

R E P O R T

OF THE FOURTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC

Istanbul, 6-8 April 1988

COMCEC Coordination Office

Ankara, April 1988

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TABLE OF CONTENTS

| | Page |
|---|------|
| Report of the Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference | 3 |
| List of Documents Considered at the Fourth Meeting of the Follow-up Committee of the COMCEC | 21 |

ANNEXES

| | |
|---|----|
| I. List of Participants of the Fourth Meeting of the Follow-up Committee of the COMCEC | 27 |
| II. Message of H.E. Kenan EVREN, President of the Republic of Turkey, Chairman of the COMCEC | 35 |
| III. Message of H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey, Alternate Chairman of the COMCEC | 37 |
| IV. Opening Statement by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State, of the Republic of Turkey, Chairman of the Follow-up Committee | 39 |
| V. Statement of Mr.A.K.M. Farooq, Director of Economic Affairs of the General Secretariat of OIC | 45 |
| VI. Agenda of the Fourth Meeting of the Follow-up Committee of the COMCEC | 51 |
| VII. Background Report of the General Secretariat of OIC on the Progress Achieved since the Third Session of the COMCEC | 53 |

| | Page |
|---|------|
| VIII. Draft Declaration of Intent on the Establishment of a Trade Preferential System Among the Member States of OIC | 71 |
| IX. Report of the Ad Hoc Experts Group Meeting on the Establishment of a Trade Information Network among the Islamic Countries (TINIC). | 75 |
| X. Report of the Experts' Group Meeting on "Export Credit Guarantee/Insurance Scheme". | 35 |
| XI. The Text of the Presentation on a "Methodology for Harmonization of the Existing Standards in the Islamic Countries and the Preparation of Common Standards". | 95 |
| XII. Working Paper on the Election of the Members of the Bureau of the COMCEC _____ | 101 |
| XIII. Draft Agenda of the First OIC Ministerial Meeting on Communications.. | 109 |
| XIV. Draft Agenda of the Fourth Session of the COMCEC | 111 |
| XV. Closing Statement by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State of the Republic of Turkey, Chairman of the Follow-up Committee of the COMCEC | 113 |

Original : English

REPORT

OF THE FOURTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

1. The Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul on 6-8 April, 1988.

2. The Meeting was attended by the representatives of the following Member States of the Follow-up Committee:

- Republic of Turkey (Chairman)
- Islamic Republic of Pakistan (Vice-Chairman)
- Kingdom of Saudi Arabia (Vice-Chairman)
- Republic of Guinea (Vice-Chairman)
- Palestine (Vice-Chairman)
- State of Kuwait (Vice-Chairman, Chairman of the Fifth Islamic Summit Conference)
- Hashemite Kingdom of Jordan (Rapporteur)

3. The Meeting was also attended by the representatives of the General Secretariat and the following subsidiary and affiliated organs of OIC :

- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- Islamic Centre for Development of Trade (ICDT)
- Islamic Center for Technical and Vocational Training and Research (ICTVTR)
- Islamic Foundation for Science, Technology and Development (IFSTAD)
- Islamic Development Bank (IDB)
- Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE)
- Federation of Consultants from Islamic Countries (FCIC)
- Association of Development Finance Institutes in Member Countries of the Islamic Development Bank (ADFIMI)
- International Association of Islamic Banks (IAIB)

4. The representative of the United Nations Conference on Trade and Development (UNCTAD) was present in the Meeting as observer.

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

Opening Session

5. The Meeting was inaugurated by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee of the COMCEC.

6. H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC, in a message addressed to the

Meeting, expressed his confidence that the recommendations to be made by the Follow-up Committee would further contribute to effective implementation of the various schemes under consideration by the COMCEC. The President reiterated his belief in the significance of economic cooperation for the establishment of an order based on peace that would safeguard the mutual interests of all the countries on an equitable basis, and conveyed his wishes for the success of the Meeting.

A copy of the text of the message of H.E. Kenan EVREN is attached as Annex II.

7. H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, in his message to the Meeting, conveyed the profound pleasure of the Government and people of Turkey in hosting the Fourth Meeting of the Follow-up Committee. The Prime Minister, expressing his satisfaction at the tangible progress achieved under the auspices of the COMCEC, especially in the area of trade cooperation, stated his confidence that the recommendations to be made by the Committee in its Fourth Meeting would ensure promotion of economic cooperation among the Member Countries in line with the principle of comparative advantages and through the operation of the market mechanism. H.E. ÖZAL wished every success to the Meeting and a pleasant stay in Turkey to the delegates.

A copy of the text of the message of H.E. Turgut ÖZAL is attached as Annex III.

8. The Committee was then addressed by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee. H.E. Dr. Yusuf Bozkurt ÖZAL, stressing the growing importance of the COMCEC as a supervisory body in the implementation of the Plan of Action, underlined the unique role of the Follow-up Committee in assisting the COMCEC through its valuable recommendations. The Minister informed the Committee that the 17th Islamic Conference of Foreign Ministers was apprised of the activities of the COMCEC in accordance with a decision adopted at the Fifth Islamic Summit Conference. H.E. Dr. ÖZAL expressed his pleasure at the presence of the delegation of the State of Kuwait in the Follow-up Committee as the Fifth Vice-Chairman of the COMCEC to serve until the Sixth Islamic Summit. In relation to the items on the agenda of the Committee, the Minister commended the efforts being exerted by the Member Countries and the related OIC organs towards completion of the necessary studies. H.E. Dr. ÖZAL wished every success to the Committee and expressed the hope that the delegates will have an enjoyable stay in Turkey.

A copy of the text of the Opening Statement by H.E. Dr. Yusuf Bozkurt ÖZAL is attached as Annex IV.

9. Mr. A.K.M. FAROOQ, Director of Economic Affairs of the General Secretariat, also addressed the Meeting. Mr. FAROOQ conveyed the profound gratitude and best wishes of H.E. Syed Sharifuddin PIRZADA, Secretary General of OIC, to H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC for his continued personal interest and abiding commitment to the implementation of the OIC Plan of Action, as well as for his wise guidance in promoting economic and commercial cooperation among Member States. The Director of Economic Affairs also expressed his satisfaction at the commendable progress achieved under the auspices of the COMCEC and stated that the 17th Islamic Conference of Foreign Ministers, held in Amman, Hashemite Kingdom of Jordan, on 21-25 March 1988, had been apprised of the progress in this regard.

A copy of the text of the statement of Mr. A.K.M. FAROOQ is attached as Annex V.

10. The Committee was then addressed by the Heads of Delegations of the Kingdom of Saudi Arabia, the Hashemite Kingdom of Jordan, the Islamic Republic of Pakistan, the Republic of Guinea, the State of Kuwait and Palestine. In their statements, the Heads of Delegations thanked the President, the Government and the people of Turkey for their continuing interest in fostering economic cooperation among the OIC Member Countries. Underlining the significance

of the guidelines contained in the messages of the Chairman and the Alternate Chairman of the COMCEC, they appreciated the efforts of the COMCEC to strengthen economic cooperation among the Member Countries in the face of deteriorating world economic conditions. Referring to the importance of the items on the Agenda, they commended the valuable contributions made by the subsidiary and affiliated organs of OIC.

11. After the adoption of its agenda, the Follow-up Committee established an open-ended Drafting Committee under the Chairmanship of the Rapporteur.

The working sessions of the Meeting were chaired by H.E. Dr. Ali TIGREL, Undersecretary of State for State Planning Organization of the Republic of Turkey.

A copy of the text of the Agenda adopted by the Committee is attached as Annex VI.

Report of the OIC General Secretariat

12. Under Agenda item 3, Mr. A.K.M. FAROOQ, Director of Economic Affairs at the General Secretariat, presented a summary of the Background Report of the General Secretariat. In his summary, the Director highlighted the progress achieved towards the implementation of various Resolutions

of the COMCEC pertaining to the Plan of Action .to Strengthen Economic Cooperation among Member States.

A copy of the text of the Background Report of the General Secretariat is attached as Annex VII.

13. The explanations given by Mr. FAROOQ regarding the progress in the area of industrial cooperation **was** supplemented by Mr. Faik KOÇ, Deputy Undersecretary of the Ministry of Industry and Trade of the Republic of Turkey and Chairman of the Senior Officials' meetings of the Third Ministerial Consultation on Industrial Cooperation. Mr. KOÇ gave an account of the progress achieved in the implementation of the decisions of the Third Ministerial Consultation in particular the mechanism for the promotion of joint venture projects among the Member Countries.

Draft Declaration of Intent on the Establishment of a Trade Preferential System Among the OIC Member States (TPSOIC)

14. Under agenda item 4, the Committee noted with appreciation the presentation of ICDT on the text of the Draft Declaration of Intent on the Establishment of TPSOIC, which was redrafted by ICDT and circulated by the COMCEC Coordination Office to the Member States. In this context, the Committee considered the text of the Draft Declaration

on TPSOIC together with the comments on it made by some of the Member States and the OIC General Secretariat.

15. Following detailed discussions, a consensus was reached on the contents of the Declaration and on its submission to the Fourth Session of the COMCEC for consideration and approval.

A copy of the text of the Draft Declaration of Intent on the Establishment of TPSOIC is attached as Annex VIII.

Draft Framework Agreement on the Establishment of a Trade Preferential System Among the OIC Member States (TPSOIC)

16. Under agenda item 5, the representative of ICDT presented a progress report on the preparation of the Draft Framework Agreement on the Trade Preferential System Among OIC Member Countries (TPSOIC).

17. The Committee noted with satisfaction that ICDT had prepared the second version of the Draft Framework Agreement, taking into account the views and comments of the Legal Department of the General Secretariat and those of the relevant subsidiary organs of OIC and of UNCTAD and GATT, and forwarded it to the Member States for their examination and comments.

18. In view of the importance of the subject matter, the Committee asked ICDT to ensure that the Draft Framework Agreement were received by the Member States for their examination and comments.

19. The Committee further asked ICDT to follow-up the issue very closely and to submit to the Fifth Meeting of the Follow-up Committee of the COMCEC the new version of the Draft Framework Agreement to be revised taking into account the proposed content of the Draft Declaration of Intent and the comments of the Member States.

Trade Information Network for Islamic Countries (TINIC)

20. Under agenda item 6, the representative of ICDT presented the report of the Ad Hoc Experts' Contact Group on the Trade Information Network for Islamic Countries (TINIC) held on 22-24 February, 1988 in Casablanca.

21. The Committee, noted that the revised version of the feasibility study on TINIC was found satisfactory in general terms by the Ad Hoc Experts' Contact Group.

22. The Committee welcomed the recommendation of the Ad Hoc Group for closer cooperation between IDB and ICDT, to take maximum advantage of the complementarities between TINIC and the project on the establishment of the Islamic Countries

Information Network (ICINET), under consideration by IDB, that would minimize costs and prevent duplication of effort.

23. The Committee considered the views expressed at the Ad Hoc Experts' Group on the need for a certain amount of additional cost for the setting up of the envisaged network. Recalling the resolution adopted at the Second Session of the COMCEC on TINIC, which stipulated that the network should be established with no additional cost, the Committee decided to submit the issue to the COMCEC for final decision.

24. Pending the decision of the COMCEC on the establishment of TINIC, the Committee felt the need for the preparation of an implementation programme, and requested ICDT to convene a study group composed of SESRTCIC, IDB, ICCICE, IFSTAD, ICTVTR, the OIC General Secretariat and the COMCEC Coordination Office, to draw up such a programme which would include, among others, the determination of the following:

- a) Regional and Specialized Centers, their areas of specialization and the data banks to be entrusted to them;
- b) Standards and procedures regarding the data and operating modalities of the envisaged network;

- c) Overall financial profile of the network, assuming that the Member Countries would bear the cost of national antennas, while the regional, specialized and coordinating centers would bear any additional costs that the operation of the network would entail.

It was decided that the Study Group should be convened, upon invitation by ICDT, at the earliest possible date.

A copy of the Report of the Ad Hoc Experts Group Meeting on TINIC is attached as Annex IX.

Regional Export Credit Guarantee Scheme

25. Under agenda item 7, the representative of IDB presented the Report of the Experts' Group Meeting entitled "Export Credit Guarantee/Insurance Scheme", convened by IDB on 25-26 January 1988 in Jeddah.

26. The Committee noted with satisfaction that IDB had revised the feasibility study on the establishment of a "Export Credit Guarantee/Insurance Scheme" in accordance with the recommendations of the Experts' Group and circulated it to the Member Countries for their examination and suggestions.

27. The Committee considered the recommendations made by the Experts' Group and the detailed study prepared by IDB on

the establishment of the Scheme. In view of the importance of the matter, the Committee urged the Member States to communicate their views and comments to IDB on the issues raised at the Experts' Group. The Committee further requested IDB to examine, in consultation with the Member States, the organisational nature and the modalities of the implementation of the Scheme, keeping in mind the Article 15 of the Agreement for the Promotion, Protection and Guarantee of Investment among OIC Member States, and to submit its report on this issue to the Fifth Meeting of the COMCEC Follow-up Committee.

