

OIC/COMCEC-FC/17-01/REP

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

**Istanbul, 9-10 May 2001**

COMCEC Coordination Office  
Ankara, May 2001

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

**(Istanbul, 9-10 May 2001)**



Original: English

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**OF THE SEVENTEENTH MEETING OF THE**  
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**FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE**  
**ORGANIZATION OF THE ISLAMIC CONFERENCE**

**(İstanbul, 9-10 May 2001)**

1. The Seventeenth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, on 9 -10 May 2001.

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

- Republic of Turkey Chairman
- Kingdom of Saudi Arabia Vice Chairman
- State of Palestine Vice Chairman
- State of Qatar Vice Chairman (Current Chairman of the Islamic Summit)
- Syrian Arab Republic Vice Chairman (Representing the Arab Region)
- Islamic Republic of Iran Vice Chairman (Representing the Asian Region)
- Burkina Faso Vice Chairman (Representing the African Region)
- Islamic Republic of Pakistan Rapporteur
- State of Kuwait Member of the Previous Bureau
- Republic of Indonesia Member of the Previous Bureau
- Republic of Uganda Member of the Previous Bureau

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

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

- Islamic Center for Development of Trade (ICDT)
- Islamic Institute of Technology (IIT)
- Islamic Development Bank (IDB)

Islamic Chamber of Commerce and Industry (ICCI)

Organization of the Islamic Shipowners Association (OISA)

4. The representatives of the following institutions also attended the Meeting:

- Gulf Cooperation Council (GCC)
- Federation of Consultants from Islamic Countries (FCIC)
- UNIDO Center for Regional Cooperation in Ankara

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

#### Opening Session

5. The Meeting was inaugurated by H.E. Dr. Devlet BAHÇELİ, State Minister and Deputy Prime Minister of the Republic of Turkey.

6. In his message addressed to the Meeting, H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, conveyed his thanks to all those who participated in the work of COMCEC, and expressed his wish for the successful completion of the meeting. Pointing out the problems faced in the implementation mechanism of the Plan of Action, H.E. SEZER called upon the Committee to produce realistic solutions to that effect. He also stated that COMCEC, which brought together OIC Member States for economic cooperation, should seek remedies for the problems caused by the dynamics of globalization and convey them to world public opinion. H.E. SEZER stressed the need for building institutions and a new agenda in order to respond appropriately to the developments.

(A copy of the text of the message of H.E. President Ahmet Necdet SEZER is attached as Annex II.)



7. The Meeting was then addressed by H.E. Dr. Devlet BAHÇELİ, State Minister and Deputy Prime Minister of the Republic of Turkey. H.E. BAHÇELİ, referring to the challenges and benefits of globalization, stated the importance of exploring the ways whereby to develop economies of the Member States in line with modern institutions and premises on the one hand, and strengthening their socio-cultural structure that underpinned the Islamic identity on the other. Such a challenging exploration requires, H.E. BAHÇELİ pointed out, a stronger collaborative effort by the Member States to conceive a development perspective in conformity with their values. H.E. BAHÇELİ also reiterated the importance of facilitating the implementation of the OIC Plan of Action in order to better adapt to the requirements of the global age. H.E. BAHÇELİ wished the Meeting every success.

(The text of the Statement of H.E. Dr. Devlet BAHÇELİ is attached as Annex III.)

8. H.E. Ambassador Nabska DIALLO, Assistant Secretary General of OIC, conveyed the message of the OIC Secretary General H.E. Abdelouahed BELKEZIZ. The Secretary General expressed his gratitude to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, and to the Government of the Republic of Turkey for their abiding commitment to the promotion of economic and commercial cooperation among Member States. The OIC Secretary General condemned most forcefully the Israeli acts of aggression which continued unabated causing the economic strangulation of their Palestinian brothers. The Secretary General called upon the international community for international protection of the Palestinian people. Referring to the sluggish pace of the implementation of the Plan of Action, H.E. BELKEZIZ hoped the outcome of the Experts Group Meeting would constitute a step forward in resolving it. H.E. BELKEZIZ urged the Member States to sign and ratify the various agreements and statutes aimed at providing a framework for intra-OIC economic cooperation. H.E. BELKEZIZ wished the Meeting every success.

(A copy of the text of the message of H.E. Abdelouahed BELKEZIZ is attached as Annex IV.)

9. The Meeting was then addressed by the Heads of Delegation of Qatar, Kuwait, Syria, Palestine, Indonesia and Burkina Faso. The Heads of Delegation expressed their thanks and appreciation, to the Government of Turkey for the excellent arrangements made for the Meeting. The Heads of Delegation underlined the urgent need to enhance solidarity among Member States and seek ways and means of promoting cooperation amongst them based on concrete and realistic projects.

### **Working Sessions**

10. The working sessions of the Meeting were chaired by H.E. Dr. Akin İZMİRLİOĞLU, Undersecretary of the State Planning Organization of the Republic of Turkey.

11. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, H.E. Ambassador Qazi HUMAYUN, Head of the Delegation of the Islamic Republic of Pakistan.

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

### **Background Report of the OIC General Secretariat**

12. Under Agenda Item 3, H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC, introduced the Background Report of the General Secretariat, which was subsequently summarized by H.E. Ambassador A.H.M. MONIRUZZAMAN, Director of Economic Affairs of the OIC General Secretariat. In his presentation, H.E. MONIRUZZAMAN highlighted the various activities undertaken by the Member States towards the implementation of the resolutions of COMCEC;

13. The Committee took note of the Background Report of the General Secretariat and expressed appreciation for its preparation.

14. The Committee emphasized the importance of implementing the existing OIC Agreements and Statutes in the area of economic cooperation. In this connection, the Committee renewed its call to Member States, who had not yet done so, to sign and ratify the Agreements.

15. The Committee, while underlining the crucial importance of the active participation of the private sector in economic cooperation amongst Member States, called upon ICCI to pursue its efforts to further involve the private sector in the economic cooperation among Member States.

16. The Committee stressed the importance of holding trade fairs for the promotion of intra-OIC trade. It also appreciated, in mis connection, the initiative of ICDT in preparing a set of draft regulations governing trade fairs to be organized in the future and noted that it will be submitted to the next COMCEC Session for consideration.

17. The Committee noted and thanked the Government of the Republic of Guinea for its offer to host the Eighth Private Sector Meeting from 9 to 11 October 2001 in Conakry, in collaboration with ICCI and the Chamber of Commerce and Industry of Guinea. The Committee appealed to the Member States to actively participate in the Eighth Private Sector Meeting.

18. The Committee requested the Islamic Center for the Development of Trade to submit a report on the preparation and evaluation of the regular Islamic Trade Fairs.

19. The Committee, recalling Resolution 37/9-E(IS) adopted by the Ninth Islamic Summit Conference, held in Doha, Qatar on 12-14 November, 2000 and the recommendation of the Expert Group Meeting on the Implications of Establishing the Islamic Common Market, also held in Doha, Qatar on 13-14 October, 2000, recommended that follow-up measures in pursuance of the resolution as well as the recommendations should be undertaken under the coordination of COMCEC.

(The Background Report by the General Secretariat is attached as Annex VI.)

#### Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States

20. Under Agenda Item 4, H.E. Ambassador DIALLO, Assistant Secretary General of OIC, introduced the report on the review of implementation of the Plan of Action as well as the report and recommendations of the Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action. H.E. Ambassador A.H.M. MONIRUZZAMAN, Director of Economic Affairs of the OIC General Secretariat,

subsequently presented the reports and the recommendations. H.E. MONIRUZZAMAN presented a resume of the various recommendations of the Expert Group Meeting. The Committee took note of the reports with appreciation.

21. The Committee considered the recommendations of the Expert Group Meeting and stressed their importance in accelerating the implementation of the Plan of Action. The Committee decided to submit them to the Seventeenth Session of the COMCEC for its consideration.

22. The Committee expressed its appreciation to the Government of the Republic of Turkey for hosting the Expert Group Meeting,

23. The Committee requested Member States that had already offered to host sectoral expert group meetings to facilitate their early convening and renewed its appeal that offers be made to host similar meetings on the remaining sectors of the Plan of Action. The Committee felt that the Member States wishing to host such meeting should do so at the earliest within a maximum time limit of two years, beyond which other Member States may be given an opportunity to host such a meeting.

24. The Committee recommended that COMCEC renew its appeal to the Member States who were the proponents of projects to expedite the formation of the project committees as envisaged in the Plan of Action. The Committee further recommended that the ICCI circulate these projects to the private sector institutions, with a view to implementing the projects proposed during the sectoral experts group meetings.

(The Reports by the OIC General Secretariat on the Implementation of the Plan of Action and the Report of the Experts Group Meeting are attached as Annexes VII and VIII.)

### **Report by IDB on the Expansion of Intra-OIC Trade**

25. Under Agenda Item 5, the representative of IDB presented a report to the Committee on the concrete steps it had taken for the promotion of intra-OIC trade.

26. The Committee appreciated the steps taken by IDB and its operational plans to mobilize the needed resources. The Committee further urged Member States to accede and subscribe to EFS and ICIEC programs and to other schemes designed to boost intra-OIC trade.

27. The Committee also requested the ICDT to prepare a report on the development of intra-OIC trade under this agenda item.

(The Report by IDB on the Expansion of Intra-OIC trade is attached as Annex IX.)

#### Matters Beating to the World Trade Organization (WTO)

28. Under Agenda Item 6, the representatives of the OIC General Secretariat, IDB and ICDT presented reports regarding WTO and related issues. The Committee also took note of these reports with appreciation.

29. The Committee reiterated the significance of consultations among the OIC Member States prior to the WTO ministerial conferences, to enable mem to coordinate their positions on various issues considered under the umbrella of WTO and urged the OIC General Secretariat, IDB and ICDT to lanmtain their technical assistance to Member States in mis respect

30. The Committee highlighted the upcoming WTO Ministerial Conference to be held in November, 2001, in Doha, Qatar and called upon die ICDT and EDB to organize an Expert Group Meeting before the WTO Ministerial Conference which could be followed by a meeting of OIC Ministers of Trade with a view to defining a common platform.

