

OIC/COMCEC-FC/9-93/REP

R E P O R T

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

(Istanbul, 4-6 May 1993)

COMCEC Coordination Office
Ankara, May 1993

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OF THE NINTH MEETING OF THE
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(Istanbul, 4-6 May 1993)

Original : English

R E P O R T
OF THE NINTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE

(Istanbul, 4-6 May 1993)

1. The Ninth 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 from 4 to 6 May 1993.

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

Republic of Turkey	(Chairman)
Kingdom of Saudi Arabia	(Vice-chairman, Permanent Member)
State of Palestine	(Vice-chairman, Permanent Member)
Arab Republic of Egypt	(Vice-chairman, Representing the Arab Region)
Republic of Cameroon	(Vice-chairman, Representing the African Region)
Republic of Senegal	(Vice-chairman, Current Chairman of the Summit)
Malaysia	(Rapporteur)
Islamic Republic of Pakistan	(Member of the Previous Bureau)

State of Kuwait	(Member of the Previous Bureau)
Hashemite Kingdom of Jordan	(Member of the Previous Bureau)

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

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)

The Islamic Centre for Development of Trade (ICDT)

The Islamic Foundation for Science Technology and Development (IFSTAD)

The Islamic Development Bank (IDB)

The Islamic Centre for Vocational and Technical Training and Research (ICTVTR)

The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE)

The representative of the United Nations Development Programme (UNDP) attended the Meeting as observer.

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

Opening Session

4. The Meeting was inaugurated by Her Excellency Tansu ÇİLLER, Minister of State of the Republic of Turkey and Chairperson of the Follow-up Committee of the COMCEC.

5. H.E. Tansu ÇİLLER, expressing her deep sorrow at the recent death of H.E. Turgut ÖZAL, the late President of the Republic of Turkey and Chairman of the COMCEC, asked delegates to recite fatiha for the soul of the late President Turgut ÖZAL.

6. In his message addressed to the Meeting, H.E. Hüsamettin CINDORUK, Acting President of the Republic of Turkey and Chairman of the COMCEC stated that the wise and innovative leadership of the late President Turgut ÖZAL would always be a source of inspiration for the COMCEC. The acting President pointed out that the schemes and mechanisms worked out by the COMCEC would serve as useful instruments of economic cooperation which, under the rapidly changing global conditions, was the safest way to ensure peace and stability. H.E. Hüsamettin CINDORUK wished the Committee success in its important work and a pleasant stay in Istanbul to the delegates.

(A copy of the text of the message of H.E. Hüsamettin CINDORUK is attached as Annex II.)

7. In his message addressed to the Meeting, H.E. Süleyman DEMİREL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, expressing his deep sorrow at the recent and sudden demise of the late President Turgut ÖZAL, stated that Turkey would always remember and be guided by his principles and wise leadership in economic cooperation among Member States. The Prime Minister reiterated his Government's

commitment to the enhancement of economic cooperation among Member Countries. H.E. Süleyman DEMİREL then wished success to the Committee and a pleasant stay in Turkey to the delegates.

(A copy of the text of the message of H.E. Süleyman DEMİREL is attached as Annex III.)

8. The Meeting was then addressed by H.E. Tansu ÇİLLER, Minister of State of the Republic of Turkey and Chairperson of the Follow-up Committee. H.E. Tansu ÇİLLER, welcomed the delegates and conveyed to them her cordial greetings and best wishes. Referring to the fundamental changes unfolding on the economic and political scene of the world, H.E. Tansu ÇİLLER stressed the importance of promoting economic cooperation among Member Countries which now included many newly independent Republics in Caucasia and Central Asia. Emphasizing the importance of democracy and human rights within the context of globalization, she referred to the importance of solidarity and joint efforts exerted to end the human suffering of the muslim people in Bosnia-Herzegovina and, of extending assistance to the countries which had won their sovereignty and were striving towards economic and political restructuring after the collapse of the former Soviet Union. Referring to the global economic groupings, H.E. Tansu ÇİLLER particularly drew attention to the European Community, because of its prominence in terms of population, markets and as a trading partner for the OIC countries.

H.E. Tansu ÇİLLER concluded her statement by wishing every success to the Committee and a pleasant stay in Turkey to the delegates.

(The text of the Statement of H.E. Tansu ÇİLLER is attached as Annex IV.)

9. The Meeting was also addressed by H.E. Ousman N.R. OTHMAN, Assistant Secretary General of OIC. H.E. Ousman OTHMAN conveyed the deep sorrow of H.E. Dr. Hamid Al GABID, Secretary General of OIC, at the sudden demise of the late President Turgut ÖZAL. The Secretary General also conveyed his gratitude to H.E. Hüsamettin CİNDORUK, Acting President of the Republic of Turkey and Chairman of the COMCEC and to H.E. Süleyman DEMİREL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, for their unfailing interest in and abiding commitment to the promotion of economic and commercial cooperation among Member States. The Assistant Secretary General expressed his thanks and appreciation for the excellent arrangements made for the Meeting and stated his confidence that under the able and wise chairmanship of H.E. Tansu ÇİLLER, the Committee, would successfully achieve its objectives.

(A copy of the text of the statement of H.E. Ousman N.R. OTHMAN is attached as Annex V.)

10. The Meeting was then addressed by the Heads of the Delegations of the Republic of Cameroun, the Kingdom of Saudi Arabia and the Islamic Republic of Pakistan, on behalf of the African, Arab and Asian member countries, respectively. The Heads of Delegation of the State of Palestine, the Republic of Senegal and the State of Kuwait also addressed the Meeting. In their statements, the Heads of Delegation expressed their deep sorrow at the demise of the late President of the Republic of Turkey and Chairman of the COMCEC. They stated that the late President Turgut Özal would always be remembered for his wise and dynamic leadership in chairing the COMCEC. Stressing the importance of crucial changes in the world political and economic climate, they underlined the urgent need to enhance solidarity among Member Countries and to look for ways and means whereby to promote cooperation based on concrete and realistic projects.

11. The working sessions of the Meeting were thereafter chaired by H.E. İlhan KESİCİ, Undersecretary of the State Planning Organization of the Republic of Turkey.

12. After the adoption of the Agenda, the Committee set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, Her Excellency Ambassador Dato' ZAIBEDAH binti Haji Ahmad, Ambassador of Malaysia to Turkey.

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

Report of the OIC General Secretariat

13. Under Agenda item 3, H.E. Ousman N.R. OTHMAN, Assistant Secretary General of OIC, introduced the Background Report of the General Secretariat, which was subsequently summarized by Ambassador N. DIALLO, Director of Economic Affairs of the OIC General Secretariat. In his presentation, Mr. Diallo highlighted the progress achieved towards the implementation of the Plan of Action to Strengthen Economic Cooperation Among Member States as well as the Resolutions of the COMCEC pertaining to the Agenda items. The Director of Economic Affairs also summed up the progress achieved in the implementation of the resolutions adopted at various Ministerial Meetings held under the auspices of the COMCEC. Referring to the Resolutions of the Sixth Islamic Summit Conference on the activities of the COMCEC, he informed the Meeting of the convening of the Second Meeting of the Group of Experts on New Strategies for Economic Cooperation among OIC Member Countries in Cairo, from 16 to 18 February, 1993. The Committee expressed its thanks and appreciation to the Government of the Arab Republic of Egypt for hosting the said Experts' Group Meeting.

14. The Committee took note of the Report of the General Secretariat and expressed thanks for its preparation.

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

Progress Report by the OIC General Secretariat on the Outcome of the Second Experts' Group Meeting on the Strategy to Strengthen Economic Cooperation Among OIC Member Countries

15. Under Agenda Item 4, the representatives of the OIC General Secretariat presented the Progress Report on the outcome of the Second Experts' Group Meeting on the Strategy to Strengthen Economic Cooperation Among OIC Member Countries which contained recommendations pertaining to the Modalities of Implementation of the Strategy.

16. The Head of Delegation of the Arab Republic of Egypt highlighted the importance of the results of the Second Experts' Group Meeting, particularly the elaboration of new and innovative modalities for strengthening economic cooperation among member countries. He went on to express his conviction that this achievement would facilitate the work of the COMCEC in taking further action.

17. After a thorough discussion, the Committee endorsed the recommendations of the Second Experts' Group and decided to submit them, through the OIC General Secretariat, to the 9th Session of the COMCEC for consideration and approval.

18. The Committee agreed that the adoption by the COMCEC of the text prepared by the Second Meeting of the Experts' Group would complete the new Strategy to Strengthen Economic Cooperation

Among the Member States of OIC and pave the way for updating of the 1981 Plan of Action in the light of the experience gained in its implementation, as well as of the recent changes in the global economy.

19. In this connection, the Committee decided to recommend to the COMCEC that the Ankara Centre be asked to prepare a working document for this purpose, in collaboration with IDB, ICDT and other relevant OIC institutions, and that the said document be circulated to Member States for their views and comments. It also recommended that after the incorporation of the comments of the member countries into the text by the Ankara Centre, an experts* group meeting may be convened to examine the said document prior to its submission to the 10th meeting of the Follow-up Committee of the COMCEC.

(A copy of the Recommendations on Modalities and Mechanism of Implementation and Follow-up of the Strategy to Strengthen Economic Cooperation among OIC Member Countries is attached as Annex VIII.)

Report by the COMCEC Coordination Office on the Possible Role of the Private Sector in the Overall Activities of the COMCEC

20. Under Agenda item 5, the representative of the COMCEC Coordination Office presented the "Note on the Role of the

Private Sector in the Overall Activities of the COMCEC" including a number of alternatives regarding the modalities of that role.

21. In view of the importance of the role of the private sector in economic cooperation among member states, the Committee requested the General Secretariat to coordinate the preparation of a detailed report by ICCICE, in close cooperation with IDB and other relevant OIC institutions, on the possible modalities of the role of the private sector and submit it to the 9th Session of the COMCEC for final decision. The Committee requested the General Secretariat to circulate the report to be prepared by ICCICE among Member Countries, sufficiently in advance of the 9th Session of the COMCEC for their examination.

(A copy of the "Note on the Role of the Private Sector in the Overall Activities of the COMCEC" is attached as Annex IX.)

Progress Report by ICDT on the Establishment of a Trade Information Network for Islamic Countries (TINIC)

22. Under Agenda item 6, the representative of ICDT submitted a progress report on the implementation of the TINIC project, which was supplemented by additional information on the OIC-ISNET project provided by the representative of the IDB.

23. The Committee requested ICDT to pursue, in close cooperation and coordination with the focal points of TINIC and IDB, the

preparations needed to set up the required data base and submit a progress report thereon, to the Ninth Session of the COMCEC.

24. The Committee recommended that Member States, who had not yet done so, be requested to nominate national focal points for the Trade Information Network for Islamic Countries (TINIC). In this connection, the State of Kuwait informed the Meeting that the National Centre for Information, at the Kuwaiti Ministry of Planning, would assume the function of the national focal point.

25. At the proposal made by the Head of Delegation of Malaysia, the Committee requested ICDT to explore the possibility of cooperation in the field of data exchange with the South Investment, Trade and Technology Data Exchange Centre (SITTDEC) based in Kuala Lumpur. It was also recommended that ICDT should cooperate with other related international and regional centres as well.

(Texts of the Progress Reports submitted by ICDT and the one on OICIS-NET by IDB are attached as Annexes X and XI respectively.)

Possible Ways of Expediting Enforcement of the Framework
Agreement on the Trade Preferential System Among OIC Member
States

26. Under Agenda Item 7, the representative of the OIC General Secretariat made an expose on the legal aspects of the issue of

expediting the implementation of the Framework Agreement on the Trade Preferential System Among OIC Member States.

27. The Committee, having discussed the issue at length, requested the General Secretariat to further examine the subject in all its aspects, taking into account all the views and proposals, and to submit a report thereon to the 9th Session of the COMCEC.

28. The Committee recommended that the Member States, who had not yet done so, be urged to sign and ratify the Framework Agreement for its entry into force at an early date.

(A copy of the Note presented by the General Secretariat is attached as Annex XII.)

Progress Report by IDB on the Establishment of an Export
Credit Insurance and Investment Guarantee Scheme

29. Under Agenda item 8, the representative of IDB gave a brief expose on the progress achieved towards the implementation of the project.

30. The Committee noted with appreciation that some Member Countries had signed and/or ratified the Articles of Agreement of the Corporation and paid their respective shares to its capital. The Committee urged those Member Countries, who had not yet done so, to sign and ratify the Articles of Agreement and pay

their respective shares of the capital at an early date for the Corporation to become operational as early as possible.

(A copy of the Progress Report submitted by IDB is attached as Annex XIII.)

Draft Agenda of the Ninth Session of the COMCEC

31. Under Agenda item 9, the Committee considered the Draft Agenda of the Ninth Session of the COMCEC to be held from 1 to 4 September 1993 in Istanbul.

32. The Committee approved the Draft Agenda of the Ninth Session of the COMCEC and decided to communicate it, through the General Secretariat of OIC, to Member States.

(A copy of the Draft Agenda of the Ninth Session of the COMCEC, as approved by the Committee, is attached as Annex XIV.)

Closing Session

33. At its closing session, chaired by H.E. İlhan KESİCİ, Undersecretary of the State Planning Organization of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the OIC General Secretariat to circulate the Report among the Member States, and to submit it to the Ninth Session of COMCEC.

34. The Head of Delegation of the State of Palestine, Dr. Mohammad AL NAHHAL, made a statement on behalf of the delegates. Dr. AL NAHHAL, expressing his condolences for the sad demise of

late President Turgut ÖZAL, stated that his keen interest in promoting cooperation and solidarity among Islamic Countries would always be remembered and his principles would continue to guide the Islamic Community. He also expressed his sincere thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Turkey. Dr. AL NAHHAL also thanked the COMCEC Coordination Office and all the supporting staff for the excellent arrangements made for the Meeting.

35. The Committee requested the Chairman to send messages of condolence on its behalf to H.E. Hüsamettin CİNDORUK, Acting President of the Republic of Turkey and Chairman of COMCEC, and to H.E. Süleyman DEMİREL, Prime Minister of the Republic of Turkey and Alternate Chairman of COMCEC. In these messages, the Committee expressed its deep sorrow at the sudden loss of the late President Turgut ÖZAL. The Committee also expressed its profound gratitude and appreciation to H.E. Hüsamettin CİNDORUK and to H.E. Süleyman DEMİREL for the sincere welcome and most generous hospitality extended to the delegates during their stay in Turkey.

36. In his closing statement, H.E. İlhan KESİCİ expressed his thanks to the delegates for their valuable contributions and sense of cooperation. H.E. İlhan KESİCİ, also thanked the General Secretariat and its subsidiary and affiliated institutions for their valuable assistance. He stated that the recommendations made at the end of their deliberations would be conducive to the

materialization of the remaining projects and would open avenues for closer cooperation. Underlining the necessity for developing more efficient mechanisms within the OIC Community, he emphasized the importance of the role to be played by the private sector in economic cooperation among member countries. Finally, H.E. İlhan KESİCİ wished the delegates a safe journey home.

(A copy of the text of the closing speech by H.E. İlhan KESİCİ is attached as Annex XV.)