A copy of the Report of the Experts Group Meeting on the Export Credit Guarantee Scheme is attached as Annex X.

Multilateral Islamic Clearing Union

28. Under agenda item 8, the representative of IDB presented a progress report on the establishment of a Multilateral Islamic Clearing Union.

29. The Committee noted that the subject was being studied by IDB in accordance with the recommendation adopted at the 7th Meeting of the Governors of Central Banks and Monetary Authorities of the Member States, and requested IDB to continue with its study on the subject.

Methodology for the Harmonization of Standards

30. Under agenda item 9, the representative of the Secretariat of the Coordinating Committee on Harmonization of Standards presented the study on the Methodology for the Harmonization of Standards among the Member States.

31. The Committee, while appreciating the study undertaken by the Secretariat of the Coordinating Committee, agreed on its circulation by the COMCEC Coordination Office among the Member Countries for their examination and comments. It was also decided that the methodology in question should be examined and revised, in the light of the comments and suggestions of the Member Countries, in an experts' group meeting with a view to improving its applicability and developing modalities and mechanisms for its implementation.

A copy of the text of the presentation on the "Methodology for Harmonization of the Existing Standards in the Islamic Countries and the Preparation of Common Standards" is attached as Annex XI.

Report of the Follow-up Committee of the Second Ministerial Conference on Food Security and Agricultural Development

32. Under agenda item 10, a representative from the Turkish delegation submitted a report on the outcome of the Second

Meeting of the Follow-up Committee of the Ministerial Conference on Food Security and Agricultural Development held on 9-11 December, 1987, in Istanbul.

33. The Committee noted with satisfaction the progress reported to the Follow-up Committee Meeting and expressed its appreciation to the Government of the Islamic Republic of Pakistan for its offer to host the Third Ministerial Conference on Food Security and Agricultural Development from 31 October to 3 November, 1988, in Islamabad. The Committee also expressed its appreciation to the Government of the Arab Republic of Egypt for its offer to host an experts' group meeting on 28-31 May 1988, in Cairo. This meeting would be devoted to the examination of the completed studies in the area of food security and agricultural development, as decided at the Second Ministerial Conference on Food Security and Agricultural Development.

Methodology for the Renewal of the Members of the Bureau of the COMCEC

34. Under agenda item 11, the Committee considered the Working Paper presented by the COMCEC Coordination Office, along with various suggestions made by the delegations, on the renewal of the members of the Bureau of the COMCEC.

35. The Committee, following detailed discussions on various aspects of the issue, emphasized the importance of the considerations indicated below:

- a) continuity in the work of the COMCEC;
- b) benefiting from the accumulated experience of the members of the Bureau;
- c) functional requirements of the work of the COMCEC;
- d) maintenance of the distinction between the roles of the Bureau and the Follow-up Committee.

36. In the light of the foregoing, the Committee decided to recommend to the COMCEC that the present composition of the Bureau should be maintained. It was also agreed that the practice of inclusion of the Chairman of the Islamic Summit Conferences in the Bureau, as decided at the Third Session of the COMCEC, would be continued.

37. The Committee, taking into consideration the need to allow greater participation of larger number of Member States in the work of the Follow-up Committee agreed that, in addition to the members of the Bureau, three Member States, one from each geographical region, would be elected to the Follow-up Committee at the Fourth Session of the COMCEC, thus increasing the size of the Follow-up Committee to ten Member States. Every two years, a new election would be held for these three new seats. The outgoing new regional representatives would be eligible for re-election.

A copy of the Working Paper on the Election of the Members of the Bureau of the COMCEC is attached as Annex XII.

Draft Agenda of the First OIC Ministerial Meeting on
Communications

38. Under agenda item 12, the Committee considered the Draft Agenda of the First Ministerial Meeting on Communications of OIC to be held on 4-7 September, 1988, in Istanbul, concurrently with the Fourth Session of the COMCEC, as explained by the Turkish delegation.

39. After having considered various proposals made by the delegations, the Committee decided to make certain amendments in the Draft Agenda and agreed on its circulation, through the General Secretariat of OIC, among the Member States for their examination and suggestions.

40. In view of the necessity to prepare working papers on the subjects indicated in the relevant items of the Draft Agenda, the Committee agreed that the General Secretariat of OIC should undertake the required preparations, in close cooperation with the concerned subsidiary and affiliated organs of OIC and the host country. In this connection, the Committee asked the OIC General Secretariat to benefit from the experience and to make use of any assistance that could

be obtained from any other relevant international and/or regional organizations.

A copy of the Draft Agenda of the First OIC Ministerial Meeting on Communications, as agreed on by the Committee, is attached as Annex XIII.

Draft Agenda of the Fourth Session of the COMCEC

41. Under agenda item 13, the Committee considered the Draft Agenda of the Fourth Session of the COMCEC to be held on 4-7 September, 1988, in Istanbul.

42. The Committee redrafted the Agenda of the Fourth Session of the COMCEC, taking into consideration various suggestions made by the delegations, and decided to circulate it, through the General Secretariat of OIC, among the Member States.

A copy of the Draft Agenda of the Fourth Session of the COMCEC, as agreed on by the Committee, is attached as Annex XIV.

43. The Committee decided that its fifth meeting would take place on 22-24 May 1989.

Closing Session

44. At its closing session, which was presided by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State of the Republic of

Turkey, the Committee adopted its report, as read out by the Rapporteur, together with its Annexes. The Committee decided to circulate the Report to the Member States through the General Secretariat of OIC, and asked its Chairman to submit it to the Fourth Session of the COMCEC.

45. The Committee requested the Chairman to send messages on its behalf to H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC, and to H.E. Turgut ÖZAL, Prime Minister of the* Republic of Turkey and Alternate Chairman of the COMCEC. In these messages, the Committee expressed its feelings of profound gratitude and appreciation to H.E. Kenan EVREN and to H.E. Turgut ÖZAL for the sincere welcome and most generous hospitality accorded to the delegates during their stay in Turkey.

46. In his closing statement, H.E. Dr. Yusuf Bozkurt ÖZAL expressed his pleasure in observing that the constructive recommendations made in relation to the ongoing studies provided a new impetus and perspective to the activities being carried out under the auspices of the COMCEC. He expressed his confidence that this would further strengthen economic cooperation among the Member Countries and wished delegates a safe journey back home.

A copy of the text of the closing speech by H.E. Dr. Yusuf Bozkurt ÖZAL is attached as Annex XV.

0IC/COMCEC-FC/4-88/LD

Original : English

LIST OF DOCUMENTS
CONSIDERED AT THE FOURTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 6-8 April 1988

0IC/COMCEC-FC/4-88/LD

Original : English

LIST OF DOCUMENTS
CONSIDERED AT THE FOURTH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 6-8 April 1988

- 1- List of Participants
(0IC/COMCEC-FC/4-88/LP)
- 2- Message by H.E. Kenan EVREN, President of the Republic of Turkey, Chairman of the COMCEC
(0IC/COMCEC-FC/4-88/SP1)
- 3- Message by H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey, Alternate Chairman of the COMCEC
(0IC/COMCEC-FC/4-88/SP2)
- 4- Opening Statement by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State of the Republic of Turkey, Chairman of the Follow-up Committee
(0IC/COMCEC-FC/4-88/SP3)
- 5- Statement of Mr. A.K.M. FAROOQ, Director (Economic Affairs) of the Organization of the Islamic Conference on the Occasion of the Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation (COMCEC)
(0IC/COMCEC-FC/4-88/SP4)
- 6- Agenda of the Fourth Meeting of the Follow-up Committee of the COMCEC
(0IC/COMCEC-FC/4-88/A/REV.1)
- 7- Background Report by the General Secretariat of the Organization of the Islamic Conference for the Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation (COMCEC)
(0IC/COMCEC-FC/4-88/D8)

- 8- Draft Declaration of Intent on the Establishment of a Trade Preferential System among the Member States of OIC
(OIC/COMCEC-FC/4-88/D.6/(Annex 2)/REV.2)
- 9- Report of the Meeting of the Ad Hoc Experts' Contact Group on Trade Information Network for Islamic Countries
(ICDT/TINIC 2/REV.2)
- 10- Report of the Experts' Group Meeting on the Establishment of an Export Credit Guarantee Insurance Scheme Held at the IDB
(AOA/095, ECGISREP)
- 11- Text of the Presentation of a Methodology for the Harmonization of the Existing Standards in the Islamic Countries and the Preparation of Common Standards
(OIC/COMCEC-FC/4-88/D14)
- 12- Working Paper on the Election of the Members of the Bureau of the COMCEC
(OIC/COMCEC-FC/4-88/D5)
- 13- Draft Agenda of the First Ministerial Meeting on Communications in OIC Member States
(OIC/MTE/1-88/DA.2D/REV.1)
- 14- Draft Agenda of the Fourth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference
(OIC/COMCEC/4-88/DA)
- 15- Closing Statement by H.E. Dr. Yusuf Bozkurt ÖZAL, Minister of State of the Republic of Turkey, Chairman of the Follow-up Committee of the COMCEC
(OIC/COMCEC-FC/4-88/SP5)

ANNEXES

Original : English

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

Istanbul, 6-8 April, 1988

REPUBLIC OF GUINEA

- H.E. Ousmane SOW
Minister of Industry, Commerce and Handicrafts

- H.E. Lansana KOUYATE
Ambassador of Guinea in Cairo

- Mr. Pepe GUILVOGUI
Director of Industry

- Mr. Bassamha KEITA
Economic Counsellor

HASHEMITE KINGDOM OF JORDAN

- H.E. Dr. Ziad FAREZ
Secretary General. Ministry of Planning

- Mr. Sami NSOUR
Director of Science and Technology Department,
Ministry of Planning

Dr. Umayya TUKAN

Head of Research Department,
Central Bank of Jordan

STATE OF KUWAIT

- Mr. Khalid J. AL-RUBAIAN

Director of Economic Organizations,
Ministry of Finance

- Mr. Ishaq Abdul Ghani MOHAMMED

Chief of the Economic Relations Section,
Ministry of Finance

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- H.E. Begum Kul sum Saifullah KHAN

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- Dr. Farouk A. RANA

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- Mr. Khalid MAHMOOD

Charge d'Affaires of Pakistan in Turkey

- Mr. Tariq MASUD

Joint Secretary, Economic Affairs Division

- Mr. Syed Ghulam AHMAD

Joint Secretary, Ministry of Commerce

ANNEX I to OIC/COMCEC-FC/4-88/REP

- Mr. Tariq Iqbal PURI
Consul General of Pakistan in İstanbul

PALESTINE

- Dr. Mohammed EL NAHAL
Director of Economic Affairs

KINGDOM OF SAUDI ARABIA

- H.E. Osama Jafar FAQUIH
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- Mr. Yahya Al NASIR
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- Mr. Abdulbaki AJLAN
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REPUBLIC OF TURKEY

- H.E. Dr. Yusuf Bozkurt ÖZAL
Minister of State

ANNEX I to OIC/COMCEC-FC/4-88/REP

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- Mr. I. Hakkı BATUK
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- Mr. Fahrettin KUNAK
Deputy Undersecretary of State, State Planning
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- Mr. Faik KOÇ
Deputy Undersecretary of State, Ministry of
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- Mr. Yüksel DİNÇER
Deputy Undersecretary of State,
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- Mr. Ertan SAKIZLI
General Manager, Turkish Export Credit Bank
- Mr. Mehmet Y. ARIYÖRÜK
President, Turkish Standards Institute
- Mr. Birkan ERDAL
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Mr. Ömer ALTAY

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ANNEX I to OIC/COMCEC-FC/4-88/REP

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- Mr. A.Rıfat BEREKET

Secretary General

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- Mr. Aydemir KOÇ

Secretary General

- Mr. T. Fikret BARAN

Assistant Secretary General

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

- Mr. H.H. QAQAYA

Economic Affairs Officer
Division for Ecde.

Original : Turkish

MESSAGE BY H.E. KENAN EVREN
PRESIDENT OF THE REPUBLIC OF TURKEY
CHAIRMAN OF THE COMCEC

Fourth Meeting of the Follow-up
Committee of the COMCEC

Istanbul, 6-8 April 1988

Mr. Chairman,

Distinguished Members of the Follow-up Committee,

Once again, it is a pleasure for me to welcome you in Turkey on the occasion of the Fourth Meeting of the Follow-up Committee of the COMCEC.

The recommendations and suggestions made by the Committee in its previous work have been beneficial for the COMCEC in taking decisions for the achievement of tangible results in the field of economic cooperation among the Member States.

I am confident that the recommendations and suggestions to be made during the Fourth Meeting of the Follow-up Committee will be effective in ensuring the early implementation of the projects on the agenda of the COMCEC.

While reiterating my belief in the significance of economic cooperation for the establishment of an order based on peace and safeguarding the mutual interest of countries on an equitable basis, I wish success to the distinguished members of the Follow-up Committee in their work.

