina in its intent to proceed on this sound basis for a just and lasting solution to restore the confidence of its people so that they may continue to live as a multi-ethnic, multi-cultural and multi-religious society.
7. **Requests** the OIC Member States, at the same time members of the Peace Implementation Council in Bosnia-Herzegovina and its Coordination Committee to seek directing the biggest part of international assistance for the reconstruction of Bosnia-Herzegovina and, in particular, the areas inhabited by Muslim Bosnians.
8. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

J. Assistance to the Republic of Guinea

Recalling earlier resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

Considering the role played by the Republic of Guinea, within the framework of the Organization of the Islamic Conference, to establish peace and to ensure stability in some Member States;

Considering the presence of a huge number of refugees from Liberia and Sierra Leone constitutes an unbearable burden for the economy of the Republic of Guinea;

Being gravely concerned by the repeated aggressions against the Republic of Guinea on its borders with Liberia and Sierra Leone, resulting in loss of human lives, serious material damage and extensive displacement of the population within Guinea;

Considering the Declaration issued on 13 September 2000 by the UN Security Council, condemning these aggressions;

Considering the Final Communique of 13 September 2000 of the Coordination Meeting of the Foreign Ministers of the Member States of the Organization of the Islamic Conference condemning these aggressions and expressing its solidarity with the Republic of Guinea;

Considering the need for the Republic of Guinea to reconstruct its country, ensure the survival of the displaced population and the return of the refugees to their respective countries;

Noting with satisfaction that a joint mission OIC/IDB visited the zones affected by rebel attacks with a view to assessing the damage and destruction resulting from the attacks and prepare a reconstruction program.

1. **Expresses** its support to and solidarity with the people and the Government of Guinea.
2. **Invites** the international community and the OIC Member States to provide the Republic of Guinea with substantial financial and material assistance, so that it may cope with the difficulties caused by the aggressions waged against the Republic of Guinea and the presence of hundreds of thousands of refugees, who are Muslims in majority, on its territories.
3. **Appeals** to the Islamic Development Bank to increase its assistance, either as subventions or loans at favourable conditions, to the Republic of

Guinea, so that it may create the social infrastructures needed for the displaced population and the refugees, and overcome the deterioration of the environment brought about by this massive human presence.

4. **Requests** the Secretary General to follow up the matter and report thereon to the following COMCEC Session.

K. Assistance to the Republic of Sierra Leone

Recalling the pertinent Resolutions adopted by the 10th Islamic Summit Conference, the 30th Islamic Conference of Foreign Ministers and the 18th COMCEC;

1. **Appeals** to the Member States and Islamic institutions of the Organization of Islamic Conference of which Sierra Leone has always been an active member, whose people have experienced the most brutal acts of violence, to urgently extend substantial financial and material assistance to the war ravaged country to enable its people to rebuild the infrastructure and to undertake the much needed rehabilitation, reconstruction and resettlement of returnees and displaced inhabitants of about 1,5 million.

2. **Requests** the Secretary General to use his good offices to accelerate the approval process of projects already identified for Sierra Leone.

3. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

L. Assistance to the Kashmiri People

Noting that the people of Jammu and Kashmir in the Indian held Kashmir have continued to suffer from grave atrocities and serious repression which have continued against them with increased intensity resulting in greater economic hardship for the people;

1. **Recognizes** the need for immediate economic assistance to alleviate the suffering of the innocent and displaced Kashmiris.
2. **Appeals** to all the Member States and Islamic institutions to grant immediate assistance to the suffering Kashmiri civilians in the Indian held Kashmir.
3. **Also appeals** to all OIC Member States and the Islamic institutions to grant scholarships to the Kashmiri students in different universities and educational institutions in the OIC countries.
4. **Requests** the Secretary General to follow up the matter and report to the next COMCEC session.

M. Economic Assistance to the Republic of Yemen

Recalling the relevant resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th COMCEC;

Taking into consideration the economic difficulties faced by the Republic of Yemen, which arose from the burden of reunification and the big losses caused by the aborted secession attempt in June 1994 as well as the devastating flood which swept the Republic of Yemen in 1996;

Appreciating the efforts made and success achieved by the Government of Yemen in implementing the Comprehensive Programme of Administrative and Financial Reform;

Taking into consideration the heavy burden borne by the Yemeni Government to provide shelter for groups of refugees from neighboring African countries;

Recalling that Yemen is one of the least developed countries;

1. **Expresses** its appreciation for the efforts of the Yemeni Government in overcoming its economic difficulties and the implementation of the Comprehensive Programme of Administrative and Financial Reform and the success achieved in that regard.
2. **Also expresses** its appreciation for the assistance extended by some of the Member States and by the relevant organs of the Organization of the Islamic Conference.
3. **Renews its call** to the Member States and all regional and international organizations to extend all kinds of economic assistance to the Yemeni Government to support its efforts aimed at implementing the Comprehensive Programme of Administrative and Financial Reform and at alleviating the ravages suffered by Yemen as a result of the floods as well as the heavy burden of sheltering large number of refugees from neighbouring African countries.
4. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

N. Economic Assistance to Tajikistan

Recalling relevant resolutions of the 10 Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

Taking into account the objectives and principles of the OIC Charter as well as members' commitment to consolidate international peace and security;

Deeply concerned at the critical situation which Tajikistan has faced after six years of bloody civil war, which resulted in death, injury and displacement of thousands of people as well as destruction of its economic and social infrastructures;

Noting the return of about 200,000 Tajik refugees to their homeland which necessitates a great financial and technical support;

Recalling the report of the World Food Programme which estimates that 25 per cent of Tajikistan's population is in dire need of food aid;

Noting with concern the marked spread of infectious diseases such as tuberculosis and diarrhea, victims of which are especially infants, children and women;

1. **Expresses deep appreciation** to the assistance extended by some Member States.
2. **Appeals** to all members and Islamic financial institutions to make their generous contributions to the process of overcoming the economic difficulties experienced by Tajikistan either on bilateral basis or through multilateral and regional organisations to enable Tajikistan to fulfil its rehabilitation programmes.
3. **Urges** the Islamic Development Bank to increase its financial and technical assistance to Tajikistan.
4. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

O. Economic Assistance to Guinea Bissau

Recalling earlier resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

Noting the political and social disorders that have recently erupted in Guinea Bissau and their consequences on the economic activities of the country, namely the loss of the agricultural and export products marketing campaign, the mass displacement of the population and the physical destruction of the basic socio-economic infrastructure, such as schools, dispensaries, hospitals, markets, residential areas, etc;

1. **Urges** Member States and the International Community to provide Guinea Bissau with urgent aid to facilitate the reinsertion of its peoples in active life.
2. **Appeals** to Member States and to OIC institutions to participate in the rehabilitation and economic revival programme of Guinea Bissau.
3. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

P. Economic Assistance to Countries Affected by Drought and Natural Disasters

Recalling earlier resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

Noting with concern the grave situation caused by drought and natural disasters, and their damaging effects on economic and social conditions specially in the agricultural, economic and social infrastructures, as well as public services and utilities;

Noting with satisfaction the efforts made by some Member States and the Islamic Development Bank which have extended and continue to extend technical and financial assistance as well as aid to Member States stricken by drought and natural disasters;

Fully aware that afflicted Member States, most of them belonging to the category of the Least Developed Countries, cannot by themselves, bear the growing burden of anti-drought and anti-desertification campaign and the implementation of major related projects;

1. **Expresses its gratitude** to Member States, which provided and are still providing assistance and food aid to the Member States affected by drought and natural disasters.