31. The Committee feh that there was need to avoid duplication in presenting details in the reports submitted. The Committee suggested mat the General Secretariat, the ICDT and IDB strengmen their coordination in the preparation of the reports. In this connection, it was proposed that IDB would continue to prepare its own report on the subject while ICDT would prepare the second report with input from the General Secretariat and other concerned OIC bodies.

(The copies of the papers submitted by the OIC General Secretariat, EDB and ICDT are attached as Annexes X, XI and XII respectively.)

**Preparations for the Exchange of Views on "Effects of Non-Tariff Barriers on Foreign Trade of the Member Countries"**

32. Under Agenda Item 7, the representative of ICDT, pursuant to the Sixteenth COMCEC Resolution, briefed the Committee on the preparations for the workshop on "The Effects of Non-Tariff Barriers on Trade Expansion Between the OIC Member States", to be held on 12-13 June, 2001, in Casablanca, under the patronage of the Ministry of Industry, Commerce, Energy and Mines of the Kingdom of Morocco. The Committee noted that the ICDT would submit a report on the Workshop to the Seventeenth Session of COMCEC.

33. The Committee expressed its appreciation to the Government of the Kingdom of Morocco for hosting the workshop and ICDT for organizing it and called upon the Member States for effective participation.

34. Upon the presentation by the representative of COMCEC, the Committee reiterated various proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions. These were as follows:

Reform of the Global Monetary and Financial System and its Effects on OIC Member States.

- Poverty Alleviation in Member States.
  - Private Sector Investments in Member States and the Role of IDB in This Regard.
  - Foreign Aid and the Least Developed Member States.
- The Impact of Electronic Commerce.

The Committee also felt that further proposals could be made during the Seventeenth Session of COMCEC.

**Draft Agenda of the Seventeenth Session of the COMCEC**

35. Under Agenda Item 8, the Committee considered and approved the Draft Agenda of the Seventeenth Session of the COMCEC to be held from 18 to 21 October 2001, in Istanbul, and decided to submit it to the Seventeenth Session of the COMCEC.

36. In preparation for the constitution of a new Bureau which was going to take place during the Seventeenth Session of **the** COMCEC, the Committee requested the General Secretariat, to notify the Member States presently representing the three geographical regions on the Bureau, as Vice-Chairman, namely Burkina Faso, the Islamic Republic of Iran and Syrian Arab Republic, to conduct consultations with the Member States in their regions for nominations of the new Bureau members.

(A copy of the **Draft Agenda** of the 17<sup>th</sup> Session of the COMCEC, as approved by the Committee, is attached as **Annex XIII**.)

#### Any **Other Business**

37. The Committee, while appreciating the various reports submitted to the meeting, found, however, that some of the reports contained data that needed updating. Due note of the above observation was taken by the representatives of the OIC institutions.

#### **Closing Session**

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

39. H.E. Mohamed KOUDAYMI proposed to send a message of thanks to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC, which was unanimously approved by the Committee.

40. H.E. Mohamed KOUDAYMI, Consul General of Syrian Arab Republic in Istanbul, Head of Delegation of the Syrian Arab Republic, made a statement on behalf of the delegates. H.E. KOUDAYMI 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. He also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

41. In this closing statement, H.E. Dr. Akin İZMİRLİOĞLU, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to delegates for their valuable contributions and spirit of cooperation. H.E. Dr. İZMİRLİOĞLU, also thanked the OIC General Secretariat, subsidiary and affiliated institutions of the OIC for their valuable assistance. Referring to the recommendations of the Expert Group Meeting on the OIC Plan of Action, he expressed his satisfaction that a more weighty role had been placed on the private sector in the work of the COMCEC and that would be used as an instrument to move forward with the objectives and principles of the OIC Plan of Action. Finally, H.E. Dr. Akin İZMİRLİOĞLU wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Dr. Akin İZMİRLİOĞLU is attached as Annex XIV.)



## **ANNEXES**



**- I -**

**LIST OF PARTICIPANTS**  
**OF THE SEVENTEENTH MEETING OF THE**  
**FOLLOW-UP COMMITTEE OF THE COMCEC**  
**(İstanbul, 9-10 May 2001)**



Original: English

**LIST OF PARTICIPANTS  
OF THE SEVENTEENTH MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE COMCEC  
(İstanbul, 9-10 May 2001)**

A. MEMBER STATES OF THE OIC

BURKINA FASO

- Mr. MOUSSA NEBIE  
Director, Ministry of Foreign Affairs

REPUBLIC OF INDONESIA

- H.E. JACKY D. WAHYU  
Ambassador of the Republic of Indonesia to Turkey
- Mr. ROSSALIS R. ADENAN  
First Secretary of the Indonesian Embassy, Ankara
- Prof. Dr. SEMİH TEZCAN  
Honorary Consul General of the Republic of Indonesia, Istanbul

ISLAMIC REPUBLIC OF IRAN

- Mr. BEHROUZ ALISHIRI  
Deputy of Director General,  
Organization for Investment, Economic and Technical Assistance  
of Iran Ministry of Economic Affairs and Finance

STATE OF KUWAIT

- Mr. ISSAQ ABDELGANI ABDELKAREEM  
Director, International Economic Coop. Dept.
- Mr. MISHAL MENWER AL ARDHI  
Head of the OIC Affairs Division, Ministry of Finance

- Mr. SAAD MOHAMMAD AL-RASHEEDI  
Economic Researcher, Ministry of Finance

**ISLAMIC REPUBLIC OF PAKISTAN**

- H.E. QAZI HÜMAYUN  
Ambassador of Pakistan to Turkey
- Mr. JAUHAR SALEEM  
Counsellor, Pakistan Embassy, Ankara
- Mr. RIZWAN SAEED SHEIKH  
Vice Concul, Consulate General of Pakistan, Istanbul

**STATE OF PALESTINE**

- H.E.FOUAD YASEEN  
Ambassador of Palestine to Turkey
- Mr.ABDULKARIM AL KHATIB  
Consulate General of Palestine, Istanbul

**STATE OF QATAR**

- Mr. ALI HASSAN AL-KHALAF  
Director of the Economic Affairs Department,  
Ministry of Finance, Economy and Commerce
- Mr. AHMED SALEH AL-MOHANADI  
Head of the International Relations Section
- Mr. AHMED KHALIFA AL-BINALI  
Economic Researcher
- Mr. IBRAHIM ABDULLA HASSAN AL-AJAIL  
Minister Plenipotentiary of Qatar Embassy

**KINGDOM OF SAUDI ARABIA**

- Mr. ABDULLAH BIN ABDULWAHAB AL NAFISA  
Director of Arab-Islamic Trade Relations

- Mr. MUHAMMED BIN ABDULLAH AL-GHAMIDI  
First Secretary at the Department of International Economic Relations,  
Ministry of Foreign Affairs
- Mr. DUKHAIL AL-DUKHAI  
Ministry of Finance

#### **SYRIAN ARAB REPUBLIC**

- Dr. MOHAMED KOUDAYMI  
Consul General of Syrian Arab Republic of Turkey
- Mr. FIRAS AL RASHIDI  
Vice Consul, Consulate of Syrian

#### **REPUBLIC OF TURKEY**

- H.E. Dr. DEVLET BAHÇELİ  
Minister of State, Deputy Prime Minister
- H.E. Dr. AKIN İZMİRLİOĞLU  
Undersecretary of State Planning Organization
- H.E. Ambassador YAŞAR YAKIŞ  
Senior Policy Advisor, Ministry of Foreign Affairs
- H.E. Ambassador ÜSTÜN DİNÇMEN  
Advisor of Minister of State and Deputy Prime Minister
- Mr. İNAN ÖZYILDIZ  
Advisor on Foreign Affairs, President's Office
- Mr. MUSTAFA KALAYCI  
Chief Advisor of Prime Minister
- Mr. ABDÜLKADİR ATALIK  
Assistant Secretary General, State Planning Organization
- Dr. SALİH YILMAZ  
Deputy Director General, Undersecretariat of Treasure

- Ms. DİCLE AKSOY  
Advisor of Undersecretariat of the State Planning Organization
- Mr. FERHAN ERKMENOĞLU  
Head of Department, Ministry of Foreign Affairs
- Mr. ALİ AYVA  
Head of Department, State Planning Organization
- Mr. KORAY AKGÜLOĞLU  
Expert, Undersecretariat of Foreign Trade
- Mr. HASAN DEMİRCİ  
Expert, Commodity Exchange of Turkey Union of Chambers of Commerce Industry  
And Commodity Exchange of Turkey

**REPUBLIC OF UGANDA**

- Mr. J.C. OGOL  
Senior Counsel

**B. THE OIC GENERAL SECRETARIAT**

- H.E. Ambassador THIerno NABIKa DIALLO  
Assistant Secretary General of OIC for Economic Affairs
- H.E. Ambassador A.H.M. MONIRUZZAMAN  
Director of Economic Affairs

**C. SUBSIDIARY ORGANS OF THE OIC**

**THE STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING  
CENTRE FOR ISLAMIC COUNTRIES (SESRTCIC)**

- H.E. Ambassador ERDİNÇ ERDÜN  
Director General
- Dr. ABDELRAHMAN ZEINALABDIN  
Assistant General Director



- Mr. OKER GÜRLER  
Director of Research Department

**THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)**

- Mr. ALLAL RACHDI  
General Director
- Mr. HOUCINE RAHMOUNI  
Deputy Director General

**THE ISLAMIC INSTITUTE OF TECHNOLOGY (IIT)**

- Prof. Dr. M. ANWAR HOSSAIN  
Director General

**P. SPECIALIZED INSTITUTIONS OF THE OIC**

**THE ISLAMIC DEVELOPMENT BANK (IDB)**

- Mr. AHMED ABDUL WASEI  
Operation Officer

**E. AFFILIATED INSTITUTIONS OF THE OIC**

**THE ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)**

- Ms. ATTIYA NAWAZISH ALI  
Manager of Trade Promotion
- Mr. KHALID RABAH AL HARBI  
Manager of Regional Office