Kenan EVREN

President of the
Republic of Turkey,
Chairman of the COMCEC

Original : English

MESSAGE BY H.E. TURGUT ÖZAL
PRIME MINISTER OF THE REPUBLIC OF TURKEY
ALTERNATE CHAIRMAN OF THE COMCEC

Fourth Meeting of the Follow-up
Committee of the COMCEC

Istanbul, 6-8 April 1988

Honourable Members of the Follow-up Committee,

I would like to welcome the distinguished delegations attending the Fourth Meeting of the Follow-up Committee of the COMCEC and extend my Government's best wishes for successful deliberations and a pleasant stay in Istanbul.

I would also like to express my great pleasure and satisfaction in observing that the COMCEC resolutions have been rapidly implemented and tangible results have already been achieved, especially in the field of trade among the Member States. The willingness of the Member States and the effective role that the Islamic Development Bank, the General Secretariat and the subsidiary organs of OIC are playing in the implementation of the decisions of the COMCEC deserve to be commended in this regard.

I am sure that the measures you will recommend in this meeting will lead to the effective implementation of the

projects of economic cooperation on the agenda, which would help mobilize economic resources in the member countries in line with the principle of comparative advantages and through unrestrained operation of market forces as the most reliable avenue to welfare and prosperity.

I wish once again every success to the esteemed Committee in its deliberations.

Turgut ÖZAL

**Prime Minister of the
Republic of Turkey,
Alternate Chairman
of the COMCEC**

Original : English

OPENING STATEMENT BY H.E. DR. YUSUF BOZKURT ÖZAL
MINISTER OF STATE OF THE REPUBLIC OF TURKEY
CHAIRMAN OF THE FOLLOW-UP COMMITTEE

Fourth Meeting of the Follow-up
Committee of the COMCEC

Istanbul, 6-8 April 1988

Your Excellencies,

Honourable Guests,

It is a distinct pleasure for me to open this Fourth Meeting of the Follow-up Committee of the COMCEC. On behalf of the Turkish Government and on my own behalf, I am equally pleased to welcome you all, once again in Turkey. It makes me feel happy and proud to be taking part in the work of the COMCEC since its inception, first presiding over the Senior Officials Sessions and now as the Chairman of this esteemed Committee.

It is needless to say that, with each passing day the COMCEC is increasing its supervisory role on the implementation of the Plan of Action and thus becoming a notable forum for economic and commercial cooperation activities within the Organization of the Islamic Conference. Under the auspices of the COMCEC, these activities have not

only picked momentum, but, through regular meetings in an orderly fashion, concrete results began to be achieved within a very short span of time.

Here, it would be only unfair not to mention the unique role this Follow-up Committee plays in the achievement of the goals set in the Plan of Action. I said unique role because this Committee not only pursues the implementation of the resolutions of the COMCEC but, in fact, formulates all kinds of new ideas and turns them into recommendations so as to assist the COMCEC in laying out the strategy of ever-expanding economic cooperation among the member countries.

The recommendations adopted during the Second and Third Meetings of this Follow-up Committee were approved unanimously by the Member States at the Third Session of the COMCEC last September, and the Islamic Conference of Foreign Ministers at its 17th Session a week ago, was apprised of the resolution of the COMCEC, as directed by the Fifth Islamic Summit.

I thus feel proud, as Chairman of the Follow-up Committee, to see the link of communication being established between this Committee and the other fora of the OIC, and through it with the entire Islamic World.

Your Excellencies,
Distinguished Delegates,

Apart from the assessment of the developments related to the implementation of the decisions adopted by the COMCEC since its First Session, our Agenda includes two important tasks assigned to our Committee by the Third Session of the COMCEC. The first of these tasks is to evaluate the Draft Framework Agreement and the Draft Declaration on Trade Preferential System among OIC Member States, which we call, in short, TPSOIC. Our second task is to work out a methodology for the renewal of the Members of the Bureau of the COMCEC.

As you would recall, during the Third Session of the COMCEC, the Member States could not reach a conclusion on the method of renewal of the members of the Bureau. Taking into account the structure of the Follow-up Committee, which is composed of the members of the said Bureau, and the importance of this Committee as an essential body for the conduct of the coordination and follow-up activities within the framework of the COMCEC, the Member States decided that in order to have sufficient time to examine various aspects of this question and to provide continuity in the work of the Follow-up Committee before reaching a final decision on the issue, the present members of the Bureau of the COMCEC be kept unchanged until the Fourth Session of the COMCEC.

However, the State of Kuwait, in view of her status as the current Chairman of the Fifth Islamic Summit Conference, was included in the Bureau of the COMCEC to serve as the fifth Vice-Chairman until the Sixth Islamic Summit Conference, and today we are deeply honoured by the presence of our dear brother from Kuwait in this Committee.

Distinguished Delegates,

Dear Brothers,

Other items on our Agenda mostly relate to the studies concerning the tasks assigned by the COMCEC to the relevant OIC organs. Here I would like to thank the Islamic Development Bank and the Casablanca Centre for their valuable efforts in convening two successful expert group meetings on the issues they have been assigned by the COMCEC.

Your Excellencies,

Distinguished Guests,

As you may recall, the previous sessions of the COMCEC have been held concurrently with ministerial meetings. This time will be no exception and the Fourth Session of the COMCEC in September 1988 will be held concurrently with the First Ministerial Meeting on Communications.

With this new field of cooperation, 5 of the priority areas of economic cooperation in the Plan of Action will

have been covered under the auspices of the COMCEC. There is every reason to hope that this Ministerial Meeting will also provide new opportunities for strengthening economic and commercial cooperation and achieving beneficial results for the Member Countries.

I would like to conclude my statement by wishing you all the success in your important work.

Dr.Yusuf Bozkurt ÖZAL
Minister of State

STATEMENT OF MR. A.K.M. FAROOQ, DIRECTOR (ECONOMIC AFFAIRS)
OF THE ORGANIZATION OF ISLAMIC CONFERENCE ON THE OCCASION
OF THE FOURTH MEETING OF THE FOLLOW-UP COMMITTEE OF THE
STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION
(C O M C E C)

Istanbul, Republic of Turkey

April 6-8, 1988

Mr. Chairman,
Excellencies,
Distinguished Delegates,
Dear Brothers,

Assalamu Alaikum Wa-Rahmatullahi Wa-Barakatuh.

I deem it a great privilege and honour for me to address the Fourth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference. Allow me Mr. Chairman, at the very outset, to convey the profound gratitude and best wishes of H.E. Syed Sharifuddin Pirzada, Secretary General of the Organization of the Islamic Conference to H.E. President Kenan Evren, the Chairman of the Standing Committee for his keen personal interest in promoting economic and commercial cooperation among the QIC Member States and his abiding commitment to the socio-economic progress and collective wellbeing of the Islamic Ummah. I would also like to express, on behalf of the General Secretariat and on my own behalf, our thanks and appreciation to the Government of Turkey for convening this important meeting in this beautiful and historic city of Istanbul and for the traditional warm hospitality extended to all of us since our arrival.

Mr. Chairman,

The Three Sessions of the COMCEC, held in 1984, 1986 and 1987 had achieved encouraging results in translating the broad outlines of the Plan of Action into concrete programmes and projects of mutual cooperation and prompted Member States to adopt measures to boost their economic and commercial exchanges. The present meeting is meant to review the progress so far realised in the implementation of the decisions adopted during the previous Sessions of the COMCEC as well as to formulate appropriate recommendations and strategies for the fourth Session of the Standing Committee to be held in September this year, Your gathering today is a testimony to the ardent desire of all of us to share our experiences by joining hands in an environment of mutual confidence.

Developments on the world economic situation during the past year has been particularly detrimental to the economies of the Islamic countries. It has been marked by a drastic fall in the value of the dollar which has resulted in the lowering of the value of foreign exchange holdings of most of the Islamic countries thus reducing their ability to import essential requirements. Simultaneously, the economies of most of the Islamic countries continue to suffer the adverse effects of reduced aid flows and increasing costs of debt servicing, low prices of their exportable commodities, rising walls of protectionism in the industrialised world and increasingly adverse terms of trade.

These adverse global economic indicators only serve to underline and emphasise the importance of the efforts exerted by the Member States of the Organization of Islamic Conference in increasing and expanding economic contacts and cooperation amongst themselves with a view to promoting their socio-economic development as well as to protect their economies from the vicissitudes and vagaries of the international economic climate.

The comprehensive progress report submitted by the General Secretariat at this meeting contains a summary of achievement of the Standing Committee in the attainment of the tasks entrusted to it by the Third Islamic Summit and reiterated by the Fourth and the Fifth Islamic Summits. The activities of the General Secretariat of the Organization of Islamic Conference were also devoted to following up the implementation of the various Ministerial Conferences on Trade held in November 1984, on Food and Agriculture in March 1985, on Industry in June 1987, and on Transport in September 1987. I am pleased to note that the Government of Pakistan has decided to host the next Ministerial Meeting on Food and Agriculture in Islamabad in November 1988. The Standing Committee will also be convening the First Ministerial Meeting on Communications in September 1988 in Istanbul concurrently with the Fourth Session of the COMCFC. This meeting of the Follow-up Committee will also consider the draft agenda for the First Ministerial Conference on Communications which, I am confident, will give emphasis to the importance of cooperation among Member States in this vitally important sector as an essential corollary of cooperation in other fields.

The Agenda of this Follow-up Meeting includes a number of important subjects such as Trade Preferential System among OIC Countries (TPSOIC) and Trade Information Network, prepared by the Islamic Centre for Development of Trade, while the progress on the studies of the Export Credit Guarantee Scheme and the Multilateral Islamic Clearing Union, undertaken by the Islamic Development Bank will also be presented here. All these subjects are of fundamental importance in the pursuit of our implementation of the Plan of Action. In this context, I would like to mention that the establishment of the Longer Term Trade Financing Scheme under the Islamic Development Bank is one of the significant achievements in the activities of COMCEC. As you all are aware, this Scheme is aimed at the active promotion of non-traditional exports among the Member States of the Organization of Islamic Conference. I would therefore like to urge those Member States which have not yet participated in this scheme to do so at an early date and also to contribute to the capital of the Islamic Development Bank so as to enable it to effectively perform its role for the benefit of the Islamic Ummah.

Mr. Chairman,

I am also happy to inform you that the Agreement on Promotion, Protection and Guarantee of Investments in Member States has now been signed and ratified by the required number of Ten Member States and the Agreement has therefore come into force in February '8

This important Agreement will undoubtedly assist the free flow of capital among the Member States and will also encourage and promote joint venture projects in the various sectors of the economies of our Member States. I would also request you to urge the Member States which have not yet signed and/or ratified this Agreement to do so at an early date in order for us all to equally benefit from the implementation of this Agreement.

May I once again thank you for your gracious presence. We express our deep appreciation to the Government and the brotherly people of th^o Republic of Turkey for the excellent arrangement made for this Follow-up Committee Meeting of the Standing Committee for Economic and Commercial Cooperation.

May Allah the Almighty bless us in our noble tasks.

WASSALAMU ALAIKUM WA-RAHMATULLAHI WA-BARAKATUH.

Original : English

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

Istanbul, 6-8 April, 1988

1. Opening Session
 - Inaugural Statement by the Chairman of the Follow-up Committee
(Ref: OIC/COMCEC-FC/4-88/SP3)
 - Statement on behalf of the Secretary General of OIC
(Ref: OIC/COMCEC-FC/4-88/SP4)
 - Statements by the Heads of Delegations
2. Adoption of the Agenda
(Ref: OIC/COMCEC-FC/4-88/DA)
3. Background Report by the General Secretariat
(Ref: OIC/COMCEC-FC/4-88/D8)
4. Draft Declaration on TPSOIC
(Ref: OIC/COMCEC-FC/4-88/D6)
5. Report by ICDT on the Draft Framework Agreement on Trade Preferential System among OIC Member States (TPSOIC)
(Ref: OIC/COMCEC-FC/4-88/D9)
6. Feasibility Study by ICDT on Trade Information Network (TINIC)
(Ref: ICDT/TINIC2/REV. 2)
7. Report by IDB on the Experts' Group Meeting on Regional Export Credit Guarantee Scheme
(Ref: AOA/095/ECGISREP)
8. Progress Report by IDB on the Establishment of a Multilateral Islamic Clearing Union

ANNEX VI to OIC/COMCEC-FC/4-88/REP

9. Report by Coordinating Committee of the Islamic Countries' Standardization Experts on "Methodology for the Harmonization of Standards of the Islamic Countries and for the Preparation of Common Standards",
(Ref: OIC/COMCEC-FC/4-88/D14)
10. Report of the Follow-up Committee of the Second Ministerial Conference on Food Security and Agricultural Development
11. Report by COMCEC Coordination Office on the Methodology for the Renewal of the Members of the Bureau of the COMCEC
(Ref: OIC/COMCEC-FC/4-88/D5)
12. Draft Agenda of the First OIC Ministerial Meeting on Communications
(Ref: a- OIC/MTE/1-88/DA.2D/REV.1
b- OIC/COMCEC-FC/4-88/D11)
13. Draft Agenda of the Fourth Session of the COMCEC
(Ref: OIC/COMCEC/4-88/DA)
14. Any other Business
15. Adoption of the Report
16. End of the Meeting

BACKGROUND REPORT BY THE GENERAL SECRETARIAT OF THE
ORGANIZATION OF ISLAMIC CONFERENCE FOR THE FOURTH
MEETING OF THE FOLLOW-UP COMMITTEE OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION (COMCEC)

Istanbul, Republic of Turkey

April 6-B, 1988

The Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Conference was held in Istanbul, Republic of Turkey from 7 to 10 September 1987 (13-16 Muharram 1408H).