2. **Expresses also its gratitude** to IDB for its continuing assistance to Member States afflicted by drought and natural disasters and encourages the Bank to continue its assistance in this domain.
3. **Appeals** to the international community also to extend assistance to Member States struck by drought and natural disasters.
4. **Calls upon** the Member States and OIC Institutions to extend urgent assistance to OIC countries of Inter-governmental Authority for Development and the Campaign Against Drought (IGAAD) and Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) to enable them to overcome the difficult situation which has been threatening them for a long time.
5. **Notes with appreciation** the meeting of donor countries and national and regional financial institutions convened by Kuwait at IDB Headquarters in June, 1998 to consider the appropriate mechanisms for financing the new programmes.
6. **Welcomes** the contribution of 30 million US\$ made by the State of Kuwait in the form of soft development loans as well as the 20 million US\$ contributed by the Islamic Development Bank for the new programme.
7. **Also notes with appreciation** that the Kingdom of Saudi Arabia has embarked upon the implementation of its new programme for the control of drought and desertification in the Sahelian African States.
8. **Also expresses** its appreciation to the Great Peoples Socialist Libyan Jamahiriyah for the support and assistance it provides to the Islamic States to improve their infrastructure, alleviate the ills of extreme poverty, drought and natural disasters and ameliorate the health, social and cultural conditions through donations, soft loans and assistance in kind.
9. **Requests** the Secretary General to follow up this matter and report to the next COMCEC Session.

**Q. Assistance to Sahelian African States Afflicted by
Desertification, Drought and Locust Invasion**

Having taken cognizance of resolution (27/7-IS) of the 7th Islamic Summit on Islamic Solidarity with the Peoples of the Sahel;

Taking into account the need for the urgent implementation of the OIC/CILSS/IDB Programme for the Sahel, which could be compromised if not implemented as soon as possible;

Recalling resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

1. Expresses deep appreciation for the assistance extended by some Member States and OIC relevant bodies.
2. Appeals to all Member States and Islamic institutions for an urgent special assistance to cope with a poor cereal crop in the CILSS countries as a result of weak rainfalls.
3. Expresses its appreciation of the efforts made by the OIC General Secretariat, CILSS and the IDB in the elaboration and finalization of the OIC/CILSS/IDB Programme for the Sahel.
4. Reaffirms the necessity of giving priority to the rapid implementation of the Special OIC/CILSS/IDB Programme for the Sahel.
5. Appeals urgently to Member States to contribute generously and substantially to the funding of the OIC/CILSS/IDB Programme in favour of the Sahel populations to crystalize the OIC Member States solidarity with these populations, alleviate their sufferings and ensure sustained development for the Sahel region.
6. Notes with appreciation the meeting of donor countries and national and regional financial institutions convened by Kuwait in June 1998 to consider the appropriate mechanisms for financing the new programme.

7. **Welcomes** the 30 million US \$ contribution made by Kuwait in the form of soft development loans as well as the 20 million US \$ provided by the Islamic Development Bank for the new programme.
8. **Also notes** with appreciation the initiation by the Kingdom of Saudi Arabia of the third phase of its program in favour of the Sahelian African States to combat drought and desertification.
9. **Urges** Member States to announce their contributions to the new programme in favour of the Sahelian African States.
10. **Requests** the OIC General Secretariat to follow up this matter and report to the next COMCEC Session.

R. Economic Assistance to the Republic of Mozambique

Recalling earlier resolutions of the 10th Islamic Summit Conference, 30th Islamic Conference of Foreign Ministers and 18th Session of the COMCEC;

1. **Expresses** deep appreciation to assistance extended by OIC Member States to the victims of floods in Mozambique.
2. **Appeals** to Islamic Development Bank, all Islamic Institutions and the international community in general to render their material and financial support in order to ensure the reconstruction of socio-economic infrastructures and rehabilitation of the affected people in Mozambique.
3. **Emphasizes** the need to promote and encourage the role of the private sector particularly within the context of development of Small and Medium Enterprises.
4. **Urges** the developed countries to write off the external debt of Mozambique in the light of its critical socio-economic situation.

5. **Urges** the international community to increase its assistance to Mine-clearance Programmes, taking into account the far reaching effects of the natural disasters.
6. **Urges** the international community to render assistance for setting up national, sub-regional, regional and international disaster prevention, preparedness and management mechanisms, including early warning systems.
7. **Commends** the efforts of the Southern African Development Community (SADC) countries to address the devastating effects of the floods, natural disasters and thanks international community for the support, solidarity and humanitarian assistance rendered to Mozambique.
8. **Calls upon** all Member States to continue their support to the implementation of the programme of reconstruction of Mozambique.
9. **Requests** the Secretary General to follow-up the implementation of this resolution and submit a report thereon to the next COMCEC Session.

S. Economic Assistance to the Republic of Sudan

Recalling the previous resolutions of the Islamic Summit Conference, the Islamic Conference of Foreign Ministers and the Standing Committee at their previous sessions on assistance to Sudan,

1. **Expresses** deep concern over the sufferings of Sudan ensuing from the devastating war imposed upon it, as well as the influx of refugees resulting from the war, natural disasters, drought, desertification and floods.
2. **Commends** the positive developments resulting from the Sudanese peace negotiations in Kenya.
3. **Urges** the Islamic Development Bank, the relevant OIC institutions and Member States to provide urgent assistance to eliminate the effects of war on the social and economic infrastructure.

4. **Requests** the OIC Secretary General to follow-up this matter and submit a report thereon to the next Session of COMCEC.

T. Economic Measures in Support of the Republic of Iraq

Recalling the resolution of the Tenth Islamic Summit and that of the Islamic Conference of Foreign Ministers preceding it on support to the Iraqi people.

1. **Expresses** its conviction that the Iraqi people should enjoy the required standard of living and economic flexibility to enable them to overcome the consequences of war and economic embargo they underwent for reasons beyond their control.
2. **Urges** the OIC Member States to extend to the Iraqi people, to the best of its abilities, urgent support and assistance so that they may reconstruct their infrastructure to enable them to effectively contribute to the security and stability of the region and thus lead to sustained development in Iraq and to a solution to the problems and structural distortions in the Iraqi economy.
3. **Also urges** Member States to contribute, in the coming period, to the reconstruction of Iraq.
4. **Requests** the OIC Secretary General to follow up this matter and report thereon to the next COMCEC Session.

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SUPPLEMENTARY MECHANISM
FOR IMPLEMENTATION OF THE
OIC PLAN OF ACTION

(Istanbul, 20-23 October 2003)

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

I. INTRODUCTION

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

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

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

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

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

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

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

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

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

II. METHODOLOGY

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

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

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

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

III. THE PROPOSED SUPPLEMENTARY MECHANISM

a. Set up

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

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

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

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

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

b. Work and Functioning

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

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

- Submission of the evaluated project proposals to the COMCEC (the Follow-up Committee and the Full COMCEC) for approval and guidance.

- Project implementation in cooperation with the member countries

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

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

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

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

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

IV. CONCLUSION

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

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

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

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

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

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

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

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

EXPLANATORY NOTE

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

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

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

4. Since the proposed supplementary mechanism is to be devised within the existing system, the Sessional Committee of the COMCEC, composed of the concerned member states, the OIC General Secretariat and the subsidiary organs, specialized and affiliated institutions working in the field of OIC economic and commercial cooperation, was deemed to be the only available forum whereby the concerned OIC institutions can meet and coordinate their activities relating to implementation of the OIC cooperation projects.