**ORGANIZATION OF ISLAMIC SHIPOWNERS ASSOCIATION (OISA)**

- Mr. FEDAU-RAHMAN JAMIL  
Director of Finance

**F. OTHER INTERNATIONAL INSTITUTION**

**FEDERATION OF CONSULTANTS FROM ISLAMIC COUNTRIES (FCIC)**

- Mr. HASSAN EL-SHAFIE  
President of the FCIC
- Mr. ATILLA KAPRALI  
Secretary General of the FCIC

**GULF COOPERATION COUNCIL (GCC)**

- Mr. MOHAMMAD AL SUB AIE  
  
Director Regional and International Cooperation

**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)**

- Mr. CELAL ARMANGİL  
Director of UNIDO Centre for Regional Cooperation in Ankara

**G. COMCEC COORDINATION OFFICE**

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State Planning Organization of the Republic of Turkey

- Mr. MUSTAFA ŞİRİN  
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- Ms. BİGE HAMURDAN  
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Expert, Coordinator for Documentation
- Mr. YAKUP KARACA  
Expert, Drafting
- Mr. METİN EKER  
Expert, Drafting
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Expert, Protocol and Press Relations

- Mr. NAZIM GÜMÜŞ  
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Deputy Expert, Coordinator for Documentation
- Mr. SERKAN VALANDOVA  
Deputy Expert, Drafting
- Mr. KEMAL ARSLAN  
Expert, Computer Service
- Ms. BİLGE GÜLLÜ  
Expert, List of Participants
- Ms. HAMİYET ÖZTAŞKIN  
Deputy Expert, List of Participants

**H. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS OF  
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- Mr. ADNAN DİNGİL  
Head of Section
- Mr. YAŞAR GÜLSOY  
Head of Section
- Mr. MEVLÜT YAŞAR  
Expert
- Mr. TAYFUR YÜKSEL  
Programmer
- Mr. İLHAMİ ÖZDEMİR  
Programmer
- Mr. SEYİT AMBARKÜTÜK  
Technician



**-II-**

**MESSAGE OF H.E. AHMET NECDET SEZER  
PRESIDENT OF THE REPUBLIC OF TURKEY,  
CHAIRMAN OF THE COMCEC**

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

**(Istanbul, 9 May 2001)**



Original: Turkish

**MESSAGE OF  
H.E. AHMET NECDET SEZER,  
PRESIDENT OF THE REPUBLIC OF TURKEY  
AND CHAIRMAN OF THE COMCEC**

**Seventeenth Meeting of the  
Follow-up Committee of the COMCEC  
(Istanbul, 9 May 2001)**

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

I am pleased to welcome you once again to Istanbul on the occasion of the opening of the Seventeenth Meeting of the Follow-up Committee of the COMCEC.

The international nature of the COMCEC, founded as an initiative for a regional cooperation in the framework of the Organization of the Islamic Conference, has become even more defined by the impact of the global changes that have occurred over the past decade. Developments in communication technology, the rapid independence and globalization trends in the fields of production, trade and capital movements have rendered the development and progress sought at national level more vulnerable to international influences.

The strategy and Plan of Action adopted in the past aimed at helping Member States to keep pace with global developments by promoting the economic cooperation among the COMCEC Member States. However, we are all concerned by the slow progress of the implementation of the Plan of Action. I believe that during this meeting you will be able to identify the reasons of this slow progress and come up with more effective proposals in the light of the conclusions of the Expert Group Meeting.

The Organization of the Islamic Conference, which is an international organization with quite a large membership, and COMCEC as its organ for economic

cooperation, are expected to deal with the issues on the agenda of the international community in a more effective way. The COMCEC, in its capacity as the economic cooperation and solidarity organ of the Islamic States, should consider feasible solutions vis-à-vis the new problems and development strategies emanating from global dynamics and submit them to the attention of the international public opinion.

I believe that while maintaining the more dynamic, development process in an environment of solidarity and collaboration, we should rapidly evolve the institutional structure and working schedules to enable a timely response to the global developments.

I would like to conclude by expressing once again my thanks for your valuable contributions to the activities of the COMCEC and wish a successful conclusion of your work.

Ahmet Necdet SEZER  
President of the Republic of Turkey  
and Chairman of the COMCEC



-III-

OPENING STATEMENT BY  
RE . DR . DEVLET BAHÇELİ ,  
MINISTER OF STATE AND PRIME MINISTER  
OF THE REPUBLIC OF TURKEY

Seventeenth Meeting of the  
Follow-up Committee of the COMCEC

(Istanbul, 9 May 2001)



**Original: Turkish**

**OPENING STATEMENT BY H.E. DEVLET BAHÇELİ  
MINISTER OF STATE AND VICE PRIME MINISTER OF  
THE REPUBLIC OF TURKEY**

**Follow-up Committee of the COMCEC**

Distinguished Members of the Follow-Up Committee,  
Distinguished Assistant Secretary General,  
Distinguished Delegates

I would like to welcome you all to Istanbul on behalf of my Government, on the occasion of the Seventeenth Meeting of the Follow-Up Committee of the COMCEC.

As usual, we will review the cooperation issues and projects on the agenda of the COMCEC during this meeting and at the conclusion of our two-day deliberations we will make the necessary recommendations. I am confident that our work will come to a successful conclusion through your cooperation and contributions.

Distinguished Delegates,  
Honored Guests,

The dynamics of globalization whose world-wide impact is increasingly felt at the beginning of the third millennium, have become a significant frame of reference in relation to the efforts of nations towards development. The world is going through a fast economic, social and cultural transformation process. Moreover, societies undergo a speedier and more intensive interaction with each other. This fast and intensive interaction is a process which is sometimes harmonious and sometimes contradictory, random and risky.

The globalization process provides new opportunities especially for developing countries in their search for development and prosperity but also entails new costs. The financial crises experienced in various countries of the world in recent years as well as the recent crisis which violently erupted in our country testify to this fact. The impact of these crises is unfortunately not limited to the financial sector but affects the business sector as well and consequently involves costs which are difficult to compensate economically and impairs social prosperity.

It is impossible to avoid the negative impact of global dynamics by just closing our borders. Nor may we hope to benefit by the advantages of globalization by opening up to the fullest extent. We should discover the secret of steering our local economies towards prosperity in this age of globalization. To this end, we should observe the institutions and rules of the modern economic systems on the one hand, and be guided by principles and methods which will admit a concept of development compatible with the cultural and social values which emphasize our identities on the other.

Viewed from this perspective, cooperation among Muslim countries becomes even more important. The uniform and standard development formulae, which are regarded as a negative impact of globalization and make no real distinction between social and cultural differences, have not yielded any success story especially outside developed countries. The fallacy that a uniform and rational development model is valid throughout the world has now been duly proven. Over a period of fifty years, the development formulae, uniformly implemented with no regard for the dimensions of time and place, although providing certain advantages, have created serious imbalances and conflicts such as environmental pollution, unhealthy urbanization and deterioration of income distribution.

During the last 50 years of uniform development formulae, the gap between poor and rich countries, instead of narrowing, has regrettably and rapidly grown wider.

It is now clearly understood that the development process should take into consideration the socio-cultural features and include objectives and policies which aim at the participation of the various sectors of the society.

The accelerated expansion of the globalization process has given impetus to the approach which admits the differences between societies and cultures and accepts that they will set their development priorities according to their values. When viewed in the perspective of this positive approach, the Islamic countries should feel the need to have closer cooperation with each other in this age of globalization. The ideals which unite us and our common cultural heritage should shed light on our efforts towards development and encourage us to understand the principles and institutions of the modern economies in this age of globalization and transform them in the light of such ideals and heritage. We can find successful examples of this type of effort in some countries where modernization and development projects have been implemented, reconciling them with the local socio-cultural values. Development policies in those countries have made use of the opportunities provided by modern science and technology and of global dynamics and problems arising during this process have been solved by resorting to the local social and cultural values and institutions.

In view of the rich natural resources, population potential, and most important of all, the strong traditions of the Islamic world, the Member States can have substantial economic advantages if they are able to wisely exploit the opportunities offered by the globalization process. I believe that the COMCEC and the other organs of the Organization of the Islamic Conference have the potential to achieve the necessary transformation.

Distinguished Delegates,  
Honorable Guests,

We should ensure that the Plan of Action, devised and implemented in the framework of the COMCEC, serves economic and commercial cooperation more effectively. Unfortunately the performance of the Plan of Action and the Implementation Mechanism have failed to fulfill our expectations.

I recommend that this Meeting carefully examine the issues debated by the Expert Group Meeting recently held in this very room. It is a prerequisite for fostering our cooperation on a more rational basis to restructure the Implementation Mechanism along more healthy and efficient lines and adapt ourselves to the globalization process I have mentioned. The failure of the Plan of Action, adopted six years ago, to provide

a concrete advantage is sufficient reason for reviewing the Implementation and Follow-up Mechanism.

Distinguished Delegates,  
Honored Guests,

Another issue that requires the revision of our concept of development is ensuring the participation of as many sectors and actors as possible in this process. In so doing, we will have realized that development is not merely a physical process, but has social, institutional and cultural aspects as well. In this context, in addition to the intergovernmental organizations in Islamic states, the interaction of the private sector and non-governmental organizations and their cooperation for the common interests of the Islamic world should be encouraged. In order to restructure the Implementation and Follow-up Mechanism to translate the Plan of Action into life, we believe that we should lay greater emphasis on the private sector.

Distinguished Delegates,  
Dear Brothers,

In this present process of historical change, Turkey endeavors to strengthen and diversify her relations with the rest of the world in every area. The Islamic world to which we are bound by historical, spiritual and cultural ties has an important place in this vision.

Turkey will continue her endeavors to further the achievements of the Organization of the Islamic Conference and the COMCEC, in cooperation with the brotherly countries.

In conclusion, I would like to reiterate my welcome and wish you success in your work.

Thank you.

**-IV-**

**MESSAGE OF *BM.* ABDELOUAHED BELKEZIZ,  
SECRETARY GENERAL OF THE ORGANIZATION  
OF THE ISLAMIC CONFERENCE**

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

**(Istanbul, 9 May 2001)**

1



**MESSAGE OF H.E. ABDELOUAHED BELKEZIZ  
SECRETARY GENERAL OF THE ORGANIZATION  
OF THE ISLAMIC CONFERENCE**

Bismillahir Rahmanir Rahim

Mr. Chairman,  
Distinguished Delegates,  
Ladies and Gentlemen

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

I would like to express at the outset my warm greetings and fraternal sentiments to all the delegates and participants of the 17<sup>th</sup> Meeting of the Follow-up Committee of COMCEC. Let me also convey my gratitude to the Government of the Republic of Turkey for hosting this important meeting of COMCEC Follow-up Committee and for the warm welcome and generous hospitality extended to all the delegates.