2. The First Meeting of Ministers of Transport of OIC Member States was also held concurrently with the Third Session of the Standing Committee.
3. The Turkish Government has circulated the reports of the above two meetings to the Member States and to all concerned agencies.
4. The General Secretariat has already requested the concerned Member States and agencies to implement the decisions of the above two meetings.
5. Decisions of the Third Session of COMCEC and their progress of implementation are summarised as follows:-
 - i) The Third Session of the COMCEC while noting the progress report submitted by the ICDT on the establishment of a Trade Preferential System Among ,the Member States of the OIC asked the Centre to expedite the finalization of the Draft Framework Agreement on the establishment of the System, in close cooperation with the Legal Department of the OIC, SESRTCIC, ICCICE and IDB. ICDT was also asked

to hold consultations with relevant international organizations, including GATT⁴ in undertaking this task. The Draft Framework Agreement will be circulated by ICDT to the Member States with a view to incorporating their comments in the Draft to be submitted to the Fourth Meeting of the Follow-up Committee of the COMCEC.

This Draft will be revised by the ICDT in the light of the discussions at the Third Session of the COMCEC and will be forwarded to the COMCEC Coordination Office for circulation to the Member States.

ITEM NO.5

The Member States were requested to communicate their views and comments on the Draft Declaration on TPSOIC to the COMCEC Coordination Office for compilation and inclusion in the Agenda of the Fourth Meeting of the Follow-up Committee of the COMCEC.

The Follow-up Committee, after having examined the Draft Declaration and Draft Framework Agreement together with the views and comments of the Member States, would consider their submission to the Fourth Session of the COMCEC for approval.

ACTIONS
TAKEN
• •"

a) In pursuance of the above decision - the Casablanca Centre (ICDT) has revised the Draft and forwarded to the COMCEC Coordination Office for circulation to the Member States.

The COMCEC Coordination Office has accordingly circulated the Draft Declaration as revised by ICDT to the Member States in October 1987 with the request to communicate their views and comments, if any, on this Draft.

The COMCEC Coordination Office will submit the Draft along with the comments received so far from the Member States to the Fourth Meeting of the COMCEC Follow-up Committee for consideration and submission to the Fourth Session of the COMCEC.

ITEM NO.6

ii) The COMCEC appreciated the efforts exerted by ICDT for the preparation of a revised version of the feasibility study on the establishment of a Trade Information Network for Islamic Countries (TINIC) and decided that the revised version of the said feasibility study should first be examined by an Ad-hoc Experts Contact Group established at the Task Force Meeting held in Izmir, in 1986.

ACTION
TAKEN

b) In pursuance of the decision of the Third Session of COMCEC the Islamic Centre for Development of Trade(ICDT) has convened the above mentioned Ad-hoc Experts Contact Group on TINIC in Casablanca from 22-24 February, 1988. The ICDT will submit a report along with the revised feasibility study to the Fourth Meeting of the Follow-up Committee for consideration and submission to the Fourth Session of the COMCEC.

ITEM NO.7

iii) During the Third Session, the COMCEC made an assessment of IDB's detailed study on the establishment of a Regional Export Credit Guarantee Scheme which had earlier been reviewed by a group of experts and Sharia scholars.

The principles contained in this study for the establishment of a multilateral insurance scheme with the purpose of providing guarantees of repayment for export financing and associated operations, were received with general satisfaction. It was decided that the study be further reviewed by a meeting of technical experts directly involved in the field of export credit guarantee, to be convened by IDB. The said meeting of experts were entrusted to find out mechanism of a scheme that is operationally feasible and consistent with Islamic Shariah.

ACTION
TAKEN

c) The Islamic Development Bank has convened the experts group meeting on "Export Credit Guarantee and Insurance scheme" on 25-26 January 1988 in its Headquarters in Jeddah.

Islamic Development Bank will submit a report on the issue to the Fourth Meeting of the Follow-up Committee of the COMCEC.

ITEM NO.8

iv) As regards to the establishment of a Multilateral Islamic Clearing Union, the Third Session of the COMCEC agreed that the Islamic Development Bank should continue with its study in collaboration with the Central Banks and Monetary Authorities of OIC Member States, and submit a progress report pertaining to this issue to the Fourth Meeting of the Follow-up Committee of the COMCEC. Accordingly Islamic Development Bank will submit a progress report on this subject.

ITEM NO.9

v) A Coordination Committee on Harmonization of Standards was established by an Expert Group Meeting held in Istanbul in April 1985, to undertake studies required for the development of a methodology as recommended by the First Session of COMCEC.

The Coordination Committee as directed by the Third Session of the COMCEC shall present a study on this subject to the Fourth Meeting of Follow-up Committee.

6. The Third Meeting of Follow-up Committee of COMCEC has also urged the Member States who have not yet done so to sign and or/ratify at an early date, various Statutes and Agreements, drawn up within the framework of the OIC. In this context, a detailed status report is furnished below:-

- (i) The Agreement on Promotion, Protection and Guarantee of Investments

So far Kuwait, Pakistan, Palestine, Tunisia, Mali, Indonesia, Somalia, Saudi Arabia, Egypt and Uganda(10) have signed and ratified the Agreement while Morocco, Sudan, Yemen Arab Republic, Djibouti, Senegal, Turkey and Malaysia(7) have only signed the above Agreement.

Since Uganda, the 10th Member State to have signed and ratified the above 'Agreement, has deposited the instrument of ratification at the General Secretariat on November 26, 1977, the Agreement on Promotion, Protection and Guarantee of Investments has become operational on February 26, 1978.

(ii) The Statute of the Islamic Civil Aviation Council;

Only Tunisia and Palestine have signed and ratified the Statute while Bangladesh, Niger and Senegal have only signed it.

(iii) Islamic States Telecommunications Union;

The General Secretariat would like to inform the Committee that Pakistan and Palestine have signed and ratified the Statute of the Union. Morocco, Egypt, Senegal and Jordan have signed it.

(i^u) Islamic Cement Association;

Only Republic of Turkey have signed the Statute of the Islamic Cement Association while Palestine has informed its readiness to sign it.

Those Member States which have not yet done so may be requested to sign and/or ratify the above mentioned Statutes/Agreement at an early date for their early operation.

Recommendations of the Thirteenth Session of
the Islamic Commission for Economic, Cultural
and Social Affairs

7. The Thirteenth Session of the Islamic Commission for Economic, Cultural and Social Affairs held in Jeddah from 16-20 January 1988, among others, made the following recommendations to the 17th Islamic Conference of Foreign Ministers:

(a) Plan of Action to Strengthen Economic Cooperation
Among Member States

The Commission noted with appreciation the efforts of the General Secretariat, its subsidiary and affiliated organs in the implementation of the Plan of Action to Strengthen Economic Cooperation among Member States.

It also expressed its appreciation for the progress achieved by the COMCEC and COMSTECH in this regard.

(b) Activities under the auspices of the Standing Committee
for Economic and Commercial Cooperation (COMCECT)

The Commission was apprised by the Rapporteur of the COMCEC^ the representative of Hashemite Kingdom of Jordan, on the progress achieved in the priority areas namely, Trade, Food Security and Agricultural Development, Industry and Transport, of the Plan of Action.

The Commission also requested the Member States to continue and enhance their support to the COMCEC to expedite the implementation of the Plan of Action.

The Commission expressed its gratitude for the keen interest and wise leadership provided by H.E. Mr. Kenan Evren, President of the Republic of Turkey and the Chairman of the COMCEC, to Strengthen Economic and Commercial Cooperation among the Member States of the OIC in order to promote collective self-reliance.

(c) Promotion and Expansion of Trade;

The Commission noted with satisfaction:-

- that the Longer Term Trade Financing Scheme has become operational under the Islamic Development Bank;
- that the feasibility studies on the establishment of a Regional Export Credit Guarantee Scheme and the Multilateral Clearing Union are being undertaken by the Islamic Development Bank;
- the progress achieved by ICDDT towards completion of the feasibility study on establishment of a Trade Information Network for Islamic Countries (TINIC);
- the studies and preparations by the ICDDT for the establishment of a Trade Preferential System, and the
- successful outcome of the 2nd Islamic Trade Fair held in Casablanca, Morocco in April 1986;

- the finalization of the study by the Ankara Centre on the inventory of OIC economic resolutions and recommendations.

The Commission urged the Member States to participate in the 3rd, 4th and 5th Islamic Trade Fairs to be held in Cairo, Egypt in October 1988, Tunis in 1990, and in Sudan in 1992 respectively. The Islamic Development Bank may participate in the specialised training seminars in preparation of the Cairo Trade Fair.

The Commission urged the Member States who have not yet done so, to join the Longer Term Trade Financing Scheme.

(d) Food Security and Agricultural Development:

The Commission took note of the Report of the Second Ministerial Conference on Food Security and Agricultural Development held in Istanbul, Turkey in March 1986 and that of the Second Meeting of the Follow-up Committee held in Istanbul on December 9-11, 1987.

It appealed to the concerned Member States to complete the studies and convene expert group meetings to finalise these studies at their earliest convenience and to participate in the Third Ministerial Conference on Food Security and Agricultural Development to be hosted by the Islamic Republic of Pakistan in October 1988.

The Commission also noted with satisfaction the offer of the Arab Republic of Egypt to host an Expert Group Meeting in Cairo from February 15-17, 1988, and suggested that the meeting would discuss some of the studies already completed in this field. (This meeting will now be held on May 28, 1988).

(E) Cooperation in the field of Industry:

The Commission reiterated the importance of rapid industrialization of the Member States and promotion of joint ventures as an essential concomitant for achieving collective self-reliance and economic emancipation.

The Commission also noted with satisfaction the progress achieved thus far in implementing the recommendations of the Third Ministerial Consultation and the creation of relevant institutions in the field of joint ventures.

The Commission requested the Islamic Development Bank and the Islamic Chamber of Commerce, Industry and Commodity Exchange to continue their valuable efforts to promote and encourage joint ventures among Member States,

(f) first Ministerial Meeting on Transport of the Member States

The Commission noted with satisfaction the outcome of the First Meeting of the Ministers of Transport held concurrently with the Third Session of the COMCEC in Istanbul in September 1987.

The Commission realised that the rapid development in the area of transportation is an important element of the development of the commercial and economic cooperation to achieve collective self-reliance.

The Commission urged the Member States to implement the decisions of the First Meeting of Ministers of Transport,

(g) Activities of the International Association of Islamic Banks;

The Committee appreciated the role played by the Association in providing technical assistance to the Islamic banks, in organizing seminars, symposia, conferences and training programmes in Islamic economics

and banking fields, assisting in the establishment of
new/ Islamic banks and in undertaking studies and research
in Islamic banking.

The Commission urged the relevant subsidiary
and affiliated bodies of the OIC to collaborate with the
Association in its activities.

It recommended the submission of the report
of the Expert Group meeting on Islamic banking to be held in
Karachi in April 1988 to the next meeting of the Governors of Central
Banks and Monetary Authorities.

(h) Technical Cooperation Among Member States;

The Commission noted with satisfaction the
activities carried out by the Ankara, Dhaka, Casablanca
Centres, IFSTAD and IDB in the field of Technical
Cooperation.

The Commission also took note of the cooperation
between the UN System on the one hand and the OIC and its
subsidiary and affiliated organs on the other.

The Commission welcomed the enthusiastic response
of the Member States, the national and regional agencies
to cooperate with the OIC agencies in the realisation of
technical cooperation activities.

The Commission requested -

- the Ankara Centre to continue to collect and
disseminate information on technical cooperation
potentials of the Member States and to study
the modalities of effective coordination among
the national institutions, OIC and UN agencies;
- the Dhaka Centre to collect and disseminate
information on the requirements of human
resources development in the Member States of
the OIC;

.... /

- the Casablanca Centre to continue its training activities in collaboration with the agencies of the United Nation's;
- the Islamic Development Bank, to continue to promote cooperation and exchange of expertise, and transfer of technology under its Programme for Technical Cooperation.

(i) Activities of the Standing Committee for Scientific and Technological Cooperation

The Commission heard the Director General of the IFSTAD who gave a detailed report on the work and activities of the COMSTECH.

