

OIC/COMCEC-FC/10-94/REP

**REPORT
OF THE TENTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC**

COMCEC Coordination Office
Ankara, May 1994

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**REPORT
OF THE TENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE**

(Istanbul, 14-16 May 1994)

Original: English

REPORT
OF THE TENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE

(Istanbul, 14-16 May 1994)

1. The Tenth 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 14 to 16 May 1994.

2. The Meeting was attended by the representatives of the following Member States of the 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)
- Islamic Republic of Iran (Vice-Chairman, Representing the Asian 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)
- Republic of Guinea (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 Technical and Vocational Training and Research (ICTVTR)
- The Islamic Chamber of Commerce and Industry (ICO)

The representatives of the United Nations Development Programme (UNDP) and the Food and Agriculture Organization (FAO) attended the Meeting as observers.

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

Opening Session

4. " The Meeting was inaugurated by His Excellency Aykon DOĞAN, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee of the COMCEC.

5. In his message addressed to the Meeting, H.E. Süleyman DEMİREL, President of the Republic of Turkey and Chairman of the COMCEC, outlining the evolving trends in the world economic and political conditions, stressed the importance of coordination of efforts of the Member Countries in the attainment of a just world order. The President expressed his confidence that in preparing for the forthcoming Tenth Session of the COMCEC, the Follow-up Committee would take into proper consideration the emerging trends in the world towards economic liberalization and free-trade. H.E. Süleyman DEMİREL wished success to the Committee in its important task.

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

6. The Meeting was then addressed by H.E. Aykon DOĞAN, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee. H.E. Aykon DOĞAN, welcoming the delegates to Istanbul, extended to them the best wishes of his Government and of himself.

7. H. E. Aykon DOĞAN praising the concrete results of the work of the COMCEC, pointed at the effects of the ending of the Cold War on economic cooperation among member Countries. In this context, he referred to the positive effects of the expansion of OIC space for cooperation and the acceptance of the superiority of the free market economy. The Minister went on to state that with the implementation of right macro-economic policies the expected recovery in the World Economy would have positive effects on economic performance in the developing countries. H.E. Aykon DOĞAN then outlined the comprehensive economic stabilization programme recently launched by the Government of Turkey, which aimed at reducing the role of the State in the economy, establishing price stability and increasing the competitiveness of the economy through privatization and integration with the world economy. The Minister went on to state that while continuing its activities already started, COMCEC could also become a forum where exchange of views could take place on important economic issues in the world and positions of the Member States could be coordinated on major current economic events.

8. Condemning the inhuman acts of aggression committed against the Muslim people of the Bosnia-Herzegovina, the Minister praised the solidarity among the Member Countries in this regard. H.E. Aykon DOĞAN concluded his statement by wishing every success to the Committee.

(The text of the Statement of H.E. Aykon DOGAN is attached as Annex III.)

9. The Meeting was also addressed by H.E. Ousman N.R. OTHMAN, Assistant Secretary General of OIC. H.E. OTHMAN expressed his gratitude to H.E. Süleyman DEMIREL, President of the Republic of Turkey and Chairman of the COMCEC and to H.E. Tansu ÇİLLER, Prime Minister of the Republic of Turkey and Alternate Chairperson 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 also 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. Aykon DOGAN 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 IV.)

10. The Meeting was then addressed by the Heads of the Delegations of the Republic of Senegal, the Arab Republic of Egypt, the Islamic Republic of Iran, Islamic Republic of Pakistan, State of Kuwait and the State of Palestine, respectively. The Heads of Delegations expressed their thanks and appreciation to H.E. Süleyman DEMIREL, President of the Republic of Turkey and Chairman of the COMCEC, and to the Government of Turkey for their continuing interest in Economic Cooperation Among Member Countries. They also thanked the Government of Turkey for the excellent arrangements made for the meeting. In their statements, stressing the importance of crucial changes in the world political and economic climate, the Heads of Delegations 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.

They also pointed out the need for the COMCEC to prepare a study on the effects of the GATT agreements on the OIC Member States, both in the short and long terms with a view to increasing the benefits accruing from them and avoiding their adverse effects. In addition, they stressed the urgency for the OIC Member States to expedite the implementation of the resolutions adopted by the COMCEC meetings and particularly those resolutions on economic support to Palestine, as the transfer of power to Palestinian leadership is underway following the signing of the Cairo agreement.

11. The working sessions of the Meeting were thereafter chaired by H.E. Timuçin SANALAN, Deputy 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 V.)

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. 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.

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

15. The Committee noted with appreciation that the Government of the Islamic Republic of Iran will host the Fifth Islamic Trade Fair from 16 to 20 July 1994 in Tehran, in cooperation with ICDT, ICCI, IDB and other related institutions. The Committee appealed to the member states to participate in the Fifth Islamic Trade Fair and similarly in other Islamic trade fairs.

16. The Committee noting the Report of the Sixth Meeting of the Standardization Experts' Group on 26-27 April 1994 in Istanbul, requested the OIC General Secretariat to circulate the Report of the said meeting, and the Draft Statute of Standards and Metrology Organization for Islamic Countries (SMOIC) Among the Member Countries for their views and comments.

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

Progress Report by the OIC General Secretariat on the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States

17. Under Agenda Item 4 following a general introduction by the OIC General Secretariat, the representative of SESRTCIC presented the progress on the preparation of the Draft Plan of Action. The representative stated that the initial Draft was prepared in fulfillment of the assignment given by the COMCEC at its Ninth Session. The Draft was subsequently discussed at a consultative meeting of all the relevant OIC institutions held in November 1993 in Istanbul, and at a High-level Round table meeting of eminent experts hosted by IDB in December 1993 in Jeddah. The representative of SESRTCIC stated that, the Experts' Group Meeting convened from 9 to 11 April 1994 in the premises of the OIC General Secretariat in Jeddah reviewed the draft Document. The Experts agreed that the means and modalities of implementation contained under each sector should be separated from the main text of the Plan for possible future consideration by the sectoral experts' group meetings to be held at the stage of implementation of the Plan. The Committee agreed that the Draft Plan of Action as prepared by the Center and presented to the Experts be made available at the 10th session of the COMCEC.

18. The Committee agreed that the Plan of Action should be a short and flexible policy document and decided to submit it, as revised by the Experts' Group Meeting, through the OIC General Secretariat, to the 10th Session of the COMCEC for approval, and further action.

(A copy of the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States is attached as Annex VII.)

Follow-up and Implementation Mechanism for the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States

19. Under Agenda Item 5, the representative of SESRTCIC highlighted the proposed Follow-up and Implementation Mechanism for the Draft Plan of Action, as prepared during the consultative meeting among the OIC institutions held in November 1993 in Istanbul.

20. The Committee reviewed and amended the text of the Follow-up and Implementation Mechanism and decided to submit it, as an integral part of the Draft Plan of Action, to the Tenth Session of the COMCEC.

21. The Committee agreed to recommend to the COMCEC that the Plan of Action and Follow-up and Implementation Mechanism, should become integral parts of the Strategy to Strengthen Economic Cooperation among the Member Countries of OIC as adopted at the 9th Session of the COMCEC.

22. The Committee expressed the hope that the Plan of Action would be launched soon and that every effort would be made for its effective implementation.

(A copy of the Follow-up and Implementation Mechanism for the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States as amended by the Committee is attached as Annex VIII.)

Progress Report by ICCI on the Private Sector Meetings to be Convened
in Conjunction with the Annual Sessions of the COMCEC

23. Under Agenda Item 6, the Committee was presented the Progress Report by Mr. Aqeel A. AL-JASSEM, Secretary General of the Islamic Chamber on the preparations of the Private Sector Meeting to be convened prior to the 10 th Session of the COMCEC.

24. The Committee took note of the preparations, including the draft agenda, for the First Meeting of the Private Sector, made in the preparatory meeting held on 19-20 March 1994 in Karachi.

25. The Committee noted with appreciation that the first meeting will be held on 18-19 October 1994 in Istanbul, organized by the Turkish Union of Chambers, in cooperation with the Islamic Chamber.

26. In this connection, the Committee underlined the importance of the participation of the businessmen themselves in such meetings, and urged all OIC institutions to cooperate with ICCI and the Turkish Union of Chambers for the successful organization of the First Private Sector Meeting.

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

27. Under Agenda Item 7, the representative of IDB gave a brief expose on the progress achieved towards the actual establishment and operation of the Corporation in question.

28. The Committee noted with appreciation that 30 Member Countries had signed and 9 Member Countries ratified the Articles of Agreement of the Corporation and pledged 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 pledge 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 IX.)

Progress Report by ICDT on the Establishment of a Trade Information Network Among the Member States of OIC (TINIC)

29. Under Agenda Item 8, the representative of ICDT submitted a progress report on the implementation of the TINIC project.

30. The Committee noted with appreciation that the First Meeting of Focal Points of TINIC, jointly organized by ICDT and IDB, was held in Casablanca on 19-21 April 1994, to discuss issues pertaining to cooperation among Focal Points and preparation of the required databases.

31. 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 databases and submit a progress report thereon, to the Tenth Session of the COMCEC.

(Text of the Progress Report submitted by ICDT is attached as Annex X.).

Draft Agenda of the Tenth Session of the COMCEC

32. Under Agenda Item 9, the Committee considered the Draft Agenda of the Tenth Session of the COMCEC to be held from 22 to 25 October 1994 in Istanbul.

33. The Committee approved the Draft Agenda, with the agreed amendments and decided to communicate it, through the General Secretariat of OIC, to Member States.

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

Closing Session

34. At its closing session, chaired by H.E. Aykon DOĞAN, Minister of State 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 Tenth Session of the COMCEC.

35. H.E. Cheikh Hamidou KANE, Minister of Commerce of the Republic of Senegal, made a statement on behalf of the delegates H.E. KANE 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 Istanbul. The Minister also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

36. The Committee requested the Chairman to send a message to H.E. Süleyman DEMIREL, President of the Republic of Turkey and Chairman of the COMCEC. In this message, the Committee expressed its profound gratitude and appreciation to H.E. Süleyman DEMIREL for the sincere welcome and most generous hospitality extended to the delegates.

37. In his closing statement, H.E. Aykon DOĞAN expressed his thanks to the delegates for their valuable contributions and sense of cooperation. H.E. Aykon DOĞAN, also thanked the General Secretariat, subsidiary and affiliated institutions of OIC for their valuable assistance. He stated that the recommendations made at the end of their deliberations would lead to a closer Cooperation among the Member Countries. Underlining the necessity for developing efficient mechanisms for economic cooperation, he emphasized the importance of the new Strategy and the Draft Plan of Action for Economic Cooperation Among Member Countries. The Minister noted with appreciation that the OIC Meeting of National Focal Points for Technical Cooperation, held concurrently with the 10th Meeting of the Follow-up Committee, had also concluded successfully. Finally, H.E. Aykon DOĞAN wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Aykon DOĞAN is attached as Annex XII.)

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

(Istanbul, 14-16 May 1994)

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

(Istanbul, 14-16 May 1994)

1. Background Report by the OIC General Secretariat to the Tenth Meeting of the Follow-up Committee of the COMCEC.....OIC/COMCEC-FC/10-94/BN
2. Report of the Experts' Group Meeting on the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among the Member Countries of the OIC.....EGMNSEC/1-94/REP.1 -FINAL
3. Explanatory Note on the Plan of Action to Strengthen Economic and Commercial Cooperation Among the Member Countries of the OIC.....OIC/COMCEC-FC/10-94/D(3)
4. Report of the Preparatory Meeting to Discuss the Modalities for Holding the Private Sector Meeting.....OIC/COMCEC-FC/10-94/D(4)
5. Progress Report on the Status of the Establishment of an Export Credit Insurance and Investment Guarantee Scheme.....OIC/COMCEC-FC/10-94/D(5)
6. Progress Report Presented by the Islamic Centre for Development of Trade (ICDT) on the Trade Information Network for Islamic Countries (TINIC) OIC/COMCEC-FC/10-94/D(6)

7. OIC Information Systems Network Project (OICIS-NET) Highlights.....
8. Report on Private Sector Meetings Presented by the Islamic Chamber of Commerce and Industry to the Tenth Meeting of the Follow-up Committee of the OICOIC/COMCEC-FC/10-94/D(9)

ANNEXES

I

**LIST OF PARTICIPANTS
TENTH MEETING OF THE FOLLOW-UP
COMMITTEE OF THE COMCEC**

(Istanbul, 14-16 May 1994)

Original: English

**LIST OF PARTICIPANTS
TENTH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC**

(Istanbul, 14 - 16 May 1994)

ARAB REPUBLIC OF EGYPT

- H.E. Mohamad ELDIWANY
Ambassador

- Mr. Kamal ALI RIZK
Minister Plenipotentiary for Commercial Affairs
Director of the Arabic and Islamic Organization
Ministry of Economy

- Mr. Moustafa EL HALLAWANI
Consul of The General Consulate

- Mr. Moustafa MKKAWI
Third Secretary of the Commercial Counselor's Office

REPUBLIC OF CAMEROON

- H.E. Halima HAMAN ADAMA
Director of Cooperation

- Mr. Mohamadou YOUSSEFOU
Expert
Ministry of External Relations

HASHEMITE KINGDOM OF JORDAN

- Mr. Sami Abdelhamid NSOUR
Advisor to the Minister for Science and Technology
Ministry of Planning

STATE OF KUWAIT

- H.E. Abdulmohsen Y. AL-HUNATF
Deputy Minister of Finance
- Mr. Mohammed AL-MERSHED
Director of Deputy Minister of Finance Office
- Mr. Khaled J. AL-RUBAIA'AN
Director of Economic Cooperation Department
Ministry of Finance
- Mr. Ishaq A. ABDULKARIM
Controller of International Affairs
Ministry of Finance
- Mr. Meshal AL-ARDHI
Head of OIC Affairs Division
Ministry of Finance

MALAYSIA

- H.E. Dato' ZAIBEDAH binti Haji Ahmad
Ambassador to Turkey

ISLAMIC REPUBLIC OF IRAN

- H.E. Abdolali AMIDI
General Director
Ministry of Economic Affairs
- Mr. Seyed HOSEEN
Deputy Director General
Ministry of Finance

-Mr. Masoud MORTAZAVI
Expert
Ministry of Foreign Affairs

ISLAMIC REPUBLIC OF PAKISTAN

-H.E. Aslam Hayat OURESHI
Secretary of Commerce

-Mr. Shawqat UMER
Director General

-Mr. Tanveer Akhtar KHASKELI
Vice Consul

REPUBLIC OF GUINEA

-Mr. Thierno Oumar CAMARA
Secretary General

STATE OF PALESTINE

-Dr. Mohammed ALNAHHAL
Director of Economic and Islamic Affairs

KINGDOM OF SAUDI ARABIA

-H.E. Jobarah ALSURAISSY
Deputy Minister for International Economic Cooperation
Ministry of Finance

-Mr. Mohammed ALMEKEITIB
Economic Adviser

REPUBLIC OF SENEGAL

-H.E. Cheikh Hamidou KANE
Minister of Commerce and Handicraft

- Mr. Papa Abdou CISSE
Ambassador to Saudi Arabia
Permanent Representative to OIC

REPUBLIC OF TURKEY

- H.E. A. Aykon DOĞAN
Minister of State
- H.E. Vahit ERDEM
Assistant Secretary General, President's Office
- H.E. Yaşar YAKIŞ
Ambassador
Deputy Undersecretary
Ministry of Foreign Affairs
- H.E. Timuçin SANALAN
Deputy Undersecretary
State Planning Organization
- Mr. Dr. Özhan ÜZÜMCÜOĞLU
Advisor, President's Office
- Mr. Güneş ALTAN
Head, Multilateral Economic Affairs Department
Ministry of Foreign Affairs
- Ms. Nilgün TONGUÇ
Head of Department
General Directorate of Foreign Economic Relations
Undersecretariat of Treasury and Foreign Trade
- Mr. Ahmet KURTER
Head, Foreign Relations Department
Turkish Standards Institute

- Mr. Okan ÜÇER
Assistant Secretary General
Turkish Union of Chambers of Commerce, Industry and
Maritime Trade and Commodity Exchanges
- Mr. Ömer Faruk KUBİLAY
Expert
Turkish Union of Chambers of Commerce, Industry and
Maritime Trade and Commodity Exchanges
- Mr. Hasan DEMİRCİ
Expert
Turkish Union of Chambers of Commerce, Industry and
Maritime Trade and Commodity Exchanges
- Ms. Şebnem YAŞAROL
Director of Coordination
Turkish Export Credit Bank Inc.