I would also like to pay a special tribute to H.E. Mr. Ahmet Necdet Sezer, the President of the Republic of Turkey and the Chairman of the COMCEC, for his wisdom and sagacity in guiding the work of the important Standing Committee of OIC.

It is a matter of great consternation that the Israeli policy of aggression continues unabated implicating on our Palestinian brothers and economic strangulation. I pay homage to the memory of the Palestinian martyrs, whose ranks are slowly but regrettably swelling with the passing days. I condemn most forcefully the Israeli acts of aggression and call upon the international community for securing international protection to the Palestinian people and for bringing pressure to bear on the Israeli Government to force it to abide by the international legitimacy through the implementation of the relevant resolutions of the UN and OIC which demand total liberation of the occupied Arab lands, return of the refugees and the establishment of a Palestinian state with Al-Quds Al-Sharif as its capital.

The Follow-up Committee is mandated not only to review the progress achieved in implementing the various decisions and resolutions of the preceding sessions of COMCEC, it has also to prepare the agenda for the forthcoming COMCEC session. In carrying out this task, the Follow-up Committee has the necessary latitude and flexibility in order to keep the work of COMCEC fully tuned to the need of the time. Accordingly, the Committee in the past has recommended adoption of specific measures by the COMCEC including changes in the agenda. It is an appropriate forum to undertake a thorough stock-taking of the state of implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation.

Indeed, at the last meeting, the Follow-up Committee deliberated on the possible ways and means of accelerating the process of implementation of the Plan of Action and came up with a number of valuable recommendations. In this connection, the Follow-up Committee will also be examining the outcome of the meeting held in Istanbul on 6-7 May 2001 of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States. I believe the Follow-up Committee will assign due importance to this matter, giving it substantive consideration with a view to arriving at a set of recommendations for consideration by the 17<sup>th</sup> Session of COMCEC. I would expect that while considering the agenda for the next COMCEC session, this important matter will also be accommodated.

At the last COMCEC Session, my illustrious predecessor highlighted a number of points on the state of intra-OIC economic and commercial cooperation. Considering their critical importance, I feel I should flag them once again. In the first place, I would like to refer to the sluggish pace of the process of implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States, which continues to be a matter of concern for the Member States. As I have already stated earlier, this meeting in considering the outcome of the Experts Group Meeting will hopefully be able to take necessary steps.

The expansion of intra-OIC trade is an area where decisive action on the part of the Member States is called for. Despite the current upswing in the world economy showing strong performance by most of the developed countries including the newly industrialized Asian countries, the OIC Member States, in general, have not been able to benefit from this trend failing to enlarge their share in the global trade. Intra-OIC trade continues to remain stagnated around 10 per cent of the total global trade of the Member States. While a great deal has been said on the importance of the expansion of intra-OIC trade, not much progress has been achieved. Since the Eighth Islamic Summit Conference in Tehran, Member States have also been reiterating the importance of the establishment of an Islamic Common Market as their ultimate goal. In the context of globalisation and liberalization, one cannot deny the importance of achieving this goal. I would like to mention here that a number of schemes and projects aimed at strengthening commercial cooperation is in place, which are intended to promote intra-OIC trade. Mention may be made in particular of the Framework Agreement on Trade Preferential System Among OIC Member States. I urge Member States, which have not yet done so to sign and ratify this Agreement.

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

The role of the private sector in the promotion of intra-OIC trade and economic cooperation has been emphasized in the recent resolutions of the Islamic Summits and Islamic Conferences of Foreign Ministers. It goes without saying that a propitious conditions will have to be created for the private sector to play its expected role.

it is important in this connection, to ensure speedy implementation of decisions and recommendations of Meetings of Private Sector of OIC Member States. The Committee established by the 15<sup>th</sup> Session of COMCEC for the follow up of implementation of the decisions and recommendations of the Private Sector Meetings should play an important role in achieving these objectives.

I am convinced that these issues and other related ones will undergo thorough deliberations at this Meeting, which will lead to important conclusions, It would thus provide valuable inputs for the forthcoming session of COMCEC to be held in Istanbul in October this year.

Before concluding, I would like to express my happiness over die useful intellectual contributions in the deliberations of the meeting made by the relevant OIC institutions by submitting their valuable reports. Let me assure the distinguished delegates of the fullest cooperation of the OIC General Secretariat and all OIC institutions in fulfilling the tasks of the Follow-up Committee.

I wish the 17<sup>th</sup> Meeting of the Follow-up Committee of COMCEC great success.

Wassabmu Alaikum Wa Rahmatullahi Wa Barakatuh.

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**- V -**

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



Original: English

**AGENDA**  
**OF THE SEVENTEENTH MEETING OF THE**  
**FOLLOW-UP COMMITTEE OF THE COMCEC**  
**(Istanbul, 9-10 May 2001)**

1. Opening Session
  - Statement by the Chairman of the Follow-up Committee
  - Statement by the Secretary General of OIC
  - Statements by the Heads of Delegation
2. Adoption of the Agenda
3. Background Report by the OIC General Secretariat
4. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States
  - Report and Recommendations of the Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action
5. Report by IDB on the Expansion of Intra-OIC Trade in the 21 st Century.
6. Matters Related to World Trade Organization Activities
7. Preparations for the Exchange of Views on "Effects of Non-Tariff Barriers on the Foreign Trade of the Member Countries", to be organized during the Seventeenth Session of the COMCEC.
8. Draft Agenda of the Seventeenth Session of the COMCEC
9. Any Other Business
10. Adoption of the Report
11. End of the Meeting





**- VI -**

**BACKGROUND REPORT BY THE  
OIC GENERAL SECRETARIAT**

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

**(Istanbul, 9-10 May 2001)**



**BACKGROUND REPORT**  
**BY THE OIC GENERAL SECRETARIAT**  
**TO THE SEVENTEENTH MEETING OF THE**  
**FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE OF**  
**THE COMCEC**  
**(ISTANBUL. REPUBLIC OF TURKEY 9-10 MAY 2001)**

I. INTRODUCTION

Since the addition of economic dimension to the activities of the Organization of the Islamic Conference at the 2nd Islamic Summit held in Lahore, in 1974, several initiatives were undertaken to boost economic cooperation among Member States. A number of Ministerial Meetings on different sectors were held. Several legal instruments were developed to provide a framework of economic cooperation among OIC Member States. The Standing Committee for Economic and Commercial Cooperation (COMCEC) was established in 1981 by the Third Islamic Summit Conference held in Makkah Al-Mukarramah/Taif with the task of following up the implementation of all resolutions adopted by OIC in economic and commercial fields. A series of subsidiary, affiliated and specialised bodies were brought into being with a view to furthering economic cooperation among Member States.

The object of this Report is to provide updated background information on these initiatives under the following three headings, namely Development of Economic and Trade Cooperation, Status of the Signing and Ratification of Statutes and Agreements, and Review of Activities of Subsidiary Organs, Specialised and Affiliated Institutions of OIC in the Field of Economic Cooperation.

II. DEVELOPMENT OF ECONOMIC AND TRADE COOPERATION

a) Cooperation for the Promotion of Trade Among OIC Member States.

During the first COMCEC Session held in November 1984, the Trade Ministers of OIC Member States met for the purpose of exploring ways and means for strengthening cooperation in the field of trade. The Ministers identified a number of priorities in the field of trade and adopted a resolution on the "Implementation of the Short Term Programme for the Promotion of Trade Among OIC Member States", which includes recommendations for the preparation of a number of projects/schemes.

At its first Session, COMCEC discussed and approved the proposals to draw up three multilateral financial schemes aimed at enhancing trade among Member States, namely, a Longer-term Trade Financing Scheme, an Islamic Corporation for the Insurance of Investment and Export Credit, and a Multilateral Islamic Clearing Union. The progress achieved in the establishment and operation of each of these

schemes as well as the other efforts for the enhancement of intra-Islamic trade is summarized below:

(i) **Export Financing Scheme (EPS) formerly known as Longer Term Trade Financing Scheme (LTTF)**

The project had been initiated by COMCEC which approved the scheme and entrusted the IDB with its implementation. The Longer-Term Trade Financing Scheme was approved by the Tenth IDB Annual Meeting, held in Amman, Jordan, in March 1986. The title of the Scheme has recently been changed to Export Financing Scheme (EFS).

This Scheme, which became operational in 1408H aims at promoting exports of non-conventional commodities among OIC Member States by providing the necessary funds for periods ranging between 6 and 60 months for exports from the Member States of the Scheme to any other OIC Member State. Up to the end of 1418 H, the Scheme comprised 23 Member States. In each Member State which participates in EFS there are one or more national agencies for the Scheme. The role of the national agencies is to coordinate the promotion of the EFS export financing in their countries.

The total subscribed capital by the member countries of the Scheme up to the end of 1420 H was ID 315.5 million, out of which ID 132.7 million is paid up, The IDB has contributed to the Scheme a sum of ID 150 million, half of which has already been paid up.

Originally the scheme was conceived to finance exports from one Member State to another. However, in order to expand its scope and promote exports of Member States, in 1417H, the Board of Executive Directors amended the scheme to allow for export to OECD member states. By widening the scope of the scheme, it is expected that the market for exports from Member States will be much larger than previously.

In 1420 H the net approvals under the scheme amounted to ID 61.2 million (US \$ 83.1 million) for 15 operations in 8 exporting Member States. From its inception to 1420H, the EFS has approved financing operations in 17 exporting Member States amounting to ID 404.5 million (US \$ 560.9 million).

(ii) **Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)**

At COMCEC's request the IDB undertook a feasibility study and prepared the Agreement for the establishment of the Islamic Corporation for the Insurance of Investment and Export Credit. The scheme was approved by COMCEC in October 1991. The ICIEC commenced its operations in July, 1995. Subsequently, the IDB Board of Governors approved this agreement and appealed to Member States to subscribe to the capital of the Scheme. 50 percent of the authorised capital; ID 100 million (about US \$ 150.00 million,) has been subscribed by 21 OIC/IDB Member States and the IDB has subscribed and paid up the remaining 50 per cent.