LIST OF DOCUMENTS
CONSIDERED BY THE NINTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

(Istanbul, 4-6 May 1993)

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CONSIDERED BY THE NINTH MEETING
OF THE FOLLOW-UP COMMITTEE
- OF THE COMCEC

(Istanbul, 4-6 May 1993)

1. Background Report by the General Secretariat to the Ninth Meeting of the Follow-up Committee of the COMCEC. OIC/COMCEC-FC/9-93/D(1)
2. Report of the Second Meeting of the Group of Experts on New Strategies for Economic Cooperation Among OIC Member Countries. OIC/COMCEC/EGM-STR/2-93/REP
3. Progress Report by the OIC General Secretariat on the Outcome of the Second Expert Group Meeting on the New Strategy to Strengthen Economic Cooperation Among OIC Member Countries. OIC/COMCEC-FC/9-93/D(9)
4. A Note on the Role of the Private Sector in the Overall Activities of the COMCEC. OIC/COMCEC-FC/9-93/D(3)
5. Progress Report by ICDT on the Trade Information Network for Islamic Countries (TINIC). OIC/COMCEC-FC/9-93/D(4)
6. Progress Report on OIC Information Systems Network (OICIS-NET).
7. Note on the Possibility of Expediting the Implementation of the Framework Agreement on the Trade Preferential System Among Member States of the OIC OIC/COMCEC-FC/9-93/D(5)

8. Note on the Possibility of Expediting the Enforcement of the Framework Agreement on Trade Preferential System Among the Member States of the Organization of the Islamic Conference OIC/COMCEC-FC/9-93/D(10)

9. Progress Report on the Status of the Establishment of an Export Credit Insurance and Investment Guarantee Scheme OIC/COMCEC-FC/9-93/D(6)

10. Report on the Activities of the Islamic Chamber Submitted to the Ninth Meeting of the Follow-up Committee of the COMCEC

A N N E X E S

- I -

LIST OF PARTICIPANTS
NINTH MEETING OF THE FOLLOW-UP
COMMITTEE OF THE COMCEC
(Istanbul, 4-6 May 1993)

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

(Istanbul, 4-6 May 1993)

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- H.E. Ihsan-Ul-Haq PIRACHA
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- H.E. Inamul HAQUE
Ambassador to Turkey
- Mr. Shaukat UMER
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- Mr. Ahmed Shamsul HUDA
Joint Secretary Economic
Affairs Division
- Mr. Zafar MAHMOOD
Consul General of Pakistan
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- Mr. Tannir KHASKHELI
Vice - Consul.

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- H.E. Prof.Dr. Tansu ÇİLLER
Minister of State
- H.E. İlhan KESİCİ
Undersecretary of State,
State Planning Organization
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- Mr. Rıdvan US
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- Mr. Okan ÜÇER
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Ministry of Finance and National Economy
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Ministry of Finance and National Economy

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- Miss. Abla AL-NASHASHIBI
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- Mr. Mouhamadou YOUSSEF
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- II -

MESSAGE OF H.E. HÜSAMETTİN CINDORUK,
ACTING PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : Turkish

MESSAGE OF H.E. HÜSAMETTİN CİNDORUK,
ACTING PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Madam Chairperson,
Honourable Members of the Follow-up Committee,
Distinguished Delegates,

I welcome you in Istanbul on the occasion of the Ninth Meeting of the Follow-up Committee.

I am very well aware that, since 1985, your Committee has been assisting the Chairman of the COMCEC in the most efficient manner, in his efforts to promote economic cooperation among Member States. In this connection, I wish to recall with gratitude the leadership of the Late President Turgut ÖZAL in the establishment of the COMCEC and his efforts for the development of economic cooperation among Islamic Countries. His wise and innovative leadership will always remain a source of inspiration for the COMCEC.

My country shall share no effort to foster economic and technical relations among Islamic Countries and to support, in this context, the activities of the COMCEC.

I would like to point out, with great satisfaction, that all the projects mainly aimed at developing trade cooperation, included in the agendas of the previous COMCEC sessions, are either fully implemented or in the process of being finalized. I wish, in this regard, to commend the constructive contributions and efforts of your committee in these achievements.

The present agenda of your committee includes, inter alia, two items relevant to the document on strategy for economic cooperation and the role of the private sector in COMCEC activities. Both items have vital importance, especially in a period when the world is witnessing crucial economic changes that dictate new approaches to economic cooperation.

I am confident that closer cooperation among our private sectors, together with the implementation of the new strategy to be adopted, will be instrumental in promoting economic cooperation among our countries and will enrich the substance of our endeavors. I believe that your present meeting will come up with sound and useful recommendations on these subjects, to be submitted to the Ninth Session of the COMCEC.

Finally, Madam Chairperson, I would like to reiterate my conviction that schemes and mechanisms worked out by the COMCEC will serve as useful instruments of economic cooperation which,

under the rapidly changing global conditions, is the safest way to ensure peace and stability.

I wish the committee success in its important work and a pleasant stay in Istanbul to the delegates.

Hüsamettin CİNDORUK

Acting President of the
Republic of Turkey,
Chairman of the COMCEC

- III -

MESSAGE OF H.E. SÜLEYMAN DEMIREL
PRIME MINISTER OF THE REPUBLIC OF TURKEY,
ALTERNATE CHAIRMAN OF THE COMCEC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : Turkish

MESSAGE OF H.E. SÜLEYMAN DEMİREL
PRIME MINISTER OF THE REPUBLIC OF TURKEY,
ALTERNATE CHAIRMAN OF THE COMCEC

Ninth Meeting of the Follow-up Committee
of the COMCEC

(Istanbul, 4-6 May 1993)

Madam Chairperson,
Excellencies,
Distinguished Delegates,

On behalf of the Government of Turkey and in my own name, I have the pleasure of welcoming you in Istanbul on the occasion of your Ninth Meeting.

I would first like to share with you my deep sorrow at the recent and sudden demise of the late President Turgut ÖZAL, Chairman of the COMCEC. In her future efforts in leading economic cooperation among Member States, Turkey shall always remember and be guided by his principles and wise leadership.

The present meeting of your Committee is taking place at a time of crucial importance. The recent political and economic developments in our region and in the world at large increase the importance of closer economic cooperation among Member Countries based on sound and feasible projects.

The Government of Turkey attaches great importance to economic cooperation among Member Countries and values COMCEC meetings not only as fora to foster economic cooperation but also as valuable occasions to gain better knowledge of each other. We have always appreciated the efficient work of your Committee which was instrumental in the success of the COMCEC.

The Turkish Government is ready to provide every possible assistance to establish a sound basis for economic cooperation among Member Countries, which now include most of the newly independent Republics in Central Asia. I believe that closer economic cooperation within our region will significantly contribute to peace, stability and prosperity in the World.

I wish the Committee every success and hope that the delegates will enjoy their stay in Istanbul.

Süleyman DEMİREL

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

- IV -

OPENING STATEMENT BY H.E. TANSU ÇİLLER
MINISTER OF STATE OF THE REPUBLIC OF TURKEY
CHAIRPERSON OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

OPENING STATEMENT BY H.E. TANSU ÇİLLER
MINISTER OF STATE OF THE REPUBLIC OF TURKEY
CHAIRPERSON OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Honourable Assistant Secretary General of OIC,
Honourable Members of the Follow-up Committee,
Distinguished Delegates,

It is a great pleasure for me address you on the occasion of the opening of this Ninth Meeting of the Follow-up Committee of the COMCEC.

At the beginning of my statement, I would like to welcome you and I wish to convey to you all my cordial greetings and good wishes.

In view of the recent rapid fundamental changes occurring on the economic and political scene of the world, I believe that, our Organization requires more strength and solidarity. The said changes could be classified as; Globalization, Regional Economic Integration and Restructuring of World Economic Order.

Turkey attaches great importance to promoting economic cooperation among member countries which now include many newly independent Republics in the Caucasia and Central Asia.

Turkey with her common historical and cultural ties with the new Republics in Central Asia, Caucasia and the countries of the Middle East, and its proximity to Europe is striving to achieve, to the best of her capacities, the bridging role to ensure economic development and prosperity in the region.

Democracy and human rights within the context of globalization are the outstanding topics to be emphasized. Our recent solidarity and common efforts to end the human suffering of the muslim people in Bosnia-Herzegovina could initiate a new understanding of the said concepts; namely, democracy and human rights and could significantly contribute to an entirely new world of peace.

We must extend our assistance to the countries which have won their sovereignty and are striving towards economic and political restructuring after the collapse of the former Soviet Union.

The economic integration phase is not only limited to Europe, but also covers some countries in the continent of America; namely, Free Trade Area for North America, embracing the United States, Canada and Mexico and some Latin American countries.

The economic area amongst the EFTA countries, an economic cooperation area in the Black Sea region, a similar one amongst the Eastern European countries could be mentioned as part of the economic integration phase.

The economic importance of the European Community is impressive when compared to the United States and Japan. Furthermore, the community's population is much larger than that of the United States or Japan. Such a large population with a high per capita income represents an important market for most of the goods the developing countries are presently exporting. In addition to the above, EC is the largest trading entity in the world, responsible for more than a third of the world trade. The EC is also a more important source for official Development Assistance than Japan and the United States, which is of special importance to the OIC Countries.

The rapid technological progress and growing integration of global markets have transformed the role of economic interdependence in the world. Dynamic participation in the channels of trade and primary resource flows will determine national welfare. Market size and specialization become important determinants of national and international economic and financial performance.

The strategic objective of economic cooperation among OIC members should therefore be to raise that cooperation to a new qualitative level that corresponds with the potentialities, resources and capabilities of Member Countries.

Economic cooperation among the OIC member countries should aim at establishing a more integrated OIC community in line with the recent developments concerning the formation of Large Economic Blocs.

Such cooperation will help bring about structural transformations in the OIC economies to attain economic efficiency and social welfare through economic liberalization for attaining a larger share in world economic activity.

The role of the private sector should be enhanced as regards diversification of trade and production of goods and services in order to increase complementarities and facilitate access to international markets.

I am sure that the recommendations you are going to come up with on the subjects of our present meeting will greatly contribute to the achievement of further concrete progress to cope with these and other common problems facing the OIC community.

In conclusion, I would like to welcome you once again in Istanbul and wish you every success in your important work and a pleasant stay in Turkey.

- V -

SPEECH OF H.E. OUSMAN N.R. OTHMAN,
ASSISTANT SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

SPEECH OF H.E. OUSMAN N.R. OTHMAN,
ASSISTANT SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Your Excellency Madame Chairperson,
Excellencies,
Honourable Delegates,
Distinguished Guests,
Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuh

As this is the first meeting being held within the framework of COMCEC after the regrettable demise of the late President Turgut Özal, I feel it very fitting to express once again and on behalf of the Secretary General of the Organization of the Islamic Conference, our profound and heartfelt sympathy for this sad loss. Turkey has indeed lost a great statesman and an illustrious son, but our Committee, the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) has also lost in him an outstanding Chairman. The late President Turgut Özal will be remembered not only for the remarkable wisdom and dynamism with which, as

Chairman, he steered the affairs of COMCEC, but also and more importantly for his keen personal interest in championing the cause of Islam and the welfare of the Islamic Ummah. The entire Islamic World is therefore mourning his death. May his soul rest in perfect peace and May Allah the Almighty welcome him in his Paradise (Amin).

Distinguished Delegates,

We have just listened attentively to the messages from their Excellencies Acting President Hüsamettin Cindoruk and Prime Minister Süleyman Demirel which contain thought provoking and inspiring guidelines. These messages together with the illuminating statement just delivered by Her Excellency Tansu Çiller will no doubt help us tremendously in our deliberations.

Madame Chairperson,

This 9th Follow-up Committee is also meeting a few days after what can best be described as a very successful 21st Session of the Islamic Conference of Foreign Ministers which was held in the enchanting city of Karachi, Islamic Republic of Pakistan, from 25th-29th April 1993.

Apart from examining the current international political problems affecting the Islamic World, the 21st ICFM also devoted a lot of time and attention to the economic challenges facing the Islamic Ummah. In this connection and after reiterating some of the lucid guidelines outlined by the Sixth Islamic Summit in

Dakar in December 1991, the Conference once again renewed the call for greater economic cooperation among Member States of the OIC.

Against this backdrop, the Follow-up Committee of COMCEC which has always been instrumental in translating the broad outlines of the Plan of Action (adopted at the Third Islamic Summit held in Makkah Al-Mukarrama in 1981) into concrete programmes and projects must continue, more than ever before, the search for ways and means of enhancing economic and commercial cooperation among our Member States.

It must be remembered that through the initiatives of the Follow-up Committee, COMCEC has been able to embark on some laudable cooperative efforts in all eight priority areas identified in our Plan of Action, namely in the areas of Trade, Food Security and Agricultural Development, Industry, Transport, Communication, Energy, Infrastructure and Public Works, Labour and Social Security and Technical Cooperation. It was in view of these efforts and taking into consideration the profound changes that have taken place in the global economy and the development in the economies of the Member Countries since 1981, that the Sixth Islamic Summit requested COMCEC to take the necessary steps to formulate new strategies for the Plan of Action to Strengthen OIC Economic Cooperation. The Sixth Summit also stressed the need to ensure greater participation of the private sector in the economic cooperation among Member States and encourage the formation and interaction of regional groupings within the Islamic Ummah.

Two of these three issues figure prominently, among others, in our agenda of this 9th Session of the Follow-up Committee. With regard to the formulation of New Strategies, two Experts' Meetings have so far been held to deal with this matter. During our present deliberations we shall be examining the report of the 2nd meeting which was held in Cairo, Arab Republic of Egypt, from 16-18 February 1993. We hope we shall be able to exchange views on the progress achieved so far in this regard and come up with new ideas and recommendations for future action.

As regards the participation of the Private Sector in the economic cooperation among Member States, we shall be reviewing the Memorandum of the COMCEC Coordinating Office (which was requested by the 8th COMCEC) on the Role of the Private Sector in the overall activities of the COMCEC. Here again we hope we shall come out with concrete recommendations for the attention of the 9th Session of COMCEC in September.

For the third issue, that is, the formation and interaction of regional groupings, although it is not an agenda item of this meeting, we should take note with a large measure of interest that the Economic Cooperation Organization originally grouping three Member States has now a membership of 10 Islamic States. We should also note that the recently held 21st ICFM has called for some close cooperation between the ECO and the OIC.

Madame Chairperson,
Distinguished Delegates,

One of the last wishes of the late President Turgut Özal as Chairman of COMCEC was to see to it that the Framework Agreement on Trade Preferential System is enforced as expeditiously as possible. We shall be dealing with this matter as an agenda item and I am sure, for obvious reasons, we shall make sure that his wish is satisfied.

When we look into all these issues and the others in our agenda, we shall, of course, bear in mind the present international economic climate which continues to be unfavourable, especially for our member countries. We shall, I am sure, take into account the need to protect and promote the economic and commercial interests of the Islamic World and we shall, finally, not lose sight of the necessity to work for an equitable and just world economic order.

On this note, I would like to conclude by thanking the government and brotherly and friendly people of the Republic of Turkey for the warm welcome, the kind attention and the generous hospitality accorded to all of us since our arrival in this beautiful and historic city of Istanbul. I would also like to thank in particular the COMCEC Coordination Office for the excellent arrangements made for this meeting. All these will certainly contribute immensely to the success of our deliberations during the next few days.

Wa Salamu Alaikum Wa Rahmatullah Wa Barakatuh.

- VI -

AGENDA
OF THE NINTH MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC
(Istanbul, 4-6 May 1993)

Original : English

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

(Istanbul, 4-6 May 1993)

1. Opening Session.
 - Inaugural Statement by the Chairperson of the Follow-up Committee.
 - Statement by the Secretary General of OIC.
 - Statements by the Heads of Delegation.
2. Adoption of the Agenda.
3. Background Report by the OIC General Secretariat.
4. Progress Report by the OIC General Secretariat on the Outcome of the Second Expert Group Meeting on the Strategy to Strengthen Economic Cooperation Among OIC Member States.
5. Report by the COMCEC Coordination Office on the Possible Role of the Private Sector in the Overall Activities of the COMCEC.
6. Progress Report by ICDT on the Establishment of a Trade Information Network Among the Member States of OIC (TINIC).
7. Possible Ways of Expediting the Enforcement of the Framework Agreement on Trade Preferential System Among OIC Member States.
8. Progress Report by IDB on the Establishment of the Export Credit Insurance and Investment Guarantee Scheme.
9. Draft Agenda of the Ninth Session of COMCEC.
10. Any Other Business.
11. Adoption of the Report.
12. End of the Meeting.