GENERAL SECRETARIAT OF THE ORGANIZATION OF THE ISLAMIC
CONFERENCE (OIC)

- Mr. OusmanN.ROTHMAN
Assistant Secretary General
Economic Affairs of Science and Technology
- Mr. Thierno Nabika DIALLO
Director of Economic Affairs
- Mr. Danial FTKRI
Professional Officer
- Mr. Fouad Abdoulwali MAHDI
Member

STATISTICAL ECONOMIC AND SOCIAL RESEARCH AND TRAINING
CENTER FOR ISLAMIC COUNTRIES (SESRTCIC)

- Dr. Sadi CINDORUK
Director General

-Mr. İlhan UĞUREL
General Coordinator

-Dr. Zeinelabdin ABDELRAHMAN
Head of Research Department

ISLAMIC CENTER FOR DEVELOPMENT OF TRADE (ICDT)

-Mr. Badre-Eddine ALLALI
Director General

ISLAMIC CENTER FOR TECHNICAL AND VOCATIONAL TRAINING
AND RESEARCH (ICTVTR)

-Prof. Dr. M. Anwar HOSSAIN
Chief Instructor

ISLAMIC FOUNDATION FOR SCIENCE TECHNOLOGY AND
DEVELOPMENT (IESTAD)

-Dr. Arafat ALTAMEMI
Director General

-Mr. Mohammed Ali TOURE
Senior Officer

ISLAMIC DEVELOPMENT BANK (IDB)

- Mr. Abdurahman N. HERSI
Adviser to the Bank

-Dr. Assibi O. ABUDU
Acting Director
Economic and Policy Planning Department

-Dr. Suat ÖKSÜZ
Senior Economist

-Mr. Hassan J. KH. ALJEHANI
Economist

ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Mr. Aqeel A. AL-JASSEM
Secretary General
- Mrs. Attiya Nawazish ALI
Manager, Trade Development

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

- Mr. Adalat KHAN
Deputy Resident Representative

FOOD AND AGRICULTURAL ORGANIZATION (FAO)

- Mr. Jan DOORENBOS
Representative

COMCEC COORDINATION OFFICE
(Within the State Planning Organization of the Republic of Turkey')

- Mr. Celal ARMANGİL
Head of the COMCEC Coordination Office
- Mrs. Nurhan MACUN
Deputy Head of the COMCEC Coordination Office
- Mr. Mustafa ŞİRİN
Deputy Head of the COMCEC Coordination Office
- Mr. Yakup KARACA
Expert, Drafting
- Mr. Ferruh TIĞLI
Expert, Documentation
- Mr. Adnan TEKŞEN
Expert, Press Relations
- Mr. Kemal ARSLAN
Expert, Computer Services

-Mr. Orhan ÖZTAŞKIN
Expert, Protocol

Administration and Finance Department of the State Planning Organization

-Mr. Ali IŞIKLAR
Head of the Administration and Finance Department

-Ms. Mükerrrem ÖZKILIÇ
Head of Section

-Mr. Yaşar GÜLSOY
Expert

-Mr. Mevlüt YAŞAR
Expert

II

**MESSAGE BY H.E. SÜLEYMAN DEMIREL
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

**Tenth Meeting of the Follow-up Committee
of the COMCEC**

(Istanbul, 14-16 May 1994)

Original: English

MESSAGE BY H.E. SÜLEYMAN DEMİREL
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC

Tenth Meeting of the Follow-up Committee
of the COMCEC

(Istanbul, 14-16 May 1994)

Mister Chairman,
Excellencies,
Distinguished Delegates,

I welcome you to Istanbul on the occasion of your Tenth Meeting and wish you a pleasant stay.

The present meeting of your Committee is taking place in the midst of significant political and economic developments in our region and in the world.

In the post-Cold War era, new conflicts emerged in various parts of the world. Ultra-nationalism, irredentist tendencies and ethnic conflicts triggered new regional crises, preventing the creation of a "New World Order" which we have been aspiring for.

The ongoing aggression against Bosnia and Herzegovina and Azerbaijan despite efforts of the international community and the Islamic world, are major sources of concern for all of us. There are also other trouble spots throughout the world that threaten international peace and security.

In today's world of conflicts, we are also witnessing heartening developments. The Middle East peace process took a new shape with the signing of the Declaration of Principles between the Palestinians and the Israelis in Washington on 13 September 1993. The implementation of this Declaration will be further speeded up by the agreement signed in Cairo on 4 May 1994. Another cause for optimism is the ending of apartheid and the beginning of a new democratic era in South Africa.

I am confident that further coordination of the efforts of the members of the Organization of the Islamic Conference, which constitute a significant portion of the international community, will greatly facilitate the attainment of a just world order.

On the economic front, following a long period of recession, prospects for recovery of the world economy allow us to entertain an optimistic outlook. The agreement reached in the Uruguay Round and the anticipated economic growth thereafter will enhance trade and economic development throughout the world.

In our efforts to promote economic cooperation under COMCEC, we should try to take maximum advantage of the expanding world trade in order to increase our share in it for the welfare and prosperity of our people.

I am sure that in preparing for the forthcoming Tenth Session of the COMCEC, your esteemed Committee will take into proper consideration the emerging trends in the world towards economic liberalization and free-trade.

I wish the Committee success in its important task.

Süleyman DEMİREL
President
Chairman of the COMCEC

III

**OPENING STATEMENT BY
H.E. AYKON DOĞAN
MINISTER OF STATE OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC**

**Tenth Meeting of the Follow-up Committee
of the COMCEC**

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**OPENING STATEMENT BY
H.E. AYKON DOĞAN
MINISTER OF STATE OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC**

**Tenth Meeting of the Follow-up Committee
of the COMCEC
(Istanbul, 14 - 16 May 1994)**

Your Excellencies, the Ministers,
Distinguished Assistant Secretary-General of OIC,
Honorable Delegates,
Esteemed Guests,

Welcome.

I wish to extend you my best wishes on behalf of myself and my Government.

As the Chairman of the Follow-Up Committee, I am addressing you for the first time at this Tenth Session. I wish to express the pleasure I have in doing this. When fulfilling this important duty which has been assigned to me, I rely upon your valuable support and contributions.

Distinguished Delegates,

This meeting gives me an opportunity to be more closely acquainted with the COMCEC activities which I have been following up closely.

The results obtained so far by COMCEC with respect to developing the economic cooperation among Member Countries have been satisfactory. I especially wish to emphasize the importance of the projects and mechanisms which have been launched in the field of commercial cooperation.

As a matter of fact, projects such as Longer-Term Trade Financing Scheme, Export Credit Guarantee Scheme, System of Trade Preferences are the concrete results of the efforts made so far.

With the ending of the Cold War era, radical developments have started to take place in the world economic and political scene. The impacts of these positive developments are still going on. As a result of these, a new content and form has also become necessary for the cooperation attempts carried out by COMCEC.

The new Cooperation Strategy which has been adopted in line with the resolution of the Sixth Islamic Summit is a positive step taken towards this end.

Distinguished Delegates,
Esteemed Guests,

The ending of the Cold War era has had two important results with respect to the economic cooperation among our countries.

The first one is that the new Republics which have emerged with the dissolution of the former Soviet Union, have joined the Organization of Islamic Conference.

Thus, our area of economic cooperation extending from Indonesia to Senegal, has expanded even further by encompassing Albania in the Balkans;

Azerbaijan in Caucasia; and Turkmenistan, Tajikistan and Kyrgyzstan in Central Asia.

We are extremely pleased with these developments.

This expansion of our area of economic cooperation has substantially contributed to our cooperation potential. This expansion will also provide us with a better opportunity for our voices to be heard in international platforms. Another important effect of the ending of the Cold War has been proving the superiority of the free market economy.

During this period, the economic reform movements have speeded up. In parallel with this, the role of the state in the economy has started to be revised so as to be minimized.

This development has also led to radical changes in the fundamental approaches towards international economic cooperation. The role of the private sector has become prominent in economic cooperation. The quest for being self-sufficient has been replaced by the target of globalization and becoming integrated with the world economy. This target can be achieved if the weight of the private sector in the economy is constantly kept in the first plan.

Distinguished Delegates,

The latest statistics reveal that the world economy has started to overcome the recession which started at the beginning of the 1990s and has entered an era of relative expansion. As a matter of fact, the world economy which has achieved a growth rate of around 1% during the last three years, is expected to grow by around 3% during the next ten years. Positive developments have begun to be more pronounced at the beginning of 1994.

During the last three year period, economic development has shown great differences among developing countries, which includes Member Countries.

The last three years have been a transition period, during which we have experienced a substantial decline in production in Eastern Europe and Central Asian countries. In the African Sahara real income decreases were observed. As opposed to this, despite the low performance of the Japanese economy, a high rate growth in the economy and exports was further accelerated in South and East Asian countries headed by China.

If the economic revival which started in USA spreads to other developed countries, a positive external conjuncture is expected for the developing countries for the next ten years.

On the other hand, this positive conjuncture, taken into consideration with the consequences of the GATT negotiations which now include agriculture and services, indicates that the world trade volume will expand. In fact, world trade is expected to increase by an average of 6% per year for the next 10 years.

Through the continuation of economic reforms and implementation of correct macro-economic policies, this positive conjuncture will create a suitable environment for the acceleration of the economic development of the developing countries.

Esteemed Delegates,
Distinguished Guests,

Turkey is determined to keep on implementing the policies based on free-market and outward-oriented economy since 1980s.

Turkey has already taken important steps towards integration with the world economy through the implementation of these policies. Considerable increases in export and foreign currency revenues have been observed.

However, the macro balances of the economy of Turkey, the country which has most heavily suffered from the impacts of the Gulf War, has lately deteriorated due to the adverse developments in the world trade as well as the increasing public deficit.

Therefore, our Government started to implement a courageous and comprehensive economic stabilization program last month. We aim to solve our present problems through this program and accelerate our development based on free market and outward-oriented economy.

The fundamental objectives of our program consist of eliminating the public deficit by reducing the State's role in the economy; ensuring price stability; increasing economic efficiency through privatization and completing integration process with world economy.

As a matter of fact, it is very important that Turkey improves its competitiveness before next year when she will enter in customs union with the European Union.

Another point that I would like to underline is that the present relations with the European Union which will grow in the future, will not have any negative influence on its relations with other countries or on its relations with other regional cooperation schemes. Our Government considers its relations with the European Union, Turkic Republics, Islamic countries and other countries as complementary rather than alternatives for each other. We attach a great importance to these relations.

Distinguished Delegates,
Honorable Guests,

At this point of my statement, I would like to share some thoughts with you concerning the COMCEC meetings.

The COMCEC whose 10th meeting will take place next October, has become well known as an international platform for the Member Countries, especially in the field of commercial cooperation.

I am convinced that while continuing the activities which have already started, COMCEC could also become a forum where exchange of views could take place about economic development in Member Countries and in the world.

Thus, ministers of economy, when they meet each year, will not only discuss specific projects but they will also exchange ideas about important economic subjects in the world and in their countries and they will be able to coordinate their positions with respect to current events.

A good example for that matter, is the follow-up of possible influences on Islamic Countries of applications of the recently concluded GATT negotiations. We may increase the number of such examples to include them in the COMCEC agenda.

Distinguished Delegates,

We attribute great significance to the economic cooperation efforts to be exerted by the COMCEC in line with the developments and approaches I have outlined above. I am confident that these efforts will have a positive contribution to the development of our countries and on the welfare of our people.

Such cooperation will at the same time facilitate the attainment of the desired peace and stability in the world and in our region.

I would like to take this opportunity to commend the exemplary solidarity that the Organization of the Islamic Conference has shown on the Bosnia-Herzegovina issue. Inhuman aggression committed towards Muslim people of Bosnia-Herzegovina is continuing. These acts of aggression have been strongly condemned and all the necessary diplomatic initiatives were taken to put an end to this tragedy. I would like to express my wish for the continuation of the moral and material help furnished to Muslim people of Bosnia by the Organization and the member countries.

On behalf of the Turkish Government, I would like to reiterate that we shall continue to extend every possible support to the solidarity and cooperation among Member Countries.

To conclude my statement, I welcome you once again and wish you success in your work.

IV

**STATEMENT BY HIS EXCELLENCY MR. OUSMAN N.R. OTHMAN,
ASSISTANT SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE (OIC) ON THE OCCASION
OF THE TENTH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC**

(Istanbul, 14 -16 May 1994)

Original: English

STATEMENT BY HIS EXCELLENCY MR. OUSMAN N.R. OTHMAN,
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OF THE COMCEC

(Istanbul, 14 - 16 May 1994)

Mr. Chairman,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

ASSALAMU ALAIKUM WA RAHMATULLAHI
WA BARAKATUHU.

It is indeed a great honour and privilege for me to address this Tenth Meeting of the Follow-up Committee of the COMCEC which is being held from today in this beautiful and historic city of Istanbul. Allow me first of all, to convey the highest considerations and profound gratitude of H.E. Dr. Hamid Al-Gabid, Secretary General of the OIC to H.E. President Süleyman DEMIREL, the Chairman of the Standing Committee and to H. E. Prime Minister Tansu ÇİLLER, the Alternate Chair Person, for their continued personal and abiding interest in promoting economic and commercial cooperation among Member States of the OIC and for their commitment to the socio-economic progress of the Islamic Ummah.

The tenure of this meeting in Istanbul is yet another manifestation of the invaluable role being played by the Government of Turkey in affairs of the Organization of the Islamic Conference. I would like also on behalf of the OIC General Secretariat and on my own behalf to express our thanks and

appreciation to the Government and the brotherly people of Turkey for the excellent arrangements made for this meeting and for the traditionally warm hospitality extended to us all since our arrival in this country.

Mr. Chairman,

Since its establishment in the Third Islamic Summit in 1981, the Standing Committee for Economic and Commercial Cooperation (COMCEC), has been playing an effective role in enhancing and expanding cooperation and collaboration among OIC Member States in all economic fields. COMCEC in its nine sessions held since 1984 has achieved encouraging results in translating the broad outlines of the OIC Plan of Action into concrete programs and projects of cooperation thus prompting Member States to adopt measures to boost their economic and trade contacts in order to promote and strengthen economic cooperation among themselves.

The success of the COMCEC has been largely due to the effectiveness of this Follow-up Committee which has been monitoring the implementation of decisions and projects and at the same time giving invaluable advise to the General Assembly of this Standing Committee.

It is worth noting that through the initiatives of the Follow-up Committee, COMCEC has been able to embark on some laudable cooperative efforts in all nine 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.

The work of the COMCEC was highly commended by the Kings, Heads of State and Governments of the OIC during their sixth meeting held in Dakar, Senegal in 1991 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. They requested COMCEC to take the necessary steps to formulate new strategies for the Plan of Action to Strengthen Economic Cooperation among Member States of the OIC. 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 formulation and interaction of regional groupings within the Islamic Ummah.

In pursuance of these directives and under the wise and dynamic guidance of the COMCEC, the SESRTCIC, the IDB and other OIC related institutions have prepared a Draft of the New Plan of Action to be proposed to the next COMCEC Session in October this year. Several Experts Group Meetings have been convened to discuss and review the Draft Plan of Action and the last one was held in Jeddah, Kingdom of Saudi Arabia from 9-11 April 1994.

The revised draft Plan of Action finalized in Jeddah Experts Group Meeting, would be presented to this Follow-up Committee Meeting for discussion before its submission to the Tenth Session of the COMCEC for consideration.

This session of the Follow-up Committee will also discuss the proposals for the participation of the private sector in the economic cooperation activities of the OIC. Islamic Chamber of Commerce and Industry (ICCI) which has been mandated by the 6th Summit to help in handling this important matter, convened a meeting in its Headquarters in Karachi in March this year to discuss the modalities for holding private sector meetings as directed by the COMCEC. The Islamic Chamber will present its report on this subject to this Meeting.

Finally, our meeting today will among others, also discuss and consider other important subjects in its agenda such as the Export Credit Insurance and Investment Guarantee Corporation initiated by the DDB and the Establishment of a Trade Information Network Among the Member States of the OIC (TINIC) being undertaken by the ICDT. The Draft Statute for the Standards and Methodology Organization for Islamic Countries (SMOIC) prepared by the Islamic Countries Standardization Experts' Assembly in its last meeting held recently in Istanbul from 26-27 April 1994 will be tabled and examined by the Follow-up Committee.

All these subjects are of fundamental importance in the context of implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States.

Mr. Chairman,

I need not emphasise the importance of our present meeting which will discuss and review the progress achieved on the other important recommendations and decisions of the previous sessions of the COMCEC. I am confident that we will also be able to agree upon specific measures to expedite the implementation of the schemes and projects which have been adopted the framework of the COMCEC.

Allow me Mr. Chairman, to extend a hearty welcome to all the participants to the 10th Follow-up Committee Meeting. I am sure the useful deliberations we are about to embark on will go a long way in strengthening economic and commercial cooperation among the Member States. May Allah the Almighty guide us in these deliberations and shower his blessing on all our endeavours to serve the Islamic Ummah.

Thank you all.

WASSALAMU ALAIKUM WA RAHMATULLAHI
WA BARAKATUH.