The Corporation aimed at increasing the volume of intra-trade and the flow of investments among Member States. The Corporation provides export credit in insurance to cover the non-payment of export receivables resulting from commercial and non-commercial risks, in accordance with the principles of Shariah. Apart from promoting intra-trade and investment among the Member States, it is also meant to promote private sector development and to supplement IDB's role as a development finance institution. The services are however limited only to the signatory states of the Agreement that have submitted their ratification instruments to the Bank and paid up their shares. Starting with 13 members at its inception, ICIEC membership stood at 27 by April, 2000 (1420H).

During 1420H, it issued 22 new export credit insurance policies and renewed 17 policies with total global limit of US\$912 million. During 1420H, its marketing strategies resulted in 479 inquiries and 27 insurance applications for cover of exports amounting to US\$1717 million.

(iii) Islamic Multilateral Clearing Union

The IDB undertook a study of the project at the request of COMCEC. The 8th COMCEC Session, held in 1992, noted with appreciation the finalisation by the IDB of the "Agreement on the Multilateral Islamic Clearing Union" and approved, in principle, the proposed Agreement and endorsed the recommendations of the Governors of the Central Banks and Monetary Authorities of Member States held in Cairo in 1990.

The Tenth COMCEC Session held in Istanbul, October 22-23, 1994, inter alia, invited Member States to consider working out clearing arrangements among themselves, provided that these agreements be flexible in the goods covered and that joining them be on a voluntary basis, provided also that clearing agreements be concluded among sub-groups of Member States willing to join, with the ultimate goal of setting up a multilateral Islamic Clearing Union.

iv) Establishment of a Trade Information Network (OTNIC)

The First COMCEC Session, held in 1984, adopted a resolution on the "Short term implementation Programme for trade promotion" recommending the setting up of a Trade Information Network for Islamic Countries to facilitate the collection, treatment, analysis and propagation of trade information for the benefit of users. The Islamic Centre for the Development of Trade (ICDT) was requested to prepare a feasibility study on the modality of such a network, which was submitted to the second COMCEC session. A study group was set up to revise the study with a view to developing a "database system" for collecting and propagating, inter alia, maximum trade information within OIC Member States, eliminating duplication and ensuring an optimal utilization of means already existing in Member States.

The Tenth COMCEC Follow-up Committee Meeting held in Istanbul, in May 1994 requested the ICDT to pursue its preparations for establishing a database in close and coordination with TTNIC Focal Points and the IDB and to submit a progress report on the issue to the 10th COMCEC Session.

The conception of ICDT's data bases is finalized, all the modules are completed and operational. It is practically identical to the OICIS-NET basic model accepted by the Islamic Development Bank. Information dissemination is carried out through the usual means (mail, fax, Tijaris). It is also possible on CD-ROM as well as by remote inquiries through Internet or the communication system of the OICIS-NET to be used as soon as it is operational. It is worth mentioning that I.C.D.T. is already provided with an internet site on the following address: [www.icdt.org](http://www.icdt.org).

(v) **Establishment of a Trade Preferential System among OIC Member States (TPSOIC)**

In pursuance of the relevant decisions of the First and Second COMCEC Sessions, the ICDT carried out a study on a trade preferential system within OIC Member States. The documents of this system were approved by the Sixth COMCEC Session held in Istanbul from 7 to 10 October 1990 which requested the General Secretariat to pursue the implementation of the system in question.

COMCEC requested the OIC General Secretariat to contact Member States to expedite the formalities of their joining the Framework Agreement and urged Member States to start in the meantime, bilaterally or through COMCEC, exchanging lists of respective offers of concessions and initiate informal consultations on them as a prelude to the future negotiations on the said concessions.

Taking into account the latest signatures, number of countries which signed the Framework Agreement on Trade Preferential System now stands at 22. The number of ratifications, however, remains at 7. Number of ratifications required for the Agreement to enter into force is 10.

(vi) **Harmonisation of Standards**

During the first session of COMCEC it was decided to prepare a methodology for harmonising the norms in force in Member States with a view to eliminating the obstacles in the way of trade promotion among OIC countries. The Turkish Standardization Institute (TSI), which now plays the role of Coordination Committee, was requested to prepare the project document.

The draft Statute of the Standards and Metrology Organisation for Islamic Countries (SMOIC) was circulated among the Member States for their views and comments thereon. Following the decision of the Eleventh Session of COMCEC, the text of the Draft Statute was re-circulated among the Member States. The draft was also sent to the Islamic Chamber of Commerce and Industry for its views and comments.

The views and comments on the draft Statute received from the Member States were examined by an Expert Group convened for the purpose in Istanbul in September, 1996. The final draft of the Statute was prepared taking into account the views of the Member States. The draft statute on the Standards and Metrology Organisation for the Islamic Countries was presented to the 12th COMCEC (Istanbul, November 12-15, 1996) for adoption. The COMCEC, however, decided to change the

title of the Statute as "Statute of the Standards and Metrology Institute for the Islamic Countries", and requested the General Secretariat to circulate the Draft Statute among the Member States for their approval, and submit it to the 13th session of the COMCEC. Accordingly, the General Secretariat circulated the Draft Statute among the Member States.

At the 13th COMCEC the General Secretariat submitted a resume of comments and observations received from the Member States. The COMCEC felt that the draft Statute needed to be reviewed from the legal and technical point of view. Accordingly, the Turkish Standards Institute organised the 8th Expert Group Meeting for the purpose in Ankara, from March 24-26, 1991. The revised draft was presented to the 14<sup>th</sup> Session of the COMCEC (Istanbul, November 1-4, 1998) which adopted the Statute with some modification with the article dealing with subscription from members. In adopting the draft Statute, the COMCEC invited Member States which are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. The General Secretariat has notified all Member States about the opening of the Statute of the SMIIC for signature and ratification. So far 4 Member States have signed the Statute of SMIIC.

(vii) Islamic Trade Fairs

The Islamic Trade Fairs are being organised regularly by the Islamic Centre for Development of Trade (ICDT) in collaboration with the relevant Ministry of the host governments and with the support of the Islamic Chamber of Commerce and Industry (ICCI). The Islamic Trade Fairs are playing very important roles in boosting intra-OIC trade by bringing together business firms, entrepreneurs and their products. The growing number of participants in these fairs demonstrate the increasing importance being attached to these events by the business community in the Islamic world. So far seven Islamic Trade fairs have been successfully organised.

The Eighth Islamic Trade Fair was organized in Doha, Qatar, from October 15-20, 2000 by ICDT in collaboration with the Ministry of Finance, Economy and Trade of Qatar and the Qatar Chamber of Commerce and Industry as well as ICCI. The Republic of Senegal had earlier offered to host the 9<sup>th</sup> Islamic Trade Fair in the year 2002 and subsequently State of UAE made a request to replace Senegal as host of 9<sup>th</sup> Islamic Trade Fair. The two parties are to complete their consultations and notify the results. Republic of Guinea has offered to host the 10<sup>th</sup> Islamic Trade Fair in the year 2004.

(viii) Cooperation Among the Private Sectors of the OIC Member Countries.

Development of private sector in the Islamic world is one of the major preoccupations of the COMCEC. The Nindi session of the COMCEC, agreed that a flexible approach be followed regarding the possible role of the private sector in the overall activities of the COMCEC and where necessary, during the Islamic Trade Fairs. Decision to hold Private sector Meetings regularly on annual basis prior to the COMCEC sessions is an important measure in support of the private sector in the Member States. Annual Private Sector Meetings are being held regularly before the COMCEC Sessions.

The 16th Session of COMCEC, held in Istanbul from October 23-26, 2000 expressed appreciation to the Government of the State of Qatar and the ICCI for organizing the Seventh Private Sector Meeting (Doha, Qatar, 15-20 October, 2000) in collaboration with the Qatar Chamber of Commerce and Industry. The Republic of Guinea has offered to host the 8<sup>th</sup> and 11<sup>th</sup> Private Sector Meetings in 2001 and 2004 respectively, while the State of UAE has offered to host the 9<sup>th</sup> Private Sector Meeting in the year 2002.

(IX) **Exchange of Views Sessions during the annual sessions of the COMCEC**

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions. Since then Exchange of Views Sessions have been held on the following topics during the Eleventh (1995); Twelfth (1996), Thirteenth (1997), Fourteenth (1998) and Fifteenth (1999) and Sixteenth (2000) Sessions of the COMCEC:

(I) Implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization on the external trade of the OIC Member Countries (11th COMCEC); (2) Privatisation Experiences of the OIC Member Countries (12th COMCEC); (3) Implications of Regional Economic Groupings, especially the European Union for the Economies of Member Countries (13th COMCEC); (4) Intra-OIC Trade, Investments, Economic Stabilisation and Structural Reforms in Member Countries (14th COMCEC); and (5) Human Resources Development for Sustained Economic Growth and Progress in Member Countries (15<sup>th</sup> COMCEC) (6) Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization (16<sup>th</sup> COMCEC).

"Effects of Non-Tariff Barriers on the Foreign Trade of member States" has been chosen at the 16<sup>th</sup> Session of COMCEC as the topic for Exchange of Views at the 17<sup>th</sup> Session of COMCEC. The COMCEC also requested the SESRTCIC, in collaboration with related OIC institutions, namely, ICDT, ICCI, IDB and other international organizations, to organize a workshop on the topic, prior to the 17<sup>th</sup> COMCEC and submit its report to the Session.