The Commission noted with satisfaction the progress achieved under the auspices of the COMSTECH in the field of Science and Technology.

The Commission noted the importance of coordination between the two Standing Committees, the COMCEC and the COMSTECH.

(j) Activities of the OIC-related Institutions:

The Commission noted with appreciation the reports submitted by the representatives of the OIC subsidiary and affiliated bodies.

The Commission took note of the progress achieved and the activities carried out by these bodies as reflected in their reports.

It commended the work done by each one of them within their terms of reference.

The Commission urged the institutions to strengthen coordination amongst them.

The Member States were also urged to actively participate in the work of these institutions.

The Commission noted the difficult financial situation being faced by these organs and therefore urged the Member States to honour their regular mandatory contributions to the budgets of the subsidiary organs and to settle their arrears at the earliest.

First Ministerial Meeting on Communications

ITEM NO.12

8. In pursuance of the decision of the Third Session of the Standing Committee for Economic and Commercial Cooperation, the First Ministerial Meeting on Communications will be held in Istanbul in September 1988, concurrently with the Fourth Session of the COMCEC.

9. The Fourth Meeting of the Follow-up Committee of the COMCEC may like to consider recommending the items of the Provisional Draft Agenda of this Meeting to the Ministers of Communications. The Draft Agenda, alongwith a working paper will be circulated to the meeting by the Coordination Office of the COMCEC.

ITEM NO.13

10. The Fourth Meeting of the Follow-up Committee may wish to consider the draft agenda for the Fourth Session of the COMCEC.

11. Besides the above developments, all the concerned subsidiary and affiliated bodies of the OIC will submit their respective progress reports to the Fourth Follow-up Committee separately.

DECISION OF THE 17TH ISLAMIC CONFERENCE
OF FOREIGN MINISTERS

12. The decision of the Seventeenth Islamic Conference of Foreign Ministers held in Amman from 21 to 25 March 1988 are summarised as follows :-

The 17th Islamic Conference of Foreign Ministers noted with appreciation the progress achieved and the activities carried out by the OIC (Economic Affairs) related subsidiary and affiliated bodies.as reflected in their reports.

The Conference urged the Member States to make regular mandatory contributions to the budgets of these institutions and pay their arrears.

It further requested the Member States to actively participate in the activities of these centres.

The Plan of Action to Strengthen Economic Cooperation among Member States.

(i). Requested the Member States to render necessary assistance to the Standing Committee for Economic and Commercial Cooperation and the Standing Committee on Scientific and Technological Cooperation to expedite the implementation of the Plan of Action to Strengthen Economic Cooperation among Member States.

(ii). Also requested the General Secretariat to continue to make efforts for the implementation of the Plan of Action to Strengthen Economic Cooperation among Member States in the light of Resolution No. 1/4-EF of the Fourth Islamic Summit Conference.

(iii). Urged the Member States to extend all possible assistance to the General Secretariat and the OIC subsidiary and affiliated organs to help implement the Plan of Action."

The Promotion and Expansion of Trade
among Member States

- " (i). Welcomed the establishment of the Longer Term Trade financing scheme under the Islamic Development Bank and urges all Member States to participate in this scheme, as soon as possible, to facilitate its optimum utilization.
- (ii). Requested the early completion of various studies in the field of Trade by the Casablanca Centre in collaboration with other institutions as well as the comprehensive study on the possibility of counter trade deals among Member States in linear, triangular or rectangular basis.
- (iii). Took note with satisfaction of the already completed steps towards the establishment of a Regional Export Guarantee Scheme.
- (iv) Urged Member States to actively participate in the negotiations on the Global System of Trade Preferences and to coordinate their positions in these negotiations, keeping in mind that the proposed system will be complementary to any system which Member States may join.
- (v). Requested the Member States to actively participate at the forth-coming Third Islamic Trade Fair scheduled to be held in Cairo on October 10-19, 1988 and also the following Trade Fairs in Tunisia and Sudan in 1990 and 1992 respectively.
- (vi). Requested the Director of the Casablanca Centre and the Secretary General of the Islamic Chamber of Commerce, Industry and Commodity Exchange to maintain their contacts with the Member States with regard to the organising of the Third, Fourth and Fifth Islamic Trade Fairs."

Cooperation in the Area of Food Security
and Agricultural Development

(i). Appealed to the concerned Member States to complete the studies and convene expert group meetings in the Food Security and Agriculture Sector on the specified dates in line with the recommendations of the Working Group set up by the First Ministerial Conference on Food Security and Agricultural Development at appropriate level.

(ii). Requested the Member States to participate in the Third Ministerial Conference on Food Security and Agricultural Development at appropriate level.

(iii). Also requested the General Secretariat and the Ankara Centre to continue to follow up the implementation of the recommendations of the Ministerial Conference on Food Security and Agricultural Development."

Cooperation in the Area of Industry

(i). Requested the General Secretariat to follow-up with Member States and relevant Islamic agencies the implementation of the recommendations of the Ministerial Consultation on Industrial Cooperation.

(ii). Urned Member States to extend all possible assistance to the General Secretariat in carrying out the aforesaid work.

(iii). Requested the Islamic Development Bank and the Islamic Chamber of Commerce, Industry and Commodity Exchange to continue their efforts to encourage joint ventures among Member States. "

The First Ministerial Meeting on Transport
of the QIC Member States

- (i). Noted the Report and Resolutions of the First Meeting of the Ministers of Transport of the Member States.
- (ii). Urged the Member States to implement the decisions of the First Meeting of the Ministers of Transport.
- (iii). Requested the General Secretariat to follow-up the implementation of the Resolution. "

The Seventh Meeting of Governors of Central
Banks and Monetary Authorities of Member
States of the QIC

- (i). Took note of the outcome of the recommendations of the Seventh Meeting of Governors of Central Banks and Monetary Authorities held in Istanbul, Republic of Turkey on March 30-31, 1987."

Activities Of the International Association
of Islamic Banks

- (i). Requested the International Association of Islamic Banks to continue to expand its technical assistance, study and research activities in Islamic Banking and related fields.
- (ii). Urged the relevant subsidiary and affiliated bodies of the OIC to collaborate with the Association in its activities.

(iii).. Requested the Association to submit the report of the Expert Group Meeting on Islamic Banking to be held in Karachi in April 1988 to the next meeting of the Governors of Central Banks and Monetary Authorities and COMCEC.

(iv). Urged Member States to provide all necessary assistance to establish and strengthen the national Islamic banks and Financial institutions.

(v) . Called upon the Association to continue to submit its progress report to the Islamic Conference of Foreign Ministers and Standing Committee for Economic and Commercial Cooperation."

The Technical Cooperation among Member States.

(i). Requested the Ankara, Dhaka and Casablanca Centres to continue with their activities in the field of Technical Cooperation.

(ii). Requested the Islamic Development Bank to continue to promote cooperation and exchange of expertise, and transfer of technology under its programme for Technical Cooperation, while also collaborating with other OIC organs in this field.

(iii). Requested the Specialised Centres and institutions in the Member States to actively participate in the field of Technical Cooperation.

(iv). Urged the Member States to programme a certain percentage of their UNDP Indicative Planning Figures (IPF) for technical cooperation purposes.

(v). Appealed to the Member States to continue to support and participate to the maximum extent possible in the Technical Cooperation activities of the OIC agencies.

(vi). Requested the General Secretariat to continue to follow-up its cooperation activities with the UN System and with other relevant national, regional and inter-regional organizations.

With regard to the status Report on the Islamic Cement Association, it may be mentioned that upon a Turkish proposal to amend its Statute to become a non-Governmental institution, the Conference decided that if the present situation continues, Member States may approach each other for possible further cooperation in this field.

Regarding the Status Report on the " Islamic States Telecommunications Union" and the Islamic Civil Aviation Council', the 17th Islamic Conference of Foreign Ministers requested the General Secretariat to continue its efforts urging Member States to join these bodies.

Similarly, relating to the " Agreement on Promotion, Protection and Guarantee of Investments among Member States" and the General Agreement for Economic, Technical and Commercial Cooperation among Member States" the Conference requested the General Secretariat to urge Member States who have not yet signed and or ratified the above to Agreements, to do so as early as possible and to report to the next Conference of Foreign Ministers on their developments.

The 17th Islamic Conference of Foreign Ministers further requested the General Secretariat to prepare and circulate a comprehensive note relating to the proposal to amend the charter of the Islamic Foundation for Science and Technology and Development (IFSTAD) to the Member States for their comments on the understanding

that the matter will be considered by the 18th Islamic Conference of Foreign Ministers.

13. The Resolutions of the 17th Islamic Conference of Foreign Ministers will be circulated shortly to the Member States and concerned agencies for implementation

14. The forgoing gives an outline of the Economic activities undertaken by the Organisation of Islamic Conference. It further shows significant benefits that have accrued from mutual cooperation since the adoption of the Plan of Action as well as the setting up of the Standing Committee for Economic and Commercial Cooperation.

Original : English

DRAFT DECLARATION OF
INTENT ON THE ESTABLISHMENT
OF A TRADE PREFERENTIAL SYSTEM
AMONG THE MEMBER STATES
OF OIC

The Member States of the Organization of the Islamic
Conference:

RECOGNIZING that liberalization of trade among the
Member Countries of OIC constitute a driving force for
the promotion and expansion of trade amongst themselves, an
effective instrument for the enhancement of economic
cooperation and attainment of collective self-reliance, and
a means of raising the living standards of their peoples;

RECALLING the objectives enshrined in the Macca
Declaration and the Plan of Action to Strengthen Economic
Cooperation Among the Member States adopted at the Third
Islamic Summit Conference, and the General Agreement on
Economic, Technical and Commercial Cooperation Among the
Member States, in particular the provisions of chapter III
on trade;

DETERMINED to establish close linkages amongst various
schemes within OIC in the areas of trade, investment and
finance, together with improvements in production of goods

and services in the Member States in the framework of their overall development goals;

TAKING INTO CONSIDERATION the Resolutions adopted by the Standing Committee for Economic and Commercial Cooperation (COMCEC) on the preparation of a Framework Agreement that would include, inter alia, a set of basic principles, guidelines, methodology and time-table for the setting up of a System of Trade Preferences Among the Member States;

1. DECLARE their intention to establish a multilateral Trade Preferential System (TPSOIC) on the basis of the following principles:

- i. The System shall be reserved for the exclusive participation of the Member States of OIC, and inter-regional, regional and sub-regional groupings composed only of the Member States of OIC;
- ii. The System shall be based and applied on the principle of mutuality of advantages in such a way as to ensure benefits to all participants on an equitable basis;
- iii. The System shall be implemented through multilateral trade negotiations among countries

parties to the System, with a view to liberalizing trade amongst themselves, in a phased manner allowing for a gradual development and expansion of the System.

- iv. The System shall be subject to periodic reviews in the light of experiences gained and the results obtained;
- v. The System shall not be conceived as a substitute to any of the existing and future trade preferential arrangements involving the Member States, but rather a supplement to them;
- vi. The System shall not prejudice any legal obligations of the Member States vis-a-vis third parties.

2. DECIDE that a Framework Agreement based on the above principles be prepared to determine the negotiating approaches, rules and methodology for the establishment and operation of the System.

ANNEX VIII to OIC/COMCEC-FC/4-88/REP

ANNEX IX to OIC/COMCEC-FC/4-88/REP

REPORT OF THE MEETING OF
THE AD HOC EXPERT CONTACT GROUP
ON TRADE INFORMATION NETWORK
FOR ISLAMIC COUNTRIES
Casablanca, 22-24 February 1988

(Presented by ICDT)

1. In pursuance of the resolutions adopted by the Second and Third Sessions of the Standing Committee for Economic and Commercial Cooperation of the OIC, held in Istanbul in March 1986 and in September 1987, and of the recommendations of the Task Force on TINIC held in Izmir in October 1986, the Islamic Centre for Development of Trade organised the meeting of the Ad Hoc Expert Contact Group on Trade Information Network for Islamic Countries, in its headquarters from 22nd to 24th February 1988.

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

- *Republic of Cameroon*
- *Arab Republic of Egypt*
- *Republic of Guinea*
- *Republic of Indonesia*
- *Islamic Republic of Iran*
- *Hashemite Kingdom of Jordan*
- *State of Kuwait*
- *Kingdom of Morocco*
- *Islamic Republic of Pakistan*
- *Republic of Tunisia*
- *Republic of Turkey*

3. Representatives of the following organisations also attended the meeting :

- * *General Secretariat of the Organisation of the Islamic Conference,*
- * *COMCEC Coordination Office ,*
- * *Islamic Development Bank,*
- * *Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC),*
- * *Islamic Chamber of Commerce, Industry and Commodity Exchange,*
- * *Islamic Centre for Development of Trade.*

The list of participants is in annex I of this report.

Opening ceremony :

4. The opening ceremony was presided over by Mr. Abdullah AZMANI, Minister of Commerce and Industry of the Kingdom of

Morocco. In his speech, Mr. AZMANI welcomed the delegates on behalf of the Government of the Kingdom of Morocco and expressed his Government's pleasure at hosting this important Islamic meeting.