V

**AGENDA
OF THE TENTH MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 14 -16 May 1994)

Original: English

**AGENDA
OF THE TENTH MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 14 -16 May 1994)

1. Opening Session
 - Inaugural Statement by the Chairman of the Follow-up Committee.
 - Statement by the Secretary General of OIC.
 - Statements by the Heads of Delegations.
2. Adoption of the Agenda.
3. Background Report by the OIC General Secretariat.
4. Progress Report by the OIC General Secretariat on the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States.
5. Follow-up and Implementation Mechanism for the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States (by SESRTCIC).
6. Progress Report by ICCI on the Private Sector Meetings to be Convened in Conjunction with the Annual Sessions of the COMCEC.
7. Progress Report by IDB on the Establishment of the Export Credit Insurance and Investment Guarantee Corporation.

8. Progress Report by ICDT on the Establishment of a Trade Information Network Among the Member States of OIC (TINIC).
9. Draft Agenda of the Tenth Session of the COMCEC.
10. Any Other Business.
11. Adoption of the Report.
12. End of the Meeting.

VI

**BACKGROUND REPORT BY THE OIC GENERAL
SECRETARIAT TO THE TENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING
COMMITTEE FOR ECONOMIC
AND COMMERCIAL COOPERATION (COMCEC)**

**Tenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 14-16 May 1994)

BACKGROUND REPORT BY THE OIC GENERAL SECRETARIAT
TO THE TENTH MEETING OF THE FOLLOW UP COMMITTEE
OF THE STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION (COMCEC)
ISTANBUL. TURKEY:14-16 MAY 1994)

INTRODUCTION

1. The decision to convene the Tenth Session of the COMCEC Follow-up Committee from 4 to 6 May 1994 was adopted by the Ninth Session of COMCEC held in Istanbul, Republic of Turkey, from 3-4 September 1993, under the Chairmanship of His Excellency Süleyman Demirel, President of the Republic of Turkey and Chairman of COMCEC.

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

3. Immediately 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 the Islamic Ummah.

I. Development of Economic and Commercial Cooperation.

5. Eight out of the nine previous sessions of COMCEC were held concurrently with Ministerial Meetings on Industry, Trade, Food Security and Agricultural Development, Transport, Communications, Energy, Infrastructure and Public Works and Technical Cooperation.

6. The Twenty-First Islamic Conference of Foreign Ministers (ICFM) held in Karachi, Islamic Republic of Pakistan, from 4 to 8 Dhul Qadah 1413H (25-29 April 1993) took note of the Report of the Secretary General on the progress made to date in the implementation of the Plan of Action aimed at strengthening Economic and Commercial Cooperation among Islamic Countries.

7. The Conference called upon Member States to work together in order to promote economic inter-action among Islamic States based on the principle of wider preferential treatment, complementarity and mutual benefit.

8. The 18th 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 of the Plan of Action 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) Labour and Social Security.
- j) Technical Cooperation among OIC Member States.

9. The 18th Islamic Commission noted with satisfaction that COMCEC, under the dynamic leadership of its Chairman, the President of the Republic of Turkey, has been playing an effective role in strengthening and expanding cooperation and collaboration among Member States in the economic and commercial fields.

10. The Commission noted with appreciation that within the framework of the planned activities of the COMCEC for 1994, the following meetings will take place:

Meeting of the Expert Group for reviewing the draft new Plan of Action for the Strengthening of Economic and Commercial Cooperation among OIC Member States from 9-11 April 1994, in Jeddah.

Sixth Experts Meeting on Standardization: 26-27 April 1994 in Istanbul.

Fifth annual meeting of the focal points for technical cooperation among the OIC Member States: 13-16 May 1994 in Istanbul.

Tenth Meeting of the COMCEC Follow-Up Committee: 14-16 May 1994 in Istanbul.

Tenth Session of COMCEC: 22-25 October 1994 in Istanbul

11. What follows under this chapter is a review of the evaluation of economic and commercial cooperation among Member States in the various areas of the Plan of Action.

a) Formulation of a New Strategy for the
QIC Plan of Action

12. The activities of COMCEC were the subject of a thorough examination at the Summit of Dakar in December 1991.

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. The resolution adopted by the Islamic Summit of Dakar on this matter stipulated, 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."

15. Two meetings of the expert group on new strategies for economic cooperation were held respectively in Istanbul in September 1992 and in Cairo in February 1993. A progress report on this question was presented by the General Secretariat at the Ninth Session of COMCEC.

16. The Ninth Session of the COMCEC has:

"a) Approved the document on the "Modalities and Mechanisms of Implementation and Follow-up of the Strategy to Strengthen Economic Cooperation Among OIC Member Countries" as recommended by the Follow-up Committee. In view of its complementarity to the document entitled the "Objectives and Basic Principles of the Strategy" adopted at the Eighth Session of the COMCEC, decides to combine the two documents under the title the "Strategy to Strengthen Economic Cooperation Among OIC Member Countries", and agrees on the need to revise the 1981 OIC Plan of Action, in the light of the past experiences and considering the evolving world economic developments. This revised Plan of Action would constitute an integral part of the New Strategy.

b) Requested SESRTCIC to prepare, in collaboration with IDB, ICDT and other related OIC institutions, the draft of the revised Plan of Action that would be in the form of a policy document covering the main areas of economic cooperation.

c) Agreed that this draft would be considered at a workshop of experts in the field of multilateral economic cooperation with a view to improving the said draft before it is circulated to Member States for their views and comments, and subsequently taken up at an expert group meeting from member countries to be held sufficiently in advance of the 10th Meeting of the Follow-up Committee.

d) Also agreed that, following the review by the 10th Meeting of the Follow-up Committee, the draft revised Plan of Action be submitted to the 10th Session of the COMCEC.

e) Decided that the basic principles and main objectives of the Strategy and modalities of its implementation, be submitted to the 7th Islamic Summit Conference, together with related documents, along with a progress report explaining the work done and the future course of action for finalizing the revision of the Plan of Action.

f) Requested the IDB to sponsor the Workshop, and appeals to member States to host the Expert Group Meeting that has been programmed.^M

17. In order to ensure implementation of those resolutions, an action programme was developed by the subsidiary organs and the concerned OIC institutions. A meeting among these institutions and organs was held in Istanbul from 22 to 24 November 1993 to revise the draft Plan of Action. The meeting examined and amended the draft prepared by the Ankara Centre.

18. The revised draft was the subject of an in-depth examination by a group of eminent experts within the framework of a seminar organised by the IDB in December 1993. On the basis of recommendations from this group of eminent experts Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) prepared a new amended version of the draft of the Plan of Action. A meeting of experts representing all Member States is scheduled to be convened at OIC Headquarters from 9-11 April 1994 in order to examine and eventually finalize the Draft Plan of Action.

19. The finalized draft will be submitted for consideration, to the Tenth Meeting of the COMCEC Follow-up Committee in May 1994. It is hoped that the new Plan of Action will be approved by the Tenth COMCEC and by the Seventh Islamic Summit.

20. The 18th Session of the Islamic Commission for Economic, Cultural and Social Affairs also noted with appreciation of the work being done by the General Secretariat, its Subsidiary Organs and Specialized and Affiliated Institutions in the implementation of the Plan of Action to Strengthen Economic Cooperation Among Member States, and in formulating new strategies for the OIC Plan of Action in pursuance of the directives of the Sixth Islamic Summit.

21. The Commission noted with satisfaction that in conformity with the directives of the Ninth Session of COMCEC, a consultative meeting among related OIC Institutions that was devoted to updating the Plan of Action was held in Istanbul from 22 to 24 November 1993.

22. The Commission also noted with satisfaction that the IDB organized in Jeddah on 20 and 21 December 1993 a High Level Round Table meeting to review the draft new Plan of Action prepared by the Ankara Centre, and that the said draft will be examined by an inter-governmental expert group meeting in April 1994.

23. The Commission appreciated the offer of the Republic of Indonesia to host during the second half of March 1994 the Expert Meeting on the draft New Plan of Action to Strengthen Economic and Commercial Cooperation Among the OIC Member States.

24. The Commission also appreciated the offer of the Republic of Sudan to host the next meeting of Expert in this regard.

25. It is worth mentioning that for unavoidable reasons the Government of the Republic of Indonesia was not ultimately in a position to host the experts level meeting on the New Plan of Action. In view of time constraints which could not allow another Member State to organise the Meeting, the General Secretariat decided to organise the experts level meeting at its Headquarters in Jeddah in order to avoid any delay in finalising the New Plan of Action.

b) Cooperation in the Area of Trade;

i) Trade Information Network for Islamic Countries (TINIC)

26. The Twenty-First Islamic Conference of Foreign Ministers requested the Islamic Centre for Development of Trade (ICDT) to pursue its efforts within the framework of TINIC in collaboration with the Islamic Development Bank (IDB).

27. The Ninth Session of COMCEC appreciates the efforts made by ICDT and IDB in carrying out relevant studies on the TINIC and OIC IS-NET projects and urges the Member States, who had not yet done so, to nominate national focal points for the Trade Information Network for Islamic Countries (TINIC).

28. The Ninth Session of the COMCEC requests ICDT to work out, in close cooperation with the focal points and IDB, taking into account existing resources in member countries and similar operational networks, the preparations needed to set up the required data-bases and report thereon to the Tenth Meeting of the Follow-up Committee.

29. The 18th Islamic Commission for Economic, Cultural and Social Affairs noted with satisfaction that the first steps for the implementation of the Trade Information Network of the Islamic Countries (TINIC) have already been taken and called upon the ICDT to pursue the implementation of this Network in cooperation with IDB.

30. The Casablanca Centre (ICDT) will present a report on the subject to the 10th Session of the Follow-up Committee of COMCEC. Meanwhile it is worth mentioning that a meeting of the Focal Points for TINIC has been scheduled to take place in Casablanca from 19-21 April 1994.

ii) Export Credit Insurance and Investment Guarantee Scheme

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

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

33. The Twenty-First ICFM requested Member States to play an active role in this scheme.

34. The Ninth Session of the COMCEC noted with appreciation that 29 Member Countries had signed the Articles of Agreement establishing the Export Credit insurance and Investment Guarantee Corporation and 8 Member Countries had ratified it. The COMCEC invited Member countries who have not yet done so, to sign and ratify the Articles of Agreement of the Corporation and to pay their respective shares of the capital, so that it can become operational as early as possible.

35. The 18th Islamic Commission for Economic, Cultural and Social Affairs also expressed satisfaction at the fact that the IDB has taken steps for the rapid implementation of the Export Credit Insurance and Investment Guarantee Corporation and recommended to call upon member states to sign and ratify the articles of agreement and to pay their contribution to the capital of the Corporation.

36. The Islamic Development Bank will brief the 10th Session of the Follow-up Committee on this matter.

iii) Multilateral Islamic Clearing Union:

37. The Eighth 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. The same session of COMCEC had approved, in principle, the proposed Agreement and endorsed the recommendation of the Governors of Central Banks and Monetary Authorities, advocating the following:

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

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.

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

39. The General Secretariat also called upon Member States to approach the IDB which has expressed readiness to assist them, in setting up this system on a regional basis. To our knowledge, no country or group of countries has yet reacted to this resolution.

40. The 21st ICFM appealed to Member States to participate actively in this Multilateral Clearing System.

41. The Ninth Session of COMCEC expressed appreciation for the willingness of Islamic Development Bank to provide assistance to Member States wishing to conclude Clearing Union Agreements Among themselves.

42. The 18th Islamic Commission for Economic, Cultural and Social Affairs also welcomed the measures taken by the General Secretariat in collaboration with IDB for the implementation of the Multilateral Islamic Clearing Union and recommended to call upon Member States which are interested in this Project to indicate this as soon as possible to the General Secretariat.

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

iv) Longer Term Trade Financing Scheme (LTTFS).

44. 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 aiming at the active promotion of non-traditional exports among Member States.

45. The scheme has been serving as an effective mechanism to increase intra-Islamic trade. According to information received from Islamic Development Bank, by the end of Hoveober 1993, 23 Member States had joined the scheme with total subscriptions amounting to 160,5 million Islamic Dinar(ID), adding to that the IDB subscription to the scheme (150 million ID), the total subscription to the scheme amounted to ID 310,5 million (US\$ 421,8 million).*

46. The financing maturity varies between 6 and 60 months. From the start of operations under this scheme in 1408H until Zurnada I, 1414H (end November 1993), the financing approved under the scheme totaled ID 267.12 million (approximately US\$362.88 million) for a total of 139 operations.

47. The Twenty-first Islamic Conference of Foreign Ministers invited the member States to participate in various schemes recently launched by the Islamic Development Bank and to benefit from the Longer Term Trade Financing Scheme, Islamic Banks' Portfolio, IDB Unit Investment Fund, the Scheme for Export Credit Insurance and Investment Guarantee along with IDB*s other existing schemes, programmes and operations.

48. The 18th Islamic Commission recommended that Member States be invited to participate in these various schemes recently launched by the Islamic Development Bank so as to get the maximum profit from them.

v) Methodology for Harmonization of Standards.

49. The Fourth Meeting of Experts of OIC member countries in the field of standardization was held from 5 to 6 July 1992 in Istanbul.

50. After some 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.

* 1(One) Islamic Dinar (ID) is equivalent to 1(One) Special Drawing Rights (SDR) of the International Monetary Fund(IMF).

51. The Ninth Session of COMCEC appreciated the efforts made by the Turkish Standards Institution (TSI), acting as the Secretariat for the Harmonization of Standards Among the OIC Member Countries, in finalizing the "Methodology for the Harmonization of Existing Standards in Islamic Countries and the Preparation of Common Standards" in the light of the view and comments forwarded by Member States, and also noted with appreciation that the TSI convened on 4 and 5 April 1993, in Istanbul, the 5th Meeting of Experts' from OIC member countries in the field of standardization.

vi) Fifth Islamic Trade Fair

52. It should be noted that COMCEC, during its Eighth session held in September 1992, welcomed the offer made by the Islamic Republic of Iran to host the Fifth Islamic Trade Fair in 1994.

53. The Twenty-first Islamic Conference of Foreign Ministers urged the Member States to participate effectively in the Fifth Islamic Trade Fair to be held in Tehran, Islamic Republic of Iran in 1994, and requests ICDT/ICCICE to continue to cooperate with the host authorities to ensure the successful holding of this Fair.

54. The Ninth Session of the COMCEC noted with appreciation that the Islamic Republic of Iran is willing to host the 5th Islamic Trade Fair in Tehran from 16 to 20 July 1994, and also requested the ICDT and ICCI&E to continue to extend assistance to the Iranian authorities concerned, with a view to ensuring the success of the event, and appealed to Member States to actively participate in the Fifth Islamic Trade Fair.

55. The Ninth Session of the COMCEC took note with appreciation of the offer made by the Republic of Indonesia to host the Sixth Islamic Trade Fair in 1996, and also took note with appreciation of the offer made by the Republic of Lebanon to host the Seventh Islamic Trade Fair in 1988.

56. The 18th Islamic Commission for Economic, Cultural and Social Affairs recommended that Member States be urged to actively participate in the next Islamic Trade Fair to be held in Tehran, Islamic Republic of Iran, from 16 to 20 July 1994, and that the Islamic Centre for Development of Trade and the Islamic chamber of Commerce, Industry and Commodity Exchange be requested to continue assisting the hosting authorities with a view to ensuring the full success of the Fair.

57. The Commission also recommended that the OIC General Secretariat, the Casablanca Centre, the Islamic Chamber of Commerce, the Islamic Shipowners Association and the Islamic Development Bank be urged to coordinate their action under all forms, including organizing of seminars and workshops, for the optimal exploitation of facilities existing in Tunisia and other member countries in the field of storage, transit and promotion of trade in general.

58. The General Secretariat has informed Member States as well as concerned OIC institutions about the period agreed for the organizing of the 5th Islamic Trade Fair and has invited them to actively participate in the Fair.

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

59. Food Security is one of the top priorities in the OIC Plan of Action.

60. 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.

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

62. 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. Regrettably there has been so far little or no development on this matter.

63. However the problem of food security still remains preoccupying in a number of OIC Member countries, particularly the African ones.

64. In fact the General Secretariat, in collaboration with the IDB, the African Development Bank and the Government of Senegal, 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.

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

- Expressed satisfaction at 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."

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

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

68. An Ad-hoc Follow-up Committee of the Symposium established during the Symposium and 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. Two meetings at an expert level and two at a senior official level have already been held. A circular mission comprising the Government of Senegal, the Islamic Development Bank and the African Development Bank, has already visited a number of countries to make an evaluation of their respective programmes in the area of food security.

69. The Government of the Islamic Republic of Iran offered, at the Seventeenth Session of the Islamic Commission for Economic, Cultural and Social Affairs, held in Jeddah in January 1993, to host in Tehran, the Fourth OIC Ministerial Conference on Food Security and Agricultural Development from 18 to 20 May 1993.

70. At the request of the host country (the Islamic Republic of Iran), the Meeting on Food Security and Agricultural Development was postponed to a later date.

71. The Twenty-First ICFM recommended the implementation of the resolution on Food Security as adopted by the Sixth Islamic Summit.

72. It urged Member States to participate actively in the Fourth Ministerial Meeting on Food Security and Agricultural Development to be held in Tehran, Islamic Republic of Iran.