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

The problem of food security remains unresolved in a number of OIC Member States, particularly in Africa. The General Secretariat, in cooperation with the IDB, the African Development Bank and the Government of Senegal, organised a symposium on Food Security in the Islamic countries in December 1991, in Dakar, Republic of Senegal, in conjunction with the Sixth Islamic Summit Conference. The Sixth Islamic Summit Conference, having considered the report of the Dakar Symposium, adopted a declaration on "the Food Security Decade" in OIC Member States, which, inter alia, made an appeal 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. An Ad-hoc Follow-up Committee established during the Symposium and chaired by the Minister for Rural Development and Hydrology of Senegal, is doing its best to implement the recommendations of the Dakar Symposium. Two meetings at expert level and two at senior official level have already been held. A mission comprising the Government of Senegal, the Islamic Development Bank and the African Development Bank, has already visited a number of states to evaluate their respective programmes in the area of food security.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production and decided to periodically review the situation of food security in all OIC Member States. Government of the Arab Republic of Egypt has offered to host an Expert Group Meeting on Food, Agriculture and Rural Development, the dates of which are awaited to be announced.

c) Cooperation in the area of Industry

In pursuance of the decisions of the Third Ministerial Consultation on Industrial Cooperation held in 1987, a meeting of the Task Force for the Promotion of joint Ventures" was convened by the IDB in Jeddah in November 1987, which considered in detail the mechanism for the promotion of joint ventures among Member countries as outlined by the Ministers.

The Ninth COMCEC Session held in Istanbul on 01 to 04 September 1993 invited Member States that had not yet done so, to examine recommendations of the Task Force on the proposed mechanism and communicate their views and comments thereon to the OIC General Secretariat so as to facilitate their consideration by the Fourth Ministerial Consultation, and appealed once more to member states to host the Fourth Ministerial Consultation in order to finalize the scheme.

d) Cooperation in the area of Transport

The First OIC Ministerial Meeting on Transport was held in Istanbul, September 7-10, 1987, concurrently with the Third COMCEC Session. The Ministers, expressing their conviction in transport as an important element of the development of commercial and economic cooperation among Islamic states, decided to cooperate in the development of road and maritime transport, railway and training in the field of transport.

The Eleventh Session of the COMCEC, held in Istanbul, from 5-8 November 1995 urged Member States and the OIC organs concerned to take measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Transport and appealed to member states to host the Second Meeting of Ministers of Transport. The Government of the Arab Republic of Egypt has offered to host the Expert Group Meeting on Transport and Communication and the dates of the meeting are expected to be announced.

e) Cooperation in the field of Telecommunications

The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth COMCEC Session in Istanbul, Turkey, in September, 1988 and the Second Ministerial Meeting on Telecommunications was held in Bandung, Indonesia, from November 5-8, 1991. The Tenth COMCEC Session, held in Istanbul, from 22 to 25 October 1994 called upon Member States and the relevant OIC organs to take the measures needed for the implementation of the resolutions of the First and Second Ministerial Meetings on Telecommunications.

The Government of the Islamic Republic of Iran hosted the Third OIC Ministerial Meeting on Post and Telecommunication in Tehran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and made specific recommendations on cooperation among the Member States in the field of posts and telecommunications. Some of the important actions suggested by the meeting include, setting up of a Data Bank for Post and Telecommunication Experts within the OIC-ISNET member countries; defining a mechanism enabling Member States to benefit from the studies and researches already undertaken by other Member States in the field of PTT; preparing an updated list of experts in technical field of PTT; preparing an updated list of technical cooperation and training activities available in the Member States and compilation of Member States' specific needs and capabilities with implementable project ideas and proposals or activities and encouraging joint investments for development and manufacture of telecommunication equipments.

The meeting decided to establish a Follow-up Committee to monitor the implementation of the Third OIC Ministerial Meeting on Post and Telecommunications. It also decided that expert group meetings, seminars and symposiums be held annually even if at regional level, including the private sector. It was also decided to hold the ministerial meeting on posts and telecommunications more frequently, once in every three years.

The Twelfth COMCEC adopted the report of the Third OIC Ministerial Meeting on Posts and Telecommunications held in Tehran. The Government of the Republic of Sudan has offered to host the 4th OIC Ministerial Meeting on Posts and Telecommunication and the government of Sudan is expected to announce a date for the meeting.

f) Cooperation in the field of Energy

The First Ministerial Meeting of the OIC Member States on Energy was held in Istanbul, Turkey, from 3 to 6 September, 1989 concurrently with the Fifth COMCEC Session. The Ministers recognising that energy issues are important elements of cooperation among Member States, adopted a comprehensive resolution, recommending, 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 electricity.

The Tenth COMCEC Session held in Istanbul on 24 and 25 October, 1994 called upon Member States and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First OIC Ministerial Meeting and appealed to Member States to host the Second Ministerial Meeting on Energy. Government of Sudan has offered to host a sectoral experts group meeting on Energy and Mining, the dates of which are expected to be announced.

**g) Cooperation in the field of Infrastructure and Public Works.**

The First OIC Ministers of Infrastructure and Public Works Meeting was held from 6 to 9 October, 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh COMCEC Session. The Ministerial Meeting, inter alia, urged Member States to enhance cooperation in this field and requested that a separate section of the budget be devoted to public works and infrastructure among the priority sectors of the "Plan of Action to Strengthen Economic Cooperation among Member States". It also recommended the development of existing potentialities and projects within the OIC System in this field.

The Tenth COMCEC Session, held in Istanbul, Turkey, from 22 to 25 October 1994 having taken note of the Resolutions adopted at the First Ministerial Meeting on Infrastructure and Public Works, held in Istanbul from 6 to 9 October, 1991 called upon all concerned to take the measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Infrastructure and Public Works. It also took note of the proposals made by Indonesia pertaining to cooperation in the area of urban infrastructure and rural development

**h) Cooperation in the field of Labour and Social Security.**

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

The General Secretariat in forwarding the Reports of the Working Group on Labour and Manpower Exchange along with the Draft Agreement to 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.

The Government of Indonesia has offered to host an international workshop on Employment and Manpower Exchange. The Government of Sudan has offered to host a sectoral expert group meeting on human resources development. Dates of the two meetings are expected to be announced.

i) Cooperation in the Field of Tourism

The Twenty-third Islamic Conference of Foreign Ministers, held in Conakry, Republic of Guinea, from 9 to 13 December 1995 adopted a resolution to strengthen cooperation among OIC Member States. The Conference stressed that tourism constitutes a main pivot in economic development and rapprochement between nations. The Twenty-fourth Islamic Conference of Foreign Ministers held in Jakarta from December 9-12, 1996 recalled that tourism has been identified as a priority area for cooperation in the Plan of Action and invited the Member States to cooperate in a number of areas. Subsequent Islamic Conferences of Foreign Ministers and the Doha Islamic Summit Conference reiterated the above.

The Government of the Islamic Republic of Iran hosted the First Islamic Conference of Ministers of Tourism which was held on 2-4 October, 2000 in Isfahan. The Conference recognized the importance of tourism as -an area of cooperation among OIC Member States and the need to have strategy for collaborative action for enlarging their share in the global tourism market. It agreed on a number of areas of cooperation assigning priority to the development of tourism infrastructure. It also decided to set up a follow-up committee.

Malaysia has offered to host the Second Ministerial Meeting on Tourism to be held in October, 2001.

j) Technical Cooperation among OIC Member States

The First Ministerial Meeting on Technical Cooperation was held concurrently with the Sixth Session of COMCEC in Istanbul, Turkey, October 7-10, 1990. Five National Focal Points Meetings for Technical Cooperation among Member States were subsequently held in Istanbul between 1990 and 1994. The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening this cooperation. The meetings stressed the need to promote the administrative and financial capabilities of national focal points on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

The Twenty-First ICFM and Ninth COMCEC 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.

The Tenth COMCEC held in Istanbul from 22 to 25 October 1994, inter alia, noted that the Meetings of Focal Points for Technical Cooperation were being held annually on a regular basis in Istanbul and appreciated the support extended by Turkey and OIC institutions such as the IDB, SESRTCIC, ICDT and IIT. It also called upon Member States and the OIC organs to implement the resolutions of the First Ministerial Meeting on Technical Cooperation held in Istanbul from 7 to 10 October 1990.

The Republic of Turkey hosted the Expert Group Meeting on Technological and Technical Cooperation in Istanbul from May 6-8, 1998. The project proposals emerging from the Expert Group Meeting as well as those subsequently submitted by

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the Islamic Republic of Iran have been transmitted to all Member States for necessary action. The responses received from some interested Member States have been transmitted to the government of the Republic of Turkey with a view to setting up the project committee in accordance with the Follow-up and Implementation Mechanism of the Plan of Action,

**III. STATUS OF THE SIGNING AND RATIFICATION OF STATUTES AND AGREEMENTS.**

The 16<sup>th</sup> COMCEC Session and the 9<sup>th</sup> Islamic Summit Conference urged the Member States that have not yet done so to sign or ratify at an early date the various OIC agreements and statutes in the field of economic cooperation. An updated table summing up the situation regarding the signing and ratification of the following six OIC Agreements and Statutes is given below.

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

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 these countries while giving special attention to the least developed member states. Up to now the agreement has been signed by 41 countries and ratified by 27. It became effective from 28 April 1981.

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

The Agreement on 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 29 member states and ratified by 19. After having been ratified by more than 10 countries, the agreement came into force in February 1988.

iii) **Framework Agreement on Trade Preferential System.**

Twenty-two member states have so far signed the Framework Agreement including Federal Republic of Nigeria which signed it during the Fourteenth COMCEC. Eight member states have so far ratified it. At least ten member states need to ratify the Agreement so that it can enter into force.

iv) **Statute of the Islamic Civil Aviation Council.**

The Statute of the Islamic Civil Aviation Council has been signed by 14 member states and ratified by 4 only.

v) **Statute of the Islamic States Telecommunications Union (ISTU)**

The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 14Q5H (1984). The Statute has been signed by 13 and ratified by 10 Member States. The Statute has not yet entered into force for lack of required number of ratification.

vi) **Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC)**

The 14<sup>th</sup> COMCEC invited Member States which are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. The General Secretariat has notified all Member States about the opening of the Statute of the SMIIC for signature and ratification. Four Member States have so far signed the SMIIC.

**IV. ACTIVITIES OF THE OIC SUBSIDIARY ORGANS, SPECIALISED AND AFFILIATED INSTITUTIONS ACTING FOR THE STRENGTHENING OF ECONOMIC AND COMMERCIAL COOPERATION AMONG MEMBER STATES:**

A summary of the activities of the following six OIC Subsidiary Organs, Specialised and Affiliated Institutions working in the field of economic and commercial cooperation among Member States, is given below. Detailed information can be obtained from the individual reports expected to be submitted by the institutions concerned.