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

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

"Article 11: The Sessional Committee

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

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

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

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

A- Statute and Rules of Procedures of the COMCEC

"Article 11: The Sessional Committee

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

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

New para(h)

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

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

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

- Evaluation of the cooperation proposals and ideas within the scope of the Plan of Action, in terms of priority, feasibility, financing, assignment of coordinator, and so on,
- Submission of the evaluated project proposals to the COMCEC (the Follow-up Committee and the Ministerial Session of the COMCEC) for approval and guidance,
- Project implementation in cooperation with the concerned member countries,

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

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

SCOPE AND DEFINITIONS

ARTICLE 1: Scope and Purpose

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

ARTICLE 2: Definitions

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

- | | |
|-----------------------------------|---|
| 1. ORGANIZATION | The Organization of the Islamic Conference |
| 2. COMCEC | The Standing Committee for Economic and Commercial Cooperation |
| 3. MEMBER STATES | Member States of the Organization |
| 4. GENERAL SECRETARIAT | The General Secretariat of the Organization |
| 5. GENERAL ASSEMBLY | General Assembly of COMCEC |
| 6. MINISTERIAL SESSION | Annual Meetings of the General Assembly of COMCEC |
| 7. FOLLOW-UP COMMITTEE | Follow-up Committee of the COMCEC |
| 8. SESSIONAL COMMITTEE | The organ of the COMCEC composed of the Member States, the OIC General Secretariat, and the subsidiary organs, specialized and affiliated institutions working in the field of economic and commercial cooperation. |
| 9. CONCERNED MEMBER STATES | Those Member States of the Organization which have made project proposal, as well as others that have expressed interest in the said proposals, as potential partners. |

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

STRUCTURE

ARTICLE 3:

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

FUNCTIONS OF THE SESSIONAL COMMITTEE

ARTICLE 4:

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

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

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

CONVENING OF THE MEETINGS OF THE SESSIONAL COMMITTEE

ARTICLE 5:

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

PROCEEDINGS OF THE SESSIONAL COMMITTEE

ARTICLE 6 : Agenda for the Sessional Committee Meetings

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

ARTICLE 7: Functions of the General Secretariat and the COMCEC Coordination Office

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

ARTICLE 8 : Recommendations and Reports

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

ARTICLE 9 : General Provisions

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

ATTACHMENT

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

(Istanbul, 6-7 May 2001)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXPLANATORY NOTE

Purpose and Scope

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

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

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

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

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

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

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

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

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

Background and Methodology

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Format and Structure of the PCM-OICPA Documentation

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

PART-I

Main Documentation on:

- key issues
- procedures
- processes involved in project management

PART-II

Analysis techniques and Guidelines on:

- The logical framework approach
- Preparing terms of reference

Preparing pre-feasibility study documents

Preparing draft scope of service and basis of payment

Preparing project schedules

Managing contractors

Preparing a project review report

Preparing an annual plan

Project Quality Standards

Preparing project completion reports

Preparing project ex-post evaluation reports

Preparing a technical assistance facility

Activity and Resource Schedules

Quality Assessment Tool

Abbreviation list

Glossary

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

Reporting and Projects Info System

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

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

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

The three key documents are:

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

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

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

1. Project Cycle Management (PCM)

1.1. Objective of PCM and its Operational Context

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

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

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

- Bringing about structural transformations in the OIC economies to attain economic efficiency and social welfare through economic liberalization
- Striving for the objective of increased economic integration in such a way as to support the basic aspirations of the OIC community for a larger share in world economic activity
- Encouraging economic liberalization and public sector reform with a view to creating a sound environment for economic integration and benefiting fully from the globalization process and increasing interdependence in the world.
- Providing more effective role and opportunities for the private sector in OIC economic cooperation activities in order to introduce a new dimension and dynamism into the cooperation efforts among member countries.
- Encouraging and supporting every initiative to assemble the representatives of the private sector from member countries to exchange information, ideas and expertise, consider problems and issues of mutual interest, examine the possibility of direct cooperation, and establish joint projects.

- Giving priority to joint projects that can be undertaken by small groups of Member Countries at regional, sub-regional or inter-regional levels, without any financial obligation to the rest of the Member Countries.

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

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

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

1.2. The Main Stages of the PCM

7. The concept of a "cycle" is used to illustrate that projects need to move through a "life-cycle", with a start, middle and an end. Lessons learned from implementation (through monitoring and evaluation) should feed back into identifying and preparing new activities. Learning from past and contemporary experience is an integral part of the whole cycle.

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

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

Stage 1 : Project Identification and Initial Assessment

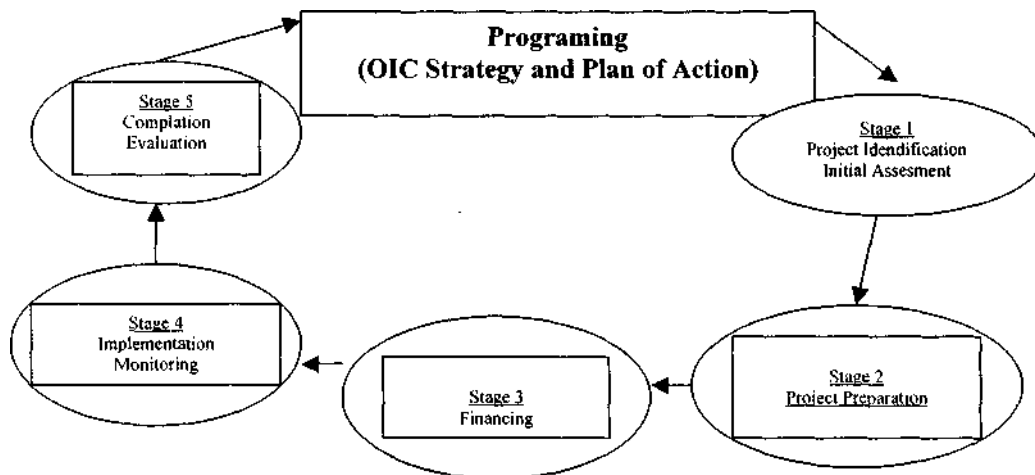
Stage 2 : Project Preparation

Stage 3_: Financing

Stage 4: Implementation and Monitoring

Stage 5 : Completion and Evaluation

Figure 1. Main Stages of the PCM



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

1.3. Project Identification and Initial Assessment (Stage 1)

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

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

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

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

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

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

1.4. Project Appraisal (Stage 2)

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

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

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

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

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

a) A feasibility study

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

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

b) A decision to be taken by the COMCEC

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

1.5. Financing (Stage 3)

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

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

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

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

a) A final version of the FP in the defined format

b) A decision taken by the concerned OIC institutions
-to submit the financing proposal to the COMCEC
-to redesign or reject the project

c) A signed financing agreement or memorandum signed by the concerned party(s), including the Technical and Administrative Provisions for implementation

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

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

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

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

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

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

1.6. Implementation and Monitoring (Stage 4)

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

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

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

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

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

1.7. Completion and Evaluation (Stage 5)

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

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

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

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

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

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

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

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

2. PCM Analysis Techniques and Guidelines

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

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

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

38. The Guidelines usually has the following components:

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

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

2.1. Logical Framework Approach (LFA)

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

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

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

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

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

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

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

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

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

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

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

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

Figure 2. LogFrame Matrix Structure

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

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

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

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

2.2. Evaluation Criteria

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

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

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

Table 1. Decision Criteria

<u>Criteria for decision-making</u>
Focusing question (early Stage 1)
<u>Does the proposal have sufficient merit to proceed to initial assessment?</u>
<ul style="list-style-type: none"> • Objectives are appropriate • The activity will contribute directly or indirectly to poverty reduction • Institutional and organizational arrangements are clear, appropriate, workable and endorsed by the partner government. • Risks have been identified and appear manageable. • The project has strong support from key senior officials of the partner government. • Realistic overall assessment indicates that the project is likely to achieve its objectives. • The partner government's economic and social policy context is favorable for the project.
Focusing questions (end of Stage 1):
<u>Should the proposal proceed to preliminary preparation?</u>
<ul style="list-style-type: none"> • Objectives are consistent with OIC Strategy and Plan • Institutional and organizational arrangements are clear, appropriate and workable • Risks have been identified and appear manageable. • A preparation schedule has been prepared • The project has strong support from the concerned parties • <u>Realistic overall assessment indicates that project is likely to achieve its objectives.</u>
Focusing question (Stage 2):
<u>Should the proposal proceed to detailed preparation?</u>
<ul style="list-style-type: none"> • Objectives are appropriate. • The activity will contribute directly or indirectly to poverty reduction. • The concerned parties are actively involved in preparation. • Processes of preliminary preparation meet quality standards. • The preliminary design satisfies quality standards. • The preparation schedule is prepared and being followed. • Overall assessment of the project is that it will achieve its objectives. • Benefits are likely to be sustainable. • <u>The recurrent budget is likely to be maintained after the project.</u>

Focusing question (Stage 3):

Should the proposal proceed to implementation?