73. It further strongly urged Member States to implement the decisions adopted at the three previous Ministerial Conferences on Food Security and Agricultural Development and which will considerably contribute to achieving such

objectives in Member States. It urged the Islamic Development Bank to keep extending technical and financial assistance to Member States to help them prepare and implement programmes geared towards achieving food security.

74. The Ninth Session of the COMCEC called upon Member States to implement the recommendations of the Dakar Symposium on Food Security, and requested the OIC General Secretariat to follow up the implementation of the Resolutions of Ministerial Conferences on Food Security and Agricultural Development and submit progress reports thereon to OIC Conferences and the COMCEC.

75. The 18th Islamic Commission took note with appreciation of the readiness of the Islamic Republic of Iran to host the Fourth OIC Ministerial Meeting on Food Security and Agricultural Development and recommended that Member States be urged to actively participate in this meeting. The Commission recommended that this meeting be organized at the earliest convenient date. The General Secretariat is maintaining close contacts with the Government of the Islamic Republic of Iran with a view to fixing the dates of the meeting.

76. The Commission further recommended that in the meantime a meeting of Senior Officials/Experts be convened to examine ways and means of improving cooperation in this field.

77. The Commission recommended the implementation of the resolution on food security adopted during the sixth Islamic Summit. In this context, the Commission noted with appreciation the commendable efforts of IFAD for the elimination of poverty and for ensuring food security in the Least Developed Member States.

(d) Cooperation in the area of Industry.

78. It is to be mentioned that a series of Ministerial Meetings on Industrial Cooperation among OIC Member States have been held over the past few years.

79. 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), the IDB and UNIDO.

80. Conclusions of the Ministerial Meetings as well as the sectoral studies and recommendations of seminars organized by IDB, UNIDO and Islamic Chamber of Commerce are always circulated to the Member States.

81. The General Secretariat, subsidiary organs and affiliated institutions, in collaboration with the relevant ON institution (UNIDO) continue to work together to strengthen cooperation among Member States in the field of industrial development and joint investment.

82. The Ninth Session of the COMCEC noted, in the light of the Report of the OIC General Secretariat, that, in pursuance of the decision of the Third Ministerial Consultation on Industrial Cooperation, the meeting of the "Task Force for the Promotion of Joint Ventures" was convened by IDB in Jeddah on November 1987, which considered in detail the mechanism for the promotion of joint ventures among the Member countries as outlined by the Ministers.

83. The Ninth Session of the COMCEC invited Member States, who have not yet done so, to examine the recommendations of the Task Force on the proposed mechanism and communicate their views and comments thereon to the OIC General Secretariat to facilitate their consideration by the Fourth Ministerial Consultation, and appealed to Member States to host the Fourth Ministerial Consultation in order to finalize this scheme.

e) Cooperation in the area of Transport

84. 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, during the meeting, 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) Railway Transport, and (d) Training in the field of Transport.

85. The General Secretariat is in close contact with the Member States and concerned agencies for the implementation of the decisions of the Ministers of Transport.

86. The Twenty-First ICFM urged Member States to implement the decisions of the First Ministerial Conference on Transport held in Istanbul in 1987.

87. The Ninth Session of the COMCEC called upon Member States and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First Meeting of the Ministers of Transport of Member States, and appealed to Member States to host the Second Meeting of the Ministers of Transport.

f) Cooperation in the area of Communications

88. The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth Session of COMCEC in Istanbul, Turkey in September 1987.

89. The Twenty-First ICFM noted with satisfaction that the Second Ministerial Meeting on Telecommunications in Bandung, Indonesia from 5-8 November 1991 had been convened with success.

90. The General Secretariat circulated the documents of the Bandung Meeting to Member States inviting them to implement the recommendations and keep it informed of any results achieved.

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

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

93. 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.

94. It is also worth mentioning that the Islamic Republic of Iran has offered to host the Third OIC Ministerial Meeting on Telecommunications in Tehran.

95. The Twenty-First ICFM urged Member States to participate actively in the Third OIC Ministerial Conference on Telecommunications to be held in Tehran.

96. The Conference also urged Member States to keep implementing the decisions of the First two Ministerial Conferences on Telecommunications.

97. At the request of the host country (the Islamic Republic of Iran), the Third OIC Ministerial Conference on Telecommunications, which was to be held from 16 to 19 November 1993, has been deferred to a later date.

98. The Ninth Session of the COMCEC called upon Member States and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First and Second Ministerial Meetings on Telecommunications.

99. The 18th Islamic Commission for Economic, Cultural and Social Affairs took note with appreciation of the readiness of the Islamic Republic of Iran to host the "Third Ministerial Meeting on Telecommunications of OIC Member States" in 1994 and urged Member States to actively participate in this important meeting. The Commission further recommended that this meeting be convened at the earliest possible date.

100. The General Secretariat is maintaining close contact with the Government of the Islamic Republic of Iran in order to fix the dates of this meeting.

g) Cooperation in the area of Energy:

101. 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.

102. 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.

103. 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.

104. The Twenty-First ICFM and the 9th Session of the COMCEC urged Member States to work on the implementation of the decisions of the First Ministerial Conference on Energy held in Istanbul in 1989.

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

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

106. 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;

107. 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 their 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."

108. 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 requesting them to implement the decisions taken by the said Conference.

109. The Twenty-First ICFM and 9th Session of the COMCEC urged the Member States to implement the decisions of the First Ministerial Conference on Infrastructures and Public Works held in Istanbul in 1991.

i) Cooperation in the area of Labour
and Social Security

110. 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.

111. 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.

112. The Twenty-First ICFM expressed satisfaction at the offer made by the Government of the Arab Republic of Egypt to host the meeting of the working group on Employment and Manpower Exchange some time in 1993.

113. The General Secretariat remains in touch with the Government of the Arab Republic of Egypt to fix the date of the meeting which hopefully will take place before the end of 1994.

j) Technical Cooperation among OIC
Member States

114. 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.

115. The First Ministerial Meeting on Technical Cooperation, inter alia, 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 on technical cooperation.

116. 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 needs for technical cooperation.

117. 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) and the Fourth was held in Istanbul from 8 to 11 May 1993.

118. The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening that cooperation. The meetings 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.

119. The Government of Turkey circulated to Member States the recommendations of the Meetings.

120. The Twenty-First ICFM recommended that Member States strengthen their technical cooperation with special emphasis on training in the economic, cultural and social fields as well as on the training of instructors.

121. It noted with satisfaction the enthusiastic response of Member States, national and regional agencies and their readiness to cooperate with the OIC General Secretariat and its organs in the implementation of technical cooperation programmes.

122. The 18th Islamic Commission for Economic, Cultural and Social Affairs recommended further strengthening of technical cooperation among Member States with special emphasis on training in economic, cultural and social fields and also in instructor training schemes.

123. In this regard, the Commission welcomed the offers made by Indonesia, Pakistan and other countries in the field of technical cooperation.

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

124. 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 Twenty-First ICFM 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.

125. The Conference urged Member States to ensure speedy signing and ratification of Agreements and Statutes by making use of COMCEC Meetings and to take political and administrative steps to implement them.

126. It also urged Member States which have not yet done so to sign and ratify the Framework Agreement on the Trade Preferential System (TPSOIC) as soon as possible, to enable the necessary negotiations to start.

127. It further urged Member States to join the Agreement on the global preferential trade system among developing countries and to coordinate their stands during negotiations within the framework of that system.

128. The Conference noted with satisfaction the efforts made by COMCEC and the General Secretariat to speed up the signing and ratification of Agreements and Statutes relating to economic and commercial cooperation among Member States.

129. Overall, COMCEC and the General secretariat do all they can to ensure the implementation of Statutes and Agreements existing between OIC Member States.

130. Copies of the various relevant agreements and Statutes were again circulated to Member States with another reminder in July 1993.

131. A table annexed to this report summing up the situation regarding the signing and ratification of the Agreements/Statutes was also circulated to Member States.

132. At the 9th Session of COMCEC, a signing ceremony was organized in order to enable States wishing to do so, to sign the various Agreements/Statutes on economic cooperation among them.

133. In this framework, the following signatures took place during the Ninth session of COMCEC:

The Republic of the Gambia and the Republic of Uganda signed the Framework Agreement on the Trade Preferential System.

The Islamic Republic of Iran and the Republic of Sudan signed the Statute of the Islamic Telecommunications Union.

The Republic of the Gambia signed the Agreement on Promotion, Protection and Guarantee of Investments Among Member States.

The Republic of Sudan signed the statutes of the Islamic Civil Aviation Council.

134. The Ninth Session of the COMCEC urged the member countries which have not yet signed and/or ratified the various Statutes and Agreements in the field of economic cooperation, to do so as quickly as possible.

135. The 18th Islamic Commission noted with satisfaction the efforts of COMCEC and the General Secretariat to speed up the signing and ratification of Agreements and Statutes falling within the framework of Economic and Commercial Cooperation Among Member States.

136. The Commission recommended that Member States continue to draw benefit from COMCEC's annual meetings in order to have the various Agreements/Statutes signed and, at the same time, to call upon the Member States to expedite the procedure of signing and ratification of these Agreements and to take other political and administrative measures to implement them.

137. The General Secretariat communicates below the current situation concerning the signing and ratification of Agreements/Statutes:

i) General Agreement on Economic, Technical and Commercial Cooperation.

138. 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 non-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 became effective as from 18 April 1981.

ii) Agreement on the Promotion, Protection and Guarantee of Investments.

139. 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 19 Member States and ratified by 14. After having been ratified by more than ten (10) countries, the agreement entered into force in February 1988.

iii). Trade Preferential System Among OIC Member States (TPSOIC).

140. Fifteen Member States have already signed the Framework Agreement, namely; Senegal, Turkey, Chad, Indonesia, Libyan Arab Jamahiriya, Sudan, Saudi Arabia, Palestine, Guinea, Tunisia, Jordan, Uganda, the Gambia, Burkina Faso and Morocco; five of them have already ratified it, namely; the Republic of Turkey, the Kingdom of Saudi Arabia, the Libyan Arab Jamahiriya, the Islamic Republic of Pakistan and the Islamic Republic of Iran.

141. The Ninth Session of COMCEC requested the General Secretariat of the OIC to contact Member States with a view to accelerating the completion of the formalities for their adhesion to the Framework Agreement, and invited all Member States to start exchanging, bilaterally or through COMCEC, their respective proposed lists of concessions and to conduct informal consultations on them, as a preparation for the future negotiations on concessions.

142. The 18th Islamic Commission expressed satisfaction that the (TPSOIC) Trade Preferential System Among OIC Member States together with its Annex on Rules of Origin prepared by the ICDT has been approved by the COMCEC and is being signed and ratified by Member States. The Commission recommended that Member States which have not yet signed and ratified the TPSOIC be urged to do so as soon as possible to enable the necessary negotiations to take place.

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

143. This scheme is being implemented by IDB. The Articles of Agreement, to-date, has been so far signed by 29 Member States and ratified by 8 Member States. It is not yet in force.

144. The Ninth Session of the COMCEC invited Member countries who have not yet done so, to sign and ratify the Articles of Agreement of the Corporation and to pay their respective shares of the capital, so that it can become operational as early as possible.

145. The Ninth Session of the COMCEC expressed satisfaction for the efforts exerted by IDB to finalize the organizational and administrative measures needed to establish the Corporation, taking into account the experience and relevant capacities available in the Member countries.

v) Statute of the Islamic Telecommunications Union

146. The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 11 and ratified by 9 Member States; which means that the Statute is not yet in force.

vi) Statute of the Islamic Civil Aviation Council.

147. The Statute of the Islamic Board of Civil Aviation has been signed by 8 Member States only; therefore the Statute is not yet in force.

148. In view of the need to strengthen economic cooperation among Member States, COMCEC may wish to request Member States to speed up the signature and ratification of the various Agreements and Statutes

III. REVIEW OF THE ACTIVITIES OF QIC SUBSIDIARY ORGANS_f SPECIALISED AND AFFILIATED INSTITUTIONS WHICH CONTRIBUTE TO THE IMPLEMENTATION OF QIC PLAN OF ACTION FOR ECONOMIC COOPERATION.

- a) The activities of QIC 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 (ICDT) ,
 - iii) Islamic Centre for Technical and Vocational Training and Research (ICTVTR).
 - iv) Islamic Foundation for Science. Technology and Development (IFSTAD).

149. The Twenty-first 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.

150. The Sixth Islamic Summit for its part had 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.

151. 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 work programmes.

152. The General Secretariat, after the Twenty-first ICFM and the Sixth Summit, circulated the resolutions on this matter to all Member States, requesting them to implement the resolutions and keep the Secretariat informed of any action taken in this context.

153. During 1993/94 OIC subsidiary organs pursued their respective activities in a dynamic manner despite financial problems besetting them all.

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

155. The 18th Islamic Commission was apprised of the increasing number of joint activities among the OIC organs and agencies, and encouraged them to pursue efforts in this direction.

156. The Commission reiterated concern over the persistent financial difficulties faced by OIC Subsidiary Organs due to the non-payment of mandatory contributions and other arrears of Member States, a situation which continue to hamper the realization of the work programmes of these institutions.

157. The Commission recommended that the 22nd Islamic Conference of Foreign Ministers adopt appropriate resolutions in this respect.

(b) THE ACTIVITIES OF OIC SPECIALIZED
INSTITUTIONS IN THE DOMAIN OF
ECONOMIC COOPERATION:

The Islamic Development Bank (IDB).

158. 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.

159. 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.

160. The Twenty-First Islamic Conference of Foreign Ministers held in Karachi, Islamic Republic of Pakistan last April 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.

161. The Conference urged Member States to subscribe to the 2nd capital increase and pay their arrears of contributions and to honour other financial pledges vis-a-vis this institution.

162. The Conference further urged 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.

163. The Eighteenth Annual Meeting of the Board of Governors of the Islamic Development Bank (IDB) was held from 2 to 4 November 1993, in Banjul, Republic of the Gambia, and adopted a number of measures aimed at strengthening the Bank's action for the development of the Member States.

164. It may be noted in this respect that the IDB has been laying greater and greater emphasis on the development of the private sector in the Member States.

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

- (i) Islamic Chamber of Commerce, Industry, and Commodity Exchange (ICCI).
- (ii) Islamic shipowners Association.
- (iii) International Association of Islamic Banks.

165. During 1993/94 OIC affiliated institutions pursued their activities, each in its respective domain, in a satisfactory manner, despite the financial problems facing them.

166. These institutions also continue to play an active role in the activities of COMCEC, especially in the preparation of Key Strategies for the Plan of Action aimed at Strengthening Economic Cooperation Among Islamic Countries.

167. The Twenty-First 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.

168. 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 circulated this resolution to Member States, requesting them to implement it and keep the Secretariat informed about whatever has been done in this connection.

169. In view of the increasingly important role played by the private sector in the economic cooperation among Member States, the Conference recommended that the latter continue to support and assist the Islamic Shipowners Association, the Islamic Chamber of Commerce and the International Association of Islamic Banks.

170. The Conference 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. The Islamic Shipowners Association has already taken a number of initiatives in implementing this resolution of the Twenty-first Islamic Conference of Foreign Ministers.

171. Within the framework of the new strategy of the Plan of Action, cooperation and coordination should be strengthened among subsidiary organs, specialized and affiliated institutions involved in economic and commercial activities with a view to boosting their joint action aimed at contributing to the development of Member States.

172. The 18th Islamic Commission, in view of the increased role to be played by the private sector in economic cooperation among Member States, recommended that Member States give full support and assistance to the Islamic Shipowners Association, the Islamic Chamber of Commerce and the International Association of Islamic Banks.

173. The Commission expressed satisfaction with the initiatives taken by the Islamic Shipowners Association for the establishment of Islamic Maritime Companies and called upon Member States to support this initiative and encourage Islamic Shipping Companies to actively participate in this important project.

174. In this context, the Islamic Commission recommended that the Twenty-Second Islamic Conference of Foreign Ministers may urge the Member States to better coordinate their stands at future international negotiations concerning maritime transport with the objective of better preserving the individual as well as collective interests of the Member States.

IV. Assistance to some Islamic Countries.

- a) Economic problems of the Palestinian People in the Occupied Palestinian Territories, the Syrian citizens in the occupied Syrian Golan and the Arab citizens in the other occupied Arab territories

175. The economic situation of Arab peoples in occupied Palestine, occupied Syrian Golan and other occupied Arab territories continue to get worse.

176. The Twenty-First Islamic Conference of Foreign Ministers having examined the report of the General Secretariat on this question 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 with a view to solving the economic problems of these territories and to ensure their economic development to enable them to resist and remain on the soil of their occupied fatherland.

177. The Conference 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 the European Union.

178. The General Secretariat circulated this Resolution to Member States and agencies concerned, requesting them to implement it and keep it informed thereof. The General Secretariat is carefully following the implementation of this resolution.