- VII -

BACKGROUND REPORT BY THE GENERAL SECRETARIAT
OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original:English

BACKGROUND REPORT BY THE GENERAL SECRETARIAT
OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

INTRODUCTION:

1. The decision to convene the Ninth Session of the COMCEC Follow-up Committee from 4 to 6 May 1993 was adopted by the Eighth Session of COMCEC held in Istanbul, Republic of Turkey, from 8-11 September 1992, under the Chairmanship of His Excellency Turgut Ozal, President of the Republic of Turkey and Chairman of COMCEC.

2. The report of the Eighth COMCEC Meeting was circulated by the Republic of Turkey to Member States and all agencies concerned.

3. After this general circulation the General Secretariat requested Member States and all the agencies concerned to implement the decisions of the above meetings.

4. This report to the Ninth Follow-up Committee of the COMCEC which reviews the progress of economic and trade cooperation among Member States will cover the following:

The development of economic and commercial cooperation.

The situation concerning the signing/ratification of Agreements and Statutes related to economic cooperation among OIC Member countries.

Brief summary on subsidiary organs, specialized and affiliated OIC institutions in the domain of economic cooperation.

Assistance to some countries of Islamic Ummah.

I. THE DEVELOPMENT OF ECONOMIC AND
COMMERCIAL COOPERATION

5. The 7 previous sessions of COMCEC were held concurrently with Ministerial Meeting on Industry and Trade, Food Security and Agricultural Development, Transports, Communications, Energy, Infrastructure and Public Works, and Technical Cooperation.

6. The Seventeenth Islamic Commission for Economic, Cultural and Social Affairs took note of the report of the General Secretariat on the progress so far achieved on the implementation of the provisions concerning the following areas in order to Strengthen Economic Cooperation Among OIC Member Countries:

- (a) Formulation of New Strategies for the Plan of Action to Strengthen Economic Cooperation Among OIC Member States.
- (b) Cooperation in the Area of Trade:
 - (i) Trade Information Network in Islamic Countries (TINIC).
 - (ii) Export Credit Insurance and Investment Guarantee Scheme.
 - (iii) Multilateral Islamic Clearing Union.
 - (iv) Longer Term Trade Financing Scheme.
 - (v) Methodology for the Harmonization of Standards.
 - (vi) Fifth Islamic Trade Fair.
- c) Cooperation in the area of Food Security and Agricultural Development.
- d) Cooperation in the area of Industry.
- e) Cooperation in the area of Transport.
- f) Cooperation in the area of Communication.
- g) Cooperation in the area of Energy.

- h) Cooperation in the field of Infrastructure and Public Works.
- i) Cooperation in the area of Labour and Social Security.
- j) Technical Cooperation among OIC Member States.

7. The Commission noted with satisfaction that within the framework of the activities of COMCEC, the following meetings were planned for 1993:

Second Meeting of the group of experts on the New Strategy aimed at Strengthening Economic Cooperation Among OIC Member States: 16-18 February 1993, in Cairo.

Ninth Meeting of the Follow-up Committee of COMCEC: 4-6 May 1993, in Istanbul.

Fourth Annual Meeting of Focal Points for Technical Technical Cooperation Among OIC Member States: 8-11 May 1993, in Istanbul.

Ninth Session of COMCEC: 1-4 September 1993, in Istanbul.

8. The Commission noted with satisfaction that COMCEC has played an effective role in strengthening and developing cooperation and collaboration among Member States in the economic and commercial fields, under the dynamic leadership of its Chairman, President of the Republic of Turkey.

9. The Commission recommended that the General Secretariat and the Ankara Centre undertake a study on non-governmental organizations involved in the economic sector in Member States to the effect of convening a meeting of these organizations in order to render their services more effective within the framework of the national development programmes of Islamic countries.

10. The Commission recommended that the Ankara Centre undertakes a study on establishing an Islamic Stock Exchange and its implications for Member States.

11. The Commission recommended closer consultations on economic and commercial activities among Member States and better coordination and information exchange in this field.

(a) Formulation of New Strategies for the OIC Plan of Action:

12. The activities of the COMCEC have been the subject of a thorough examination at the Summit of Dakar.

13. The Conference appreciated the concrete progress achieved by COMCEC in the implementation of the Plan of Action to Strengthen Economic Cooperation Among Member States, as adopted by the Third Islamic Summit Conference in 1981.

14. In his report, H.E. President Turgut Ozal, Chairman of COMCEC, informed the Sixth Islamic Summit held in Dakar, Republic of Senegal, from 9 to 11 December 1991, about the various activities undertaken by COMCEC within the framework of the consolidation and promotion of cooperation and collaboration between Member States at the Economic and Commercial level.

15. The resolution adopted by the Islamic Summit of Dakar on this matter stipulates in particular that:

"Taking into consideration the new economic configurations emerging at the global level since 1981 and of their potential implications on the economies of the Member States, the Conference requested the COMCEC to take the necessary steps, including convening expert group meetings and workshops to formulate new strategies for the Plan of Action to Strengthen Economic Cooperation Among Member States to be submitted by the Secretary General to the COMCEC for approval and appropriate action as early as possible."

16. The General Secretariat has communicated this resolution to all Member States and requested them to render their collaboration for its implementation.

17. Two Experts Group Meetings on New Strategies for Economic Cooperation were held in Istanbul and Cairo in September 1992 and February 1993 respectively. A separate report on this subject will be submitted to the present Session of the Follow-up Committee of COMCEC under agenda item 4.

b) Cooperation in the Area of Trade

(i) Trade Information Network for Islamic Countries (TINIC):

18. The 8th Session of COMCEC has requested Islamic Centre for Development of Trade (ICDT) to continue, in close cooperation, with focal points and IDB, the necessary preparations for databases and report to the next meeting of the Follow-up Committee.

19. The Casablanca Centre will give more details on this subject to the present Session of the Follow-up Committee of COMCEC under agenda item No.6.

(ii) Export Credit Insurance and Investment Guarantee Scheme

20. The 7th Session of COMCEC had appreciated the Draft Agreement establishing the Islamic Corporation of Export Credit Insurance and Investment Guarantee.

21. The Session had requested IDB to take without delay whatever legal and administrative steps were required to set up a subsidiary institution placed under IDB authority as envisaged in the Agreement establishing the said Scheme.

22. The IDB will provide more details on this subject to the present Session of COMCEC Follow-up Committee under agenda item No.S.

23. The 17th Session of the Islamic Commission noted with satisfaction that IDB took the necessary steps to rapidly set up the Export Credit Insurance and Investment Guarantee Scheme and recommended to call upon Member States to be actively involved in this Scheme.

(i i i) Multilateral Islamic Clearing Union :

24. The Seventh Session of COMCEC had noted with satisfaction that Islamic Development Bank had finalized the model agreement on a "Multilateral Islamic Clearing Union" which was presented at the Eighth Meeting of the Governors of Central Banks and Monetary Authorities of OIC Member States which recommended that:

The said agreement should be flexible in its coverage of goods and that membership should be on a voluntary basis.

In view of differences existing within economic and commercial systems and monetary-legislations in force in Member States, clearing agreements should be concluded between sub-groups of Member States who are willing to participate.

25. The General Secretariat has sent these documents on the Multilateral Islamic Clearing Union to Member States while urging them to join the scheme.

26. The General Secretariat has also called upon Member States to approach IDB which has expressed readiness to assist them, if necessary, in setting up this system on a regional basis.

27. The General Secretariat will follow this issue attentively, in close collaboration with all Member States and IDB.

28. The 17th Session of the Islamic Commission for Economic, Cultural and Social Affairs noted with satisfaction the steps taken by the General Secretariat in collaboration with IDB, to set up this Union while recommending to urge Member States to be actively involved.

(iv) Longer Term Trade Financing Scheme (LTTFS)

29. This scheme under the Islamic Development Bank became operational in 1987 with the participation of 10 member states. It is one of the significant achievements of COMCEC aims at the active promotion of non-traditional exports among Member States.

30. This scheme has been serving as an effective mechanism to increase intra-OIC trade. According to information received from Islamic Development Bank by October 1992, 22 Member States have joined the scheme with total subscription amounted to 154,5 million Islamic Dinar(ID).

31. The duration of financing ranges from 6 to 60 months. Since the start of LTTFS in 140SH upto Ramadan 1413H (March 1993) the scheme approved 127 operations for an aggregate amount of ID240,36 million (US\$ 325,13 million)

(v) Methodoogy for Harmonization of Standards in the Member States

32. The Fourth Meeting of Experts of OIC member countries in the field of standardization was held on 5 and 6 July 1992 in Istanbul.

33. After amendments the meeting adopted the draft proposal aimed at establishing an Islamic Organisation for Standardization and Metrology and recommended to submit it to the Eighth Meeting of COMCEC for consideration and possible approval. Membership to the System which will be open to all OIC Member States will be on a voluntary basis entailing no mandatory contributions for States which do not wish to join.

(v i) Fifth Islamic Trade Fair :

34. The Fifth Islamic Trade Fair was scheduled to take place in Sudan in 1992 in accordance with the decision of the 19th ICFM held in Cairo in 1990. It will be recalled that the Fourth Islamic Trade Fair was organized with great success in Tunis from 11 to 15 October 1991.

35. At the confirmation of the exact dates of the Fair (2-12 December 1992) by the Sudanese authorities last year, the General Secretariat sent invitations to all Member States urging them to participate actively in this Islamic event. The General Secretariat also requested both the Islamic Centre for the Development of Trade (ICDT) and the Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE) to assist, as usual, the host country (Sudan) with a view to ensuring the success of the Fair. Tunisia, the host of the Fourth Islamic Fair, was also requested to render assistance to Sudan in conformity with a standing COMCEC decision on the organisation of Islamic Trade Fairs.

36. The General Secretariat was closely monitoring the preparations when it was informed by the ICDT nearer to the dates of the Fair, that upon enquiries, the "Sudan expo", the firm responsible for organizing the Fair on behalf of the Government of Sudan confirmed the Government's decision to hold the Fair on the scheduled dates but outside the umbrella of the Organisation of the Islamic Conference.

37. Because of this information the General Secretariat did not participate at the Islamic Fair in Sudan.

38. It should be noted that the COMCEC, during its Eighth Session held in September 1992, welcomed the offer of the Islamic Republic of Iran to host the Sixth Islamic Trade Fair in 1994.

39. The 17th Session of the Islamic Commission recommended to urge Member States to play an active role in the next Islamic Trade Fair which will be held in Tehran, Islamic Republic of Iran in 1994 and the ICTD and the Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE) be called upon to continue to assist the host authorities in order to ensure full success of the Fair.

40. The Commission further recommended that the Islamic institutions concerned help ensure a wide publicity on the opportunities and facilities offered by Tunisia for exhibitions, storage, publicity and marketing of Islamic products with a view to enabling Member States to benefit from such opportunities and facilities.

41. The Commission further recommended that the General Secretariat, the Casablanca Centre, the Islamic Chamber, the Islamic Shipowners Association and the Islamic Development Bank (IDB) be urged to coordinate their action under all forms including the organization of seminars and workshops for the optimal utilization of the facilities existing in Tunisia and other Member States.

(c) Cooperation in the area of Food Security and
Agricultural Development

42. It may be recalled that the Third Ministerial Conference on Food Security and Agricultural Development, held in Islamabad, Pakistan, in September 1988, had adopted ten resolutions which, if implemented, would largely contribute to the achievement of the objectives of food security in the Islamic countries.

43. A detailed report on the Conference was addressed to the Member States and concerned agencies along with a request for them to implement the decision contained in the report. The General Secretariat is still following up their implementation by the Member States and concerned agencies.

44. The General Secretariat has also addressed to the Member States the documents relating to the establishment of a Security Food Reserve and requested them to send to it their views on the project.

45. The problem of food security still remains preoccupying in a number of OIC Member countries, particularly African ones.

46. The General Secretariat, in collaboration with IDB, African Development Bank and the Government of Senegal, has organized in Dakar, Republic of Senegal, a symposium on Food Security in the Islamic countries in December 1991, in conjunction with the Sixth Islamic Summit Conference.

47. The Sixth Islamic Summit Conference, having taken cognizance of the report of the Dakar Symposium:

" Expressed satisfaction for the recommendations adopted by the said Symposium and the resolution appended to its final report.

Requested Member States and all financial, economic and technical organizations of the Ummah to assist the concerned African States for the effective implementation of these recommendations.

Appealed to Member States to extend additional resources to the relevant financial institutions so that they may increase their assistance to OIC African Member States for the speedy and effective implementation of their national strategy for food security."

48. The Sixth Islamic Summit also adopted a declaration on the Food Security Decade in OIC Member Countries.

49. The General Secretariat has circulated to Member States the document on the Dakar Symposium and the resolutions of the Dakar Summit, urging them to implement them.

50. An Ad-hoc Follow-up Committee of the Symposium chaired by H.E. the Minister for Rural Development and Hydrology of the Republic of Senegal is doing its best to implement the recommendations of the Dakar Symposium on Food Security in African countries which are members of the OIC.

51. The Government of the Islamic Republic of Iran and the General Secretariat have begun preparing the Fourth Ministerial Meeting on Food Security and Agricultural Development to be held in Iran during the year 1993.

52. The 17th Islamic Commission noted with appreciation the offer of the Government of the Islamic Republic of Iran to host the Fourth Ministerial Meeting on Food Security and Agricultural Development to be held in Tehran and urged Member States to participate actively in this meeting.

(d) Cooperation in the area of Industry

53. It is to be mentioned that a series of Ministerial Meetings on Industrial Cooperation among OIC Member States have been held.

54. Several Joint Venture Projects have been identified, studied and approved for Member States in collaboration with the Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE), IDB and UNIDO.

55. All the conclusions of the Ministerial Meetings as well as the sectoral studies and recommendations of seminars organized by IDB, UNIDO and Islamic Chamber of Commerce have been circulated to the Member States.

(e) Cooperation in the area of Transport

56. The First Ministerial Meeting on Transport of the OIC Member States was held in Istanbul on 7-10 September 1987, concurrently with the Third Session of COMCEC. The Ministers expressed the conviction that transportation is an important element of the development of commercial and economic cooperation among Islamic countries and among

other things, decided to cooperate in the development of (a) Road Transport, (b) Maritime Transport, (c) Railways Transport, and (d) Training in the field of Transport.

57. The General Secretariat is still in close contact with the Government of Turkey, (as Chairman of the Follow-up Committee), Member States and concerned agencies for the implementation of the decision of the Ministers of Transport.

(f) Cooperation in the area of Communications

58. The First Ministerial Meeting on Communications was held concurrently with the Fourth Session of COMCEC in Istanbul, Turkey in September 1988.

59. The 17th Islamic Commission hailed the excellent results obtained by the Second Ministerial Meeting on Communications in Bandung, Indonesia from 5-8 November 1991.

60. The General Secretariat has circulated the documents of the Bandung Meeting to Member States inviting them to implement the recommendations and report to it.

61. The General Secretariat is in close contact with the Indonesian Government (Chairman of the Follow-up Committee of the OIC Second Ministerial Meeting on Communications) for the implementation of the decisions and recommendations of the second Ministerial Meeting on Communications.

62. The Government of Indonesia and Turkey has already started providing assistance to other Member States in the field of telecommunications.

63. The Government of the Islamic Republic of Pakistan has also informed the OIC General Secretariat of its readiness to develop fruitful cooperation with other Member States in the field of telecommunications. The General Secretariat has informed Member States of this offer and invited them to contact the Government of Pakistan accordingly..

64. It is also worth mentioning that the Islamic Republic of Iran has offered to host the Third Ministerial Meeting of the OIC on Communications in 1993.

65. The 17th Session of the Islamic Commission for Economic, Cultural and Social Affairs welcomed the offer of the Islamic Republic of Iran to host the Third Ministerial Meeting on Communications and recommended to urge Member States to participate actively in this meeting.