Objectives are appropriate.

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

The processes of design meet quality standards.

The final design satisfies quality standards.

The project has strong support from the partner government.

Overall assessment of the project is that it will achieve its objectives.

Design includes sustainability analysis and strategy.

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

Benefits to institutions and target communities appear sustainable.

Focusing questions (end of Stage 3):

What corrective action should be taken?

Objectives are still appropriate.

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

Design is sufficiently flexible to allow for adjustments.

The project is on track and operating smoothly.

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

The contractor scores well in performance assessment.

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

The project has continuing strong support

Sustainability analysis and strategy is being applied effectively.

Benefits to institutions and target communities appear sustainable.

3. Conclusion

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

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

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

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

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

MINISTERIAL DECLARATION OF THE COMCEC RELATING
TO THE LAUNCHING OF THE FIRST ROUND
OF TRADE NEGOTIATIONS WITHIN THE FRAMEWORK
OF THE TRADE PREFERENTIAL SYSTEM
AMONG THE OIC MEMBER STATES

(Istanbul, 20-23 October 2003)

Original: English

**MINISTERIAL DECLARATION
OF THE COMCEC
RELATING TO THE LAUNCHING OF THE FIRST ROUND OF TRADE
NEGOTIATIONS WITHIN THE FRAMEWORK OF THE TRADE
PREFERENTIAL SYSTEM AMONG THE OIC MEMBER STATES
(*Istanbul, 20-23 October 2003*)**

As Ministers and heads of delegations of OIC Member States attending the 19th Session of the COMCEC;

We reaffirm the resolutions of the Standing Committee for Economic Commercial and Cooperation of the Organization of the Islamic conference (COMCEC), which advocate the establishment of a Trade Preferential System among the OIC Member States;

We recall the Declaration of intent relating to the establishment of a Trade Preferential System among the OIC Member States adopted by the Fourth Session of the COMCEC; especially, the adoption of the consensus as basic principle for the decision-making relating to the TPS-OIC process and the conclusion of a balanced and global agreement with due regard to the bilateral and multilateral obligations of individual Member States.

We recognize that early and effective implementation of the TPS/OIC will enhance trade flows and strengthen trade liberalization that will boost economic growth, contribute to creating job opportunities, improving the standard of living and reducing poverty in Member States.

We reiterate that the TPS/OIC can coexist with bilateral, sub-regional and multilateral agreements, in so far as the TPS/OIC is not conceived as a substitute but as a supplement and complement to preferential trade.

We recognize that the regional economic groupings make an exception to the Most Favored Nation Rule of the Agreement and can even participate in negotiations through a unified representation when the grouping is exclusively composed of the OIC Member States.

We reaffirm our commitment to take into account the peculiar situation of the OIC Least Developed Countries, in the implementation of the TPS/OIC Agreement, in order to ensure their full participation in this Agreement and secure the benefits that will derive from it and create opportunities for these countries.

We confirm the importance to achieve continuous, balanced and substantial progress in all areas of negotiations and we reaffirm the need for a transparent and flexible negotiation process for all participating states.

1. Scope of negotiations:

We reaffirm the role of the Trade Negotiating Committee (TNC) as the executive body of the negotiations process, under the auspices of the COMCEC, and urge the committee to increase its efforts to successfully and expeditiously perform its functions.

We took note of the report of the Experts Group Meeting for the preparation of the first round of trade negotiations, organized by ICDT from 24th to 26th June 2003 in Casablanca.

We request the TNC to work with a pace that would enable to respect the negotiations calendar and take into account the capacity, the concerns and the interests of participating states, especially those of the LDCs.

We **welcome** the offer made by the Republic of Turkey to host the first round of negotiations in April 2004, in Antalya.

We call upon the Trade Negotiating Committee to devote its first session to finalize the methodology of negotiations and the other technical aspects.

We reaffirm the importance of the completion of the first round of negotiations within 12 months in compliance with the general principles agreed upon in the Framework Agreement, starting from April 2004, in Antalya, Turkey.

We **request** the TNC to supervise the process of the submission of trade negotiations proposals taking into account the need for guaranteeing the confidentiality of offers, while recognizing the transparency of the process and its multilateral aspects. The Chair of the TNC shall submit periodically to the COMCEC reports on the progress achieved.

We **request** participating states to submit to the Secretariat of the TNC the following documents before March 1st, 2004.

- Rules and regulations governing foreign trade as of 1st October 2003;
- The applied customs tariff in force as of 1st October 2003, on the basis of the Harmonized System six digits classification at least;
- The preferential tariffs granted at bilateral, regional and international levels;

- Non-tariff measures as of 1 st October 2003;
- Technical standards and sanitary and phytosanitary measures in force as of 1st October 2003;
- The statistics on foreign trade for the last three years on the basis of the Harmonized System six digits classification per country and per product.

2. Secretariat of the TNC:

The COMCEC Coordination Office (CCO) and the Islamic Center for Development of Trade (ICDT) shall serve as the secretariat of the TNC. The Secretariat shall carry out its functions as stipulated in the Rules of Procedures of the TNC.

We appreciate the substantial contribution offered by the Government of the Republic of Turkey, ICDT and IDB for the preparations of negotiations.

We decide the following:

- a. The approval of the rules of procedure of the TNC;
- b. The invitation of the TNC to take up its duties and execute the implementation program and the work schedule within the prescribed time;
- c. The invitation of the General Secretariat of the OIC, the subsidiary organs, the specialized and affiliated institutions operating in the economic and commercial fields, each in keeping with its specialty and in compliance with their rules and procedures, to contribute to effectively applying these decisions and initiate activities that would lead to the achievement of a preferential trade area between the OIC Member States;
- d. The evaluation by the COMCEC of negotiations carried out in the TNC and assessment of the progress achieved in the implementation of the agreement.
- e. To place the progress review of the TPS/OIC as a permanent item on the agenda of the next sessions of the COMCEC;
- f. The COMCEC shall continue its supervision mission of negotiations during the first stages of the implementation of the TPS/OIC in order to make up for any difficulty that would hamper its execution.

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**RULES OF PROCEDURE OF
THE TRADE NEGOTIATING COMMITTEE**

(Istanbul, 20-23 October 2003)

**RULES OF PROCEDURES
OF THE TRADE NEGOTIATING COMMITTEE FOR TPCOIC**

I. REPRESENTATION AND CREDENTIALS

Article 1: Membership

The membership of the Trade Negotiating Committee (hereinafter referred to as the "Committee") shall consist of:

The Member States of the Organization of the Islamic Conference, which have become participating states in the Framework Agreement on a Trade Preferential System among the Member States of the Organization of the Islamic Conference (Herein referred to as the Agreement) as defined in the Agreement Article 13 (a) of the Agreement in Annex II.

Article 2: Representation

Each Participating State shall be represented by an accredited representative, who may be accompanied by such alternate representatives and advisers as may be required. The alternate representatives and advisers should also be included in the credentials.

Article 3: Observers

- a) The OIC Member States which are not participating States may attend the meetings of the committee as observers.
- b) The Committee, upon request, may invite sub-regional and regional economic groupings composed of the Member States of the Organization of the Islamic Conference only, which are not participants in the Agreement to attend the meetings as observers.
- c) Under such terms and conditions as it shall decide, the Committee may invite representatives of the OIC institutions operating in economic and trade fields; namely SESRTCIC, IDB, ICCI and OISA and of the United Nations and its organs, specialized agencies of the United Nations, the World Trade Organization and other appropriate international and intergovernmental organizations to attend the meetings as observers.

d) Observers referred to here above may express their views in the discussions when called upon by the Chair to do so, however not having the right to vote.

Article 4: Credentials

The credentials of representatives of participating states and the names of alternate representatives, advisers and observers shall be submitted to the Chairman by the Secretariat of the Committee, normally before each session of the Committee.