179. Having considered the General Secretariat's report on this question, the 18th Islamic Commission recommends that the Twenty-Second Islamic Conference of Foreign Ministers may:

- " (i) Welcome and appreciate the assistance extended by Member States, United Nations institutions and international organizations, and request them to maintain all forms of support to the Palestinian people in order to solve the economic problems in the occupied territories and ensure economic development;

(ii) Urge Member States and the international community to extend urgent financial assistance to the Palestine Liberation Organization and the Palestinian people to enable them to build up their independent national economy in the forthcoming transitional period; in particular, infrastructure, industrial, agricultural and energy development, and housing projects;

(iii) Reaffirm previous resolutions aimed at extending all forms of economic, technical, material and moral support, assistance and backing to the Palestinian people and grant Palestinian producers preferential treatment in terms of tax and customs duty exemption as is done by the European Union;

(iv) Urge Member States and international organizations to promptly extend every necessary assistance to the Syrian citizens living in the Occupied Syrian Golan."

b) Assistance to Lebanon

180. The XXIst Islamic Conference of Foreign Ministers appealed to the international community for more generous contribution to the International Fund for the Reconstruction of Lebanon, in order to make this Fund operational.

181 The 9th Session of COMCEC also adopted resolution in favour of Assistance to Lebanon.

182. The 18th Islamic Commission for Economic, Cultural and Social Affairs took note of the pertinent resolutions adopted by the 21st Islamic Conference of Foreign Ministers and the 9th Session of the COMCEC on this question and recommended that the Twenty-Second Islamic Conference of Foreign Ministers may:

"- REAFFIRM its previous resolutions calling for financial economic and humanitarian assistance to Lebanon, in the light of its needs for vocational training, and in economic and technical fields.

REAFFIRM the appeal made by the 21st Islamic Conference of Foreign Ministers to the International Community calling for a generous contribution to the International Fund for the Reconstruction of Lebanon to ensure the effectiveness of this Fund..

INVITE Member States of the Organization of the Islamic Conference to continue to provide all forms of urgent assistance in kind and in the form of financial assistance to Lebanon so that it may rebuild what the recent Israeli aggression has destroyed, and enable those whose homes were wrecked to return to their land and pursue their resistance."

c) Assistance to Somalia

183. The Twenty-First ICFM held in Karachi, Islamic Republic of Pakistan, last April, appealed to the international community, particularly OIC Member States, to contribute to the reconstruction and rehabilitation of Somalia by continuing to extend urgently needed humanitarian assistance, especially in the form of food and medicine with a view to enabling this country to rebuild its schools and other institutions and enrol all its youth in general training establishments in Somalia while granting scholarships., for higher education in Member States Universities.

184. The Ninth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC)', held in Istanbul in September 1993 deeply concerned at the critical situation in Somalia and expressing the desire for early restoration of peace and order in that brotherly member country;

"a) APPEALED to the OIC Member States, to provide material and other assistance on an emergency basis to Somalia to end the human suffering in this muslim country.

b) COMMENDS those Member States that have already been providing aid and assistance to the People of Somalia."

185. The 18th Islamic Commission for Economic, Cultural and Social Affairs took note of the pertinent resolutions adopted by the 21st Islamic Conference of Foreign Ministers and the 9th Session of the COMCEC in favour of Assistance to Somalia.

186. The Commission recommended that the Twenty-Second Islamic Conference of Foreign Ministers may reaffirm the relevant provisions of its earlier resolution on this question, and, in this respect to:

"- Appeal to the OIC Member States, to provide material and other assistance on an emergency basis to Somalia to end the human suffering in this Muslim country.

- Commend those Member States that have already been providing aid and assistance to the people of Somalia.

Invite the international community to extend every necessary assistance to Somalia so as to enable it to rebuild its economic and social infrastructure and to put an end to the tragic situation in Somalia."

d) Assistance to the Muslims of Bosnia-Herzegovina

187. The 18TH Islamic Commission for Economic, Cultural and Social Affairs recalled that the Ninth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) held in Istanbul, Republic of Turkey, in September 1993, expressing its profound concern at the critical situation arising from the continuing aggression by Serbia and Montenegro against the Republic of Bosnia-Herzegovina and at the flagrant violations of the human rights of the people of Bosnia-Herzegovina, particularly Muslims living in that Republic and deeply alarmed at the serious deterioration of the living conditions of the defenseless civilian population of Bosnia-Herzegovina;

'a) EXPRESSED its deep concern at the killings, torture, and expulsions of the Muslim population which is being forcibly prevented from returning to their homes in the Republic of Bosnia-Herzegovina, thus changing the demographic structure of the country.

b) APPEALED to the Member States, Islamic institutions and philanthropists to make generous donations alongside financial aid programmes for the early implementation of the Islamic Development Bank Programme for providing humanitarian and reconstruction assistance to the Government and people of the Republic of Bosnia-Herzegovina.

c) EXPRESSED its appreciation for the assistance provided by the OIC Member States and for the commendable efforts of those Islamic and other international humanitarian bodies in providing relief and assistance to the victims of the aggression in Bosnia-Herzegovina.

d) CALLED UPON the International Community to take immediate efficient measures to stop forthwith the genocide and crimes against humanity in Bosnia-Herzegovina.

e) DEMANDED that the sovereignty, territorial integrity and the political independence of the Republic of Bosnia-Herzegovina be preserved and protected."

188. The 18th Islamic Commission for Economic, Cultural and Social Affairs has recommended to the 22nd Islamic Conference of Foreign Ministers to reaffirm the terms of previous resolutions adopted by the OIC in this respect and adopt a resolution in favour of Assistance to Bosnia-Herzegovina.

(e) Economic Assistance to the Republic of Albania.

189. The Twenty-First ICFM held in Karachi, Islamic Republic of Pakistan expressed its support to the Albanian people who are going through dire economic hardships during its transitional phase to market economy.

190. The Conference appealed to the Member States, Islamic institutions and other international organizations to extend a generous economic assistance to Albania.

191. The Ninth Session of COMCEC:

"a) EXPRESSED its strong support to the people of Albania beset by major economic difficulties at the present phase of their transition towards a market economy; -

b) URGED OIC Member States, Islamic Institutions and International Organizations to grant generous contributions in the form of economic assistance to the Albanian government so that it may successfully implement its development programme."

192. The 18th Islamic Commission for Economic, Cultural and Social Affairs took note of the pertinent resolutions adopted by the 21st Islamic Conference of Foreign Ministers and the 9th Session of COMCEC in favour of Assistance to Albania.

193. The Commission recommended that the Twenty-Second Islamic Conference of Foreign Ministers may urge the OIC Member States, Islamic institutions and international Organizations to accord generous economic assistance to the Albanian Government so that it may successfully implement its development programme.

194. To this end, the Commission also urged the Member States to make contributions to the Special Fund that has been set up for the development of Albania.

f) Economic Assistance to Afghanistan.

195. The 18th Islamic Commission for Economic, Cultural and Social Affairs having taken cognizance of resolutions of 21st Islamic Conference of Foreign Ministers and the 9th Session of the COMCEC in this respect recommended to the 22nd Islamic Conference of Foreign Ministers, taking into account the fact that Afghanistan is currently faced with serious constraints due to 14 years of war and noting that about 70 to 85% of its economic and social infrastructures have been destroyed, to urge the Member States to provide assistance to Afghanistan to help it alleviate the sufferings of its people and rebuild the country's economic and social infrastructure.

g) Economic Assistance to the Republic of Azerbaijan:

196. The 18th Islamic Commission took note of the resolution adopted by the Ninth Session of the COMCEC; it recalled the Resolution adopted at the 21st Islamic Conference of Foreign Ministers regarding the situation in Azerbaijan resulting from the aggression of neighbouring Armenia and confirming full solidarity of the Member States of the OIC with the Government and the people of Azerbaijan in this grave and very critical time of the country's history and recognizing the need to demonstrate in more concrete terms the solidarity of the OIC Member States with the Government and people of Azerbaijan.

197. The Commission recommended that the Twenty-Second ICFM appeal to the Member States and Islamic Institutions to make available to the Government of Azerbaijan the much needed economic assistance with a view to alleviating the suffering of the Azeri people.

198. The Commission recommended- that the international organizations give urgent humanitarian and financial assistance to Azerbaijan.

h) Economic Assistance to the Republic of Uganda;

199. The 18th Islamic Commission noted that the Ninth Session of COMCEC had taken cognizance of the fact that the Government of the Republic of Uganda is currently experiencing serious strain on her meagre resources as a result of taking care of the heavy numbers of refugees from neighbouring countries who flock into the country. It recognized that Uganda is now harboring large, numbers of refugees which may gradually increase with the continuation of the disturbances in the area.

200. The Commission invited the Member States and international organizations to grant urgent financial and economic assistance to Uganda to enable her to cope with the refugee problem and other related consequences.

201. It should be pointed out that the OIC General Secretariat initiated the steps required to implement these various resolutions on assistance to Member States and circulated the resolutions adopted by the XXIst Islamic Conference of Foreign Ministers requesting Member States to implement them and keep the Secretariat informed.

202. The General Secretariat also circulated the same resolutions to the OIC Permanent Representative to the UN and to OIC specialized and/or affiliated and subsidiary organs for their implementation.

203. The General Secretariat requests Member States extending bilateral assistance to States concerned to kindly inform the Secretariat so as to enable it to update its records and records and keep other Member States informed through OIC organs.

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VII

DRAFT PLAN OF ACTION TO STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION AMONG THE MEMBER COUNTRIES OF THE ISLAMIC CONFERENCE

**Tenth Meeting of the
Follow-up Committee of the COMCEC**

DRAFT PLAN OF ACTION
TO STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION
AMONG THE MEMBER COUNTRIES OF THE ORGANISATION
OF THE ISLAMIC CONFERENCE

PREAMBLE

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

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

- (1) Realising food security for and raising the standard of living of the Muslim population with a special emphasis on the eradication of poverty, famine and malnutrition in the Islamic world.
- (2) Realising increased and diversified production in various productive and service sectors of the economies of the member countries and promoting trade exchanges within the community.
- (3) Enhancing financial flows by reducing constraints on capital movements and investments among member countries.

- (4) Reducing the development gaps that exist within the OIC community to facilitate smoother and more effective economic and commercial cooperation amongst the member countries themselves.
- (5) Improving the quality of human capital and reducing the technology gap between the OIC community and the developed world by enhancing the level of Research and Development activities.
- (6) Promoting and expanding economic cooperation among the member countries in such a way as to realise a gradual integration of the economies of the OIC countries with a view to setting up an Islamic Common Market or any other form of economic integration, on a step-by-step and initially regional basis. This approach would not only help overcome the possible negative impacts on the OIC countries of the accelerating pace in the formation of global economic groupings, but also support the aspirations of the OIC community for a larger share in world economic activity and a more equitable division of labour vis-a-vis the rest of World.

In the context of a multilateral action plan such as the present one, the realisation of such overall objectives would require more detailed objectives to be set at the level of sectors and areas of cooperation that would ensure the eventual attainment of the overall macro objectives. Consequently, in the present document, a number of objectives are enumerated at the sectoral level aiming to cover the basic and major issues of concern to the member countries in that particular sector or area, with a cooperative focus to the extent possible. The emphasis on joint action and cooperation is more pronounced in the action programmes under each sector. Yet, because of the encompassing nature of the sectoral objectives, while the programmes had to be kept of indicative in nature, leaving the formulation of the specific projects to member countries, it was found neither possible nor necessary to secure a one-to-one-correspondence between the objectives and the action programmes.

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

SECTORAL OBJECTIVES AND PROGRAMMES OF ACTION
FOOD, AGRICULTURE AND RURAL DEVELOPMENT

PROBLEMS AND ISSUES

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

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

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

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

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

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

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

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

OBJECTIVES

1. Make maximal utilisation of the existing potentials for food production to attain collective self-reliance and continuity of supply in food at the OIC level, and the improvement of overall agricultural performance in the member countries.

2. Ensure and maintain food security in line with the Declaration of the OIC Food Security Decade.

3. Cooperate to help reduce and eventually eradicate mass rural poverty and to improve the nutrition standards in the OIC community. Containment and moderation of the persistent trend of massive and continuous rural-urban migration resulting from inter-sectoral income differentials would be vital in this respect.

4. Develop measures individually and collectively to contain the devastating effects of natural calamities and of harmful natural phenomena, and to combat plant and livestock diseases and widespread pest infestation which lead to crop failures in the member countries and the OIC region.

5. Create and expand the inter-linkage of the agricultural sector with the rest of the national economy through establishment of joint ventures, by giving a role to private sector, especially in agro-based and agro-related industries, and by developing and improving infrastructure, marketing, storage and transport facilities in the rural areas.

PROGRAMMES OF ACTION

1. Promoting and expanding cooperation in the area of agricultural research and development of joint activities, by giving a pivotal role to the private sector.

2. Developing modalities of cooperation and joint action among the member countries to enhance food security, promote collective self-reliance and ensure continuity of supply in food for the OIC community.
3. Overcoming major threats to food production caused by plant and animal pests and diseases through Early Warning Systems and other coordinated mechanisms among interested member countries.
4. Identification and implementation of joint ventures in the area of food and agricultural production, with the active participation of the private sector, that will optimally utilise the existing resources and potentials in the OIC member countries in order to expand output and improve productivity in various sub-sectdrs.
5. Promotion of investments in rural infrastructure by making use of the existing facilities within OIC including those at IDB, and development of agricultural credit systems.
6. Improving the functioning of the overall market systems through appropriate economic policies and measures to help overcome the biases that impede agricultural production, development and foreign investment in agriculture.

INDUSTRY

PROBLEMS AND ISSUES

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

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

Furthermore, amongst the OIC countries, not only linkages are lacking, but even basic information on needs and potentials, even in the case of close neighbours, is quite

often missing, causing opportunities for cooperation and mutual gain to remain unutilised.

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

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

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

OBJECTIVES

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

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

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

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

5. Enhance the level of technology in industrial production and try to reduce the growing technology gap with the developed countries by developing and

strengthening endogenous technological capabilities in the member countries through joint action.

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

PROGRAMMES OF ACTION

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

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

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

4. Organisation of periodic and specialised investment forums under COMCEC, as a catalytic media for the interested parties and agents from the public and private sectors in the member countries, relating to the establishment of joint and other industrial ventures in areas most commensurate with the needs and capacities of the member countries.

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

ENERGY AND MINING

PROBLEMS AND ISSUES

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

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

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

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

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

OBJECTIVES

1. Encourage greater cooperation among member countries in more efficient exploration and exploitation of their energy and mineral resources, as they deem appropriate, as well as in their processing and production, with a view to making optimal use of their existing resources potentials. In this respect, special attention should be paid to the needs of the least developed member countries as well as to the development of alternative sources of energy for rural areas.
2. Encourage the development of the most efficient methods of energy utilisation by improving the methods of energy management and conservation.
3. Encourage the interested member countries to establish and expand regional and sub-regional networks for distribution of energy among themselves.
4. Encourage and support Research and Development (R&D) activities, within the OIC community, on sources of energy.
5. Develop and strengthen activities relating to the development, transfer and adaptation of related technologies at the country level and through cooperative schemes among OIC countries.

PROGRAMMES OF ACTION

1. Promoting cooperation among the member countries in order to ensure a more efficient supply, distribution and utilisation of energy and processing of minerals on a sub-regional and regional basis.
2. Securing cooperation and coordination between the scientific research and development centres in the member countries, with a view to consolidating and enhancing the overall R&D capacity in the OIC countries.
3. Endeavouring to secure financial support for the implementation of the energy and mining development projects in the member countries.

FOREIGN TRADE

PROBLEMS AND ISSUES

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

One reason is lack of diversification in production in the individual countries and similarities among groups of OIC countries. Many of them, especially the Least Developed group, produce a limited range of primary commodities as exportables. This puts a serious limit on expanded trade relations with other OIC partners.

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

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

OBJECTIVES

1. Endeavour to promote trade flows among the OIC countries and the diversification of tradables, keeping in view the mutuality of advantages, respective levels of economic development and the international obligations of the member countries.
2. Expedite the implementation of the Trade Preferential System Among the OIC Countries.

3. Promote and encourage free trade and export processing zones in the Member countries and encourage private sector investments in these zones by parties from other member countries.

4. Develop measures to minimise the problems being faced by the Land-locked member countries by facilitating effective cooperation between these countries and their transit neighbours..

5. Coordinate the views and positions of the member countries in various international fora, in the context of multilateral trade negotiations and/or discussions, particularly within the GATT and World Trade Organisation, with a view to increasing the global share of the OIC member countries and securing better terms for them.

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

PROGRAMMES OF ACTION

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

2. Continuation of the regular Organisation of the Islamic Trade Fairs on a regular basis by ICDT, in collaboration with ICCICE and other relevant bodies.

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

TRANSPORT AND COMMUNICATIONS

PROBLEMS AND ISSUES

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

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

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

OBJECTIVES

1. Strengthen the existing transport, telecommunications and postal connections, promote direct linkages, to the extent possible, among member countries, and establish new facilities and services through joint action at bilateral and multilateral levels.
2. Develop joint schemes and coordinated arrangements, on a sub-regional and regional basis among the consenting member countries, in selected sub-sectors, with a view to expanding and linking them up at the OIC level at a later stage, as and when it would be deemed desirable and feasible.