(g) Cooperation in the area of Energy

66. Energy is one of the priority areas of the Plan of Action. It was in Istanbul, Turkey, from 3-6 September 1989 that the First Ministerial Meeting on Energy of the OIC Member States was held concurrently with the Fifth Session of COMCEC.

67. The Energy Ministers of the OIC Member States recognizing that energy issues are important elements of cooperation in various fields among the Member States and that the development of energy resources and power networks will lead to progress and contribute to the general welfare of the Islamic countries and to their mutual interest, adopted a comprehensive resolution on this subject.

68. This resolution recommends, inter alia, that Member States improve the performance of energy installations, speed up technology transfer among themselves in the energy sector, encourage research in new and renewable energy resources and establish inter-linked regional networks in the field of electric energy.

69. The report and the resolutions of the First Meeting of the Ministers of Energy were circulated to the Member States and concerned agencies for the implementation of the decisions contained therein.

(h) Cooperation in the field of Infrastructure and Public Works

70. The First Meeting of the Ministers of Infrastructure and Public Works of the Member States of the Organisation of the Islamic Conference, held from 6-9 October 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh Session of COMCEC.

71. Noting with satisfaction that Islamic Countries have considerable potentialities and cooperation perspectives in the field of Infrastructure and Public Works capable of meeting the present and future needs of OIC Member States;

72. Noting further that there is an immense field of cooperation among OIC countries in the sector of

Infrastructure and Public Works, conscious of the need to pursue action on numerous projects and suggestions submitted by Member States, the Ministerial Meeting decided:

" To urge Member States to use all ways and means to enhance cooperation.

To request that a separate section of the budget be devoted to public works and infrastructure among the priority sectors identified, in the revised version of the "Plan of Action to Strengthen Economic Cooperation among Member States" to be prepared by COMCEC.

To recommend the exploitation of existing potentialities and projects within the OIC System in this field.

To convene a meeting of a Group of Experts from interested countries and a meeting of the Follow-up Committee to which the Group of Experts will submit its report, in order to ensure the implementation of the decisions of this meeting without any additional financial cost to be borne by the OIC. To pursue its action in this domain, after a progress report on the activities envisaged; this evaluation will be submitted in a report by the Group of Experts to the Follow-up Committee".

73. The OIC General Secretariat and the Government of the Republic of Turkey circulated the report and resolutions of the First Ministerial Meeting on Infrastructure and Public Works to Member States while requesting them to implement the decisions taken by the said Conference.

(i) Cooperation in the area of Labour and Social Security

74. The Second Experts Group Meeting on Labour and Social Security held in Kuala Lumpur, Malaysia in October 1984 set up two Working Groups - one for finalizing the "Draft Bilateral Agreement on Social Security" and the other for the "Draft Model Bilateral Agreement on Labour and Manpower Exchange". The Working Group on Social Security met in Amman, Jordan in 1985 and finalized the

Draft Agreement. The Meeting of the Second Working Group on Labour and Manpower Exchange was held in Istanbul, Turkey from 27-29 May 1989 which also finalized the Draft Agreement.

75. The General Secretariat, in forwarding the Reports of the Working Group on Labour and Manpower Exchange along with the Draft Agreement to the Member States informed them that the two Draft Agreements would be submitted to the Third Expert Group Meeting on Labour and Social Security for their consideration. In this connection the General Secretariat would like to inform this Session that the Twentieth Islamic Conference of Foreign Ministers held in Istanbul in 1991, among others, invited the Member States to host the Third Expert Group Meeting on Labour and Social Security in order to finalize the two Draft Agreements on Social Security and on Labour and Manpower Exchange.

(j) Technical Cooperation among OIC Member States :

76. The First Ministerial Meeting on Technical Cooperation was held concurrently with the Sixth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) in Istanbul, Turkey, from 7-10 October 1990. Earlier, a meeting of the National Focal Points for Technical Cooperation among OIC Member States was held from 24-26 March 1990 following the Sixth Follow-up Committee Meeting of COMCEC.

77. The First Ministerial Meeting on Technical Cooperation, among others, invited Member States to participate at the annual meeting of the national focal points in the area of technical cooperation among Member States as a medium for strengthening coordination among national focal points for technical cooperation.

73. The Second National Focal Points Meeting was held in Istanbul concurrently with the Session of COMCEC Follow-up Committee Meeting on 12-13 May 1991 where the Focal Points of various member States made valuable bilateral contacts amongst themselves regarding their technical cooperation needs.

79. The Third Meeting of National Focal Points on Technical Cooperation among OIC member countries (FOPTCIC-III) was held in Istanbul from 7-9 Zul Qaidah 1412H (9 - 11 May 1992)

80. Twenty-two Member States, representatives of the General Secretariat, subsidiary organs and affiliated institutions of the OIC as well as representatives of 2 US institutions (UNDP and FAO) and of 2 States admitted as observers attended the meeting.

81. The meeting reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening that cooperation. The meeting stressed the need to strengthen the administrative and financial capacities of national focal points on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

82. The Government of Turkey circulated to Member States the recommendations of the Meeting.

83. The 17th Islamic Commission recommended to strengthen technical cooperation among Member States with special emphasis on economic, cultural and social training as well as on the need to train trainers.

II THE STATUS OF THE SIGNING AND RATIFICATION
OF STATUTES AND AGREEMENTS RELATED TO
ECONOMIC COOPERATION AMONG OIC MEMBER
COUNTRIES.

84. The General Secretariat submitted a detailed report on the question of signing and ratification of Agreements and Statutes approved under the auspices of COMCEC to the Seventeenth Session of the Islamic Commission for Economic, Cultural and Social Affairs which examined the progress made concerning the signing and/or ratification of different OIC Agreements and Statutes, namely:

- i) General Agreement on Economic, Technical and Commercial Cooperation Among Member States.
- ii) Agreement on Promotion, Protection and Guarantee of Investments Among Member States.
- iii) Framework Agreement on Trade Preferential System Among OIC Member States.
- iv) Articles of Agreement on Export Credit Insurance and Investment Guarantee Corporation.
- v) Statute of the Islamic Telecommunications Union.
- vi) Statute of the Islamic Civil Aviation Council.

85. The Commission noted with satisfaction the efforts made by COMCEC and the General Secretariat to ensure speedy signing and ratification of Agreements and Statutes within the framework of economic and commercial cooperation among Member States.

86. The Commission recommended that COMCEC annual meetings continue to encourage the acceleration of the signing and ratification of these Agreements while taking other required political and administrative steps to implement them.

87. The General Secretariat has been doing its utmost to ensure the implementation of Statutes and Agreements existing among OIC Member States.

88. Copies of different Agreements and Statutes were again circulated to Member States coupled with a reminder, in August 1992.

89. A table summarising the status of signing and ratification of Agreements/Statutes was circulated to Member States and is annexed to this report.

90. At the 8th COMCEC, a signing ceremony was organized during the session, as decided upon earlier.

91. The General Secretariat presents below the current situation of the signing and ratification of agreements/statutes:

i) General Agreement on Economic Technical and Commercial Cooperation

92. The General Agreement on Economic, Technical and Commercial Cooperation was approved by the Eighteenth ICFM in 1397H (1977). The Agreement aims at encouraging capital transfer and investment, exchange of data, experience, technical and technological skills among Member States and at facilitating the implementation of a fair and not a discriminatory treatment among the said countries while giving special attention to the least developed Member States. Up to now the agreement has been signed by 37 countries and ratified by 26. It is now effective.

i i) Agreement on the Promotion Protection and Guarantee of Investments

93. The Agreement on the Promotion, Protection and Guarantee of Investments among Member States was adopted by the Twelfth ICFM in 1401H (1981). The Agreement lays down the basic principles for the promotion of capital transfer among Member States and protects their investments against commercial risks while guaranteeing the transfer of capital and its proceeds abroad. Up to now, the agreement has been signed by 18 Member States and ratified by 13. After having been ratified by more than ten (10) countries, the agreement went into force in February 1988.

i i i) Framework Agreement on Trade Preferential System Among OIC Member States (TPSOIC)

94. The Framework Agreement on Trade Preferential System among the OIC Member States (TPSOIC) stands ready for signing and ratification at the OIC Headquarters. So far, Indonesia, Senegal, the Libyan Arab Jamahiriya, Turkey, Sudan, Jordan, Saudi Arabia, Palestine, Guinea and Tunisia have signed the agreement. Turkey, Saudi Arabia and Libya have also ratified it.

95. The General Secretariat took initiatives to speed up the procedure of signing and implementing of the agreements and Statutes. Reminders are regularly sent to this effect to Member States.

96. The Islamic Commission for Economic, Cultural and Social Affairs noted with satisfaction, that TPSOIC and its annex on the Rules of Origin prepared by the Islamic Centre for the Development of Trade (ICDT) were approved by COMCEC and that this document was for signing and ratification by Member States. The Commission recommended that more and more Member States be urged to sign and ratify TPSOIC as soon as possible in order to launch the necessary negotiations.

97. The Commission took note with satisfaction of the proposals made in this regard by H.E. the Chairman of COMCEC at the Eighth Session of COMCEC with a view to simplifying the procedures of implementation of this system and recommended to support the work undertaken by the General Secretariat in this connection.

iv) Articles of Agreements on Export Credit Insurance and Investment Guarantee Corporation

98. This scheme is being implemented by IDB. The Articles of Agreement, to-date, has been so far signed by 30 Member States and ratified by 4 Member States. It is not in force.

v) Statute of the Islamic Telecommunications Union (ISTU)

99. The Statute of the Telecommunications Union of Islamic States (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 9 and ratified by 7 Member States, i.e. the Statute is not yet in force.

vi) Statute of the Islamic Aviation Council

100. The Statute of the Islamic Board of Civil Aviation has been signed by 7 Member States only, i.e., this Statute is not yet in force.

III . THE ACTIVITIES OF OIC SUBSIDIARY ORGANS
SPECIALISED AND AFFILIATED INSTITUTIONS
WHICH CONTRIBUTE TO THE IMPLEMENTATION
OF OIC PLAN OF ACTION FOR ECONOMIC
COOPERATION :

a) The activities of OIC Subsidiary Organs
operating in the domain of economic
Cooperation

i) Statistical Economic and Social Research
and Training Centre for the Islamic Countries
(SESRTCIC)

ii) Islamic Centre for the Development of Trade

iii) Islamic Centre for Technical and Vocational
Training and Reserch (ICTVTR)

iv) Islamic Foundation for Science Teçhnçiçgy
and Development (IFSTAD)

101. The Twentieth Islamic Conference of Foreign
Ministers and the Eighth Session of COMCEC noted with
great satisfaction the activities of OIC subsidiary
organs dealing with economic and commercial cooperation.

102. The Sixth Islamic Summit for its part urged Member
States to play an active role in the programmes of these
organs and to pay their mandatory contributions on a
regular basis and their arrears as soon as possible to
the budgets of these organs on account of the financial
problems facing these organs.

103. These bodies also expressed their concern over the
persistent difficult problems facing the subsidiary
organs due to the non-payment of mandatory contributions
and arrears of Member States, which hinders the
implementation of their working programmes.

104. The General Secretariat, after the Twentieth ICFM
and the Sixth Summit, circulated the resolutions on this
question to all Member States, requesting them to
implement the resolutions and keep the Secretariat
informed of any action taken in this context.

105. During 1992/93 OIC subsidiary organs pursued their
respective activities in a dynamic manner despite
financial problems besetting them all.

106. These subsidiary organs are actively involved in the activities of the Standing Committee for Economic and Commercial Cooperation (COMCEC) and particularly in preparing New Strategies for the Plan of Action aimed at Strengthening Economic Cooperation Among Islamic Countries.

107. The Seventeenth Islamic Commission which set for the first time as the General Assembly for Subsidiary Organs was informed about the increasing number of joint activities between OIC organs and agencies and the Commission encouraged the continuation of these efforts.

108. The Commission expressed its concern over the persistent financial problems facing subsidiary organs due to non-payment of mandatory contributions and arrears of Member States, which hinders the implementation of their working programmes.

Cb) THE ACTIVITIES OF OIC SPECIALIZED
INSTITUTIONS IN THE DOMAIN OF
ECONOMIC COOPERATION

The Islamic Development Bank (IDB):

109. The Sixth Islamic Summit had noted with appreciation the active role played by the IDB in implementing the recommendations of the Plan of Action adopted by the Third Islamic Summit and the various decisions of COMCEC. The Summit also noted with satisfaction the role of the Bank in the development of Member States and in strengthening intra-Islamic cooperation.

110. The Conference had decided to increase the authorised and subscribed capital of the IDB and mandated the Board of Governors of the Bank to formulate and adopt an appropriate programme for a substantial increase of the authorised and subscribed capital of the Bank.

111. The General Secretariat circulated this resolution to Member States, requesting them to implement it.

112. An Extraordinary Meeting of the IDB Board of Governors on the increase of the capital of the Bank was held in Jeddah, Kingdom of Saudi Arabia on A Muharram 1413H (4 July 1992).

113. The meeting, after considering the question, adopted a resolution stipulating, inter alia, as follows:

Quotes "The authorised capital of the Islamic Development Bank will be increased by three billion nine hundred sixty eight million seven hundred sixty thousand (3,968,760,000) Islamic Dinars and raised to a total of six billion (6,000,000,000) Islamic Dinars. This increase will be divided into three hundred ninety six thousand eight hundred seventy six (396,376) actions of a nominal value of ten thousand (10,000) Islamic Dinars each.

The Subscribed capital will be increased by one billion nine hundred sixty eight million seven hundred sixty thousand (1,968,760,000) Islamic Dinars. This increase will be divided into one hundred ninety six thousand eight hundred seventy six (196,876) actions of a nominal value of ten thousand (10,000) Islamic Dinars each, it being understood that fifty nine thousand sixty three (59,063) of these actions will be paid up and the one hundred thirty seven thousand eight hundred thirteen (137,813) correspond to the call capital". Unquote

114. The Extraordinary Meeting of the Board of Governors of the Islamic Development Bank also defined, in the same resolution, the conditions for the paying up of the subscriptions of Member States to the new capital increase of the Bank.

115. The Seventeenth Session of the Islamic Commission noted with satisfaction that the Board of Governors of the Islamic Development Bank, at its Extraordinary Meeting held in Jeddah, Kingdom of Saudi Arabia on 4 July, 1992, approved a second increase of the capital of the Islamic Development Bank in implementation of the decisions of the Sixth Islamic Summit.

116. The Commission recommended to urge Member States to subscribe and pay their arrears of contributions and to honour other financial pledges vis-a-vis this institution.

117. The Commission further recommended to urge member States to take part in the different projects recently initiated by the Islamic Development Bank and to take advantage of the Longer Term Trade Financing Scheme, the portfolio of the Islamic Banks, the IDB Investment Fund, the Export Credit Insurance and Investment Guarantee Corporation concurrently with other projects, programmes and operations at the level of IDB.

(c) THE ACTIVITIES OF OIC AFFILIATED INSTITUTIONS
IN THE DOMAIN OF ECONOMIC COOPERATION

- (i) Islamic Chamber of Commerce, Industry, and
Commodity Exchange (ICCICE), Karachi,
Pakistan
- (ii) Islamic Shipowners Association, Meddah,
K.S.A.
- (iii) International Association of Islamic Banks,
Cairo Egypt

IIS. The Twentieth ICFM, noting with satisfaction the role played by these affiliated institutions in their respective fields, had urged Member States which had not yet done so, to sign the Statute of the Islamic Shipowners Association.

119. The Conference had also urged Member States to participate in the activities of these institutions and strengthen their cooperation with all the institutions of the Organisation of the Islamic Conference. The General Secretariat has circulated this resolution to Member States, requesting them to implement it and keep the Secretariat informed about whatever has been done in this connection.