II. MEMBERS OF THE BUREAU

Article 5: Elections

The Committee shall elect a Chairman and Three Vice-Chairmen for a term of one round. The principle of rotation and equitable geographical distribution between the three groupings of the Organization of the Islamic Conference shall as far as possible be observed.

Article 6: Acting Chairman

In the absence of the Chairman from any meeting or part thereof, the Chairman shall designate one of the Vice-Chairmen to chair the meeting on rotational basis. In circumstances where no such designation is made, the first vice-chairman will act as the Chairman. When acting as Chairman, the Vice-Chairman shall have the same powers and duties as the Chairman.

Article 7: Replacement of the Chairman

If the Chairman ceases to represent a Participating State, or is incapacitated, the Committee shall elect a new Chairman in accordance" with article 5, who shall assume office immediately for the remainder of the term.

III. FUNCTIONS AND SESSIONS OF THE COMMITTEE

Article 8: Functions

a) The Committee shall perform such functions as may be necessary to facilitate the operation and further the objectives of the Agreement. The Committee shall be responsible, on behalf of the COMCEC, for reviewing the application of the Agreement and the instruments adopted within its framework, monitoring the implementation of the results of the negotiations, carrying out consultations, making

recommendations and suggesting decisions as required, and, in general, undertaking whatever measures may be required to ensure the adequate implementation of the objectives and the provisions of the Agreement.

b) The Committee shall receive the proposals of participating states concerning trade negotiations and disseminate them to other participants within 45 days at the latest before the date of the meeting of the Committee, yet, beyond this deadline proposals shall be accepted upon the agreement of the Committee.

c) The Committee shall keep under review the possibility of promoting further negotiations for the enlargement of the schedules of concessions and for the enhancement of trade among Participating States. The Committee shall also ensure prompt and complete dissemination of trade information in order to promote trade among Participating States.

d) The Committee shall review disputes and make recommendations thereon on request and at a meeting devoted to this purpose, in accordance with article 15 of the Agreement. The Committee shall adopt appropriate rules for this purpose.

e) The committee may adopt any other measures it may deem useful so as to complete its mission in a more effective manner.

Article 9: Sessions

Sessions of the Committee shall normally be held every 4 months or as required. The date and venue of the next session of the Committee shall be decided by the Committee in its current session. The Committee may decide, with consensus, to meet earlier or later than 4 months.

Article 10: Convening of Sessions

In coordination with the Chairman, the Secretariat of the Committee shall send to each member a written notification of the date and place of each session of the Committee together with the draft agenda and relevant documentation at least 45 days in advance of a session.

Article 11: Agenda

In coordination with the Chairman, the secretariat of the Committee shall draw up the draft agenda for each session. Any Member State may propose items for

inclusion in the draft agenda at least one month in advance of a session. The Committee shall adopt the agenda at the beginning of each session.

IV. CONDUCT OF THE COMMITTEE'S PROCEEDINGS

Article 12: Quorum

A simple majority of the participating States' representatives participating in the Committee shall constitute the quorum. Should the quorum be challenged and the meeting adjourned in consequence, the Committee, shall decide on such appropriate measures to ensure that the proceedings of the Committee could continue.

Article 13: Functions of the Chairman

The Chairman shall chair all meetings of the Committee. In addition the Chairman shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, put questions to the vote in case of disagreements, announce decisions, rule on points of order and in accordance with these rules, have responsibility and control over the proceedings. The Chairman may also recall the rules to the speaker in case he makes irrelevant observations. He may also limit the time allowed to each speaker. The Chairman shall also exercise such powers as may be conferred upon him elsewhere under these rules or as may be decided by the Committee.

Article 14: Points of Order

a) During the discussion of any matters, a representative of any participating State may raise a point of order. In this case, the Chairman shall immediately state his ruling in accordance with these rules of procedures. If this ruling is challenged, the Chairman shall immediately submit it for decision, and the ruling shall stand valid unless the Committee decides otherwise by a simple majority.

b) A representative shall not, in raising a point of order, speak on the substance of the matter under discussion.

Article 15: Adjournment of the Debate

During the discussion of any matter, a representative may propose the adjournment of the debate. In addition to the proposer of the motion, one representative may be allowed to speak in favour of and two representatives against the motion, after which the motion shall be immediately put to the vote.

Article 16: Suspension or Adjournment of the Meeting

During the discussion of any matter a representative may propose the suspension or adjournment of the meeting. Such motions shall not be debated, but shall be put to the vote immediately.

V. DECISION MAKING

Article 17: Consensus and Voting

- a) The Committee shall take all the decisions relating to trade negotiations by consensus.
- b) However, in case the committee doesn't reach consensus on other matters, it shall put them to the vote.

Article 18: Voting Rights

Each Participating State shall be entitled to one vote.

Article 19: Majority Required

In case the Committee resorts to the vote as referred to in article 17 paragraph b), its decisions shall be taken as follows:

- a) Decisions of the Committee on matters of substance shall be taken by a two-thirds majority of the representatives of participating states present and voting.
- b) Decisions of the Committee on matters of procedure shall be taken by a simple majority of the representatives of participating states present and voting.
- c) If the question arises whether a matter is one of procedure or substance, the Chairman shall rule thereon. An appeal against this ruling shall be put to the vote immediately and the Chairman's ruling shall stand valid unless overruled by a simple majority of the representatives of participating states present and voting.
- d) For the purpose of these rules of procedures, the phrase "representatives of participating states present and voting" means representatives of participating states present and casting an affirmative or negative vote. Representatives who abstain from voting shall be considered as not voting.

Article 20: Method of Voting

The Committee shall normally vote by show of hands,

However, if a representative of a Member State requests secret vote, the Committee shall decide upon that by a simple majority of Participating States.

Article 21: Amendments and End of the Application of the Rules of Procedures

Except as otherwise specified in the Agreement, the Committee is entitled to propose to the COMCEC amendments to these rules of procedure or parts thereof or to put an end to their application at any time.

Article 22: Establishment of Working Groups and Sub-committees

a) The Committee may establish such sub-committees and working groups as may be necessary to the effective discharge of its functions. The rules of procedure of the sub-committees shall be those of the Committee *mutatis mutandis* after the introduction of required amendments.

b) These sub-committees and working groups shall be dissolved upon a decision by the Committee or at the end of the task that was assigned to them.

VI. WORKING LANGUAGES OF THE COMMITTEE AND REPORTS OF ITS PROCEEDINGS

Article 23: Languages of the Committee

Arabic, English and French shall be the languages of the Committee. A representative of a participating State may speak in a language other than a language of the Committee if the participating State concerned provides for interpretation into one of the languages of the Committee. Documents shall be issued in the languages of the Committee.

Article 24: Reports of the Proceedings and Decisions of the Committee

a) A report of the proceedings and decisions of the Committee shall be drafted in the official languages of the OIC and distributed to all the Members within three weeks after each session.

- b) Any Participating State may draw attention to any inaccuracy, omission or correction therein; appropriate action shall be taken thereon by the Committee in its next meeting after that matter is brought to the attention of the Secretariat formally.
- c) All documents of the Committee shall be classified as "Restricted", signifying that they are for official use only. The Committee may, however, at any time decide that information contained in any of its documents may be declassified or otherwise revealed.

Article 25: Publicity of Meetings

The meetings of the Committee and of its sub-committees shall ordinarily be held in private unless the Committee decides otherwise.

Article 26: Secretariat of the Committee

The COMCEC Coordination Office and the Islamic Center for Development of Trade shall assume the functions of the Secretariat of the Committee. Within this framework:

- a) The Secretariat shall extend consultancy and technical assistance to the participating States, regarding trade negotiations under the Framework Agreement of the TPS/OIC.
- b) The Secretariat shall be responsible, in cooperation with the national authorities of the host country, for the organization of the meetings of the committee, including the date and venue of each session, and the preparation of the draft agenda and the work program.
- c) Draft agenda, work program, technical studies, data and all the relevant documentation shall be circulated by the Secretariat among the Representatives of the participating States.
- d) The COMCEC Members and the relevant OIC institutions shall be informed about the activities of the committee by the Secretariat.
- e) The Secretariat shall publish the ensuing lists of concessions, and modifications made after the completion of each round of trade negotiations.

f) The Secretariat shall work to facilitate the overall communication among the Representatives of the Participating States, and the relevant OIC institutions in the process of trade negotiations.

g) The representatives of the Secretariat shall participate in all the meetings of the Committee, and present data, studies and clarifications sought on the items under consideration.