(a) **Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), Ankara.**

The Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) was founded in Ankara, Turkey in pursuance of Resolution No. 2/8-E adopted by the Islamic Conference of Foreign Ministers, held in Tripoli, in May 1977. The Centre, more commonly known as the Ankara Centre, started operations from June 1, 1978 as a subsidiary organ of the Organisation of the Islamic Conference (OIC).

Within the framework of its work programme for last year, the Centre undertook extensive assignments to prepare and present background documents and reports to various OIC meetings and conferences on economic and technical cooperation. The Annual Economic Report on the OIC Countries 2000, International Financial Architecture and the OIC Countries, Monitoring Report on the Activities of the WTO: Positions of the Developing Countries, Implications of the Enlargement of the European Union for the OIC Member countries, Economic Problems of the Least Developed and Land-Locked OIC Countries 2000 as some of these important reports.

The Centre publishes its Journal of Economic Cooperation among Islamic Countries in English (quarterly edition) and in Arabic (annual edition). The journal aims at enhancing economic and technical cooperation among the members of the OIC through applied research in development economics. It also publishes its quarterly bulletin, Inforeport, in English, Arabic and French. The report includes news on the OIC, an update on the Centre's activities and its upcoming events, and the latest acquisition of the Centre's Library.

Furthermore, the Centre is carrying out successfully its activities in the area of Statistics and Information. One major contribution in this area is the Centre's web site on the INTERNET where basic information about the OIC as an organization and about each of the member countries is contained. The site also contains for each member country frequently update statistical data on a selected set of social-economic development indicators. The number of pages of our web site has reached 1200 and its content is being update regularly. The Centre's web site has also begun its Arabic services. The Centre published the Statistical Pocketbook 2000, the Statistical Yearbook 2000 and a statistical booklet on Education.



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In the area of Training and Technical Cooperation, the Centre has been organizing short-term courses in selected fields of interest to the OIC Member Countries, in collaboration with international, national and regional training institutions. Last year, the Centre has organized four programmes in Egypt, Oman, Turkey and U.E.A.

SESRTCIC has recently published its Annual Bulletin on Training Opportunities in OIC Member States for 2001.

### **b) Islamic Centre for Development of Trade (ICDT), Casablanca.**

The Islamic Centre for Development of Trade, a subsidiary organ of OIC, made every effort in the year 2000/2001 to boost up trade between the OIC Member States through the following activities:

- a) Trade aid Investment Promotion: Organisation of trade promotional events especially, through die holding of Islamic Trade Fairs, the 8<sup>th</sup> edition was held in Doha (from 15<sup>th</sup> to 20<sup>th</sup> October 2000), participation in other trade events such as (Global Muslim Showcase Kuala Lumpur June-July 2000, Meet In Africa, Casablanca 25 September - 2 October 2000), International conference on Trade Promotion Organizations (Marrakech 25-27 October 2000), the first international Jeddah Islamic Fair (Jeddah, from 18 to 23 March, 2001).
- b) Seminars and Training: Organisation of various training sessions such as the training session on Electronic Commerce and the New Information Technologies organised recently by the ICDT in March 2001 in Casablanca for English speaking OIC countries, and the seminar on trade opportunities between OIC and West African countries WAEMU's Members (Casablanca, 31 January 2001).
- c) Trade Information: Setting up of a Trade Information Network For Islamic Countries (TINIC) with a Web Site in Internet, CD ROMs are also distributed to the National Focal Points of TINIC and economic operators. The meeting of the National Focal Points is organised every year.
- d) Studies: Working out of studies on trade development among the OIC Member States and on the implications of the International economic changes on the Member States; study on "Preferential Trade Agreements Existing Within OIC Member Countries and the Prospect of an Islamic Common Market" -October 2000-, a study on "Exporting Small and Medium Sized Enterprises Facing Globalization and Liberalization" (submitted by ICDT to a Seminar held in Abu Dhabi from 20<sup>th</sup> to 21<sup>th</sup> May 2000 in preparation of the exchanges of views of the 16<sup>th</sup> Session of COMCEC); and regional studies (on intra-Arab trade in manufactured products and the prospects of the Great Arab Free trade Area -June 2000- ; trade potential between African and Arab Countries -October 2000).

- e) Publications: Publication of an Annual Report on Inter-Islamic Trade (2000), of "Tijaris" Magazine on a quarterly basis dealing with inter-Islamic and international trade, of the investor's guide, and a Roster of Experts in the field of international trade of the Member States of the Organization of the Islamic Conference and the publication of sectoral studies (on Food products, fisheries, textiles and investment). All these publications are now available in electronic form in the ICDT's web site.
- f) Technical Assistance: Provision of technical assistance to the Member States and implementation of the programme of the Organization of the Islamic Conference and of the United Nations aiming at improving the competitive strength of some OIC Member Countries and the capacity building of some entrepreneurs nationals of Member States.
- g) International Trade Negotiations; Follow up of international trade negotiations through the preparation of studies, the organisation of seminars and the participation in the various meetings held by the World Trade Organisation (WTO).

Besides the implementation of its work programme, the Centre works out several documents and reports, which it submits to the various meetings of the Organization of the Islamic Conference held annually at various levels. ICDT also participates in the implementation of additional programmes in cooperation with the Islamic Development Bank with a view to enhancing Intra-OIC trade from its actual level, which is 10% to 13% by the year 2001.

(c) Islamic Institute of Technology (UT), Dhaka.

The Islamic Institute of Technology (UT) is the subsidiary body of the OIC concerned with human resources development, which is a priority area identified in the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States. The Fifteenth Session of the COMCEC held on 4-7 November 1999 noted with satisfaction that IIT organized an international seminar on "Human Resources Development for sustained Economic Growth and Poverty Alleviation as well as Progress in the Member States of OIC", which was held in Dhaka on 11-13 April, 1999. The report of the seminar constituted a major input for the exchange of views on "Human Resources Development for sustained Economic Growth and Progress in the Member States", which was conducted during the 15<sup>th</sup> Session of COMCEC.

The Institute has been continuing to pursue its human resources development activities in the fields of engineering and technology as well as technical and vocational education as mandated. The Institute is now offering academic courses leading towards degrees in engineering. The 24<sup>th</sup> Session of the Islamic Commission for Economic Cultural and Social Affairs held on 10-13 February, 2001 in Jeddah approved (in its capacity as the General Assembly for IIT) a proposal to change the name of the Institute as the Islamic University of Technology. To meet the heightened

requirements of specialization in engineering and to help the OIC Member Countries to keep pace with the fast changing technological milieu, arrangements are being made for offering Post-Graduate Courses also in Engineering and Technology. In addition to long regular academic programmes, the Institute also conducted skill and knowledge updating and upgrading short courses, seminars and workshops since its inception.

IIT participated actively by presenting a paper on "Strengthening Small and Medium Sized Enterprises Facing Globalization and Liberalization" in an International Conference organized by SESRTCIC in Abu Dhabi, the outcome of which constituted a major input to the exchange of views' session on the subject held during the 16<sup>th</sup> Session of the COMCEC. The Institute organized an International Conference and Workshop on "Critical Issues in Energy and Development - Challenges for the OIC Countries" tentatively on 20-23 November 2000 along with the 25<sup>th</sup> meeting of the Governing Board and the 14<sup>th</sup> Congregation Ceremony.

As a co-focal point in the priority area of Human Resources Development under UN-OIC collaboration, IIT has been maintaining close contact with subsidiary Organs and other Bodies of the OIC and different UN Bodies such as UNESCO, UNEP, UNIDO, UNCTAD etc., and a number of programmes have been identified during the last UN-OIC meeting held on 11-13 July, 2000 in Vienna.

**(d) Islamic Development Bank (IDB). Jeddah.**

The growing importance of IDB, a specialized institution of OIC, as indicated by its increasing volume of financing and number of activities has been made possible by the diversification of its financing modes which are fully compatible with Islamic Shariah principles. This has allowed the Bank to achieve significant results in its endeavour to foster the social and economic development of member countries and the Islamic Ummah at large

Indeed, the overall net cumulative financing approved by the Bank from its inception in 1395H (October 1975) to the end J. Thani 1421H (27<sup>th</sup> of September 2000) stood at about US\$22.1 billion, of which about US\$7.1 billion went for projects and technical assistance and about US\$15 billion were for trade financing operations.

The Bank has been very active with respect to the implementation of the 8<sup>th</sup> Islamic Summit Resolution pertaining to the areas of intra-trade, training, health and education in OIC member countries.

Indeed, in order to facilitate the achievement of *the* target of 3% increase in intra-trade over the prescribed three year period; the IDB allocated US\$1.0 billion from its own resources in 1420H for the purpose of trade financing to be supported by other resources to be mobilized through IDB's new program of Two-Step Murabaha Financing (2SMF) and Syndication from Islamic Banks and other financial institutions. These two mechanisms were expected to enable the Bank to raise a total amount of US\$2.0 billion annually for trade financing from 1420H onwards.

The IDB, efforts to increase intra-trade also include i) the appointment of Focal Points (FPs) of Trade to work jointly with it towards the set objective and to, date. 28 member countries have nominated their FPs.ii) the emphasis on procurement of goods and services from member countries under its project financing operations and undertook more intensive marketing efforts to increase utilization of its trade: financing schemes. These marketing efforts are particularly focused on major private sector companies in member countries, iii) IDB's continuous review of the terms, conditions and procedures of its trade financing schemes to keep them always competitive in international markets, iv) IDB's Trade Cooperation and Promotion Program (TCPP) to which the Board of Directors of IDB allocated US\$5 million for TCPP to enhance trade cooperation activities among member countries within three years (1420H-1422H), v) the IDB Trade Information Promotion System (TIPSys) within the framework of which a Buyers and Sellers Website (BSW) is planned to be set up. This Website will, inter-alia, enable importers and exporters to exchange information on their requirements and supply capabilities.