Mr. AZMANI underlined the importance of the meeting pointing out that the creation of a Trade Information Network will enable the strengthening of economic and commercial links among Islamic Countries. He added that this meeting will also allow an evaluation of the potentialities of each Islamic Country with a view to developing trade among them.

The Minister of Commerce and Industry extended his thanks and congratulations to the officials of the Islamic Centre for Development of Trade for their efforts. He expressed the wish that this meeting will end with positive results likely to develop and intensify trade among Islamic Countries, while recalling in this regard the keen interest which His Majesty the King HASSAN II has always shown in the Islamic common action in different fields.

5. Mr. Mohamed BIJAAD, Secretary General of the Ministry of Planning, took the floor on behalf of the Minister attached to the Prime Minister in charge of planning. The Secretary General expressed the determination of the Kingdom of Morocco to contribute with all its potentialities through the facilities of the National Documentation Centre and to collaborate with ICDT in the establishment and operation of the Network itself.

6. In his opening statement, Mr. Aydan KARAHAN, Head of the COMCEC Coordination Office, expressed his profound thanks to the Government of the Kingdom of Morocco and to the Casablanca Centre for the excellent arrangements made for the meeting, and expressed the wish that this meeting will adopt adequate recommendations for the early implementation of this network.

7. Mr. Mustafizur RAHMAN, representative of the QIC General Secretariat, took the floor and expressed the gratitude of the Secretary General to His Majesty the King HASSAN II and to the People of Morocco, and emphasized the important role of trade as a fundamental element for the promotion of economic cooperation among OIC Member States.

8. Dr. Driss ALAOUI MDAGHK. Director of the Islamic Centre for Development of Trade took the floor during this opening ceremony and

extended a warm welcome to all the delegates. He also outlined the measures taken by ICDT for the implementation of Trade Information Network for Islamic Countries.

He also recalled the different actions carried out by ICDT in implementation of its work programme, notably in the field of trade promotion and training.

Finally, he expressed on behalf of all the participants, his deep gratitude to His Majesty the King HASSAN II, for the solicitude he has always shown to the OIC and its specialised organ in the field of trade cooperation, especially to the Islamic Centre for Development of Trade.

Election of the bureau and adoption of the agenda :

9. Upon the proposal made by the delegation of the Republic of Turkey, Dr. Driss ALAOUI MDAGHRI, Director of the Islamic Centre for Development of Trade was elected to chair the meeting.

10. The meeting adopted the proposed agenda slightly amended.

The agenda is in annex II.

Introductory observations :

11. Under this agenda item, the Director of ICDT recalled the different resolutions adopted by the COMCEC on Trade Information Network, laying stress on those adopted at the second and third sessions of the COMCEC and the recommendations adopted at the meeting of the Expert Group in Izmir.

The Director of ICDT has also recalled the mandate of the Ad Hoc Experts Contact Group which was composed of *"experts of interested Member States, the ICDT, the IDB, the SESRTCIC, the ICCICE and which was entrusted with the task of the preparation of the revised version of the feasibility study "*

Dr. Driss ALAOUI MDAGHRI has also recalled the principles adopted at the Izmir Meeting to guide the creation of an efficient Trade Information Network for Islamic Countries. According to these principles:

- a) *The network to be established should be decentralised at the levels of both data collection and dissemination, in order to derive maximum advantage of the existing capacities within the OIC,*
- b) *Necessary data should be collected, evaluated and disseminated by utilizing to the maximum extent the existing storage and communication facilities within the OIC,*
- c) *The network should be developed among Member Countries through stages of a step-by-step approach that would initially cover those countries, able and willing to participate in the system which, in its final stage of development, would be extended to all the Member Countries,*
- d) *The ICDDT would act as the coordinating center, in close cooperation with Member Countries and other relevant organs of the OIC and other international organisations during the establishment and operation of the network.*

Consideration of the summary and conclusions relating to questionnaires disseminated to Member States :

12. Under this agenda item, the representative of ICDDT made a comprehensive and detailed presentation on the computer facilities and data bases existing in those Member States which answered the questionnaires, as well as on the available telecommunications means in the light of the exhaustive investigation led by ICDDT in the OIC Member States . The representatives of Turkey and Tunisia declared that their countries were willing to appoint one of their organisations to assume the role of regional centre and offered their assistance in implementing the network.

The document compiled on the basis of the answers given by Member States to the questionnaire circulated to them is in annex III.

Evaluation of computer facilities, data bases and telecommunication means existing in Member States and Some Organisations of the OIC ;

13. Under this agenda item, the representatives of the Islamic Development Bank, the Statistical, Economic and Social Research and Training Centre for Islamic Countries, the Islamic Chamber, the Islamic

Centre for Development of Trade made presentations on their evaluation *of* the various aspects of this issue and on their experience in this field and their available information means.

14. The representative of the Islamic Development Bank presented the ICINET project which is now being studied by the IDB/IRTI. He defined the ICINET as a hardware and a software. As a hardware, ICINET is a physical medium providing means of communication between users in OIC Member Countries and OIC specialised institutions. In this sense, ICINET is viewed as a means of transmitting messages, transferring data files and other services between users in Member Countries. From the users point of view, ICINET could be considered as a physical communication medium. The representative of IDB pointed out that TINIC network as specified will not entail work duplication and confirmed the will of the Islamic Development Bank to cooperate with ICDT and other interested organisations for the early implementation of ICINET.

15. The representative of the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) has presented a report on the Centre's data collection, manipulation and dissemination activities. After giving a brief history of computer applications, the representative of the Centre informed the meeting that the Centre is connected to TELENET which was one of the most important networks in the world, through the packet switching network facilities of Turkey. He also gave a brief description on computer hardware and software endowment of the Centre. He also informed the meeting that the Centre has access to the data banks of international organisations such as the IMF, the World Bank, through regular updates of the data tapes. He concluded his presentation by giving information on data bases created by the staff in the Centre.

16. The representative of the Islamic Chamber commended the idea of establishing a Trade Information Network for Islamic Countries (TINIC) and declared his confidence that its setting up will constitute an important step forward in bilateral and multilateral trade promotion. He added that the Islamic Chamber was not endowed yet with computerized information systems and the establishment of TINIC will enable the Islamic Chamber to obtain and disseminate information at any time to its members and according to their needs.

17. The Director of ICDT made a presentation on the action of the Centre within the framework of trade information. He specified that ICDT had built up a documentation unit and a library specialised in inter-islamic and international trade including publications sent by Member States, the OIC organs and international organisations and institutions. The information available at the Centre mainly concern foreign trade statistics, foreign trade regulations, market studies, trade agreements and the directories of foreign trade operators.

The Director also indicated that the ICDT has also carried out the dissemination of these information by mail, telex and through its publications, namely, annual report, and a specialised magazine Tijaris issued every other month).

He pointed out that the Centre has been provided with computer and equipments: 1 micro-computer HP modem, 4 Mackintosh micro-computers, a laser printer and image writer.

The Director finally indicated that the ICDT has concluded cooperation agreements with different organisations : the UNCTAD, the GATT, the Al Saoud Foundation and the National Documentation Centre of Morocco. It has also established contacts with trade promotion organisations and State Trading Organisations of the OIC Member States. In this connection, the Centre has organised periodical meetings with these organisations every other year.

Consideration of the revised Feasibility Study on Trade Information Network for Islamic Countries :

18. Under this agenda item, ICDT made a comprehensive presentation on the revised feasibility study on Trade Information Network for Islamic Countries (TINIC). After giving a historical account of the project, the document gave indications on the users of the network, the nature of information to be acquired, namely, data storage and the planned data banks.

The study also dealt with the network's structure which will be decentralised in compliance with the recommendations of the experts group which met in Izmir and which will rely on national antennae and regional centres. The TINIC network will also have a Coordinating Centre which will be the ICDT in Casablanca.

It was emphasized that at the level of the financial implications

and in pursuance of the recommendations of the Izmir meeting, the decentralised structure was by far the least expensive.

The revised feasibility study on TINIC is in annex IV of this report.

19. At the end of this presentation, all the participants commended ICDT for the quality of its work carried out to revise the feasibility study.

Besides, the participants have fruitfully exchanged their points of views with the main aim of expediting the process of the network's setting up. This exchange of points of views had ended with the following conclusions :

a) **Cooperation between ICDT and IDB** : in view of the complementarities between the TINIC and ICINET, the participants agreed on the need for close cooperation between ICDT and IDB;

b) **Calendar of the project execution** : the participants convinced of the necessity of the network expressed the wish for its setting up at the earliest. They entrusted ICDT with establishing a timing taking into account the other projects, notably the ICINET project which was being studied by the IDB and the ARISNET project decided within the framework of the Arab League. They encouraged the interested organisations to carry on and develop their works notably those relating to the setting up of the proposed data banks.

c) **Focal point** : the participants agreed on the necessity of having national focal points. In this regard, they recognised the importance and usefulness of defining the choice criteria of these focal points and invited each Member State to appoint one or several focal points according to its needs and the requirements of the Islamic Organisations.

d) **Regional Centres** : the participants have considered that the specialised centres or national focal points and organisations of OIC could play the role of regional centres. They also considered that the focal points could meet this need in some areas if necessary. In any case, the existence of these centres should not prevent the focal points from communicating directly.

e) **Back up Centres** : to ensure high and consistent performance of any information system among Islamic Countries, the idea of Back up

Centers was recommended. Each two of ICDT, IRTI and SESRTCIC would be the Back up Centres for the third.

f) **Financial implications** : the participants while considering that the financial aspect of TINIC should be fully evaluated, agreed to submit the issue to the fourth meeting of the COMCEC Follow up Committee.

Motion of thanks :

20. The meeting addressed its thanks to the Government and the People of the Kingdom of Morocco for its sustained support and help and the facilities accorded to it for the holding of the meeting of the Ad Hoc Experts Contact Group.

The participants entrusted the Director of ICDT, in his capacity as Chairman of the meeting to convey a message of gratitude to His Majesty King HASSAN II of Morocco.

The meeting congratulated the Chairman for the excellent manner he conducted the meeting which ensured its success.

Besides, the meeting extended its warm thanks to the staff of the Centre for the excellent arrangements made for the meeting.

Adoption of the report :

21. The meeting adopted the report which will be submitted along with the annexes by ICDT to the fourth meeting of the COMCEC Follow up Committee to be held on 6 - 8 April 1988, in Istanbul.

REPORT OF THE EXPERTS GROUP MEETING
ON THE ESTABLISHMENT OF
AN EXPORT CREDIT GUARANTEE/INSURANCE SCHEME
HELD AT THE IDB, JEDDAH 6-7 JUMAD THANI, 1408H
(25-26 JANUARY, 1988)

BACKGROUND

1. The First Session of COMCEC, 21-23 Safar 1405H (14-16 November 1984) in Istanbul, under the Chairmanship of His Excellency President Kenan Evren of the Republic of Turkey, recommended that a group of experts from interested OIC Member States should be convened under the auspices of the IDB, with the participation of the relevant OIC and other Islamic financial institutions for the purpose of examining, on Islamic principles, the feasibility of establishing:

- (a) Longer Term Trade Financing Facilities;
- (b) A Regional Export Credit Guarantee Scheme; and
- (c) A Multilateral Islamic Clearing Union.

2. The Longer Term Trade Financing Scheme has already been operational and a study is currently being pursued on a Multilateral Islamic Clearing Union.

3. At the Third session of COMCEC held in Istanbul in September 1987, the IDB presented a paper entitled, Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme for the OIC Member Countries. COMCEC recommended that "the study be further reviewed by a meeting of technical experts directly involved in the field of export credit guarantee, to be convened by the IDB. The meeting of the said experts will be entrusted with working out the mechanics of a scheme that is operationally feasible and consistent with Islamic Sharia".

4. In response to this recommendation, the IDB invited all the OIC member countries to nominate experts to attend a meeting at the IDB. Also invited to the meeting were the OIC, the COMCEC Coordination Office, the Fiqh Academy and the Inter-Arab Investment Guarantee Corporation, as well as a number of distinguished scholars on Islamic jurisprudence.

5. The meeting was held at IDB Headquarters in Jeddah, during 6-7 Jumad Thani, 1408H (25-26 January, 1988). A total of 65 participants from 29 countries and three institutions attended the meeting. A list of the participants is attached to this report.

6. In his opening address, the President of IDB thanked the participants for accepting the invitation of the Bank and warmly welcomed them to the institution. He felt that the meeting would provide yet another opportunity, by way of joint Islamic action, to bring together the various sides of the Islamic Ummah to serve their joint and common interests. He said that, despite some progress achieved in intra-trade among the OIC member countries, there was vast potential that needed to be developed. The address also summarized the historical background for the meeting and expressed the hope that Allah would guide the impending deliberations toward producing fruitful results for the benefit of the Muslim Ummah

7. The Deputy Head of the COMCEC Coordinating Office reciprocated the views expressed by the President and hoped that the deliberations of the meeting would prove successful and add yet another dimension in strengthening the excising cooperation in various fields of activities among the Muslim countries. He praised the excellent paper that the IDB staff had prepared.