Article 27: Participation of Contracting States

The Contracting state which becomes a participating state to the Framework Agreement after the Committee is established, will be bound by all results of the negotiations and provisions regarding the work and status of the Committee, decided prior to its participation.

Article 28: Financial provisions

a) The Representatives of the participating States in the Committee shall cover their expenses.

b) The organizational expenses of the Committee sessions will be covered by the host government.

c) The Committee may seek financial support from the Participating states and some OIC institutions to cover some of the expenses accruing from trade negotiations.

Article 29: General Provisions

a) The Committee shall submit its reports and recommendations to the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) for adoption.

b) These rules of procedures shall be applied upon their adoption by the COMCEC.

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RECOMMENDATIONS OF THE WORKSHOP ON
"IMPACT OF ELECTRONIC COMMERCE
AND USE OF INFORMATION TECHNOLOGY IN
THE PROMOTION AND DEVELOPMENT
OF INTRA-OIC TRADE"

(Istanbul, 20-23 October 2003)

Original: English

**RECOMMENDATIONS OF THE WORKSHOP ON
"THE IMPACT OF ELECTRONIC COMMERCE AND THE USE
OF THE NEW INFORMATION TECHNOLOGY ON
INTRA-OIC TRADE PROMOTION AND DEVELOPMENT"**

Tunis, Tunisia Republic, 10, 11 and 12 June 2003

General Recommendations:

1. To entrust ICDT with setting up a coordination kernel between the OIC Member States that would focus on drawing up a strategy and implementing a global and integrated program aiming at boosting electronic commerce and all the closely related fields of Information and communication technology;
2. To invite the governmental authorities to adopt a policy in this field encompassing all the aspects that would contribute to developing e-Commerce, especially with respect to the telecommunication infrastructure, human skills, and the popularization of the digital technology dissemination;
3. To facilitate the participation of the private sector by encouraging investment, the entrepreneurial spirit and initiatives in the field of the new information and communication technology in general and of electronic commerce in particular, both at national and regional levels;
4. To invite the main regional and international financing institutions and authorities to initiate attendant mechanisms to the development of electronic commerce and its closely related fields so as to make this new transactions mode accessible to the operators of the OIC Member States;
5. To make every endeavor to protect and strengthen the identity, culture and Islamic patrimony in the digital technology world;
6. To work for the setting up of a backbone network, relying on TINIC (Trade Information network for Islamic Countries) in the field of electronic commerce integrating the different accessible networks and establishing links between the already existing or future platforms at local and regional levels;
7. To work for reducing the existing technological gap between the OIC Member States by developing capacity building programs with special focus on the LDCs.

Specific Recommendations:

1. To set up a legal and regulatory framework favorable to development of electronic commerce and related fields, Member States should make every endeavor to:

- Adopt and harmonize regulations and laws facilitating electronic transactions between Member States,
- Protect personal data so as to protect private life;
- To protect intellectual, artistic and cultural property;
- To ensure the arbitration and dispute settlements mechanisms in this field;
- To set up a recognized certification mechanism to establish trust between concerned parties.

2. To establish procedures and mechanisms facilitating electronic commerce in its different stages, including market exploration, payment and delivery of products and services as well as the setting up of a customs network so as to enable the exchange of required customs documents as well as any other documents such as the certificate of origin sanitary and phytosanitary certificate, documentary credit, bill of lading etc... using electronic means and get informed on customs procedures and tariffs between Member States so as to facilitate trade transactions between them;

3. To consider the possibility of creating a trustworthy electronic payment system based on a common currency "Islamic e-Dinar" with a view to encouraging and facilitating trade transactions;

4. To develop and adapt unified and harmonized standards relating to the identification of products and services and to electronic transactions using the OIC working languages;

5. To focus attention on the booming information technology sectors that have an important impact on trade expansion, such as tourism, transport, cultural products and handicrafts and;

6. To identify pilot projects for these sectors on the basis of successful stories experienced by Member States, while setting up "business patterns" involving the private sector, such as se-procurement in Malaysia, e-Dinar in Tunisia and Trade Point in Egypt;

7. To create a market place linking in a first stage pre-established enterprises of a limited number of emerging countries constituting the core of B2B platform, which may include 200 enterprises of about 6 countries;

8. To entrust ICDT with setting up selection criteria of enterprises with a view to allowing their participation in this market place and provide them with an electronic commerce kit comprising solutions for the building their managing, communication capacity and enhancing the level of their workforce and supply necessary funds for this operation while implying the competent financial institutions and, particularly the IDB group and the Islamic Chamber of Commerce and Industry;

9. To set up a monitoring committee for this project including experts from Member States that would follow up the implementation of scheduled actions and propose orientations that would ensure their success;

10. To create and Islamic library for the exhibition and dissemination of cultural products and those of the Islamic heritage (books, studies, music, multimedia...) that could serve as distance learning material;
11. To work out a training of trainers' curses encompassing all the electronic commerce aspects;
12. To invite Member States to include in their national higher education courses, modules dealing with the new information and communication technology and e-commerce;
13. To prepare a Roster of Experts of Member States in the field of electronic commerce and closely related fields and make Member States benefit from their expertise;
14. To set up an observatory of the new Information Technology in general and of e-commerce in particular with a view to enabling Member States in particular to adopt an appropriate strategy on taking into the prevailing trends in this field;
15. To set a domestic industry of computer engineering and software and derive benefit from the use of open source software) in order to bring domestic solutions adapted to the surrounding environment and context;
16. To organize an exhibition of products and services and the solutions in the field of information and communication technology and e-commerce to be held in Islamic Countries in alternate manner every two years under the aegis of ICDT;
17. To invite the Ministries in charge of information and Communications Technologies to meet periodically with a view to establishing a strategy ensuring the development of national infrastructure in this field and encourage interconnection, especially, through the setting up of national and regional hubs;
18. To invite Member States to speed up the setting up of on-line governmental services intended for G2B enterprises (Government to business) with a view to reducing the costs relating to procedures and transactions and serve as a model for the private sector;
19. To invite the OIC institutions (ICDT, IDB ICCI, IUT, SESRTCIC) to lead a sensitizing campaign through target programs and activities, particularly in those countries which are not provided with an adequate information and communication technology infrastructure and where these technologies are little developed.

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REPORT OF THE SESSIONAL COMMITTEE MEETING

(Istanbul, 21 October 2003)

Original: English

**REPORT
OF THE SESSIONAL COMMITTEE**
Istanbul, 20 October 2003

As per the agenda of the 19th Session of the COMCEC, the Sessional Committee held its meeting on 20th October 2003.

The meeting was chaired by H.E. Ambassador Nabika Diallo, Assistant Secretary General of OIC. The meeting was attended by the following;

General Secretariat of the Organization of the Islamic Conference
COMCEC Coordination Office

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

The Islamic Centre for Development of Trade (ICDT)

Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCI)

The Islamic Development Bank (IDB)

Islamic University of Technology (IUT)

and the representatives of the Islamic Republic of Iran.