3. Support and facilitate the establishment of joint private ventures in the area of shipping, and related maritime activities, including the consideration of the establishment of an Islamic Shipping Company could be considered.

4. Facilitate the establishment, through private sector cooperation, of joint ventures in the member countries in the manufacturing of vehicles, machinery and equipment and of* building materials relating to transportation and communications, as well as manufacture of high technology electrical and electronic components and telecommunications equipment.

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

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

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

PROGRAMMES OF ACTION

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

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

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

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

TOURISM

PROBLEMS AND ISSUES

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

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

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

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

OBJECTIVES

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

PROGRAMMES OF ACTION

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

MONEY. FINANCE AND CAPITAL FLOWS

PROBLEMS AND ISSUES

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

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

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

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

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

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

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

OBJECTIVES

1. Facilitate the flow of financial resources and direct foreign investment flows among the member countries through gradual removal of restrictions on capital movements and ensuring investment protection and guarantees.
2. Promote and develop capital markets, and improve access thereto by other member countries, with a view to encouraging investments on the basis of mutual benefits and sound commercial practice.
3. Develop and promote various means of financial intermediation, such as insurance companies, mutual funds and investment companies, to help widen and deepen the financial markets.
4. Strengthen direct cooperation among the conventional and Islamic financial institutions in the member countries in the area of capital movements, direct finance and payments' arrangements for trade financing.
5. Develop cooperation between Islamic countries to help find effective solutions to the debts of the least developed member states. In this framework, possibilities for developing an OIC sponsored strategy could be explored.

PROGRAMMES OF ACTION

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

TECHNOLOGY AND TECHNICAL COOPERATION

PROBLEMS AND ISSUES

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

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

Furthermore, the basic science and technology infrastructure in the OIC countries is neither large enough nor sufficiently strong to bring about the necessary quantum leap towards self-reliance, although all of them need a strong science and technology base to be able to solve their problems relating to food, shelter, fuel, energy, health, population exploitation of natural

resources and in boosting up their agricultural and industrial production. For all this a critical operational size of scientific capability and level of technology is required in any country. It is also important for the OIC countries to develop such capabilities in order to break their dependence on imported technologies and to improve the efficiency of production.

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

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

OBJECTIVES

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

5. Strengthen public and private national institutions and establishments in the member countries to enhance and develop the creative capacity for absorption, adaptation and development of technology.

6. Reduce and reverse the "brain-drain" from the OIC community.

7. Endeavour to ensure appropriate financial resources to help meet the needs of technical cooperation activities in the OIC community.

PROGRAMMES OF ACTION

1. Developing the national science base and technology development capability in the member countries to effect positive impacts on economic growth and sustainable development.

2. Strengthening of the national institutions operating in the area of technical cooperation and technology with a view to enhancing and building up their capacities and capabilities to facilitate cooperation among member countries.

3. Creation of the conducive environment in the member countries for the promotion and expansion of technical cooperation and technology related activities among them.

4. Designating national focal points, by those member states which have not yet done so, to act as major reference points in the process of exchanging information and experience and for the identification of national needs and capacities in the OIC community with respect to technical cooperation and technology related activities.

5. Promoting, expanding and developing technical and technological cooperation activities and programmes among the member countries taking into proper consideration of the activities and programmes of the COMSTECH.

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

HUMAN RESOURCE DEVELOPMENT

PROBLEMS AND ISSUES

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

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

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

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

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

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

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

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

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

OBJECTIVES

1. Consider human welfare as the ultimate objective of effective development so that the policies to be conceived would be human-centred, offering equal opportunities to all the people, with full participation in economic, social and cultural life.
2. Contain and eventually eradicate mass poverty by, inter alia, gradually reducing the urban-rural and intra-country regional income disparities.
3. Integrate population policies into national development strategies, plans and programmes, linking them with programmes on child survival, health, education, housing and employment.
4. Give special emphasis to the development of basic education, in particular primary education, integrating training in basic skills into the curricula.
5. Eradicate adult illiteracy within a defined time-frame by means of well-designed adult literacy programmes.
6. Improve and develop education and training standards in the member countries, especially those in the Least Developed ones, in order to enhance and develop the human capital and overall skill capacities, with a view to catering simultaneously to the man-power needs at the national as well as OIC levels.

7. Elaborate detailed national health strategies and policies to ensure health for all and, in this context, strengthen and develop primary health care and mother and child care, with greater emphasis put on preventive measures and provision of basic minimal living conditions and health facilities.

8. Facilitate the participation of women in development both by improving the education of women and programmes directly targeted at them, and by ensuring that general economic and social programmes fully take into account the role of women.

9. Support and participate in the multi-faceted UN-OIC Programme on Human Resources Development.

PROGRAMMES OF ACTION

1. Endeavouring to eradicate poverty and improve the nutrition status in the OIC member countries.

2. Development of integr'atged multi-dimensional programmes on basic education and training in the OIC member countries.

3. Improving the quality and efficiency of secondary and higher education to enhance the quality of human capital in the OIC community, with arrangements for assistance and cooperation among member countries.

4. Formulation and implementation of extended health, mother and child care programmes for all in the OIC community, with cooperation and assistance among OIC countries.

ENVIRONMENT

PROBLEMS AND ISSUES

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

Yet, the issue is not so simple, not only because mankind is not yet prepared to put voluntary limits on its development aspirations, but also because ways and means of changing production and consumption patterns to fit the requirements of sustainability are not yet fully defined and developed.

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

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

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

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

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

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

On the social and economic sphere, the number of poor in the world continues to grow despite a quintupling of the global economy's output since 1950. The gap between rich and poor countries is continuously increasing for the most part of the developing countries. More than 1 billion people still live in abject poverty and suffer extensively from inadequate access to the basic facilities and amenities of decent living, like education, health services, infrastructure, land and credits that are required to give them a chance for a better life. One-third of the world's population has inadequate sanitation and one billion people are living without safe water.

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

O B J E C T I V E S

1. Cooperate in a spirit of global partnership to help conserve the global environment and protect the health and integrity of the Earth's ecosystems.

2. Encourage greater cooperation and joint action among member countries, in the following areas, keeping in view the vital requirements of the individual countries:

- a. Planning and improved management of land resources,
- b. Protection of the quality and supply of fresh water,
- c. Combating desertification, drought and deforestation,
- d. Conservation of bio-diversity,
- e. Protection of oceans, seas, coastal areas and development of marine life and other resources,
- f. Protection of the atmosphere,
- g. Environmentally sound management of toxic chemicals, hazardous and solid wastes, including radioactive wastes.

3. Cooperate to the fullest possible extent, in order to strengthen national and regional capabilities for environmental management and development, as an instrument of using optimally the natural resources that the member countries need for their overall development.

4. Cooperate extensively for introducing, promoting and disseminating environmental education and increasing the public awareness about the protection and preservation of the environment.

5. Encourage and support cooperation and joint action in the field of designing and implementing pilot projects for integrated natural and maritime resource management including the exploitation of sea beds and oceans.

6. Initiate and develop joint action to promote research for enhancing institutional reform that will help facilitate capacity-building and development of technical know-how in the field of environment.

7. Develop new modalities to stimulate and promote the private sector participation in cross-cutting issues of environment, development, technology and social change.

8. Cooperate in the transfer and development of environment-friendly technologies that will use natural resources efficiently and do least damage to the environment.

9. Cooperate in order to strengthen the scientific base for sustainable management of environmental resources, assessment and building up of scientific capacity and capabilities, at the national and community levels.

PROGRAMMES OF ACTION

1. Designing of special programmes on environmental issues among the member countries in the areas of education, training and technical cooperation.
2. Establishment and developing direct contacts and cooperation, at the regional and OIC level, among the scientific and technological communities and decision-makers on the issues related to the environment
3. Development of cooperative schemes among the member countries for combating emergencies and other developments that threaten to create environmental hazards and cause damage to public health.
4. Integrating environmental considerations into economic development plans, programmes and policies, as well as in specific areas of economic activity, at the national level, and in the OIC economic cooperation activities and joint action.

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VIII

FOLLOW-UP AND IMPLEMENTATION MECHANISM FOR THE DRAFT PLAN OF ACTION TO STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION AMONG OIC MEMBER STATES

**Tenth Meeting of the
Follow-up Committee of the COMCEC**

THE FOLLOW-UP AND IMPLEMENTATION MECHANISM OF THE
PLAN OF ACTION TO STRENGTHEN ECONOMIC AND
COMMERCIAL COOPERATION AMONG THE MEMBER COUNTRIES
OF THE ORGANISATION OF THE ISLAMIC CONFERENCE

Background

1981 Plan of Action had not foreseen a detailed implementation and follow-up mechanism, and had simply mandated the OIC General Secretariat with this function. COMCEC, in its first Session held in November 1984, had established a ministerial level Follow-up Committee composed of the Member States represented in its Bureau. Following that, the COMCEC developed a practice where different areas of the 1981 Plan were taken up at ministerial meetings held concurrently with its annual sessions, while the COMCEC considered, in its own sessions, basically those issues relating to trade cooperation. Subsequently, these Ministerial Meetings were held in member countries willing to host them. The progress in the implementation of the projects on the agendas of these meetings was reported by the OIC General Secretariat to the COMCEC. This follow-up mechanism was capitalised in the Rules of Procedure of the COMCEC adopted at the Sixth Islamic Summit Conference.

Despite the regular operation of the above mechanism relating particularly to the convening of the meetings, various structural and organisational weaknesses, shortcomings and difficulties affecting the OIC system as a whole during the last 10 years prevented the realisation of concrete progress and tangible results relating to economic cooperation among the member countries. As a result, the follow-up mechanism being applied by the COMCEC was also negatively affected by this overall environment, thus leading to the rather slow progress realised in the implementation of the projects, particularly those on the agendas of the ministerial meetings held under the umbrella of the COMCEC. Moreover, developments in the world economic and political scene following the end of Cold War and the emerging regionalism of the recent years, might have exacerbated the negative impacts in this regard.

Principles

Taking the above factors into consideration, the Strategy to Strengthen Economic Cooperation Among the OIC Member Countries, adopted at the Ninth Session of the COMCEC, enumerated certain principles, basic objectives and operational modalities that aim to help accelerate the process of implementation and to consolidate the political will of the member states regarding OIC cooperation. Some of the principles and operational modalities of the Strategy, to serve as the guiding elements of a new follow-up mechanism and to be made an integral part of the new OIC Plan of Action, would be the following:

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

- c) 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.
- d) The COMCEC will undertake a periodic review of the Strategy, as well as the Plan of Action, by evaluating implementation in the light of the results achieved, and will take appropriate decisions regarding future action.

The Mechanism of Follow-up and Implementation

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

- a) Following the finalisation and adoption of the Plan of Action by the COMCEC, an expert group meeting (EGM) would be held in each area of cooperation of the Plan of Action in member countries that would be willing to host them with a view to:
 - (i) reviewing the requirements for implementing the provisions of the Plan of Action pertaining to the related sector or area of cooperation, and making proposals, when necessary, to enhance cooperation in this area,
 - (ii) identifying sub-sectors suitable for implementation of projects that would be realisable in a reasonable period of time;
 - (iii) identifying the member countries that would show interest and be ready to participate in the activities/projects in the already-agreed sub-sectors;
 - (iv) constituting "project committees" in the already-identified sub-sectors to prepare the necessary studies for specific projects, using the capacities of the relevant OIC institutions, as may be needed, and to propose the required steps for the implementation of the said projects.
 - (v) identifying the member countries that would be willing to host the meetings of the "project committees" at the expert level, and to carry out the coordinating functions in relation to these committees, in close cooperation with the OIC General Secretariat
- b) In order to initiate the EGMs, COMCEC, in its session where the Plan of Action is adopted, would call upon the member states that are the current chairmen of the ministerial meetings held previously to host the initial EGMs in the related areas. In case some of the above countries would not be in a position to initiate these meetings, and in those areas of the Plan of Action where no ministerial meetings were held previously, a similar call would be made to other countries that would be willing to initiate the required EGMs.
- c) The EGMs would report to the COMCEC, through its Follow-up Committee, to ensure coordination regarding possible relations and inter-linkages among the activities of different "project committees". The project committees would also submit to the COMCEC progress reports on the implementation of the agreed projects. This review by the COMCEC should not cause any delays and postponements in the implementation process.
- d) The actual participation of businessmen themselves would be vital in relation to the areas of cooperation of the new Plan of Action, at the level of EGMs and especially in the "project committees", not only to benefit from their experience

and insight in the area of specific project identification and development, but to promote direct links among them, as the ultimate actors of cooperation.

- e) Involvement of the financing institutions in this process, preferably from the very beginning, would be instrumental in overcoming the chronic problem of finance in the implementation of agreed projects or activities, a problem that impeded OIC joint action in the past.
- f) Ministerial meetings would be held, either separately or concurrently with the annual sessions of the COMCEC, under the chairmanship of the designated member country, if and when the need arises to review the progress realised at the level of EGMs and "project committees". In this context, the Ministerial Meetings would give final approval to schemes developed and finalised by experts, as well as take the required steps to implement the approved projects.
- g) There would be a regular item on the agenda of the annual sessions of the COMCEC on the "review of implementation of the Plan of Action", in addition to other items as may be determined by its Follow-up Committee.

IX

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

**Tenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 14-16 May 1994)

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

1. The First Session of the QIC Standing Committee for Economic and Commercial Cooperation (COMCEC), held in Istanbul, in Safar 1405H (November 1984), requested the IDB to prepare three studies, including one on 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" 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). Their recommendations of the 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. 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 of the Fifth Session of COMCEC, held in Istanbul in Safar 141 OH (3-6 September 1989), contained in its resolutions, could be summarized as follows:

- (1) The technical and operational characteristics of the Scheme are, in general, appropriate;
- (2) 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;
- (3) The Scheme should cover exports and investments in a step-by-step manner;
- (4) 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, 141 OH (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:

- (1) 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;
- (2) Reinsurance: This deals with the policy to be adopted on this question;
- (3) 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, 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 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:

- (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 Expert 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 a 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 Islamic Conference of foreign Ministers (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 the views of the ICFM, reflected under Article 15 of "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 Legal Department of the IDB was given the responsibility to reflect the various suggestions and comments, through appropriate amendments that would go to produce an improved and revised draft of the 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 Follow-up 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 and administrative measures required for the establishment of the Corporation; and
- (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, at the headquarters of the Bank, on 4th Muharram 1413H (4 July, 1992) a special ceremony was held for the signature of the Articles of the Agreement of the Corporation by the Governors who 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 of Agreement¹. However, the Articles of the Agreement of the Corporation could not come into force as they have not been ratified by member countries subscribing to a minimum ID 25 Million as required by the Agreement.

19. By means of implementing the recommendations of the Task Force referred to in para-16 above, 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 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 Export Credit Insurance Guarantee Scheme of Pakistan and with the Malaysian Export Credit Insurance Company. In non member countries visits were made to Export Credit Insurance Agencies such as COFACE (in France) and HERMES (in Germany) and the Export Credit Guarantee Department and the Berne Union (UK), 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 the Director General of the Inter-Arab

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

Investment Guarantee) was to finalize the 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:

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

22. The Experts recommended that the Terms of Reference may be sent to consulting firms or to individual consultants, as the Bank may deem appropriate. The Bank has decided that the required services are to be provided by consulting firms rather than individual consultants because firms, by their nature, tend to be multi-disciplinary comprising disciplines such as insurance, underwriting, organization and methods, law, reinsurance, finance, accounting, etc. As an adequate response to the Terms of Reference requires a certain degree of expertise in more than one specialization, the diversified specialization which characterizes consultancy firms ensures that the Terms of Reference will be adequately covered.

23. During the last week of August 1992, the Bank invited out seven (7) consulting firms in the USA, Denmark, and the U.K. to submit their technical as well as financial proposals for carrying out the Terms of Reference. On the basis of the proposals submitted by four consulting firms, a British firm, Hogg Insurance Brokers Ltd was selected as the firm that will conduct the study. Accordingly a Consultancy Agreement was entered into between the IDB and the mentioned firm in January 1993 for the purpose of carrying out the Terms of Reference referred above. In late 1993, the study was completed in a satisfactory manner and all necessary work for the commencement of the operations of the Corporation at present is based on the recommendations of the study.

24. Meanwhile, the COMCEC Follow-up Committee at its Eighth Meeting, held in May 1992, in Istanbul, took note of the legal and administrative measures being undertaken by IDB for the establishment of a subsidiary institution within IDB as envisaged in the Articles of Agreement, and recommended the Member Countries be requested to complete the necessary formalities to ensure the implementation of the Scheme as early as possible. The Committee also requested the Bank to submit to the Eighth Session of the COMCEC a progress report on the subject.