8. The participants unanimously elected the President of IDB to chair the meeting.

DISCOSSIONS AND BKCOMMEHBATIOMS

9. After summary presentation of the study which was one of three documents sent to the participants, they observed that the IDB study was thorough, detailed and well prepared.

The link between investment and export credit insurance

10. Participants took note of Article 15 of the Agreement for the Promotion, Protection and Guarantee of Investment among Member States of the OIC which states that:

"The Organisation shall through the Islamic Development Bank, and in accordance with the provision of its Agreement, establish as a Subsidiary organ of the Organization, an Islamic Institution for the Guarantee

of Investment which is to take charge of the insurance of funds invested in the territories of the contracting parties, in accordance with this Agreement and in conformity to the principles of Islamic Sharia."

11. Some participants advised that the proposed scheme should be confined to only export credit insurance. Some of the experts were of the opinion that investment insurance was very different from export credit insurance and, therefore, the two types of insurance need not be combined within the operations of one institution. Others felt that the scheme should cover investment insurance as well, because both functions have insurance as their common denominator and would satisfy the provision of the Agreement (mentioned above) as well as the aspirations of COMCEC to establish an export credit guarantee scheme. Moreover, since the resolutions adopted by the 14th and 15th meetings of the Foreign Ministers of OIC member countries were opposed to setting up fresh OIC organs, both export and investment insurance could be undertaken at the same time, through the institution that the OIC Foreign Ministers had earlier agreed could be established under Article 15 of the Agreement for the Promotion, Protection and Guarantee of Investment. The Deputy Head of COMCEC «felt that the participants should concentrate their discussion on export credit insurance and work out proposals that could be submitted to the next session of COMCEC.

12. The participants discussed the advantages of different alternatives especially in relation to:

- (a) Confinement of the system to export credit insurance only.

- (b) Extending the system to include export credit and investment insurance.

Following discussion it was deemed advisable to establish an organisation that would be initially responsible for insuring export credit. Based on the experience gained and in the light of the results of relevant studies supporting feasibility, such an organisation will, in due course, engage in investment insurance besides other operations carried out under this system.

13. It was agreed that the recommendation of the experts group would be to leave this issue of separate or composite institutions to the CGhCEC to decide. In this connection, the choice to be exercised by COMCEC would arise from the relative priorities that the Ministers may attach to either of the two objectives of export promotion or investment promotion. Therefore, the relative weights or importance attached to either objectives would then determine the nature of the institution that would be selected for implementation. In this regard, the experts identified three alternative options, as follows:

- (a) The scheme may offer insurance exclusively for export credits; or
- (b) The scheme may cover both investment insurance and export credit insurance; or
- (c) The scheme may start with export credit insurance and could, at some later date broaden its scope of operations to cover investment insurance.

14. The nature of the scheme that is to be implemented would determine its title. Therefore, the Participants suggested that the final title of the scheme would depend on which of the above alternative schemes is selected by the COMCEC.

15. One other issue was related to difficulty the scheme would have in obtaining reinsurance facilities. It was hoped that, although this could be a problem at the earlier stages, this could be resolved in due course, beginning with the reinsurance services that are now available from Islamic reinsurance companies and some of other reinsurance companies willing to cooperate with the scheme.

Level of preaiuas, underwriting capacity and Capital requirements the Scheie

16. The representative of the Bank briefed the participants on the salient features of these issues.

(i) **Level of preaiuas**

17. Here the main issue was whether there should be a uniform rate of premium to be charged or, depending upon political and economic health, countries should be grouped under categories of the respective premiums to be charged. After a very lengthy discussion of this matter, the consensus was that the premiums charged must be competitive and moderate. In the interest of Islamic solidarity, premium rates must be uniform for political risks but would vary for commercial risks, based on the mode and period of payment.

(ii) **Underwriting capacity**

18. As regards the capital of the scheme, there was a suggestion of having commitments of as low as 5 times the capital and free reserves of the institution. However, the general opinion was that the commitments of the scheme must,

in the initial stages, be 10 times the initial capital and free reserves of the scheme. The level of commitments could eventually be increased to 15 or 20 times of the scheme's capital and free reserves, after the scheme has gained experience over a period of 5 to 6 years or even more.

(iii) **Capital requirements**

19. Participants tended toward favouring the capital of the scheme to be I.D. 100 million, with half of it coming from IDB's contribution.

20. Some participants felt that the private sector should be involved. In this regard, member states would be at liberty to encourage financial institution in the private and para-statal sectors, including Islamic financial institution, to subscribe to the capital of the scheme. Some experts suggested that, if IDB paid 50 percent of the capital, the private sector could contribute 25 percent and the governments would then be left to contribute the remaining 25 percent.

**Issues concerning Sharia aspects
of the Scheme**

21. In his preliminary statement, Sheikh Mustafa Ahmad Zarqa observed that insurance could be considered as an essential need that is indispensable for the Muslim countries and without a sufficient amount of which, these countries cannot hope for any appreciable promotion of exports among themselves. He gave a summary of the recent evolution and conduct of the insurance business. He explained that the predominant view of Sharia scholars was

that conventional insurance involves al-gharar and, therefore, is contrary to Islamic principles. There is general consensus among Sharia scholars that cooperative insurance is not only acceptable and righteous but also a duty for Muslims to establish such institutions for serving their general needs in economic and financial transactions. The cooperative insurance presented in the detailed study was accepted in principle and found to conform to Sharia.

22. Sheikh Zarqa supported the view that the proposed cooperative insurance scheme could undertake both export credit insurance and investment insurance and would still perfectly be acceptable under Sharia. Therefore, there would be no need to increase the number of institutions, whereas one would be sufficient for handling investment insurance, export credit insurance and also for reinsurance.

23. In his remarks, Sheikh Dareer concurred fully with the observations of Sheikh Zarqa. He then raised some questions about the translation of the English to the Arabic text of certain paragraphs that he identified. The necessary action would be taken to improve the correspondence in translations and the editing of the relevant paragraphs. These would be reflected in the revised detailed study that would be sent to each of the participants and, should they have any further suggestions, these would be reflected in a final version that would be transmitted to COMCBC for the consideration of the Ministers.

Al-gharar arises when, within a contract the consequences are not fully disclosed to any of the contracting parties.

24. Two points of view were advanced in relation to interest-bearing loans for export transactions:

- (a) According to one view, interest-bearing loans cannot be covered by the insurance scheme;
- (b) According to the other view, it is preferable that interest-bearing loans should not receive insurance coverage under the scheme. However, on grounds of exceptional necessity, the principal only may be insured, in light of the Sharia view that the principal remains, a legitimate right of the lender which he is entitled to recover..

25. Transactions (i.e., sales and purchases) of discounted bills should not be covered by the Scheme.

26. Commissions payable by non-Islamic reinsurance companies to Islamic companies in return for attracting customers are prohibited by Sharia.

27. In the light of the observations of the Sharia scholars and other participants, the appropriate amendments would be reflected in the final version of the Detailed Study on the Establishment of an Sxport Credit and Guarantee Insurance Scheme Among OIC Member Countries to be presented to COMCEC in its following meeting.

**TEXT OF THE PRESENTATION OF
A METHODOLOGY FOR THE HARMONISATION OF THE EXISTING
STANDARDS IN THE ISLAMIC COUNTRIES AND
THE PREPARATION OF COMMON STANDARDS**

It will be recalled that the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference had, for the purpose of furthering the trade among Islamic countries, resolved in its first meeting held in Istanbul from 14 to 16 November 1984 to initiate a study on the eventual harmonisation of the standards currently in force in the Islamic countries and covering the goods and products subject to reciprocal trade between them.

The resolution adopted by the Ministers of Trade of the Organisation of the Islamic Conference commissioned the Turkish Standards institute to develop, in close cooperation with the agencies responsible for the standardisation work in the Islamic countries, a methodology which would render possible harmonisation of such standards and to distribute the draft to these agencies sufficiently in advance to permit it to be discussed during the Meeting of Standardisation Experts of the Islamic Countries in April 1985 in Istanbul. In this meeting, organised in Istanbul

from 8 to 12 April 1985, working texts on a variety of matters dealing with the standards and standardisation, together with the draft methodology developed, were submitted for discussion to the standardisation experts of the Islamic countries. The draft model was approved grosso modo in this meeting, and the recommendations to be laid before the Second Session of the Standing Committee were identified. Within the framework of these recommendations, it had been resolved,

that the member countries of the Organisation of the Islamic Conference (OIC) cooperate in the field of standardisation in order to draw upon their respective experiences,

that the standards implemented in the member countries be harmonised to the maximum level possible without jeopardizing the acceptable quality levels of the products, in order to ensure a regular improvement of the inter-Islamic trade,

that the member countries of OIC arrange training programmes on the basis of information collected on the subject, taking into account their needs and capabilities as well as the resources available,

that a study be launched to formulate the methods for exchange of information,

that guidelines be developed for the harmonisation of certification procedures, and

that a Coordination Committee consisting of the members of the Bureau of the First Meeting of Standardisation Experts of the Islamic Countries assume the activities required for the implementation of the above.

The above recommendations to the Follow-up Committee of the COMCEC were approved in the second meeting of the latter which requested that the necessary work should be performed and that a methodology should be formulated for the harmonisation of the standards in force in the member countries.

Upon approval of the establishment of a Coordinating Committee of the Standardisation Experts Group of the Islamic countries by the COMCEC, it was suggested that it would be more appropriate that the draft methodology should be conceived as a joint product of the Coordinating Committee instead of solely of the Turkish Standards Institute. Based upon this approach, the draft methodology prepared for the harmonisation of the existing standards of the Islamic countries was finalised in three meetings, of which two were held in Istanbul and one organised in Ankara. Contribution was provided by the members of the Coordinating Committee on the work performed regarding the

activities to be reported to the Standing Committee by the standardisation experts of the Islamic countries, and their instructions and comments were received for the orientation of these studies.

Within the framework of these activities, data were gathered on the training needs of the standardisation agencies of the Islamic countries and the means which they are able to place at the disposal of other member countries in this field, pilot work was initiated on the harmonisation efforts on basis of individual standards, draft standards so developed -albeit on a limited scale- were submitted to the perusal of other member countries of OIC, and intensification of the exchange of information and technical documentation was ensured.

The full and unrestricted implementation of the resolutions of the Standardisation Experts of the Islamic Countries will only be possible through the establishment of appropriate channels for the harmonisation of the standards in force in these countries, through the certification of all products and goods within an integrated system concept, through the organisation of joint training programmes, through the exchange of information and specialists and through technology transfer among the Islamic countries. All this requires, in turn, the setting into motion of an efficient organisation backed by knowledgeable and

responsible staff with adequate technical skills and ability and supported by the Islamic community at large.

The attitude of the Standing Committee regarding the establishment of new agencies entailing additional financial burdens to the Islamic countries being known, we submit to you a proposal for an organisational structure sustaining itself with the fees to be received against services rendered in lieu of one which would require continuous budgetary allocations.

A major part of the revenues will be derived at the initial period from the certification of products and goods subject to the inter-Islamic trade. It should be recalled that the fees for these services are currently being paid to the certification and survey companies of developed countries. A mere rechanneling of these fees will enable the organisation which we will call, for practical reasons, the Standardisation Union of Islamic Countries, to cover its expenditures. Being a non-profit outfit, this organisation will be able to extend a far greater amount of service to the Islamic countries through its excess revenues and provide financial and technical support to the member countries which yet lack standardisation agencies.

The Turkish Standards Institute is proud to have been deemed worthy by such and august authority as the Standing

Committee to be commissioned to develop a methodology permitting the harmonisation of the current standards of the Islamic countries. Our Institute has done everything possible to live up to the expectations of the Islamic community. In this connection, we would like to emphasize that a multi-faceted and broad-based collaboration on matters dealing with the standards and standardisation will be needed beyond a mere harmonisation of standards in order to ensure that the inter-Islamic trade develops at the desired pace. This can be achieved only through the efficient contributions of a strong organisation. If such an agency can be established and commissioned, we believe that it will be capable to sustain itself within a very short time through the fees it will be receiving for services rendered. As a logical corollary of its desire to perform an outstanding work in the tasks entrusted by your august body, our Institute is desirous and willing to furnish all required support for the genesis of such a body and hereby commits itself to cover all its operating costs until it becomes self-sustaining or for a period of up to three years.

Thank you.

Mehmet Yılmaz ARI YÖRÜK

President of the Turkish
Standards Institute

Original : English

WORKING PAPER ON THE ELECTION OF THE MEMBERS
OF THE BUREAU OF THE COMCEC

I. PURPOSE

1. The purpose of this paper is to present some alternative methods for the renewal of the members of the Bureau of the COMCEC and for the directly related issue of the composition of the Follow-up Committee, with a view to facilitating the selection of the alternatives to be submitted to the Fourth Session of the COMCEC for final decision.