120. During 1992/93 OIC affiliated institutions pursued their activities, each in its respective domain, in a satisfactory manner, despite the financial problems facing them.

121. These institutions also play an active role in the activities of COMCEC, namely in the preparation of New Strategies for the Plan of Action aimed at Strengthening Economic Cooperation Among Islamic Countries.

122. The Seventeenth Session of the Islamic Commission for Economic, Cultural and Social Affairs was apprised of the increasing number of joint activities between OIC organs and institutions and it encouraged the pursuance of these efforts.

123. In view of the increasingly important role played by the private sector in the economic cooperation among Member States, the Commission recommended that the latter supports and assists the Islamic Shipowners Association, the Islamic Chamber of Commerce and the International Association of Islamic Banks.

124. The Commission recommended that the Islamic Shipowners Association be requested to examine the possibility of establishing Islamic Maritime Companies and the organisation of Liner Conferences of Shipowners and/or the coordination of their positions during these Conferences.

IV. ASSISTANCE TO SOME COUNTRIES OF ISLAMIC UMMAH

- a) Economic Problems of the PaLestinian People
In the Qccupied PaLestinian Territories the
Şvrian citizens In the occupied Syrian Golan
and the Arab citizens in the other occupied
Arab territories.

125. The economic situation of Arab peoples in occupied Palestine, occupied Syrian Golan and other occupied Arab territories goes on worsening. In the report made public by UNCTAD in 1991 on the economic situation in the Palestinian occupied territories, the following was specifically mentioned:

Quote:

"As the Palestinian territories enter their 25th year of military occupation, the difficulties facing their economies are getting ever worse. In fact, what hangs in the balance is the very survival of the economy of occupied Palestine at a time when this economy tries to achieve an adequate development from basic limited resources and above all support an increasing population who is getting poorer and poorer in the face of enormous problems arising from a continued occupation coupled with other external factors which made worse a situation already difficult."

Ungquote

126. The Sixth Islamic Summit held in Dakar, Republic of Senegal, from 3 to 5 Jumada II, 1412H (9-11 December 1991)

127. Recalling Resolution No. 4/20-E adopted by the Twentieth Islamic Conference of Foreign Ministers.

128. Noting with grave concern the deteriorating economic and living conditions of the inhabitants of the occupied Palestinian and Arab territories, the occupied Syrian Golan and the other occupied Arab territories which resulted from Israeli policies of imposing an economic stranglehold against the Arab inhabitants.

129. Appreciating the economic assistance extended to the Palestinian people by the Member States and the United Nations agencies had:

Appealed to all Member States and the international community to extend material and moral assistance to the Palestine Liberation Organisation so that it can launch its economic projects in the occupied Palestinian territories and extend material and moral support to Syrian citizens living in the Syrian Golan and other territories under Israeli occupation.

Appreciated the economic assistance extended to the Palestinian people by Member States and United Nations agencies, inter-governmental and non-governmental organizations and requests the continuation of all forms of support and assistance to the Palestinian people in the occupied Palestinian territories with a view to solving the economic problems, and achieving economic development that would enable them to remain steadfast and to* stand firm on the soil of their occupied homeland.

Called upon other developed States to grant export oriented Palestinian industrial and agricultural commodities, preferential treatment and exempt them from taxes and customs duties as is being done by European Community.

130. The General Secretariat has circulated this Resolution to Member States and agencies concerned, requesting them to implement it and keep it informed thereof. It follows carefully the implementation of this resolution.

131. The Seventeenth Islamic Commission expressed appreciation for the economic assistance extended to the Palestinian people by Member States and United Nations agencies and recommended the continuation of all forms of support and assistance to the Palestinian people in the occupied Palestinian territories, the Syrian and other Arab citizens in other occupied Arab territories with a view to solving the economic problems resulting from the Zionist occupation of these territories and to seek the termination of the Zionist occupation.

132. The Commission recommended that an appeal be addressed to the international community to extend material and moral assistance to the Palestine Liberation Organization so that it can launch its economic projects in the occupied Palestinian territories, to support the PLO programmes for backing up the Palestinian people in the face of the Zionist occupation of the Palestinian territories. Such assistance should also be accorded to the Syrian and other Arab citizens in other occupied Arab territories.

b) Assistance to Lebanon

133. The Twentieth Islamic Conference of Foreign Ministers and the Eighth Session of COMCEC also reaffirmed their previous resolutions on the need to extend financial, economic and humanitarian assistance to Lebanon. They took note of Lebanon's needs in terms of economic and technical assistance and training.

134. The General Secretariat sent these resolutions to Member States, urging them to implement and inform the Secretariat of any progress made.

135. The Seventeenth Commission recalled the resolutions of the Twentieth ICFM and those of the 8th Session of COMCEC on the need to extend greater financial, economic and humanitarian assistance to Lebanon in addition to the technical training assistance required within the framework of the reconstruction policy of the Lebanese Government.

136. The Commission expressed its support to the resistance of the Lebanese people in the face of Israeli aggression which leads to daily human and material losses and recommended to the Twenty-first ICFM to appeal to the international community to generously contribute to the International Fund for the Reconstruction of Lebanon.

c) Assistance to Somalia

137. The Eighth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) held in Istanbul, Turkey, on 10 and 11 September 1992, adopted a pertinent resolution in which it expressed its deep concern about the civil war which continued to devastate Somalia, its disastrous effects which forced the exodus of entire populations and the sufferings resulting from hunger and considerable economic hardships.

138. The COMCEC also expressed its appreciation of the generous material assistance extended by Member States, to the Somali people and appealed to Member States which have not yet done so, to extend urgent material and other assistance to the Somali people in order to alleviate their suffering.

139. The Government of Turkey and Secretary General has circulated this resolution to Member States urging them to implement it and inform them on the same.

140. The Seventeenth Islamic Commission noted with satisfaction the noble gesture of the Custodian of the Two Holy Mosques who granted generous assistance to the Somali people with a view to alleviating the sufferings resulting from famine and civil war.

141. The Commission also recommended to the Twenty-first ICFM to urge the Member States to continue to extend all possible material assistance to the brotherly Somali people to help them alleviate their sufferings.

(d) Assistance to the Muslims of
Bosnia-Herzegovina

142. The Eighth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) held in Istanbul, Turkey, in September 1992, appealed to Member States to strengthen their political backing and material support to the Muslims in Bosnia-Herzegovina.

143. The Seventeenth Islamic Commission for Economic, Cultural and Social Affairs noted with appreciation that many Member States including Indonesia, Iran, Turkey, Pakistan, Bahrain, Bangladesh, Malaysia, Qatar, Kuwait, Libya and Morocco as well as some Islamic organisations sent important donations to the Muslims in Bosnia-Herzegovina.

144. The Commission further noted with satisfaction the special and generous assistance extended by the Custodian of the Two Holy Mosques to the Muslim population of Bosnia-Herzegovina.

145. The Commission recommended to the Twenty-first Islamic Conference of Foreign Ministers to express its appreciation to member states which have extended generous assistance to Bosnia-Herzegovina and in this context urged all Member States to continue to extend their moral, material, financial and other assistance to Bosnia-Herzegovina in order to enable it to face Serbian aggression and alleviate the suffering of its people.

- VIII -

RECOMMENDATIONS ON HODAXITIES AND
MECHANISM OF IMPLEMENTATION AND
FOLLOW-UP OF TBE STRATEGY TO STRENGTHEN
ECONOMIC COOPERATION AMONG OIC MEMBER COUNTRIES

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

RECOMMENDATIONS ON
MODALITIES AND MECHANISMS OF IMPLEMENTATION
AND FOLLOW UP OF THE STRATEGY TO STRENGTHEN
ECONOMIC COOPERATION AMONG OIC MEMBER COUNTRIES

Second Meeting of Experts on
New Strategies for Economic Cooperation
Among OIC Member Countries

(Cairo, 16-18 February, 1993)

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

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

3. In fulfilment of its mandate and in pursuance of the relevant Islamic Summit resolutions, the COMCEC shall take all the necessary measures to coordinate, support, and follow-up the ministerial meetings that will be organized in different priority areas of economic cooperation which are of importance to Member Countries, thus creating a suitable climate for further economic cooperation among OIC members.

4. The OIC shall give priority to joint projects that can be undertaken by small groups of Member Countries at regional, sub-regional or inter-regional levels, without any financial obligation to the rest of the Member Countries. This approach should facilitate a gradual transition to a more integrated OIC economic community over time by potential extension and/or interlinking of the initial schemes.

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

6. The private sector should be given a more effective role in OIC economic cooperation activities in order to introduce a new dimension and dynamism into the cooperation efforts among Islamic Countries. The private sector would be called upon to act as a locomotive for trade, investment activities and development cooperation. The initiative of the private sector shall undoubtedly be positively reflected in bilateral and multilateral cooperation. In order to support this trend, the organization should encourage and support every initiative to assemble the representatives of the private sector from member countries to exchange information, ideas and expertise, consider problems and issues of mutual interest, examine the possibility of direct cooperation, and establish joint projects.

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

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

8. More favourable consideration should be given to the improvement and coordination of the overall economic, legal and administrative environment and simplification of procedures in the Member Countries to facilitate economic and technical cooperation amongst them. In this context, special consideration would be given to the extension of preferential treatment to the parties from the Member Countries, with due regard to the existing national legislation, rules and regulations and international commitments.

9. Innovative ways and mechanisms to encourage joint investments among the Member Countries will have to be developed within the framework of the General Agreement on Economic and Commercial Cooperation and under the secure environment provided by the Agreement for Promotion, Protection and Guarantee of

Investments, now that both of these agreements have become operational. In the same context, viable, operational, and efficient measures and policies can be adopted to promote joint ventures among the Member Countries by giving a more prominent role to the private sector. Joint ventures would be one of the main modes of cooperation in all areas, taking advantage of the complementarities in factor endowments, production externalities, and enlarged markets.

10. The QIC and the Member Countries should coordinate their efforts with the aim to:

- (a) avail the General Secretariat with the necessary means and facilities to enable it to organize expert group meetings as and when necessary.
- (b) facilitate the generation of practicable and tangible cooperation ideas at expert level;
- (c) enable the full evaluation of these recommendations and their translation into effective, action-oriented and implementable resolutions;
- (d) facilitate the formulation of well-prepared and substantive agenda items for the ministerial meetings;
- (e) ensure the commitment of Member States to the effective implementation and follow-up of the provisions of the resolutions adopted.

11. Cooperation issues, activities or projects will be included in the agenda of the ministerial meetings and be made subject of resolutions after full preparation and exhaustive initial study. These would involve:

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

12. The resolutions adopted will consist of practicable, implementable and realistic projects and activities that are amenable to joint action among the Member Countries to allow for proper monitoring and effective follow-up.

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

14. Measures should be taken by the Member States to secure full participation at requisite levels in the various OIC meetings in order to render the economic cooperation activities of the OIC more effective and beneficial.

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

- II -

NOTE ON TBS SOLS OF TBS PBIVATS SECTOR
IS THE OVERALL ACTIVITIES OF TBS COMCEC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original English

NOTE ON THE ROLE OF THE PRIVATE SECTOR
IN THE OVERALL ACTIVITIES OF THE COMCEC

Ninth Session of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

I. PURPOSE:

1. The purpose of this Note is to put forward, in pursuance of the decision of the 8th Session of the COMCEC, some initial thoughts on the modalities of the role that the private sector can play in the ongoing economic cooperation activities being carried out under the auspices of the COMCEC. It is expected that the ideas in this Note would stimulate deliberations on the subject at the 9th Meeting of the Follow-up Committee under the relevant item of its agenda.

II. INTRODUCTION!

2. The Sixth Islamic Summit Conference held in December 1991, in Dakar (Senegal), through Resolution No. 3/6-E(IS), stressed the importance of the role likely to be played by the private sector in strengthening joint action and urged Member States to devise conditions conducive to the strengthening of contacts among enterprises, companies, banks and other economic institutions in Member States.

3. The Sixth Summit, taking into consideration the recent profound changes in the world toward economic liberalization and their potential implications on the economies of Member States, and emphasizing the important role the private sector could play in strengthening, expanding and diversifying the economic cooperation among Member States, also authorized the COMCEC to draw up new strategies for strengthening economic cooperation among the OIC Member States.

4. The Eighth Session of the COMCEC, taking into account the relevant Resolution of the Sixth Islamic Summit, as well as the recent revolutionary changes in the global economic scene which accord a more weighty role to the private sector, took up the matter and relegated it to the next meeting of the Follow-up Committee to discuss the appropriate action to be taken in this regard.

III. POSSIBLE ROLE OF THE PRIVATE SECTORS IN
THE OVERALL ACTIVITIES OF THE COMCEC:

5. The COMCEC, since its activation in 1984, has already-initiated a number of projects and schemes like the Longer Term Financing Scheme, the Export Credit Insurance and Investment Guarantee Scheme, Harmonization of Standards, Trade Preferential System, Trade Information Network, etc. It is important to note that these projects and schemes are designed to stimulate economic and trade activities among the Member Countries whose ultimate actors are the business communities consisting of actual exporters, importers, industrialists and bankers. Therefore, involvement of the private sector in the work of the COMCEC will no doubt increase the efficiency in the implementation of the cooperation projects and promote their publicity.

6. As regards to the modality of participation of the private sector in the work of the COMCEC, there is a general agreement that this participation should be in the form of holding separate meetings of the representatives of the private sector rather than inviting them to participate in official sessions of the COMCEC.

7. In the light of the above, possible alternatives that can readily be thought of are as follows:

a) Adoption of a Current International Model

In addition to various models currently employed by UN, OECD and other international organizations, the practices followed by the Islamic Development Bank (IDB) and the World Bank-IMF are noteworthy in this respect.

Concurrently with the annual meetings of the Board of Governors of the World Bank-IMF and IDB, meetings are held between public and private financial institutions that have business relations with them. However, in view of the fact that all the parties that are involved in this practice are purely financial institutions, this model needs further elaboration for its application to the COMCEC.

b) Project Related Meetings of the Private Sector

Another alternative is to convene meetings of the relevant private sectors in connection with one or two projects of economic cooperation of the COMCEC, on the sidelines of its annual Session.

Through these meetings, the representatives of the private sectors would familiarize themselves with the projects on the agenda of COMCEC and get the opportunity to present their views on their implementation.

c) Sectoral Meetings

Under this option, a meeting of the representatives of the business communities in a particular economic sector could be held concurrently with each of the annual Sessions of COMCEC. In this model, the representatives of this particular sector would be given the opportunity to discuss the problems, at length, of their sector and submit their recommendations for joint action to the COMCEC. Various exhibitions and fairs would also be organized in conjunction with these sectoral meetings.

d) Yet another alternative is to put into effect the proposal that came from the Second Meeting of the Group of Experts on New Strategies for Economic Cooperation among OIC Member Countries, held in Cairo from 16 to 18 February 1993. The said Group of Experts, while working on the Modalities and Mechanisms of Implementation of the New Strategy, proposed, inter alia, the establishment of a "business forum" to consider and promote investment opportunities and projects in Member Countries and to report regularly to the COMCEC, through the OIC General Secretariat.

8. The alternatives outlined above, could be multiplied. In case the Follow-up Committee agrees on one of those alternatives, it would be further elaborated to come up with an operational model.

9. It should be noted here that the Islamic Chamber (ICCICE), in its note addressed to the COMCEC Coordination Office, suggests that, being a specialized OIC body solely in business affairs of the Member Countries, the responsibility for the examination and implementation of the subject should be given to ICCICE.

10. Another, and perhaps more realistic, approach to the subject would be to have the views and suggestions of the private sectors themselves on the forms and modalities of their involvement in the activities of the COMCEC. If such an approach is adopted, an ad hoc group meeting of the representatives of the private sectors in the Member Countries, such as the Chambers and Business Associations, may be convened

concurrently with the Ninth or a subsequent Session of the COMCEC. This ad hoc group meeting would create an opportunity whereby the representatives of the private sectors become familiar with the work of the COMCEC and come up with more realistic proposals on the forms and modalities of their role in the process. These proposals would then be submitted to the COMCEC at its closing session for appropriate action.