The meeting adopted the following agenda items;

- 1- Status of Supplementary Mechanism to implement the OIC Plan of Action
- 2- Status of the preparations for the launching of Trade Negotiation
- 3- Exchange of Views on Trade and Transport Facilitation among the member states
- 4- Any other issues

Under Agenda item 1, the COMCEC Coordination Office informed the Committee of the status of the Supplementary Mechanism. Thereafter, it was

agreed that in order to give further impetus the following steps would be undertaken;

1. The Committee agreed that as a first step, all the projects in hand, received through the sectoral committees should be dealt with. Accordingly, the General Secretariat of OIC in consultation with the COMCEC Coordination Office, will send a letter by end of November 2003 to all the sponsors of the projects asking them to indicate their present position on their project proposal. In addition to that, the sponsors will be requested to fill in the project profile form and to send their responses to the General Secretariat of OIC, within 4 months. In case no response is received within this period it will be assumed that the sponsors are no longer interested and subsequently the proposal will be removed from the list.
2. On receiving this information the General Secretariat of OIC will inform the OIC Institutions, who will then select projects falling within their scope of activities. Thereafter, the OIC Institutions will coordinate with the sponsor and the interested countries for their possible implementation.
3. It was underlined that the role of OIC Institutions in this process will be only to give advisory as well as technical or eventually financial assistance to the concerned Member States.
4. The Committee agreed that the progress of the implementation process will be regularly reviewed and evaluated at all OIC Meetings.

Under Agenda item 2, ICDT and the COMCEC Coordination Office informed the Committee about the steps undertaken by the Secretariat of the Trade Negotiations Committee. The Committee laid emphasis on the participation of the 12 member states, who had ratified the Agreement, in the first round of negotiations, to be held in Turkey in April, 2004, with the possible assistance of IDB. Thereafter the following points were adopted.

- 1- Chairman of COMCEC will send invitation letters to the heads of State or the Government of the 12 Member States that have ratified the Agreement informing them the Government of Turkey will host the First Round of Trade Negotiations.
- 2- Member States will also be invited by the COMCEC Coordination Office, in coordination with ICDT and the General Secretariat of OIC. The said letters will call on Member States who have ratified the Agreement to confirm their participation latest by end of February 2004 their delegation, comprising of members who would be in a position to take relevant decisions. In addition to the above, the General Secretariat of the OIC will also send invitation letters to those countries who have signed, encouraging them to ratify so that they may take part in the negotiations.
- 3- Depending on the Member States, invitation letters and documentation will be sent through the Ministry of Foreign Affairs or Ministry of Trade and Commerce. But for the 12 ratifying Member States, ICDT will request for the name of the focal points for all communication.
- 4- It was also agreed that maximum coverage may be given to this subject by publishing it on the websites of ICDT, ICCI and COMCEC Coordination Office.
- 5- The COMCEC Coordination Office, ICDT and OIC will send by 15th November 2003 under separate cover all the documents pertaining to the first round of trade negotiations, to Member States and concerned OIC Institutions.
- 6- The COMCEC Coordination Office and ICDT will present progress reports on the state of preparations for the launching the trade negotiations to the next Meeting of Islamic Commission for Economic. Cultural and Social Affairs to be held in Jeddah.

Annex 16 to OIC/COMCEC/19-03/REP

Under agenda item 3, the Committee reviewed the topic for Exchange of Views Session for the 20th COMCEC, namely Trade and Transport Facilitation among OIC countries. The Committee proposed the holding of the related workshop by the ICDT and the Organization of Islamic Shipowners' Association (OISA).

The Committee concluded its deliberations with thanks to the chair.

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

(Istanbul, 23 October 2003)

Original: Arabic

**MESSAGE HE. DR. ABDELOUAHED BELKEZIZ
SECRETARY GENERAL OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE
AT THE CLOSING SESSION**

(Istanbul, 23 October 2003)

H.E. Dr. Abdullatif Şener, Minister of State and Deputy Prime Minister of the Republic of Turkey,
Your Excellencies Mr. and Mrs. Ministers,
Distinguished Ambassadors,
Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

I wish to emphasize that the economic and commercial cooperation constitute one of the bases for solidarity among the Member States. The interwoven economic interests of Member states are the bond that reinforces their unity. Your work in this Standing Committee, therefore, acquires special importance as it helps achieve the lofty goals of our Muslim Ummah. At the close of this 19th Session of the COMCEC, I would like to thank all the Ministers, heads of delegation and all delegates for the sincere efforts they exerted to enrich the deliberations to arrive at a number of important and positive decisions.

The promotion of inter-OIC trade is an objective to which we attach great importance. We have gone a step forward on the right path through the entry into force of the Framework Agreement on Trade Preferential System Among Member States and I do hope this will be followed up by fruitful trade negotiations that will take place in the near future, God willing, so that we may take concrete steps to promote intra-OIC trade. I also wish to thank once again the Republic of Turkey for offering to host the forthcoming round of negotiations, which is expected in 2004.

Mr. Chairman,

During this Session, we have highlighted the process of implementation of the OIC Plan of Action for the development of economic and commercial cooperation among the Member States. Our consultations have provided further reinforcement to the follow-up of this Plan.

Likewise, our discussions on the topic of "Impact of Electronic Commerce and Use of Information Technology in Promotion and Development of Intra-OIC Trade" were held at a very appropriate time. We focused our attention on an important set of recommendations.

Before I conclude, I wish to express again my thanks and appreciation to H.E. Ahmet Necdet Sezer, President of the Republic of Turkey and Chairman of COMCEC for the valuable efforts he exerts and for the wisdom with which he directed our deliberation.

I also wish to thank H.E. Dr. Abdullatif Şener for his smooth conduct of this session, on behalf of the President of the Republic of Turkey and for having led it to such a satisfactory conclusion. I address my appreciation and congratulations to the COMCEC Coordination Office, for its efforts in meticulously organizing the work of the Session. I cannot fail to thank the interpreters the translators and all those who have contributed to the success of our conference

I wish to reaffirm to you all that the OIC General Secretariat does not spare any efforts to implement all COMCEC resolutions, which we believes plays a determining role in the consolidation of Islamic action that leads to the development of the Islamic world and enhances its standing.

Wassalamu Alaiku Wa Rahmatullahi Wa Baraka tuh.

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STATEMENT BY HE. AICHA AGNE POUYE,
MINISTER OF TRADE OF THE REPUBLIC OF SENEGAL
AT THE CLOSING SESSION

(Istanbul, 23 October 2003)

Original: French

**STATEMENT BY H.E. AICHA AGNE POUYE,
MINISTER OF TRADE OF THE REPUBLIC OF SENEGAL
AT THE CLOSING SESSION**

(Istanbul, 23 October 2003)

Bismillah Arrahman Arrahim

Your Excellency Professor Abdullatif Chener
Minister of State and Deputy Prime Minister of the Republic of Turkey,
Your Excellencies the Ministers,
Your Excellency Dr. Abdelouahed Belkeziz,
OIC Secretary General,
Honourable Heads of delegation,
Ladies and Gentlemen

It's a great pleasure for me to have been asked by my colleagues to present the motion of thanks, on behalf of all participants of this 19th Session of the COMCEC.

Beyond my humble person, it is to my country, Senegal, to Africa, as a whole that this lofty taken of esteem is addressed.

I am even happier to take the floor before this august assembly as H.E. Dr. Aboulaye Wade, President of the Republic of Senegal and President of the OIC Standing Committee for Information and Cultural Affairs (COMIAC) gave me the signal honour to represent him personally at this important Meeting.

I would like to extend to H.E. Ahmet Nejdet SEZER. President of the Republic of Turkey and President of COMCEC, to the Government and fraternal people of this great country the best brotherly wishes of H.E. the President of Senegal, his government and all the Senegalese people.

Mr. Chairman,

The convening of our present meeting, a few days after the Tenth Islamic Summit, held recently in Putrajaya, Malaysia, and a few weeks after the WTO Fifth Ministerial Conference have lent greater acuity to our relentless search for viable solutions to the numerous challenges leveled at us.

It is fully aware of the new challenges that now characterize international relations, in particular after the deafening failure of the Cancun Meeting, that the heads of State and Government of Member States of our Organization have laid stress on the vital need to strengthen economic cooperation within the Ummah.