II. SCOPE

2. After an introductory chapter on the background and present situation of the question of the renewal of the Members of the Bureau of the COMCEC, some alternatives, thought to be feasible are explained below. Since the members of the Bureau of the COMCEC presently constitute its Follow-up Committee, the method to be adopted for the renewal of the members of the Bureau will have a direct bearing on the composition of the Follow-up Committee. Therefore, some alternatives regarding the composition of

the Follow-up Committee of the COMCEC are given in a separate chapter.

3. The alternatives presented in this paper are by no means exhaustive. Variations on the alternative methods presented in the following pages, as well as the new ones, may be considered by the Follow-up Committee.

III. BACKGROUND

4. At the First Session of the COMCEC held on 14-16 November 1984 in Istanbul, the following Member States were elected to represent their respective geographical regions in the Bureau of the COMCEC :

First Vice-Chairman : Kingdom of Saudi Arabia to
represent Arab Member States;

Second Vice-Chairman : Islamic Republic of Pakistan to
represent Asian Member States;

Third Vice-Chairman : Republic of Guinea to represent
African Member States;

Fourth Vice-Chairman : Palestine;

Rapporteur : Hashemite Kingdom of Jordan.

5. The COMCEC in its First Session also decided

"...To establish a Follow-up Committee, at ministerial level, to assist the Chairman, supported by the Secretary General and composed of the Members of the Bureau of the Standing Committee..." (1)

(1) Resolution on Follow-up Activities of the COMCEC, Report of the First Session of the Standing Committee for Economic and Commercial Cooperation of the

6. During its Second Session, held on 14-16 March 1986 in Istanbul, the COMCEC, with a view to maintaining continuity in the organization of its work, decided

"... to keep the members of its Bureau, who were elected during its First Session, unchanged until the next Islamic Summit (the Fifth Islamic Summit Conference)." (2)

7. Following the Fifth Islamic Summit Conference, the question of the renewal of the members of the Bureau was raised during the Third Session of the COMCEC. At its Third Session, the COMCEC decided that the question of the renewal of the members of the Bureau should not be tackled before various aspects of the question and its implications for the follow-up mechanism were carefully studied.

8. According to the resolution adopted at the Third Session of the COMCEC, however, the Member State who holds the Sessional Chairmanship of the Islamic Summit Conference was included in its Bureau as a regular member. Thus, the State of Kuwait was included in the Bureau of the COMCEC to serve as the fifth Vice-Chairman until the Sixth Islamic Conference to be held in 1990 in Senegal.

Organization of the Islamic Conference, Istanbul, Republic of Turkey, 14-16 November 1984, Annex VI, p. 46.

(2) Report and Related Documents, Second Session of the COMCEC, Istanbul, 14-16 March 1986, Ankara 1986, p. 56, para. 14.

9. At the same Session, the COMCEC assigned the Follow-up Committee with the task of determining feasible alternatives for the renewal of the Members of the Bureau, together with their implications for the follow-up mechanism, in a longer perspective, on the basis of a working paper to be prepared by the COMCEC Coordination Office. The final decision on the issue will be taken at the Fourth Session of the COMCEC to be held on 4-7 September 1988 in Istanbul.

IV. ALTERNATIVE METHODS FOR THE RENEWAL OF THE MEMBERS OF
THE BUREAU

10. In view of the fact that Turkey and Palestine are permanent Members of the Bureau and that Kuwait holds a Vice-Chairmanship in its capacity as the Sessional Chairman of the Fifth Islamic Summit, the alternative methods for the renewal of the members of the Bureau explained below will be applicable to three Vice-Chairmanships representing three geographical regions and to the Rapporteur.

11. Keeping the principle of geographical representation and assuming that the outgoing members of the Bureau would be eligible for re-election, some of the alternative methods for the renewal of the Member States representing three Vice-Chairmanships and the Rapporteur are explained below :

- a) At the end of every two years, one of the member states representing three geographical regions in

the Bureau may be replaced by another member state from the same region by election. The member state holding the post of the Rapporteur may also be replaced every two years, by election.

Assuming that the renewal will start with the African region at the Fourth Session of the COMCEC in September 1988, and that the African member states are symbolized by "AF", Asian Member States by "AS", Arab Member States by "AR" and the Rapporteur by "RP", the operation of this alternative until the eight Islamic Summit Conference in 1996 can be shown as follows :

| Year of Election | Vice-Chairman Representing African Region | Vice-Chairman Representing Asian Region | Vice-Chairman Representing Arab Region | Rapporteur |
|------------------|---|---|--|--------------|
| 1984 | AF-1(Guinea) | AS-1(Pakistan) | AR-1(S.Arabia) | RP-1(Jordan) |
| 1988 | AF-2 | AS-1 | AR-1 | RP-2 |
| 1990 | AF-2 | AS-2 | AR-1 | RP-3 |
| 1992 | AF-2 | AS-2 | AR-2 | RP-4 |
| 1994 | AF-3 | AS-2 | AR-2 | RP-5 |
| 1996 | AF-3 | AS-3 | AR-2 | RP-6 |

- b) The renewal explained in (a) above may be made every three years.

- c) The renewal explained in (a) above may be made every year.
- d) The member states representing three regions and the Rapporteur may be renewed simultaneously at the end of every two or three yearly periods that may be deemed appropriate.

V. ALTERNATIVE FOR THE FORMATION OF THE FOLLOW-UP COMMITTEE

12. The following are some of the alternatives which may be considered in relation to the formation of the Follow-up Committee :

- a) The present practice, as decided at the First Session of the COMCEC, may be maintained; thus, the members of the Bureau, elected according to one of the methods explained in Chapter IV above, may continue to serve at the same time as the members of the Follow-up Committee.
- b) The Follow-up Committee may be composed of the members of the Bureau, elected according to one of the methods explained in Chapter IV, plus the Rapporteur of other ministerial level meetings held in areas of economic cooperation indicated in the OIC Plan of Action, which fall under the

competence of the COMCEC. In this case, each year with the holding of a ministerial meeting, a new member will be added to the Follow-up Committee until all relevant areas indicated in the OIC Plan of Action are covered.

- c) The Bureau which may be formed for a given term may serve as the Follow-up Committee during the course of the next term. This alternative would be more relevant if the alternative for the renewal of the members of the Bureau explained in sub-para, (d) of para. 11 above is accepted.

To explain the alternative defined in **sub-para, (c)** above more clearly, it may **be assumed, for example, that** Bangladesh, U.A.E., Burkina Faso and Djibuti **are elected to** represent three geographical regions and the act **as** Rapporteur respectively, in the Bureau for a given **term** (t_1), and that Malaysia, Tunisia, Comoros **and Maldives are** elected to represent the same for the next term (t_2). **The** present alternative presupposes that during the term t_2 , the members of the Bureau elected for the term t_1 , namely Bangladesh, U.A.E., Burkina Faso and Djibuti, together with other permanent and ex-officio members, will serve as the Follow-up Committee, while Malaysia, Tunisia, Comoros and Maldives will constitute the Bureau of the COMCEC. The same pattern will be repeated for each consecutive term.

This model resembles the pattern followed for the Annual Meetings of the Board of Governors of the Islamic Development Bank (IDB). In IDB's case, the members of the Bureau of the Annual Meetings of the Board of Governors elected for a given term constitute the Procedures Committee during the next term to maintain continuity in matters pertaining to the organization and substance of the meetings.

VI. CONCLUSION

13. The alternative methods explained above for the renewal of the members of the Bureau of the COMCEC and for the formation of its Follow-up Committee are only a few of various alternatives that might be thought of in this regard. The Follow-up Committee may wish to recommend any of the alternatives explained in this paper, their variation, or completely new ones as it may deem appropriate, for consideration and approval of the COMCEC.

Original : English

DRAFT AGENDA
OF THE FIRST MINISTERIAL MEETING ON
COMMUNICATIONS IN OIC MEMBER STATES

(Istanbul, 4-7 September 1988)

1. Inaugural Session
2. Election of the Members of the Bureau
3. Adoption of the Agenda
4. Background Report by the General Secretariat
5. Report by SESRTCIC on Developments in Telecommunication Sector in the OIC Member Countries
6. Existing Telecommunication Facilities and Future Possibilities to Provide more reliable Communication amongst OIC Member Countries.
7. Available Postal Services among the OIC Member Countries and Prospects for Future Developments.
8. Cooperation in the Training of Telecommunication Personnel
9. Joint Investments and ongoing Cooperation Projects among the Member Countries in the Field of Telecommunications
10. Technical Cooperation in the Field of Communications
11. Establishment of a Follow-Up Mechanism
12. Any Other Business
13. Date and Venue of the Next Meeting
14. Adoption of the Report and the Resolution to be Submitted to the COMCEC
15. Closing Session

Original : English

DRAFT AGENDA
OF THE FOURTH SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION OF THE ORGANIZATION OF THE
ISLAMIC CONFERENCE

(Istanbul, 4-7 September, 1988)

- 1 - Opening of the Session.
 - Inaugural Address by H.E. Kenan EVREN, President of the Republic of Turkey, Chairman of the COMCEC.
 - Statement by H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey, Alternate Chairman of the COMCEC.
 - Statement by H.E. S.S. Pirzada, Secretary General of OIC.
 - Statements by the Heads of Delegation on behalf of the regional groups of Member States.
 - Statement of H.E. Dr. Ahmed Mohammed Ali, President of IDB.
- 2 - Adoption of the Agenda.
- 3 - Report of the OIC General Secretariat.
- 4 - Report of the Follow-up Committee.
- 5 - Draft Declaration of Intent on the Establishment of a Trade Preferential System among the Member States of OIC.
- 6 - Report by ICDDT on the Draft Framework Agreement on Trade Preferential System Among OIC Member States (TPSOIC).
- 7 - Feasibility Study by ICDDT on Trade Information Network (TINIC).

- 8 - Report by IDB on the Regional Export Credit Guarantee Scheme.
- 9 - Progress Report by IDB on the establishment of a Multilateral Islamic Clearing Union.
- 10- Report on "Methodology for the Harmonization of Standards of the Islamic Countries and for the Preparation of Common Standards" by the Coordinating Committee of the Islamic Countries' Standardization Experts.
- 11- Report of the Sessional Committee.
- 12- Report of the First Ministerial Meeting on Communications.
- 13- Any Other Business.
- 14- Adoption of the Report and Resolutions.
- 15- . Date and Venue of the Fifth Session of the COMCEC.
- 16- Closing of the Session.

Original : English

CLOSING STATEMENT BY H.E. Dr. YUSUF BOZKURT ÖZAL,
MINISTER OF STATE OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

Fourth Meeting of the Follow-up Committee
of the COMCEC

Istanbul, 8 April 1988

Your Excellencies

Distinguished Delegates,

We have successfully completed another meeting of the Follow-up Committee of the COMCEC. We owe this to your invaluable and most constructive contributions and sense of cooperation.

The recommendations contained in the report of our meeting will no doubt expedite the implementation of the remaining projects on the agenda of the COMCEC. All these recommendations concern the promotion of cooperation in the area of trade.

The adverse developments which took place in the world economy during recent years, despite erratic improvements, indicate the dire necessity of increasing the volume of trade among the member countries to prevent further worsening of their external payments positions.

In fact, an examination of the available data on the economies of the Member Countries reveals that the deterioration in their terms-of-trade and the continued fall in their foreign exchange earnings, increase the strains on their economies.

In this context of world economic affairs, the establishment of the Longer-Term Trade Financing Facility within the Islamic Development Bank, as a result of the implementation of a decision adopted at the First Session of the COMCEC, constitutes a source of satisfaction for us.

We have noticed during the meeting that the necessary groundwork for the implementation of most of the projects on the COMCEC agenda have almost been finalized by the relevant OIC institutions. It is my understanding that, regarding these projects, we have reached a stage where a final seal of approval by the governmental authorities of the Member States is needed for their actual implementation.

My personal thanks go to the distinguished directors and the staff of the OIC institutions for their contributions in undertaking the necessary studies for the implementation of these projects.

As a matter of fact, the experience of the COMCEC has once more shown that, without the expertise provided by the OIC institutions, and the capabilities of some of them to

actually implement the projects, it would not have been possible to achieve the concrete progress we have noted, during the meeting.

We should not, however, content ourselves with what we have achieved so far. We should continuously strive for new joint cooperation projects. This would not only lay the ground, however modest, for taking advantage of the existing complementarities between the economies of the Member Countries, but at the same time, would create an atmosphere of understanding amongst them, most urgently needed for Islamic solidarity in other world economic and financial fora.

Bearing this in mind, we should be open to any suggestions, coming from any member country, for economic cooperation projects which are feasible and most likely to attract the interests of the Member Countries irrespective of their political and economic structures.

Before concluding my remarks, I would like to thank you once more for your contributions to the success of this meeting and, on behalf of the People and the Government of Turkey I wish you a very happy and safe journey home.