IV. CONCLUSION:

11. In the light of the considerations expressed above, there are basically three courses of action to designate the modalities of the role of the private sector in the overall activities of the COMCEC:

- (i) to decide on a specific modality, derived from relevant international experience and go along with it;
- (ii) to organize a meeting of the representatives of the business interests in the Member States, possibly in connection with a session of the COMCEC, and request them to come up with their own suggestions regarding the modality of the role of the private sector in the activities of the COMCEC; and
- (iii) to refer the consideration of the subject to the work already started on the Strategy of Economic Cooperation Among the Member Countries of OIC, which also aims at giving a more prominent role to the private sector.

The Follow-up Committee may wish to decide on the above or on any other alternative course of action as it deems appropriate.

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PROGRESS REPORT BY ICDT ON THE ESTABLISHMENT
OF A TRADE INFORMATION NETWORK
IN ISLAMIC COUNTRIES
(TINIC)

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

PROGRESS REPORT BY ICDT ON THE ESTABLISHMENT
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1. APPOINTMENT OF FOCAL POINTS

As concerns the trade Information Network for Islamic Countries TINIC, the eighth session of the COMCEC held in Istanbul (September 1992) requested ICDT to ensure the finalizing of the necessary preparations for the design of the required data bases, in close cooperation with focal points and IDB while taking account of existing resources in Member States and in similar operational networks and report progress to the ninth meeting of the follow up committee.

In implementation of this request, the ICDT has taken necessary steps to make an inventory of the existing data bases in Member States as well as in some international and regional organizations. Thus contacts will be established for the exchange of information and experiences in this field and to develop complementarities and avoid work duplication.

Besides it should be noted that 20 Member States have already appointed their National Focal Points which will be direct partners of ICDT in the field of trade information, these are:

BANGLADESH : Export Promotion Bureau

BENIN : Centre Beninois du Commerce Exterieur

BURKINA FASO: Office National du Commerce Exterieur

CHAD : Chambre Consulaire du Tchad

EGYPT : General Directorate of Information and Exports

GUINEA : National Directorate of Trade

INDONESIA : National Agency for Export developmnet (NAFED)

IRAQ : Ministry of Commerce

IRAN : Directorate of Statistics-Ministry of planning

LIBYA : Export Development Council

MALAYSIA : Malaysian National Focal Point (MNFP).
Ministry of International Trade and Industry

MALI : Direction Nationale des Affaires Economiques

MOROCCO : Centre National de Documentation-Ministere du
Commerce, des Investissements Exterieurs et du
Tourisme

PALESTINE : Information Centre-Economic Affairs and
Planning Department

SAUDI ARABIA : Saudi Export Development Centre

SENEGAL : Centre International du Commerce Exterieur
du Senegal

SUDAN : Trade Information Centre-Ministry of Trade,
Cooperation and Supplying

TUNISIA : Centre de Promotion des Exportations

TURKEY : Union of Chambers and Commodity Exchanges of
Turkey

UGANDA : Uganda Export Promotion Council

2. DEFINITION OF DATA BASES CONTENT

Questionnaires were elaborated foreshadowing data bases content. This content will be finalized in the light of answers received.

3. DISSEMINATION OF QUESTIONNAIRES

Seven questionnaires were finalized in consultation with IRTI/IDB:

- Trade Regulations
- Bilateral and Multilateral Trade Agreements between Member States
- Foreign Trade Operators
- Foreign Trade Statistics
- Trade Opportunities
- Trade Events

These questionnaires were disseminated to already appointed National Focal Points. For other Member States, questionnaires will be submitted to them as soon as their National Focal Points are appointed.

4. PROMOTION AND TRAINING

The ICDT is planning to organize in collaboration with IRTI/IDB before the end of the year 1993, a first meeting of executives in charge of NFP in order to examine the ways and means for the promotion of TINIC project.

Likewise, training seminars in trade information will be organized for the NFP.

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PROGRESS REPORT BY IDB ON
OIC INFORMATION SYSTEMS
NETWORK (OICIS-NET)

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

C O N T E N T S

PART I B A C K G R O U N D

- A. Introduction
- B. Objectives
- C. Concept
- D. Strategy for Implementation
- E. Outputs expected from OICIS-NET Project
- F. Co-operation and Co-ordination
- G. Contribution from Member Countries

PART B *PROGRESS ON IMPLEMENTATION OF OICIS-NET PROJECT*

Major Activities Carried Out

- {*} - Annex (A) Advisory Committee & Working Groups
- Annex (B) Brief Report on the Outputs of the Various Committees/
Working Groups
- Annex (C) Brief Report on Field Visits to Pilot Scheme Countries
- Annex (D) Pilot Scheme - Major Implementation Activities and Progress

(*) Annexes are not included in this document.

ABBREVIATIONS USED

AL-WASEET	Packet Switched Data Network of Saudi PTT
ALDOC	Arab League Documentation Centre
BED	Board of Executive Directors of IDB
BOG	IDB Board of Governors
BITNET	Because It's Time Network (of American Academic Institutions)
CCA	Central Co-ordinating Agency (OICIS-NET)
CD-ROM	Compact Disc - Read only Memory
COMCEC	OIC Standing Committee for Economic & Commercial Co-operation
COMSTECH	OIC Standing Committee on Science & Technology Co-operation
E-Mail	Electronic Mail
ENSTINET	Egyptian National Scientific & Technical Network
GEISCO	General Electric Information Service
GULFNET	Gulf Countries Network
ICDT	Islamic Centre for Development of Trade, Casablanca
IDB	Islamic Development Bank
IDSC	Information & Decision Support Centre (Egyptian Cabinet)
IMF	International Monetary Fund
IRTI	Islamic Research & Training Institute (IDB)
IRTIC	IRTI Information Centre
LAN	Local Area Network
NFC	National Focal Centres (OICIS-NET)
NSN	National Sectorial Node (OICIS-NET)
OIC	Organization of Islamic Conference
OICIS-NET	OIC Information Systems Network
PMO	Project Management Organization
PTT	Ministry of Posts, Telegraphs & Telecommunication
RFC	Regional Focal Centre (OICIS-NET)
SITTDEC	South Investment, Trade & Technology Data Exchange Centre (A Project of the G-15)
TINIC	Trade Information Network for Islamic Countries
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Organization

Parti. BACKGROUND

INTRODUCTION

One of the major programs followed up by the Information Centre of the Islamic Research & Training Institute of the Islamic Development Bank relates to the establishment of the OIC member countries Information Systems Network (OICIS-NET) project.

The Project is the direct outcome and follow-up of the Makkah Declaration issued at the conclusion of the Third Islamic Summit Conference held in Makkah Al-Mukarramah and Taif in January, 1981 and the Fifth Islamic Summit held in Kuwait, January, 21-29, 1987, where the COMSTECH resolution on OIC Information Network was endorsed.

OBJECTIVES

The objectives of the OICIS-NET project is to contribute to the integrated socio-economic and technological development of the OIC member countries through improved sharing of information resources and flow, exchange and use of information among the member countries and their institutions. The development objective of the Network will be linked to the socio-economic developmental challenges of the Islamic World.

The Network aims at establishing a system of co-operation and co-ordination, in the field of information, among member countries through inter-linking their national, regional and sectoral information centers which are specialized in various sectors such as food and agriculture, Trade, Industry as well as relevant science and technology etc.

In essence, the network envisaged will be a system of data banks of relevant and up-to-date information that can be of value and benefit to the member states of the OIC. Its role will be to facilitate the user in identifying the information resource he requires and then enabling the user in gaining direct access to it. The purpose will be to provide access to relevant and up-to-date information for planning, decision-making and generally supporting national development activities and programs with ease and efficiency.

C. **CONCEPT**

OICIS-NET is conceived as a mechanism to collect, process, store and disseminate information to support planning, decision-making, operational and research programs. The users of the network services will include planners, policy-makers, executives and others engaged in development activities in member countries.

It is conceived as an integrated, distributed network with a system of national, regional and international focal centres hosting information systems and databases.

OICIS-NET is conceived also as a network of networks and a platform for supporting developmental efforts of other information systems and networks in the member countries. Therefore, it will function as a catalyst to promote inter-linking existing efforts and complementing them with other efforts in high priority areas.

D. **STRATEGY FOR IMPLEMENTATION**

In order to implement the project, the Information Centre of IDB/IRTI will be developed fully to play the role as a Central Co-ordinating Agency (CCA) for the OICIS-NET. A two-fold approach is proposed as a strategy to implement the project in a phased manner, starting with a Pilot Scheme covering eight countries - Egypt, Indonesia, Malaysia, Morocco, Oman, Pakistan, Senegal and Turkey.

- a) **Vertical Approach:** Implementation of all the aspects of the Network in each of the Pilot Scheme countries. This approach involves in each country, establishment of National Focal Centres (NFC) and at least three sectorial nodes covering fields of food and agriculture, industry and trade. This programme will promote the development of national networks in each of the member countries with facilities for developing national databases, national data communication networks and possibility of inter-linking with the CCA of the Network and with the NFC's in each of the other countries of the Pilot Scheme. The inter-connection

could either be by mail, fax, voice/fax or on-line communication including electronic mail and on-line searching of each of these databases, depending upon facilities available in each case.

Horizontal Approach : Horizontal implementation across all the member countries of the network involves the following :

- i) Identification of a sectoral focal centre in each of the member countries in the priority sectors identified above.
- ii) Development of a basic module of databases and related information systems with necessary documentation and training packages.
- iii) Installation of the sectoral database in each member country which is ready to provide the basic hardware/software necessary for the purpose.
- iv) Training of 2-4 specialists in each of the countries in utilizing the database and adapting it for local needs and in putting national data into the system, as well as installing system for exchanging the data with other focal centres among the member countries in the sector concerned.

The horizontal approach will be initiated with trade sector as a priority by developing a trade information system and identifying trade focal centres in member countries. It will be a quick approach to install a basic system in most of the member countries over a period of 3 years to enable them to inter-link with each other in the specialized sector concerned using available communication media. This will create an awareness of the importance of the network and encourage them to develop full-scale national networks as in the Pilot Scheme countries.

E. OUTPUTS EXPECTED FROM THE OICIS-NET PILOT SCHEME

1. The Pilot Scheme will be officially launched from Feb. 1993 at a Co-ordination Meeting of National Focal Centres in Pilot Scheme countries as well as the OIC and other Regional Centres in these countries, and it is expected to be completed by December, 1995. At the end of the Pilot Scheme, a basic framework of OICIS-NET is expected to become operational in the eight participating countries.

1.1 The eight member countries will be inter-linked through their respective National Focal Centres and the OIC organizations located in their countries. Specifically, the following are expected to be in operation :

- 1 Central Co-ordinating Agency at IDB/IRTI
- 5 Regional Sectorial Centres at OIC Institutions
- 8 National Focal Centres
- 24 National Sectorial Nodes (8 x 3)

1.2 The Master Scheme for OIC Information Systems Network, covering all member countries, to be implemented, in three phases, in addition to the Pilot Scheme, is expected to result in the following outputs :

- i) Establishment of a Central Co-ordinating Agency (CCA) at IDB.
- ii) Establishment of a National Focal Centre in each of the member countries with capability for on-line access with the CCA located at IDB/IRTI.
- iii) Establishment of about seven Regional Focal Centres covering different geographical regions where member countries are located.
- iv) Establishment of about 15 Regional Sectorial Centres at OIC and other regional institutions covering different sectors according to their specialization.
- v) Establishment of at least 3 national sectorial nodes in each of the member countries to cover the fields of trade, industry and agriculture.
- vi) Establishment of a set of national and regional databases relating to trade, industry and agriculture as well as relevant science and technology at national and regional levels for exchange of information.

- vii) Establishment of a telecommunication and networking system for exchange of information among the participating focal centres and nodes and the user community.
2. The following databases are expected to be developed by the CCA and be available at the end of the Pilot Scheme for OICIS-NET users, in addition to the databases to be developed by other participating focal centres :

2.1 *Directory of Information Systems/Networks*

A database of directory of information systems/networks will be prepared and disseminated to participating centres. The database will give basic contact information on each institution such as : Name of institution, contact persons, address, telephone, fax, telex, information available, how to make contact for on-line/off-line services etc. The Directory is expected to contain information on more than 100 centres, and will be kept up-to-date. More information, about additional centres will be added along the way.

2.2 *Trade Information System*

A trade database with relevant data and information relating to trade among the OIC member countries will be developed and implemented. In this area, the users of OICIS-NET can access different databases relevant to trade; trade opportunity, commodity prices, company profile, country profile, money exchange rate, trade promotion organizations, trade statistics and investment opportunities. The system will also link with trade centres in member countries.

2.3 *Industrial Information System*

A database with data relating to some key industries such as cement, fertilizer and petrochemicals among member countries will be developed and available for use.

In this area, the users of OICIS-NET would have access to different types of information relating to each sector of industry mentioned. For each sector, the user can get the information on the type of technology used, major aspects of the industry such as raw material, expertise and know-how, type of energy used, maintenance, spare parts, financial resources . . . etc. In addition, the user can get the information related to : production, consumption, surplus, export and import, plants profile, address of the organizations and institutions dealing with such type of industry. A bibliography containing information on books, magazines, periodicals, researches and study report relevant to each industry will also be provided to the users.

2.4 *Food and Agriculture Information System*

A database with relevant data on agriculture and food security will be developed and made available to users. In this area, the users of OICIS-NET would have access to all types of information related to agriculture and food security in the member countries including technical and statistical data, institutions, studies and reports, experts and consultants.

2.5 *Country Profile Statistical Database*

This database provides information on the main socio-economic parameters for member countries with textual and statistical data as a basic reference guide of up-to-date information.

2.6 *Shari'ah Database*

The Shari'ah database will consist of databases on Qurlan, Hadeeth and Islamic Law. The databases will have full texts of the Holy Qur'an and books on Hadeeth and Islamic Law.

Directory Databases

The Directory Databases will provide reference information on Muslim Experts, IDB Channels of Communications, National Development Financing Institutions, Islamic Banks, Islamic Universities . . etc.

Databases available in the other nodes

In addition to the above information systems that will be made available from the Information Centre of IDB/IRTI (CCA), the other National and Regional Focal Centres and Nodes participating in the Pilot Scheme will also contribute by making available to the OICIS-Network users, the information systems and databases developed in their own centres. Such information systems are expected to cover detailed information on Trade, Food and Agriculture, and Industry as well as relevant Science and Technology information as a priority related to the respective countries or regions.

CO-OPERATION AND CO-ORDINATION

OICIS-NET is a network of networks, as already stated. Therefore, the establishment of OICIS-NET requires intensive co-operation and co-ordination between concerned institutions, mainly in OIC member countries. During the past stages of the feasibility study and preparatory steps and in parallel to the activities of these stages, co-operation has already taken place with institutions concerned with different aspects of network development.

IDB/IRTI has established two Working Groups to co-ordinate the efforts of the member countries in the fields of Trade Information System and Telecommunication and Networking. First meetings of these Working Groups took place at Jeddah in October and December, 1992, respectively with several practical recommendations for co-operation and co-ordination in the concerned fields.

IDB/IRTI has also established an Advisory Committee and a Co-ordination Meeting with participants from different national and regional institutions in the member countries, as well as participants from OIC organizations and international agencies in order to follow up the implementation of the project and its activities related to co-ordination of efforts among such institutions. The first joint meeting of the Advisory Committee as well as the Co-ordination Meeting of the National Focal Centres and OIC and other regional organizations in the Pilot Scheme countries took place in last week of February, 1993. The meeting has resulted in very valuable recommendations and programmes for co-operative action.