It is opportune at this juncture to welcome the happy initiative of His Royal Highness Prince Abdullah ibn Abdel Aziz Al-Saud of Saudi Arabia, an initiative announced at the Malaysia Summit, to set the example, promising to contribute substantial financial resources to consolidate the Islamic Development Bank and enable it to increase its vital support to the development efforts of Member States.

Mr. Chairman,

Globalization has taken off at an incredible speed. Those who do not wish to be left behind must increase their pace in order to create optimal conditions to facilitate their going on board at the opportune time. The sacrifices involved are immense, but I am still confident that with the determination which is the trademark of our leaders, we can land safely. The Member States of our organization, faced with mounting alliances, concluded within the international economic community, have very early realized the importance of regional groupings in their joint development efforts.

Given that outlook, some Heads of State in Africa, inter alia President Wade of Senegal, President Obasanjo of Nigeria, President Tabo Nbeke of South Africa and President Bouteflika of Algeria have taken the initiative to create a New Partnership for the economic development of Africa, entitled NEPAD. It is a strategy through which Africans have decided to hold the reins of their destiny, a partnership with the outside world and notably the international private sector.

The president of Senegal has been entrusted by to peers to deal within NEPAD- with the sectors of infrastructure, the new technologies of information and communication and the environment, sectors which are well placed among the activities of the OIC Plan of Action to strengthen economic and commercial cooperation.

I am grateful, in this regard, that COMCEC has decided to support the implementation of NEPAD along with other OIC institutions.

Mr. Chairman,

The concrete decisions we have just adopted on issues instrumental in the strengthening of our economic and commercial cooperation will enable COMCEC, under the dynamic leadership of Turkey, to pursue its relentless efforts to achieve the assigned objectives.

Among the crucial issues considered at our Meeting, I will refer to the implementation of the Plan of Action, activities within WTO, the first round of commercial negotiations in order to implement the OIC Framework Agreement on the Trade Preferential System, that my country has signed and ratified, the use of electronic commerce and the new technologies of Information and Communication in the promotion of intra-OIC trade, the Islamic Fair and the strengthening of the role of the private sector. I firmly believe they are important items that we have to consider with great care.

May I be permitted to recall, for memory, that my country, who has always whole heartedly sought to contribute to the edification of a more prosperous Ummah has spared no effort in supporting the OIC activities at all levels. It is in this context that it offered to host the 4th Islamic Conference of Ministers of Tourism, in 2004, the 11th Trade Fair of Islamic Countries and the 13th Meeting of the private sector in 2006, in conjunction with the Islamic Summit.

Mr. Chairman,

Before concluding, I would like, on behalf of all delegations, to reiterate our sincere thanks and profound gratitude to the government and people of the Republic of Turkey

for the warm welcome and generous hospitality provided to us since our arrival in this beautiful and historic city of Istanbul with its thousand minarets.

Moreover, the excellent preparation of the meeting enabled us to arrive at very positive results, thus constituting a new landmark in our strive to strengthen our economic and commercial cooperation.

To you, Mr. Chairman, we express our high appreciations for the wisdom, farsightedness, patience and competence in conducting our work.

Finally, I wish to thank the OIC Secretary General and all his lean for the remarkable work accomplished, as well as all the subsidiary organs, specialized and affiliated institutions for their valuable assistance to us.

I thank you for your kind attention

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

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STATEMENT BY H.E. ASSOC. PROF. ABDULLATIF ŞENER,
MINISTER OF STATE AND DEPUTY PRIME MINISTER OF THE
REPUBLIC OF TURKEY AT THE CLOSING SESSION

(Istanbul, 23 October 2003)

Original: Turkish

**STATEMENT BY
H.E. ASSOC. PROF. DR. ABDULLATIF ŞENER
MINISTER OF STATE AND DEPUTY PRIME MINISTER
OF THE REPUBLIC OF TURKEY
AT THE CLOSING SESSION**

(Istanbul, 23 October 2003)

Excellencies,
Distinguished Delegates,

We have successfully concluded the Nineteenth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) of the Organization of the Islamic Conference (OIC).

A total of 188 delegates and representatives from 43 countries and 15 international organizations participated in the 19th Session of COMCEC. I would like to take this opportunity to thank the Member States, the distinguished representatives of the Organization of the Islamic Conference and related institutions, and all the delegations for their interest in, and contribution to the COMCEC.

Excellencies,
Distinguished Delegates,

The latest developments in world economy were considered during this Session, and the implications of these developments for the Islamic countries were discussed comprehensively.

It was also underlined during the Nineteenth Session of COMCEC that trade was an indispensable activity in the countries' search for prosperity and that developing countries must take their deserved share of world trade.

The failure of the Fifth Ministerial Conference of the World Trade Organization held in Mexico which establishes the rules of global trade, stressed the importance of cooperation in the framework of regional trade organizations as an alternative for a quicker solution.

In this context there is need for dedicated endeavors to facilitate and expand inter-OIC trade and decrease tariff and non-tariff barriers to trade. It is very important that efforts to be made in this regard be supported by the wishes and will of the Member Countries. I think that the work to be undertaken in the purview on the Frame Agreement on the Trade Preferential System, which has come into force, will constitute a step towards satisfying the aforementioned need.

It is my belief that the resolutions adopted by the 19th Session of COMCEC to initiate the first round of negotiations related to the Frame Agreement in 2004 underline the importance of the wish and will of the Member Countries to expand trade.

I would like to invite the Member Countries that have not yet signed or ratified the Frame Agreement on the Trade Preferential System to sign and ratify this Agreement as early as possible.

On the other hand, the active participation of the Member Countries having already finalized their ratification processes in the first round of trade negotiations to be hosted by Turkey is of paramount importance for the successful outcome of the negotiations.

I believe that the COMCEC Member Countries will make use of their experience for an efficient conduct of these negotiations, and I thank them in advance for their efforts.

Excellencies,
Distinguished Delegates,

We have adopted a resolution at this Session to set up an additional scheme for the implementation of the Economic Cooperation Plan of Action which constitutes the basis of the COMCEC work. Contributions of the OIC General Secretariat and

related institutions as well as the valuable support of the Member Countries to the work to be carried out in the context of the adopted scheme are of paramount importance. I would like to convey in advance my thanks for the efforts to be made by the Member Countries and the OIC institutions. I would also like to keep my hopes that these efforts will yield concrete results.

Excellencies,
Distinguished Delegates,

I would like to reiterate my satisfaction for the work carried out under the leadership of the Islamic Chamber of Commerce and Industry to promote the cooperation among the private sector representatives, which is one of the important projects of COMCEC. However, the interest and active participation of our businessmen in these activities is crucial so that the cooperation efforts can reach the targets desired by all of us. I am hopeful that there will be favorable developments in this direction in the near future. I would like to take this occasion to express my thanks and appreciation for the endeavors and efforts of the Islamic Development Bank towards satisfying the financing needs of the private sectors of the Member Countries.

Excellencies,
Distinguished Delegates,

We had an exchange of views meeting during the 13th Session of COMCEC under the theme, "The Impact of Electronic Commerce and the Use of Information Technology in the Promotion and Development of Intra-OIC Trade among Member States". I hope that the experience we have gained in this field will open new horizons in our cooperation.

Excellencies,
Distinguished Delegates,

It is a matter of concern for all of us that peace and stability have not been established in the Middle East and we are particularly concerned about the problems in Palestine and Iraq. It is our common desire to have peace and stability in Iraq. In addition to the decision to extend economic aid to some other Islamic countries, economic aid and contribution to the restructuring of Iraq are important.

Excellencies,
Distinguished Delegates,

It is necessary to develop the existing cooperation among us in order to adapt to the global changes and find common solutions to the economic problems we face. Your valuable contributions in using the COMCEC as a more effective platform in the field of economic and commercial cooperation will be decisive.

In conclusion I would like to express my thanks to all of you for your understanding and your contribution to the work of the 19 session of COMCEC. I would also like to thank the interpreters and the conference secretariat, whose dedicated support has contributed to the success of the Session.

Finally, I wish you a pleasant stay in Turkey and a safe trip back home.