25. The Eighth Session of the COMCEC, held on 8-11 September, 1992 in Istanbul, noted with appreciation that the Articles of Agreement establishing the Export Credit Insurance and Investment Guarantees Corporation to administer the Scheme, as a subsidiary institution of IDB, are open for signature by Member Countries and subscription to the capital of the Corporation. The COMCEC adopted the following recommendations:

- (a) Also notes with appreciation that 28 member countries have signed its Articles of Agreement at the Extraordinary Meeting of the Board of Governors of IDB held on 4 July 1992 in Jeddah;
- (b) Invites Member Countries who have not yet done so, to sign and ratify the Articles of Agreement of the Corporation and to subscribe to its capital so that it can become operational as early as possible;
- (c) Requests IDB to finalize the organizational and administrative measures needed to establish the Corporation, taking into account the experience and relevant capacities available in the member countries.

26. The IDB presented a progress report to the Ninth Meeting of the Follow-up Committee of the COMCEC, held on 4-6 May 1993 in Istanbul, which noted with satisfaction 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.

27. The Ninth Session of the COMCEC, held on 1-4 September 1993 in Istanbul, also noted with appreciation that 29 countries have signed the Articles of the Agreement establishing the Export Credit Insurance and Investment Guarantee

Corporation and 8 member countries have ratified it. The Ninth Session made the following recommendations:

- (i) Invites member countries who have not yet done so, to sign and ratify the Articles of Agreement of the Corporation and to pay their respective shares of the capital, so that it can become operational as early as possible;
- (ii) Expresses satisfaction for the efforts exerted by the IDB to finalize the organizational and administrative measures needed to establish the Corporation, taking into account the experience and relevant capacities available in the member countries.

28. Since then, the preparatory arrangements for the commencement of transactions by the Corporation, the Bank has taken (and is currently undertaking) a number of administrative measures to speed up the process of ensuring that the Corporation commences its transactions on a sound footing. On the one hand, for example, the Bank has prepared a budget for foundation and administrative expenses and has appointed two senior underwriters with good experience in export credit insurance. On the other hand, arrangements are currently under way for the appointment of a Manager for the Corporation.

29. Presently, as a result of sustained follow-up with Member Countries, 30 Member Countries have signed the Articles of the Agreement and nine (9) Member Countries have ratified it and have deposited the documents of ratification with the IDB. Those member countries who ratified the Articles of the Corporation are: the Kingdom of Saudi Arabia, Egypt, Tunisia, Jordan, Indonesia, Chad, Mali, Pakistan and Bangladesh. The total amounts subscribed by these countries (currently standing at ID 20,250,000) still falls short of the minimum amount of ID 25 million required to make the Agreement effective, pursuant to Article 63 of the Articles of Agreement of the Corporation.

30. In the light of information currently available to the Bank, the following Member Countries have subscribed to the share capital of the Corporation by the number of shares shown against each country:

	<u>Member Countries</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.	Pakistan	2,500
7.	Iran	1,000
8.	Tunisia	500
9.	Syria	250
10.	Jordan	250
11.	Senegal	250
12.	Cameroon	250
13.	Indonesia	250
14.	Chad	250
15.	Bangladesh	250

31. The IDB is constantly pursuing the actions and making continuous efforts to make the Corporation come into being soon. IDB would like to take this opportunity to request COMCEC to facilitate, by calling upon Member Countries of the OIC, which have not yet done so, to sign the Articles of Agreement establishing the Corporation and those who have signed to deposit their instrument of ratification, while subscribing to the share capital of the Corporation in order to render it possible for the Corporation to commence its transactions as early as possible.

32. IDB will keep COMCEC informed of all developments pertaining to the establishment of the Corporation.

Summary:

The Draft Articles of Agreement for the establishment of An Export Credit Insurance and Investment Guarantee Scheme was prepared and revised by the IDB was approved at the Seventh Session of COMCEC in October 1991, which

accordingly requested the IDS to finalize the legal and administrative preparations for the establishment of a subsidiary institution under its aegis. The Articles of Agreement for the Export Credit Insurance and Investment Guarantee Corporation have been signed by thirty (30) member states and ratified by nine (9). Arrangements are ongoing in order to make the Corporation to function and become operational. During 1413/1414H, the Bank continued to take a number of executive steps to bring **the** Islamic Corporation for the Insurance of Investment and Export Credit into actual operation. This included the selection of a renowned international consultant to undertake the study, which has been completed, according to the Terms of Reference, and further administrative measures necessary for the operation and functioning of the Corporation.

SO/EXINSUR/mu«h
13.04.1994

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**PROGRESS REPORT PRESENTED BY THE ISLAMIC
CENTRE FOR DEVELOPMENT OF TRADE (ICDT)
ON THE TRADE INFORMATION NETWORK
FOR ISLAMIC COUNTRIES (TINIC)**

**Tenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 14-16 May 1994)

**PROGRESS REPORT PRESENTED BY THE ISLAMIC
CENTRE FOR DEVELOPMENT OF TRADE (ICDT)
ON THE TRADE INFORMATION NETWORK
FOR ISLAMIC COUNTRIES (TINIC)**

**COMCEC Follow-up Committee Meeting
Istanbul, 14- 16 May 1994**

In compliance with the relevant resolutions of the COMCEC, the Islamic Centre for Development of Trade has pursued its efforts for the implementation of the Trade Information Network for Islamic Countries (TINIC) in close collaboration with IDB/IRTI, the National Focal Points and other interested regional and international institutions.

The major achievements since September 1993 can be summarized as follows :

1. Databases :

The programmes of the seven data bases planned have been developed on the basis of the software CDS-IS IS. Trade related data collected originates directly from Member States. However, so far few countries have sent back the questionnaires disseminated by ICDT to collect the information needed.

While continuing this effort, ICDT is cooperating with various regional and international institutions for the exchange of trade related data. This is particularly the case with UNCTAD which is exchanging trade statistics with ICDT.

— It may be recalled that the 7 data bases are related to Trade Regulations, Trade Agreements, Foreign Trade Operators, Trade Promotion Organizations, Trade Statistics, Trade Opportunities and Trade events.

2. Appointment of National Focal Points :

Until April 1994, 23 Member Countries have appointed their National Focal Points. These are : Saudi Arabia, Bangladesh, Benin, Burkina Faso, Egypt, Guinea, Indonesia, Iraq, Iran, Kuwait, Libya, Malaysia, Mali, Mauritania, Morocco, Uganda, Pakistan, Palestine, Senegal, Sudan, Chad, Tunisia and Turkey.

3. First Meeting of National Focal Points :

This meeting was held in Casablanca from 19 to 21 April 1994. It was attended by the representatives of the National Focal Points as well as the representatives of National, regional and international organizations dealing with trade information. The meeting started with presentations about :

- OICIS-NET, its mission, objectives, characteristics and work-programme ;
- TINIC, its objectives, components, progress achieved with a demonstration relating to the already operational data bases ;
- Systems and programmes of NFP's ;
- Systems and programmes of National, regional and international organizations followed by demonstrations.

Then, the Meeting addressed specific technical issues relating to standards for Trade Information, data collection, functioning of TINIC, training and Technical Cooperation.

The meeting adopted a set of recommendations pertaining to the main areas of interest for TINIC (collection, processing, dissemination, training and technical cooperation) and which highlight the actions to be undertaken during the coming year.

The Meeting also adopted a Memorandum of understanding which indicates the distribution of tasks and responsibilities among the partners of TINIC.

TINIC FOCAL POINTS

BANGLADESH:

Export Promotion Bureau
122-124 Motijheel,
Commercial Area,
Dhaka 1000 / Bangladesh

Phone: 25-81-45 23-22[^]5/49
Telex: 642204 epbbj
Fax:880-86316

BENIN:

Centre Beninois du Commerce Exterieur
Ministere du Commerce et du Tourisme,
B.P.1254,
Cotonou / Benin

Phone : 30-13-97 / 30-13-20
Fax:(229)30-04-36

BURKINA FASO :

L'Office National du Commerce Exterieur (O.N.A.C.)
Avenue Leo Frobenius,
B.P.389,
Ouagadougou 01 / Burkina Faso

Phone: (226) 31-13-00/01
Telex : 5258 bf
Fax : (226) 311469

CHAD:

Chambre Consulaire du Tchad,
B.P.458
N'Diam6na /Chad

Phone :(235) 515264
Telex : 5363 kd

EGYPT

General Directorate of Information & Export
Ministry of Economy & Foreign Trade
96, Ahmed Orabi Av. - Almuhandissine
Cairo / Egypt
Phone:(931)346883
Fax:(931)3468818

GUINEA:

Section Assistance et Information Commerciale
Direction Nationale **du Commerce**
Ministere **du Commerce, des Transports et du Tourisme,**
B.P.13
Conakry / Republique de Guinée

Phone : (224) 44-38-20 / 44-37-37
Telex: 22349 ge

INDONESIA:

National Agency For Export Development (NAFED)
Jalan Gajah Mada, N° 8
Jakarta 10130/Indonesia

Phone:(6221)37-31-12
Telex: 46292 nafedjkt
Fax : (6221)3843193

IRAN :

Ministry of Trade,
Foreign Trade Department,
Vali-Asr-Square,
P.O.Box 6173,
Tehran 14155 /Iran

Phone:(9821)890925
Telex : 214279 mcpd ir
Fax : (9821)893945

IRAQ

Directorate of Statistics
Ministry of Planning
Assalehiya
Baghdad / Iraq

Phone: 30071

Tlx: 212218

KUWAIT

National Centre of Information
Ministry of Planning
P.O. BOX 15
Kuwait city 13001 / Kuwait

Fax: 2430583

LIBYA

Export Development Council
P.O. BOX 3593
Tripoli / Libya

Phone: 42-640/41-192

Telex: 20179/20180

Fax: 46438

MALAYSIA:

Malaysian National Focal Point (MNFP)
Ministry of International Trade and Industry,
5th floor, Block 10,
Jalan Duta,
50622 Kuala Lumpur / Malaysia

Phone : 45-60-22 / 254-00-33

Fax:(03)2550827

PALESTINE

Samed Information Centre
Department of Economic Affairs & Planning
Palestine Liberation Organisation
City Al Mahajan 1082
P.O. BOX 45
Tunis /Tunisia

Pone :(2161) 78-87-08 / 78-84-04
Telex: 15480 Samed Tn
Fax: (2161)X78-71-74

SAUDI ARABIA

Saudi Export Development Centre
P.O. BOX 16683
Riyadh 11474 / Saudi Arabia

Phone : (9661) 4053200
Fax:(9661)4024747
Telex : 406308 majles sj

SENEGAL:

Centre International du Commerce Exterieur (CICES)
Route de l'Aeroport de Dakar-Yoff
B.P.3329 et 8166
Dakar / Senegal

Phone : (221) 20-12-02 / 20-04-54
Fax:(221)35-07-12
Tlx: 31512/31518

SUDAN

Export Promotion Department
Ministry of Economy , Cooperation and Supply
P.O. BOX 194
Khartoum / Sudan

Phone:(24911)72540
Fax:(24911)72540
Telex: 22329 mccc sd

TUNISIA

Centre de Promotion des Exportations
28, Av. Ghandi
1001 Tunis /Tunisie

Phone : (216-1) 35-00-43 / 35-08-01 / 35-03-44
Fax :(216-1) 35-36-83
Telex: 14716 TN

TURKEY:

Turkish Union of Chambers of Commerce,
Industry and Commodities Exchange,
Tukiye Ticareti Sanayi,
Ovalarive Borsalar Birliđi,
Atatürk Bu livarı.
149 Ankara / Turkey

Phone:(904)4177700
Telex : 42343 tobb tr
Fax : (904)4194662

UGANDA:

Uganda Export Promotion Council
Ministry of Commerce,
Jinja Road, lot 17/19,
P.O Box 5045
Kampala / Uganda

Phone:(25641)25-97-79
Telex : 61391 ue pc ug
Fax: (25641)25-40-77

FIRST MEETING OF THE NATIONAL FOCAL POINTS OF THE TRADE
INFORMATION NETWORK FOR ISLAMIC COUNTRIES
CASABLANCA, 19 - 21 APRIL 1994

RECOMMENDATIONS

GENERAL

1. The participants appreciate the initiative taken by IDB/IRTI in establishing OICIS-NET to strengthen social and economic development in the member countries and are in agreement with its plans, strategies and programmes. Its successful implementation is an essential basis for the implementation of trade information system (TINIC) of ICDT.

2. The participants appreciate the efforts being made by ICDT in promoting trade information system among the member countries in close cooperation with Trade Focal Points. The member countries are urged to provide full support and cooperation in the efforts of ICDT and OICIS-NET .

3. IDB/IRTI and ICDT are requested to publish a directory of focal points of all trade organizations which are operating in the member countries, with information collected as per the questionnaires distributed by IDB/IRTI and ICDT.

4. The importance of implementing the trade information system among the member countries of OIC has become even more important and urgent in view of the signing of the new GAIT agreement in Marrakech and the establishment of the New World Trade Organization. The member countries are urged to develop strong trade information systems to be able to benefit from the new agreement.

5. In order to enhance coordination and follow up the developments relating to the new agreement, ICDT and IDB/IRTI representatives are urged to participate in relevant meetings of UNCTAD, ITC and other related organizations. They should regularly disseminate relevant information to the Focal Points in Member Countries.

FOCAL POINTS

6. As far as possible, the trade, focal points selected should be organizations responsible for trade information and should have the authority to coordinate the information relating to imports and exports.

7. The various relevant regional institutions and groupings from the Islamic region such as ICDT, Islamic Chamber of Commerce, ATFP, ASEAN, SAARC, GCC, UMA, PTA, CEDEAO, should co-ordinate their efforts for the efficient establishment of the trade information systems in the Islamic Region. These efforts should take into account and be coordinated with ongoing work in inter-national organizations such as UNCTAD and ITC.

In this connection, the member countries are urged to designate one Focal Point to deal with these various institutions in order to avoid duplication of effort. In the case there is more than one Focal Point these points should coordinate closely and Interchange their information.

DATABASES

8. The NFPs and regional organizations which have developed databases relating to trade are requested to make available, In magnetic form, their databases along with their respective software and user guides to ICDT within two months. ICDT and IDB/IRTI in collaboration with UNCTAD and ITC, will produce, on a CD-ROM, the data bases received and disseminate them to the relevant institutions in Member Countries, within one year.

9. The participants agree, in principle, with the overall approach to developing a unified trade information system data base proposed in the RFP for trade data base presented by IDB/IRTI. However, they urge IDB to take into account the useful work already done by some member country institutions and UNCTAD and ITC in finalising the content and structure of data-bases. The participants urge an early implementation of the system and request IDB/IRTI to install the system at Focal Points with necessary training and technical assistance.

10. The meeting observed, with appreciation, the valuable work done in developing trade data-bases and Network Systems by Trade Net of Egypt, CEPEX of Tunisia and Jeddah Chamber of Commerce. It has also observed the valuable work done by UNCTAD and ITC towards developing data-bases and promoting standard formats. ICDT and IDB/IRTI are requested to collect these systems, put them in a magnetic CD-ROM form and make them available to Focal Points for their exploring the possibility - of using some of them until standard format is approved and made available to them.

11. The development of each database should take into consideration existing networks and projects of data exchange involving OIC countries and a mechanism should be established to ensure optimal coordination and compatibility at the regional and interregional level .

DATA COLLECTION

12. With regard to data collection from the focal points, the ICDT is requested to coordinate the questionnaires and data collection forms to be sent out by different regional trade organizations to avoid duplication of efforts. At the same time, the member countries are urged to send data requested in the questionnaires on a high priority noting that such exchange of data will ultimately help to boost the trading potential of the respective countries.

13. Both ICDT and Islamic Chamber of Commerce and Industry should be provided regularly with up-to-date information on trade opportunities, regulations and trade statistics so that they can publish them to disseminate the information to member countries and to outside. For this purpose each focal point is urged to maintain an up-to-date file on national trade regulations, trade statistics, trade related studies as well as trade opportunities among others.

14. ICDT is urged to develop a system of collecting data on trade opportunities from trade Focal Points and informing all FPs about them and giving addresses from where further information can be obtained. In this connection, it is noted, with appreciation, that the International trade opportunities information available through some NFPs will also be made available to member countries and ICDT.

TRAINING

15. The participants stressed the need to develop a technical cooperation programme in order to enhance the capabilities of different member countries to establish a Trade Information System as well as to exchange experiences gained in this regard.

16. There should be regular training programmes in the field of international trade, and trade information systems to train top level managers, technical staff as well as trade information officers who will act as intermediaries between the users and the information systems to provide the right information to meet the need of the users. Initially, the emphasis should be on training of trainers by selecting candidates who have necessary background, experience and responsibility to train others. In this respect, the participants urge ICDT and IDB/IRTI to collaborate and develop programmes for the benefit of the member countries. The UNCTAD and ITC have already extensive experience and programmes in this field and have offered to collaborate with ICDT and IDB/IRTI in conducting such programmes in different regions according to linguistic groups.

17. Training in trade Information system at technical level should be conducted at the national level with the resources available within the country and with the help of trainers trained through regional programmes. For advanced level technical training,

training work-shops at regional level and apprenticeship at centres of excellence within member countries are also recommended.