IDB/IRTI is also considering the different possible areas of co-operation and co-ordination with several other national, regional and international institutions concerning all the aspects of the network development and implementation. A Memorandum of Understanding have been established with each of the National Focal Centres in the Pilot Scheme countries. A joint work plan has been agreed upon with Islamic Centre for Development of Trade (ICDT), Casablanca, Morocco, in the area of Trade Information System. Cooperation with other institutions in different areas of databases and networking has also been established. Examples of institutions are : The Information and Decision Support Centre (IDSC) of the Egyptian Cabinet, Cairo, Egypt; South Investment, Trade and Technology Data Exchange Centre (SITTDEC), Kuala Lumpur, Malaysia; The Agency for Assessment and Application of Technology (BPPT), Jakarta, Indonesia; and others.

G. CONTRIBUTION FROM MEMBER COUNTRIES

OICIS-NET is a co-operative project of all the member countries. Therefore, the project will support and benefit from efforts made by the member countries and their institutions which have necessary expertise and experience in the field of information systems and network. It is also envisaged that some sub-projects of

OICIS-NET may be assigned to centres of excellence among the member countries for implementation, making use of their human resources, expertise and facilities. Therefore, the member countries are expected to contribute to its success in several ways. Some important steps to be taken, include the following :

1. To actively co-operate and support OICIS-NET project.
2. To designate and support the National Focal Centres and national sectorial nodes.
3. To develop databases relating to national information resources
4. To encourage the establishment/enhancement of a National Information Network and to give access to OICIS-NET users.
5. To improve information infrastructure and resources in the country.
6. To plan and adopt policies for national information systems and services.
7. To allocate budget for information systems in development plans.
8. To support manpower training and development in information and networking.
9. To support information systems related programs.
10. Generally, to actively support and participate in the implementation of OICIS-NET programmes, systems and standards in their respective countries and institutions.

Part II PROGRESS ON IMPLEMENTATION OF OICIS-NET PROJECT
MAJOR ACTIVITIES CARRIED OUT

Based on the feasibility study and a detailed work-plan drawn up, a series of steps have been taken to implement the OICIS-NET in a phased manner, starting with a Pilot Scheme. Annex (C) gives the major activities planned to implement the Pilot Scheme. The major activities that have been carried out by IDB/IRTI in relation to the establishment of OICIS-NET can be summarized as follows :

- 1) Thirty six member countries have nominated their focal points for OICIS-NET to assist in the initial stages of the feasibility study of the project and in the preparatory steps for its implementation.
- 2) A feasibility study has been conducted. It was based on :
 - Field Visits
 - Questionnaire survey
 - Desk research at a number of authoritative information sources.

* *The main outputs of the feasibility study are :*

 - Status report about information situation in member countries
 - Perspective Master Plan for OICIS-NET; and
 - Plan for a Pilot Scheme Network implementation.
- 3) A Workshop was held at IDB Headquarters in Jeddah in Muharram 1412H (July 1991 G) on the OICIS-NET project with participation from the member countries and experts in the field of information systems/networks to discuss the findings of the feasibility study and obtain their feedback on the project.

The feasibility study and the workshop reveal that the Project is not only feasible but needs urgent action for implementation in order to help the member countries keep pace with the developments in the field of information technology.
- 4) The IDB Board of Executive Directors has approved the launching of OICIS-NET Project and the budget for the Central Co-ordinating Agency (CCA) of the Network. IDB/IRTI has been recommended to act as the CCA for the Network.

- 5) A presentation on OICIS-NET Project was made to the Special Meeting of the Board of Governors of IDB on 04.1.1413H (04.7.1992 G). Also, several progress reports have been presented to OIC Standing Committee on Science and Technology Cooperation (COMSTECH), OIC Standing Committee for Economic and Commercial Cooperation (COMCEC) and Board of Governors of IDB.
- 6) A detailed work plan for implementation of the Pilot Scheme has been drawn up with a system of fortnightly progress report to IDB/IRTI management (Annex D).
- 7) Field visits to the Pilot Scheme countries have been made to seek nomination of National Focal Centres (MFCs) and National Sectorial Nodes (NSNs) for Trade, Industry and Agriculture. The objective is to arrive at an understanding with them on their role in implementing the network and to create an awareness among their information centres about the network project. (Annex 'B' gives a brief report on the results of the visits).
- 8) The eight countries participating in the Pilot Scheme have nominated their NFCs, The countries are: Egypt, Indonesia, Malaysia, Morocco, Oman, Pakistan, Senegal, and Turkey. In each of the Pilot Scheme countries, the National Focal Centre will co-ordinate with national sectorial nodes to establish databases in the areas of Trade, Agriculture and Industry, and to implement OICIS-NET activities.
- 9) The following OiC organizations are participating in the Pilot Scheme: Islamic Chamber of Commerce, Industry and Commodity Exchange; Islamic Educational, Scientific and Cultural Organization; Islamic Centre for Development of Trade; Organization of Islamic Capitals and Cities; Islamic Foundation for Science, Technology and Development; The Statistical, Economic and Social Research and Training for Islamic Countries.
- 10) Committees and Working Groups with participants from other institutions have been established to guide and support for various aspects of network activities:

The High Level Advisory Committee : The First Meeting took place from 21-24 February 1993.

The Working Group on Telecommunication and Networking : The First Meeting took place from 27-30 December 1992.

The Working Group on Trade Information System: the First Meeting has taken place from 12-14 October 1992.

(Annex A gives the Composition and Terms of Reference of the Committees/ Working Groups with results of the first Meetings).

11. The First Coordination Meeting of the National Focal Centers (NFCs) took place from 21-23 February 1993, jointly with the First Meeting of the Advisory Committee. In this Meeting the recommendations of the above Working Groups have been discussed, among other issues, related to cooperation and coordination. (Annex [B] gives a brief report of the meeting with its results).
12. Steps for recruitment of technical staff for the CCA to implement the project is taking place. Job descriptions for all approved posts have been prepared and advertised. General Category staff have been interviewed. Roster of candidates for Professional Category posts has been prepared.
13. A Preliminary Directory of Information Systems/Networks has been prepared.
14. Databases are being developed in the areas of Trade, Food and Agriculture, Industry, Statistical Country Profile and Shari'ah. Database on Science and Technology is planned to start in October 1993. Data collection and analysis projects have started relating to some of these databases such as Cement, Fertilizer, Food Security, etc.

- XII -

NOTE ON THE POSSIBILITY
OF EXPEDITING THE IMPLEMENTATION
OF THE FRAMEWORK AGREEMENT ON THE TRADE PREFERENTIAL
SYSTEM AMONG MEMBER STATES OF THE OIC

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

NOTE ON THE POSSIBILITY
OF EXPEDITING THE IMPLEMENTATION
OF THE FRAMEWORK AGREEMENT ON THE TRADE PREFERENTIAL
SYSTEM AMONG MEMBER STATES OF THE OIC

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I. INTRODUCTION :

1. The Chairman of the COMCEC, H.E. President Turgut Ozal, raised the issue of expediting the implementation of the Framework on Trade Preferential System among Member States of the OIC, in particular the clause related to the negotiations on concessions contained in the Agreement. In his closing statement before the 8th session of COMCEC, he directed that the issue should be examined thoroughly during the 9th meeting of the Follow-up Committee of COMCEC, to be held from 4 to 6 May 1993.
2. The purpose of this note is to examine the legal aspects of the proposal of the Chairman and to put forward some initial thoughts to cope with the proposal.

II. LEGAL ANALYSIS :

3. The main purpose of the Agreement, which should determine to a great extent its future success, is that of the promotion of trade among OIC Member States through the exchange of trade preferences or concessions to be negotiated, agreed upon and implemented by the Parties to the Agreement. These three states are phased explicitly and successively in the Agreement, in the following order:
 - a) Negotiations on concessions cannot be initiated before the entry into force of the Agreement by the deposit of 10 instruments of ratification from 10 Member States. [Article 18.3.(i)].
 - b) Conclusions of the negotiations (or concessions) shall be reached within 12 months starting from the date of the initiation of negotiations. [Article 18.3.(1)].
 - c) Implementation of the concessions shall start 3 months after a minimum of 10 Contracting States have ratified them. [Article 18.3.(ii)].
4. The list of concessions, thus negotiated and ratified, shall form, by virtue of Articles 5, 2 and 21.d., an integral part of the framework Agreement as Annex IV.

5. In conformity of Article 20, the "Agreement is concluded for an undetermined period and its articles cannot be amended before five years after the date of its entry into force. Amendments to the Agreement shall be made with the acceptance of two thirds of the participating States. They shall become effective 3 months following the date on which five participating States have deposited their instruments of ratification.

6. Articles 18,20 and 21 raise, when read together, some problematic issues which can affect negatively the practicability of the Agreement. The explanation is developed as follows:
 - a) Para 2 of Article 5 and para d of Article 21 stipulated that the schedule of concessions shall be annexed to the Agreement and form an integral part of it and this in spite of the fact that article 18 paras 1 and 3.a. require the ratification of the Agreement (or its entry into force) as a pre-condition, sine qua non, for the initiation of negotiations on the concessions. The ratification of the schedule of concessions, which is an integral part of the Agreement shall be accomplished, later on after the conclusion of negotiations. This means that the entry into force of the whole system of preferences as described in the Agreement needs two ratifications done by each State or that the process of a complete ratification comprises two stages: one for the initial Agreement and the second for the schedule of concessions.

From a practical and technical point of view, it is not appropriate to expect a country ratifying an incomplete Agreement. Moreover, any act of ratification of the Agreement without this schedule of concessions being annexed to it as an integral part is considered to be incomplete and thus takes no effect. On the contrary, it is also deemed not appropriate to expect a country to let such concessions enter into force without ratifying the whole Agreement, since it forms an integral text and entails financial implications and commitments of different sizes.

The duality of ratification due to the partition of the Agreement, as regards the ratification in two parts, shall be in contradiction of the unity and integrity of the text of the Agreement and, consequently, it shall affect negatively its practicability which is necessary to its rapid implementation.

Accordingly, an amendment of the entire system of the entry into force of the whole Agreement is deemed necessary with view to introduce elements of flexibility and practicality.

- b) On the other hand, article 20 of the Agreement prescribes the conditions required to introduce an amendment to the Agreement, as indicated above in para 5 of this note. The phrasing of this article needs two comments:

- i) With regard to the clause prohibiting any amendment before the elapse of 5 years after the date of its entry into force, two interpretations were given:

the first is of restrictive character which advocates for the impossibility of introducing any amendment before the elapse of 5 years after the entry into force of the Agreement. This interpretation is based on the fact that the text of art. 20 refers to "this Agreement" and stipulates that "its articles cannot be amended before ...", which refers to the Agreement as it stands at the time of its adoption and uptill now. Moreover, those States who signed or ratified the Agreement, , were in full knowledge of this clause and they accepted it without reservation or objection.

the second interpretation is of a flexible nature since it links the application of art. 20 to the entry into force by advocating that the entry into force is the prerequisite condition to observe the prohibition for 5 years, and by a contrario it is not prohibited to amend the Agreement before its entry into force.

- ii) In fact, art.20 calls to mind another kind of ambiguity concerning the Parties concerned by the amendments to the Agreement. To explain this ambiguity, it is worthy to repeat that the amendment is linked in art.20 to the entry into force or, in other terms, to the ratification of the Agreement which shall be done, in accordance of art.18.1, by 10 Member States of the OIC. Art. 18.3, requires the ratification of 10 contracting states for the entry into force of the schedule of concessions. Art.20 needs the acceptance of

the amendment by the 2/3 of the Participating states and the ratification of 5 of them for the entry into force of an accepted amendment which shall affect, if not change, clauses of the Agreement ratified by Member States of OIC or of the schedule of concessions ratified by Contracting States. These three expressions "Member States", "Contracting States" and "Participating States" have different definitions in article 1 of the Agreement, and each of them entrusted with a role in the accomplishment of the ratification - in spite of the fact that it is a matter of the same agreement and that the unity of the text requires the unity of the parties. Therefore, the use of the expression "Participating States" in art.20 is inadequate and can give place to an erroneous interpretation limiting the field of application of art.20 to the amendment of the schedule of concessions.

CONCLUSIONS :

The above mentioned legal analysis indicates the necessity to ameliorate certain texts or clauses of the Agreement for practical and technical reasons. For that purpose, we can make use of the flexible interpretation given to art.20, though the restrictive interpretation prevails in our opinion since it is in harmony with the phrasing of art.20.

The amendment of the Agreement should take care of:

- a) Modifying the process of ratification in the direction of requiring one ratification' on the whole text after the finalization of the negotiations. Therefore, it is needless to link initiation of negotiations to the ratification or, in other terms, to the entry into force of the Agreement. To modify the Agreement in this way, it is necessary to obtain the acceptance of all States who previously approved the Agreement and it is an obligation to obtain agreement of those who signed and ratified the Agreement.
- b) Unifying the reference to the parties entitled to accomplish the process of ratification, namely the Contracting Parties.
- c) Expediting the entry into force of the whole Agreement needs to reduce the number of ratifications required for it to a reasonable minimum not less than to 1/10 of the Member States

of the OIC. The system thus negotiated, accepted and ratified by the minimum number of States required, it should function among those ratifying States and can be extended to any other adherent States.

- XIII -

PROGRESS REPORT BY IDB ON THE STATUS OF
THE ESTABLISHMENT OF AN EXPORT CREDIT INSURANCE AND
INVESTMENT GUARANTEE SCHEME

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

PROGRESS REPORT BY IDB ON THE STATUS OF
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(Istanbul, 4-6 May 1993)

1. The First Session of the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC), held in Istanbul, in Safar 1405H (November 1984), requested the IDB to prepare three studies, one of which was the feasibility of establishing an export credit guarantee scheme for the OIC member countries. Subsequently, the Third Session of COMCEC, held in Istanbul in Muharram 1408H (September 1987), discussed a report entitled: "**Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme for OIC Member Countries**" that was prepared and presented by the IDB. COMCEC requested the IDB to hold a meeting of experts to review the study and to work out the mechanics of an operationally feasible scheme that would simultaneously be consistent with Islamic Shariah.

2. The IDB hosted this experts group meeting in Jumad Thani 1408H (January 1988). The recommendations of this meeting were utilized by the IDB in revising the relevant segments of the "**Detailed Study**".

3. The Fourth Meeting of the Follow-up Committee of COMCEC, which met in Istanbul in Sha'baan 1408H (April 1988), discussed the following two documents presented to it by the IDB:
 - (a) The revised version of the "**Detailed Study**" and

 - (b) The "**Report of the Experts Group Meeting**" that met at the IDB Headquarters in January 1988.

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Given the importance of the subject, the meeting kindly requested OIC member countries to communicate their views and comments to the IDB on the various issues raised by the experts. Subsequently, reactions were received from 10 member countries.

4. The comments received from the OIC member countries were included in the Progress Report which the IDB submitted to the Fifth Meeting of the Follow-up Committee of COMCEC, held in Istanbul in Shawwal 1409H (May 1989). This meeting requested the COMCEC Coordination Office to solicit additional responses from OIC member countries and send them to the IDB. As a result of this appeal, three additional responses were received. In sum, 13 member countries presented their views on the issues related to the proposed scheme.

5. The recommendations, as reflected in the resolutions of the Fifth Session of COMCEC, held in Istanbul in Safar 1410H (September 1989) included the following:

- (i) The technical and operational characteristics of the Scheme are, in general, appropriate;
- (ii) The Scheme should be established on the basis of the voluntary participation of member countries of the OIC, without waiting for additional comments on the Scheme from member countries. Private sector institutions in OIC member countries could also take part in the Scheme;
- (iii) The Scheme should cover exports and investments in a step-by-step manner;
- (iv) The Scheme should be established within the IDB, rather than through the creation of a new institution. Therefore, preparations for the Scheme should continue and the IDB should finalize the necessary studies for its establishment;

6. As part of the continuing efforts at establishing the proposed Export Credit Insurance Scheme, the IDB hosted a high level experts meeting in Jumad Thani, 1410H (November 1989), in order to profit from the experiences and views of participants at the meeting. The report of this high level experts group meeting dealt with three critical issues:

- (i) Substantive matters: These deal with the nature of the proposed institution, the type of insurance policies that may be covered, its operational scope, the risks to be covered, the establishment of a premium schedule, the Scheme's capital and underwriting capacity and the manner of handling country grading, ceilings and exposures;
- (ii) Reinsurance: This deals with the policy to be adopted on this question;
- (iii) Implementation schedule: This concerns the drafting of relevant documents, the nature of administrative and staff requirements, operational costs and related matters.

7. As was decided by the Fifth Session of COMCEC held in Istanbul, 3-6 September, 1989, the IDB submitted, at the Sixth Session of the COMCEC (held in Istanbul, 7-9 October, 1990), the "Draft Articles of Agreement Establishing the Islamic Corporation for Export Credit Insurance and Investment Guarantee", which had earlier been communicated to Member States of OIC for their views and comments.

8. During the Sixth Session of COMCEC the Ministers expressed appreciation for the efforts of the IDB in preparing the "Draft Articles of Agreement". The Sixth for Session of COMCEC requested a thorough examination of the "Draft Articles of Agreement" by the relevant experts of the Member Countries at a meeting to be coordinated by the COMCEC Coordination Office at the IDB Headquarters in Jeddah, in order to finalize the Draft Agreement, within the following terms of reference:

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- (i) The scheme in question should start with export credit insurance and should gradually cover investments;
- (ii) The scheme should function through an institution to be established as a subsidiary organ of the IDB, with the President of the Bank being the Ex-Officio Chairman of the General Council of the Scheme;
- (iii) The Scheme should be established on the basis of voluntary participation;
- (iv) The beneficiaries of the Scheme should exclusively be the Member Countries of OIC. The Scheme should also allow for the participation of the private sector in the Member Countries.
- (v) The Scheme should be confined to goods traded among the Member Countries conforming to specified rules of origin and cover both commercial and noncommercial risks.

COMCEC requested that the final version of the "Draft Articles of Agreement" arising from the work of the Experts Group Meeting should be submitted to the Seventh Meeting of the Follow-up Committee of the COMCEC.

9. Consequently, an Experts Group meeting was held at the IDB Headquarters in Jeddah on 9-10 Shawwal, 1411H (23-24 April, 1991). Using the terms of reference that were suggested by the Sixth Session of COMCEC, the experts examined the Draft Agreement and revised it accordingly. The deliberations of the meeting were conducted on the basis of the terms of reference, indicated above, as were earlier approved by the Ministers of the Sixth Session of COMCEC. There was thorough exchange of views on all aspects of the "Draft Articles of Agreement".

10. Numerous opinions arose on various issues that would either be reflected in the revised Draft Agreement or properly be left to the Management of the Scheme to spell out in greater detail. One of these that attracted a lot of discussion was a resolution by the 14th ICFM that was held in 1403H (1983) that the creation of new institutions be deferred, pending further studies by a Committee of Experts. However, after a thorough discussion of the issue, the experts were convinced that the new Scheme conforms with both the views of the 14th ICFM, as well as that of Article 15 of the "Agreement for Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference" which, among others, states that the Scheme proposed by the Agreement shall be a subsidiary organ under the IDB. The experts were also of the unanimous opinion that, although the Scheme by its nature requires legal and financial autonomy, nonetheless it will function entirely under IDB's institutional arrangements, administration and Management.

11. Many valuable comments were presented by the experts. At the conclusion of its deliberations, the experts were unanimous that the revised document would conform to the draft terms of reference as stipulated by the Sixth Session of COMCEC. The IDB subsequently reflected the various suggestions and comments, through appropriate amendments that produced and improved "Draft Articles of Agreement.

12. The Chairman of the Expert Group Meeting requested the Bank to submit the full text of the report and the revised "Draft Articles of Agreement" for consideration by the next Follow-up Committee of COMCEC in May 1991, which would, in turn present its report to the Seventh Session of COMCEC to be held in Istanbul during 6-9 October, 1991.

13. The Seventh Meeting of the COMCEC Follow-up Committee was held in Istanbul on 7-9 May, 1991. Under Agenda item 4, the representative of IDB presented the conclusions of the Expert Group Meeting held on 23-24 April 1991 at the Headquarters of

IDB and, outlined the "Draft Articles of Agreement" as revised by the experts. The Committee appreciated the efforts of IDB for hosting the Expert Group Meeting, organized in cooperation with the COMCEC Coordination Office, and for the preparation of the revised text of the "Draft .Articles of Agreement".

14. The Committee, noted with satisfaction that the contents of the "Draft Articles of Agreement" conform to the guidelines given by COMCEC and then recommended that:

- (a) The IDB should begin the process of establishing the subsidiary institution, as envisaged in the "Draft Articles", and
- (b) The IDB should present a progress report to the Ministers at the Seventh Session of COMCEC, scheduled for October 6-9, 1991, in Istanbul.

15. The Draft Articles of Agreement establishing the Islamic Corporation for the Insurance of Investment and Export Credit (the Corporation) were endorsed by the Ministers at the Seventh Session of COMCEC held during 6-9 October 1991. At the said Session, the Ministers requested the Bank to take all necessary legal and administrative measures for the establishment of the Corporation so that the Corporation may transact business as early as possible.

16. By way of giving effect to the recommendation of the Ministers, two measures were taken by the Bank:

- (i) An Inter-Departmental Task Force was set up at the Bank to advise the Bank on the immediate legal, financial, organizational and administrative measures required for the establishment of the Corporation.

- (ii) The Articles of Agreement of the Corporation were submitted to the Board of Executive Directors of the Bank for approval and for recommending to the Board of Governors of the Bank the approval of the Articles, the authorization for the Bank to participate to the Share Capital of the Corporation and to discharge the obligations incumbent on the Bank pursuant to the Articles.

17. At its 16th Annual Meeting held in Tripoli, Libya, in Sha'aban 1412H (February 1992), the Board of Governors of the Bank approved the Articles of Agreement of the Corporation and urged Member Countries of the Bank to subscribe to the Share Capital of the Corporation. On 19 Ramadan 1412H (23 March 1992) IDB signed the Articles and subscribed for 50,000 shares. During the last week of April 1992 the Bank dispatched a circular letter to all IDB Governors urging their respective countries to sign the Articles and subscribe to the Corporation's Share Capital.

18. In conjunction with the Special Meeting of the Board of Governors of IDB held on 4th Muharram 1413H (4th July 1992) a special ceremony was held for the signature of the Articles of Agreement of the Corporation by the Governors who had communicated their desire to sign the Articles on behalf of their respective governments. At the said ceremony twenty-eight (28) Member Countries signed the Articles. However, the Articles of Agreement of the Corporation have not yet come into force as the Articles have not been ratified by Member Countries subscribing to a minimum ID.25 Million as required by Article 63 of the Articles of Agreement.

19. By means of implementing the recommendations of the Task Force referred to in para-16 hereof, a high level mission was sent by IDB to Cairo during the period 24-28 March, 1992 for a consultative meeting on the steps necessary for the establishment of the Corporation. The meeting was attended by the Director

- 1 - The number of signatory countries has increased to 29 after the Republic of Indonesia signed the Articles of the Corporation in January 1993.

General, Inter-Arab Investment Guarantee Corporation and the Vice President (Policy and Advisory Services) of the Multilateral Investment Guarantee Agency (MIGA) The same high level mission was also sent to visit some of the major specialized Agencies in member as well as non-member countries. In member countries, consultations were held with the Export Credit Insurance Guarantee Scheme of Pakistan and with the Malaysian Export Credit Insurance Company. In non-member countries, visits were made to COFACE (in France), HERMES (in Germany), the Export Credit Guarantee Department and the Berne Union (Great Britain) and the Export Credit Insurance Corporation of Singapore. The purpose of these visits was to introduce the Corporation, to establish business relations, to benefit from the experience of such institutions as well as to collect material and documents which may be adapted for use by the Corporation.

20. As a result of consultations during these visits, it was decided that the most prudent course of action for the Bank was to seek technical expertise on all matters pertaining to the commencement of the business of the Corporation on sound professional basis. For this reason, an Expert Group Meeting was held in Jeddah during 25-26 July 1992. The Meeting was attended by 9 member-country Experts with considerable experience in the field of export credit and investment insurance. The purpose of the Meeting (which was chaired by H.E. the Director General of the Inter-Arab Investment Guarantee Corporation) was to finalize Terms of Reference for a Consultant to be engaged for rendering the necessary services pertaining to the commencement of the business of the Corporation. The Experts were also requested to advise on some major policy issues envisaged to have a direct bearing on the manner in which the Corporation shall carry out its objectives.

21. The Experts deliberated at length and after making valuable observations on the draft Terms of Reference, a final version thereof was adopted. The main features of the Terms of Reference may be summarized as follows:

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- (a) Development of a Business Plan/Strategy;
- (b) Preparation of the Organizational Structure, Staffing and Personnel;
- (c) Development of Business Policies, Rules and Regulations; and
- (d) Preparation of a Marketing Plan.

22. The Experts recommended that the Terms of Reference may be sent out either to individual consultants or to reputable consulting firms, as the Bank may deem appropriate. The Bank has opted for the "consulting firm" option in view of the fact that firms tend to be multi-disciplinary comprising disciplines such as underwriting, organization and management, law, reinsurance, finance, accounting, etc... And as the various items in the Terms of Reference clearly cross the boundaries between a myriad of technical disciplines, an integrated multi-disciplinary approach in the discharge of the Terms of Reference is readily ensured through the "firm option".

23. During the last week of August, 1992, the Bank prepared and sent out seven Letters of Invitation, together with all supporting documents, to seven consulting firms in the U.S.A, Denmark and the U.K. and requested the said firms to submit their technical as well as financial proposals for carrying out the Terms of Reference.

24. As a result of the examination of the proposals submitted by four Consulting Firms, a British Firm, Hogg Insurance Brokers Ltd. of the U.K., was selected. Accordingly, a Consultancy Agreement was entered into between IDB and the said Firm for the purpose of carrying out the Terms of Reference referred to in Para.21 of this Report. Presently, work is progressing steadily under the said Agreement and the Consultants are expected to submit their final report in August 1993.

25. Hand-in-hand with the arrangements for finalizing the study pertaining to the establishment of the Corporation, a number of administrative measures have either been taken, or are currently being taken by the Bank to speed up the process of ensuring that the Corporation commences its transactions as immediately as possible. For one, the Bank has prepared a budget for establishment and administrative expenses covering, inter alia, the cost of remuneration for the Consulting Firm, while two senior professionals with experience in the field of Export Credit have been appointed in the Corporation. Preparations are also under way for the recruitment of a Manager for the Corporation.

26. Meanwhile, and as a result of sustained follow up with Member Countries, six Member Countries have ratified the Articles of the Corporation. These are: the Kingdom of Saudi Arabia, Egypt, Tunisia, Jordan, Indonesia and Chad. Of these six, the Kingdom of Saudi Arabia, Indonesia and Egypt have deposited the paid-in value of their shares in the Corporation's account. Tunisia is also in the process of paying for its shares. But as the total amount subscribed by the said six countries still falls short of the ID.25 million required to make the Articles effective pursuant to Article 63 thereof, the Articles of Agreement of the Corporation have not become effective yet.

27. Presently, the following Member Countries will take up the number of shares in the capital of the Corporation shown against each country:

<u>Member Country</u>	<u>No. of shares</u>
1 - The Kingdom of Saudi Arabia	13,500
2- The Kingdom of Morocco	5,000
3- Malaysia	2,740
4- Egypt	2,500
5 - Turkey	2,500
6- Iran	1,000
7- Tunisia	500
8- Syria	250
9- Jordan	250
10- Senegal	250
11 - Cameroon	250
12- Indonesia	250
13- Chad	250

28. IDB would like to take this opportunity to impress on COMCEC the urgency of calling upon Member Countries that have signed the Articles of Agreement of the Corporation to submit to IDB the documents of ratification or acceptance of the Articles as early as possible so that the Articles may come into force; and of calling upon Member Countries that have ratified the Articles but have not paid the paid-in value of their shares to do so without delay as such payment must be made within a period not exceeding 30 days after the documents of ratification have been deposited with the Bank. Member Countries that have not signed the Articles may also be urged to do so as immediately as possible.

29. Finally, IDB will keep COMCEC informed of all developments pertaining to the establishment of the Corporation.

- XIV -

DRAFT AGENDA
OF THE NINTH SESSION
OF THE COMCEC

Ninth Meeting of the
Follow-up Conittee of the COMCEC

(Istanbul, 4-6 May 1993)

Original : English

DRAFT AGENDA
OF THE NINTH SESSION
OF THE COMCEC

(Istanbul, 1-4 September 1993)

- 1 - Opening Session.
- 2 - Adoption of the Agenda.
- 3 - Background Report by the General Secretariat of OIC.
- 4 - Report of the Follow-up Committee.
- 5 - Report by the OIC General Secretariat on "The Strategy to Strengthen Economic Cooperation Among Member States of OIC."
- 6- Report by ICCICE on the Possible Role of the Private Sector in the Overall Activities of the COMCEC.
- 7 - Progress Report by ICDT on the Establishment of a Trade Information Network Among the Member States of OIC.
- 8 - Report by IDB on the Establishment of the Export Credit Insurance and Investment Guarantee Scheme.
- 9- Matters Related to Economic Assistance to Some Islamic Countries.
- 10 - Any Other Business.
- 11 - Adoption of the Resolutions of the Ninth Session of the COMCEC.
- 12 - Date of the Tenth Session of the COMCEC.
- 13 - Closing Session.

- XV -

CLOSING STATEMENT OF H.E. İLHAN KESİCİ
UNDERSECRETARY FOR THE STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

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CLOSING STATEMENT OF H.E. İLHAN KESİCİ
UNDERSECRETARY FOR THE STATE PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY

Ninth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 4-6 May 1993)

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

As we have come to the end of the three-day work of the Ninth Meeting of the Follow-up Committee, I would like to express my sincere thanks and appreciation to the honourable members of the Committee for their valuable efforts and sense of cooperation which ensured the success of the Meeting.

My thanks and appreciation also go to the OIC General Secretariat, and to the OIC organs and institutions participating in the Meeting, which have carried out the tasks assigned to them with dedication and diligence.

I believe that the recommendations that came out at the end of our deliberations, will be conducive to the materialization of the remaining projects on the Agenda of the COMCEC and will open avenues for closer cooperation in an ever changing world where cooperation and interdependence tend to replace self-sufficiency.

The changes on the world economic and political scene highlight the importance of the efforts for regional cooperation and underline the need to develop more efficient mechanisms within the OIC community. Therefore, in addition to those cooperation schemes already launched, implementation of the new strategy for economic cooperation among member countries, adopted at the last Session of the COMCEC, has a special meaning.

I firmly believe that, with the support and active participation of Member Countries, and related OIC institutions, the work plan we have drawn up for the implementation of the new strategy will be accomplished as scheduled.

We have also had extensive and very useful deliberations on the possible role of the private sector in the economic cooperation among Member Countries.

Creating occasions to bring together the representatives of the private sectors, as the ultimate actors in the achievement of any economic cooperation project, will certainly make enhance to our endeavours.

I would like to conclude by reiterating my thanks to all of you for your active participation in the Meeting. I would also like to take this opportunity to express my thanks to all technical and administrative personnel who have been involved in the organization of the Meeting, as well as to the translators and interpreters, for their tireless efforts and assistance to ensure the success of the Meeting.

Hoping to see you again in September for the Ninth Session of the COMCEC, I wish you a pleasant and safe journey home.

I declare closed the Ninth Meeting of the Follow-up Committee of the COMCEC.