SYSTEMS AND STANDARDS

18. All Islamic countries that did not adopt the Harmonized Commodity Description and Coding System (HS), may do so as soon as possible but not later than 1996/ ensuring compatibility in various trade information activities. In this connection, they may also adopt ISO codes for countries and currencies. For the classification of their various trade measures, they are encouraged to follow the UNCTAD Coding System on Trade Control Measures. For company registers they may adopt the COMREG format of ITC, which has already been utilized in many countries including OIC member countries.

TELECOMMUNICATIONS NETWORK

19. The participants have noted the efforts being made by OICIS-NET to establish a telecommunication network among the OIC member countries. The participants urge early action in this matter, as such a network would greatly enhance the capacity of the member countries to exchange trade information and improve inter-country trade both at the level of public and private sectors.

20. The NFPs are encouraged to use electronic mail for exchanging small volumes of short lived information where possible. The NFPs are also requested to make efforts to use the INTERNET system. ITC and other international organizations could assist in this connection.

MEMORANDUM OF UNDERSTANDING (MOU)

21. The participants agree in principle with the MOU circulated by ICDT and will make all efforts to achieve the objectives of this MOU.

MOTION OF THANKS

The participants highly appreciate the excellent organization of the successful meeting and hospitality extended by ICDT and IDB/IRTI and requested the Director General of ICDT to convey their profound thanks and high esteem to His Majesty Hassan II, king of Morocco.

**MEMORANDUM OF UNDERSTANDING
on the functioning of the
TRADE INFORMATION NETWORK FOR ISLAMIC COUNTRIES**

*** TINIC ***

The Islamic Development Bank
hereinafter referred to as the "IDB",
The Islamic Centre for Development of Trade
hereinafter referred to as the "ICDT",
The National Focal Points
appointed by the Member States of the Organization of the
Islamic Conference,

Holding their meeting in Casablanca from 19th to 21st of
April, **1994**

Taking into account the objectives and provisions of the
General Agreement on Economic, Technical and Commercial Cooperation
among the Member States of the Organization of the Islamic
Conference and the Plan of Action endorsed by the third Islamic
Summit Conference with a view to implementing this Agreement.

Referring- to the recommendations of the Standing Committee for
Scientific and Technical Cooperation (hereinafter referred to as
"COMSTECH") approved by the fifth Islamic Summit Conference
requesting the Islamic Development Bank to consider the
establishment of an Islamic Information Centre in Jeddah to be
appropriately linked with the OIC member countries.

Determined to contribute to the setting up of the Information
(hereinafter referred to as "OICIS-NET") being established by IDB
on **behalf of** OIC,

Referring to the resolution of the fourth session of the
standing committee for Economic and Commercial Cooperation of the
OIC (hereinafter referred to as "COMCEC") approving the feasibility
study on a Trade Information Network for Islamic Countries
(hereinafter referred to as "TINIC") submitted by ICDT,

Decided to give effect to the resolution of the sixth session
of the COMCEC approving the relevant combination of TINIC and
OICIS-NET projects which will make of TINIC as soon as it starts
functioning, a data bases system specialized in trade information
within the OICIS-NET and requesting ICDT to carry on the
preparations required for the setting up of TINIC without
necessarily waiting for the establishment of the OICIS-NET,

necessarily waiting for the establishment of the OICIS-NET,

Referring to resolution n°12/21-E endorsed by the 21st Islamic Conference of Foreign Ministers inviting ICDT to carry on its efforts within the framework of a Trade Information Network in collaboration with IDB,

Referring to the resolution of the ninth session of the COMCEC requesting ICDT to design required data bases in close cooperation with National Focal Points and IDB, taking into account existing resources in Member States and similar operational networks,

Aware of the paramount importance of trade information for the development of direct and steady trade flows among member states,

Noting the progress achieved in the establishment of the OICIS-NET and TINIC

Have agreed upon the following :

Article 1 Purposes

The purpose of this Memorandum of Understanding is to define the role and responsibilities of partners and members of the System and to adopt the modalities for the functioning of TINIC within the framework of OICIS-NET.

Article 2 Definitions

For the purpose of this memorandum of understanding and unless otherwise suggested by the context, the following words and terms shall have the following meanings :

- 1 - OIC : Organization of the Islamic Conference
- 2 - Memorandum : Memorandum of understanding on the functioning of TINIC
- 3 - IDB : The Islamic Development Bank,
- 4 - ICDT : Islamic Centre for Development of Trade
- 5 - IRTI : Islamic Research & Training Institute
- 6 - NFP : National Focal Points
- 7 - OICIS-NET : the OIC Trade Information Network
- 8 - TINIC or SYSTEM : Trade Information Network for Islamic Countries

- 9 - Member States : The OIC Member States
- 10 - Partners : IDB, ICDT and NFPs of TINIC, participants in the First Meeting of the NFPs held in Casablanca from April 19th to 21st, 1994 and NFPs appointed subsequently by their respective governments.
- 11 - Members : OICs Organizations and others participating in the functioning of the network in compliance with the principles defined in article 5 of this Memorandum.
- 12 - Specialized Systems : Data bases systems established or to be established within OICIS-NET

Article 3
Definitions of OICIS-NET & TINIC

3.01 The OICIS-NET is the OIC Information Systems Network established by IRTI of IDB on behalf of OIC. As such, it shall coordinate the activities of established specialized Systems or those to be established within the OIC. It is also :

a) A communication network offering the appropriate physical means to ensure the link between national, regional and sectoral information centres.

b) An integrated information system that facilitates exchanging of information available in various data bases and coordinates information services developed by the various OIC organizations, including IDB and by institutions of member states each according to its own field of speciality, with cooperation among institutions for sectors related to areas of mutual interest.

c) A platform for promoting awareness and use of information as a resource for socio-economic and scientific development.

d) A mechanism for pooling of information resources of OIC Member States to avoid duplication, minimize cost and promote information and development services of each country and/or institution.

3.02 TINIC is a data bases system established by ICDT and specialized in the field of trade among member states. It constitutes one of the specialized systems functioning within the OICIS-NET framework. It is concerned with collecting, processing and dissemination of its information services. For this, it will use the communication network of OICIS-NET when in operation!

Article 4
Structure of TINIC

TINIC shall comprise the following components :

4.01 - The system's partners :

- a) IRTI/IDB, shall be responsible for the OICIS-NET,
- b) ICDT, shall be the coordinating centre,
- c) NFPs shall be appointed by Member States

4.02 - The system's members :

OIC's and other Organizations specialized in Trade promotion and/or financing and contributing to the setting up and functioning of the system in compliance with the provisions of article 5 of this memorandum.

Membership in this system shall become effective either by signing this memorandum or by an exchange of letters between the concerned organization and the I.C.D.T.

The provisions of this Memorandum shall be binding on partners and members.

Article 5
Functioning of TINIC

5.01 Role of the TINICs partners

(1) IRTI/IDB :

Through the OICIS-NET, IRTI/IDB will ensure the good working of all specialized systems and for this purpose it will develop the following services :

- a. Definition of the structure and organization of the information system, identification of target - users and setting up of access and security requirements.
- b. Help if need be, in designing standard systems and procedures to be used so as to integrate TINICs data within the OICIS-NET.

- c. Training of the personnel in OICIS-NET procedures and working methods.
- d. Promotion and marketing of TINIC's services, these two operations will fall within the framework of the promotion and marketing of the OICIS-NET services.
- e. Providing users with OICIS-NET communication facilities to have access to the various data bases of IDB/IRTI, as well as to the other specialized information systems of which the OICIS-NET is made up.

(2) ICDT :

As co-ordinator of TINIC, ICDT will be in charge of the following operations;

- a. Development and setting up of systems and tools necessary for processing and organization of trade information;
- b. Collection and processing of trade information from NFPs and the system's members.
- c. Data bases design and transfer of data to OICIS-NET mainframe computer centre.
- d. Use of computer and telecommunication facilities offered by the OICIS-NET to have access to national, regional or international data bases.
- e. Training and development of staff in the new trade information system
- f. Promotion of TINIC and data dissemination

(3) - National Focal Points (NFPs)

As sole interlocutors of the coordinating centre in their respective countries, NFPs will have to :

- a. Collect documents and information and possibly process them and convey them to the I.C.D.T.
- b. Meet information needs of national users,
- c. Ensure, if necessary, the link between the user and ICDT.

5.02 - Role of the TINIC's members

The system is open to OIC organizations and others. ICDT will have to keep a close cooperation with these organizations so as to avoid work duplication, relationships between these two parties will be developed within the framework of complementarity between their activities in order to derive the best benefit from their respective experiences and possibilities. The exchange of services will be undertaken on reciprocity basis within the framework of a concerted action at the level of :

a- Data collection and processing since the main objective is to pool data collected by each party,

b- Data dissemination, since designed data bases are open to all partners.

Article 6 Modalities for the functioning of the TINIC

6.01 Partners and members shall cooperate in all activities relating to TINIC. The following shall be the areas of cooperation :

- a - Design of the data bases structures
- b - Data collection
- c - Data processing
- d - Promotion of TINIC services
- e - Data dissemination
- f - Training

6.02 Details of the areas of cooperation hereinabove stipulated are setforth in Appendix hereto.

Article 7 Consultations

Partners and members shall take required measures as may be necessary to implement the provisions of this memorandum. For this purpose, they shall agree on meeting at least once a year.

ICDT will enter into consultations as may be necessary to fix the date and venue of these meetings.

Article 8
Entry into force

This agreement shall enter into force on the date of its signature by partners and members.

Article 9
Final provisions

This Memorandum shall be valid for an undetermined period on the understanding that any party is at liberty to withdraw at any time after furnishing to ICDT a notice of withdrawal six (6) months in advance of the date on which the party wishes to withdraw. ICDT will inform all the partners and members accordingly.

The annual meeting of partners and members is entitled to proceed to its amendment and/or adopt special implementation texts.

Done in Casablanca,.....in Arabic,
English and French languages each text being equally authentic.

* APPENDIX :

ACTIVITIES	IRTI/IDB	ICDT	NFPs	OIC and other organizations
A- Design of Data Bases Structures	<ul style="list-style-type: none"> * To work out the different modules of the system and the different standard formats * To provide ICDT with technical assistance & equipment to design mudules 	<ul style="list-style-type: none"> * To participate in the design of the system's modules * Implementation of these modules 	<ul style="list-style-type: none"> * To participate in the design of the system's modules with a view to harmonizing the adopted system 	<ul style="list-style-type: none"> * To participate in the design of the module's system with a view to harmonizing the adopted system
B-Data Collection	<ul style="list-style-type: none"> * To provide ICDT with data collected from other sources *To receive trade data transfered by ICDT 	<ul style="list-style-type: none"> * Preparation of questionnaires and acquisition slips * Regular sending of these documents to NFPs 	<ul style="list-style-type: none"> * To collect trade information at national level * Send to ICDT collection documents 	<ul style="list-style-type: none"> * To provide ICDT with data collected from other sources * To serve as regional centre of data collection
C - Data processing		<ul style="list-style-type: none"> * Processing of received questionnaires * Classification and codification of data * To integrate collected data into installed modules * Maintenance and updating of the different data bases * Production of research tools * Transfer of data processed in the central processing unit of the OICIS-NET 	<ul style="list-style-type: none"> * National Focal Points provided with required human and material means can process all or a part of information collected at national level * Classification and conversion of data to be supplied to ICDT according to the format adopted by T1NIC 	<ul style="list-style-type: none"> * Classification and conversion of data to be supplied to ICDT according to the format adopted by TINIC

ACTIVITIES	IDB/IRTI	ICDT	NFPs	OIC and other organizations
D - Promotion of TINIC Services	<ul style="list-style-type: none"> * Organization of sensitizing campaigns * Study and prospecting of target markets * To include TINIC in the OICIS-NET promotion * Assistance to ICDT in its promotion activities 	<ul style="list-style-type: none"> * Organization of sensitizing campaigns * Study and prospecting of target markets 	<ul style="list-style-type: none"> * Organization of sensitizing campaigns at national level 	<ul style="list-style-type: none"> * To integrate the modules of trade information network into their information services
E - Data dissemination	<ul style="list-style-type: none"> * Opening of the system to all users * To make available for users the OICIS-NET telecommunication means * Participation in the production of dissemination tools used by ICDT 	<ul style="list-style-type: none"> * Data dissemination: <ul style="list-style-type: none"> * On line * Publication of catalogues, yearbooks, etc. •Mail 	<ul style="list-style-type: none"> * To formulate needs in information * To consult / have access to TINIC's data bases * To meet national needs in the field of trade information 	<ul style="list-style-type: none"> * To have access to TINIC's data bases
F - Training	<ul style="list-style-type: none"> * To train personnel in the procedures and the working methods of TINIC as component of the OICIS-NET: <ul style="list-style-type: none"> - Documentation - Seminars - Information sessions * To draw up in consultation with ICDT training programmes 	<ul style="list-style-type: none"> * To assess the needs of NFPs and its own needs in training * Participate in collaboration with IDB/IRTI in the production of documents required for seminars and information sessions 	<ul style="list-style-type: none"> * To identify their needs in training * To prepare the topics of seminars and Information sessions on the basis of the daily problems which they may encounter while working within TINIC * Participation of experts in training sessions 	<ul style="list-style-type: none"> * To benefit from organized training sessions * To make the personnel working in TINIC benefit from the training sessions they organize * Participation of experts in training sessions

XI

**DRAFT AGENDA
OF THE TENTH SESSION
OF THE COMCEC**

(Istanbul, 22-25 October 1994)

Original: English

DRAFT AGENDA
OF THE TENTH SESSION
OF THE COMCEC

(Istanbul, 22-25 October 1994)

1. Opening Session.
2. Adoption of the Agenda.
3. Report by the General Secretariat of OIC.
4. Report of the Follow-up Committee.
5. Report by the OIC General Secretariat on the Draft Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States and the Follow-up and Implementation Mechanism.
6. Report by Islamic Development Bank (IDB) on the Establishment of the Export Credit Insurance and Investment Guarantee Scheme.
7. Report by Islamic Center for Development of Trade (ICDT) on the Establishment of a Trade Information Network Among the Member States of OIC.
8. Report by the Islamic Chamber of Commerce and Industry (ICCI) on the First Private Sector Meeting Among the OIC Member Countries.
9. Economic Assistance to Some Islamic Countries.

10. Any Other Business.
11. Date of the Eleventh Session of the COMCEC.
12. Adoption of the Resolutions of the Tenth Session of the COMCEC.
13. Closing Session.

XII

CLOSING STATEMENT
by
H.E. AYKON DOĞAN
MINISTER OF STATE, REPUBLIC OF TURKEY
CHAIRMAN OF THE FOLLOW-UP COMMITTEE

Tenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul 14-16 May 1994)

Original: Turkish

CLOSING STATEMENT
by
H.E.AYKON DOĞAN
MINISTER OF STATE, REPUBLIC OF TURKEY
CHAIRMAN OF THE FOLLOW-UP COMMITTEE

Tenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul 14-16 May 1994)

Distinguished Delegates,
Esteemed Guests,

We are concluding the Tenth Meeting of the Follow-Up Committee of the COMCEC.

The discussions that we have had for the last three days resulted in concrete resolutions for the future of the economic cooperation among the Member Countries.

I am convinced that once implemented, the resolutions in the report that we have just adopted shall render our economic cooperation activities a new structure for compatibility with the economic and political developments in the world.

We owe this achievement primarily to the understanding of cooperation and the active participation by the Member Countries of the Committee. I would like to thank you all for your cooperation. I also wish to extend my gratitude to the General Secretariat of the Organization of the Islamic Conference for their kind support to and interest in our Meeting.

I also should like to express my appreciation to the related bodies of the Organization of the Islamic Conference, namely, the Ankara Center, the Islamic Development Bank, the Casablanca Center and the Islamic Chamber for the excellent conduct of their tasks.

I also thank the administrative staff for their contribution in all the stages of the Meeting, and the translators and the interpreters for their devoted work.

Distinguished Delegates,

One of the important items of discussion on the Agenda was the draft Economic Cooperation Action Plan. I am positive that the said document which sets the issues directions and targets of economic cooperation in major areas shall serve as the guideline for our future activities.

Moreover, I believe that the adopted Follow-up and Implementation Mechanism of the Action Plan shall contribute greatly to the improvement of the efficiency of the activities within the framework of the COMCEC.

I would like to emphasize that one of the most significant issues we discussed was the very appropriate approach for the participation of the private sector in the activities of the COMCEC. We are pleased that the first meeting of the private sector representatives within this framework will be held in Istanbul before the 10th Meeting of the COMCEC.

The Fifth Meeting of the National Focal Points for Technical Cooperation Among the OIC Member Countries has also been organized concurrently in this hotel. I wish to praise the work of the Focal Points as an example of the concrete cooperation activities within the COMCEC.

In conclusion, I thank you once more and wish you all a safe trip back home and hope to see you again.