Turning now to the issue of training, the targeted objective in this field was an increase of 30 in the number of people trained by the various OIC institutions and the IDB in their respective fields of competence over the next three years. Accordingly, the intra-OIC Task Force on Training decided at its meeting in August 1998 in Jeddah to sponsor four (4) training programs. Of these. Three (3) have already been completed and the 4<sup>th</sup> one is planned for 1421H. Four more training programs are also planned to be organized in 1421H. A "Survey of Training Opportunities" has been commissioned with a view to publishing annually a "Directory of Training Opportunities" for the benefit of member countries. This directory is also planned to be available electronically.

In the health field, the target was to achieve Self Reliance in Vaccine Production over the three-year period. The 190<sup>th</sup> session of the IDB Board of Executive Directors approved an allocation of US\$5.6 million to cover the required work The IDB then set up an Internal Coordination Committee to outline the implementation procedures and to follow up on the actual implementation of the Program. IDB is to coordinate the selection of members of the Technical Team who will, effect sight visit of the vaccine production facilities in member countries.

Regarding the area of Education, the target was to significantly reduce illiteracy in OIC member countries over the 3-year period. In its 190<sup>th</sup> session, the IDB Board of Executive Directors allocated US\$3.5 million to help those member countries that experience high rates of illiteracy through the provision of technical assistance. A short list of eligible countries has been prepared and these countries have been informed about the Program and have been requested to submit each an integrated Illiteracy Eradication Project for processing,

Besides the above mentioned literacy program, the IDB has been very active in financing Education projects for its ordinary resources in compliance with its Strategic,Agenda for the Medium Term to promote human resources development and prepare the Islamic Ummah for the 21<sup>st</sup> Century. The financing has been mainly directed to the Least Developed Member countries (LDMCs) and tow income member countries.

(e) Islamic Chamber of Commerce and Industry (ICCI).

The Islamic Chamber Commerce and Industry (ICCI), an affiliated institution of OIC, continues to pursue its programme of economic and commercial cooperation among the private sector of the OIC member states. Within this framework, it is implementing various projects and programmes, which have been formulated under its Third Three-Year Plan of Action (2001-2003). This Plan has incorporated on a high priority basis the projects recommended by the Task Force of IDB on training and Intra-Islamic Trade. These Plans of Action are made within the guidelines of the strengthening of economic cooperation among member countries as emphasized by the OIC Plan of Action.

Since 1995, the ICCI has actively pursued its programme for the private sector and has held seven private sector meetings in Turkey (1994), Egypt (1995), Indonesia (1996), Pakistan (1997), Lebanon (1998), Cameroon (1999) and Qatar (2000). The recommendations of these meetings have been submitted to the 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> Session of the COMCEC for consideration. The Private Sector Meetings have proved to be a useful meeting place of entrepreneurs businessmen and representatives of financial institutions to discuss future avenues of cooperation and to find new markets for their products. The 8<sup>th</sup> Private Sector Meeting will be held in Conakry - Republic of Guinea in September or October, 2001.

In order to have a follow up of the recommendations of the Private Sector Meetings the 6<sup>th</sup> Private Sector Meeting held in Cameroon in October 1999 had proposed the setting up of a Monitoring Mechanism to follow up the implementation of the recommendations. This proposal was approved by the 15<sup>th</sup> Session of COMCEC in November 1999 and thereafter endorsed and supported by the 27<sup>th</sup> Islamic Conference of Foreign Ministers (ICFM) held in Kuala Lumpur in June 2000 and the 9<sup>th</sup> Islamic Summit Conference held in Doha in November, 2000.

Another important sector, the Islamic Chamber is working on is the development of the Small and Medium Enterprises (SMEs) in Member Islamic Countries. This proposal was also by the 27<sup>th</sup> Islamic Conference of Foreign Ministers and the 9<sup>th</sup> Islamic Summit. Therefore, a Task Force has been set up to formulate and review the work. It was agreed that the Task Force will meet at least once a year and will deal with formulating programmes to be launched during the year 2001 as the year of promotion and development of Small and Medium Enterprises.

In order to further promote and develop certain common sectors within the Islamic Countries, such as textile, leather and agriculture, the Islamic Chamber has set up Councils for each of the respective sectors. It may be mentioned that during the recently held ministerial Meeting on Tourism in Isfahan, Islamic Republic of Iran in October 2000, on the proposal of Egypt, it was also suggested that an Islamic Chamber Council of Tourism be also set up.

To foster greater interaction among the businessmen of the Islamic countries, ICCI has sent Economic Delegations to some of the African countries. The first such delegation went to Niger, Burkina Faso and Mali, while the second went to Guinea,

Gambia, Sierra Leone and Senegal. The third delegation will be visiting some other Islamic countries sometime in the year 2001.

The ICCI also cooperates with the Islamic Centre for Development of Trade, in organizing the Islamic Trade Fairs. In addition, it also arranges for small exhibitions at the time of the private sector meetings.

As part of its services for its Member Chambers, ICCI has undertaken a programme of holding Seminars and Workshops. So far these have been held in Karachi in 1996, in Mali in 1997. A Workshop on "Development of Industrial Management and Marketing Skills for Private Enterprises in OIC Member Countries", was held in Istanbul - Turkey, April 3-6, 2000 in collaboration with the Union of Turkish Chambers and another workshop on "Trade Facilitation and Exhibitions for CIS Member Chambers", was held in Cairo Egypt, October 28 - November 1, 2000 within the framework of the MOU signed between the Egyptian Fund and the Islamic Chamber.

In this rapidly evolving age of Information Technology, the Islamic Chamber is putting emphasis on the development of a well integrated data base. This data base contains information on the OIC Member Countries with particular reference to trade, economy, commerce industry, trade fairs and other relevant information.

Islamic Chamber has set-up an Arbitration Committee to arbitrate, for any trade and investment disputes that arise between the private sector of OIC countries.

In order to foster intra-Islamic trade and industry, the Islamic Chamber has signed memorandum of Understandings and Cooperation Agreements with several International Institutions and Organizations.

As a result of the, generosity of the His Majesty Khadim Al-Harimain Al-Sharifain King Fahd Bin Abdul Aziz Al-Saud and the Government of Kingdom of Saudi Arabia and the effort of H.E. Shaikh Ismail AJi Abudawood, President of the Islamic Chamber, the Islamic Chamber has established its first Regional Office in Jeddah in the premises of the Jeddah Chamber of Commerce and Industry. Other Regional Offices are expected to be established in Tunisia and Cameroon.

**(0) Islamic Shipowners' Association (ISA), Jeddah.**

The Organization of the Islamic Shipowners' Association was established by a decision of the Third Islamic Summit Conference held in Makkah Al-Mukarramah in 1981 for serving the Islamic World in the area of maritime transport. It takes Jeddah as its seat at the kind wish of the Government of the Kingdom of Saudi Arabia which supports it both financially and morally. It has a membership of Thirty-three States represented by over Sixty-one Shipping Companies. The Organization is taking necessary steps in respect of the following three projects:

**(i) Bakkah Snipping Company (BASCO):**

The Twenty-first Islamic Conference of Foreign Ministers held in Karachi in 1993 called upon the Organization to establish an Islamic Shipping Company and the resolution of die Twenty-fourth Islamic Conference of Foreign Ministers directed the Organization to expedite setting up the Islamic Shipping Company. The Organization made necessary contacts with houses of international repute in the area of establishing shipping companies. All studies conducted proved the feasibility of establishing such a company. The Islamic Summit held in Tehran and hot Islamic Summit held in Doha also welcomed the establishment of Bakkah Shipping Company (BASCO) and urged Member States as well as Companies and individuals in the Member States to contribute to its capital.

**(ii) Islamic Protection and fadiminity Club:**

Ancrther important project is die project of establishing an Islamic P&I Club. Islamic Republic of baa Shipping Lines, a member of the Executive Committee, at die direction of the General Assembly, roadnrtrd a comprehensive study oa how to establish this Club. The study found diat tins project would save annually more than 200 Million US Dollars which goes to Foreign P&I Clubs. During the Twenty-second meeting of the Executive Committee and the Fourteenth Meeting of the General Assembly held in Dubai, U.A.E, a subsidiary committee was formed to follow-up on die establishing of the Islamic Club. The last Islamic Summit in Doha has supported die establishment of the club and has called the members to join it

**(iii) Cooperative Information System:**

The Organization has conducted a comprehensive study conducted on the Cooperative Information System. The necessary requirements have been specified Setting up of this system would hak all the members to a quick and highly efficient network.

**LIST OF MEMBER STATES WHO SIGNED AND RATIFIED  
THE DIFFERENT AGREEMENTS AND STATUTES ON  
ECONOMIC, COMMERCIAL AND TECHNICAL  
COOPERATION AMONG OIC MEMBER STATES**

NAME OF MEMBER STATES	General Agreement on Economic, Technical and Commercial Cooperation		Agreement on Promotion, Protection and Guarantee of Investments		Framework Agreement on Trade Preferential System		Statute of Islamic Civil Aviation Council		Statute of the Islamic States Telecommunications Union		Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC)	
	Adopted as per Res. No 1/8-E of the 3 <sup>rd</sup> ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No 7/12-E of the 12 <sup>th</sup> ICFM Baghdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6th COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No 16/13-E of the 13 <sup>th</sup> ICFM Niamey/Niger 22-26/2/1982		Adopted as per Res. No 17/15-E of the 15 <sup>th</sup> ICFM Sana'a/Yemen 18-22/12/1984		Adopted as per Resolution No.1 of the 14 <sup>th</sup> COMCEC Istanbul/Turkey 1-4/11/1990	
	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify
Afghanistan	-	-	-	-	-	-	-	-	-	-	-	-
Algeria	20/5/80	-	-	-	-	-	-	-	-	-	-	-
Albania	-	-	15/11/96	-	-	-	-	-	-	-	-	-
Azerbaijan	-	-	-	-	-	-	-	-	-	-	-	-
Bahrain	21/05/80	30/08/80	-	-	-	-	-	-	-	-	-	-
Bangladesh	05/12/77	18/04/78	04/11/97	-	3/11/97	-	10/9/83	-	-	16/4/88	-	-
Benin	-	-	-	-	-	-	-	-	-	-	-	-
Brunei Darussalam	-	-	-	-	-	-	-	-	-	-	-	-
Burkina Faso	23/12/85	-	-	19/5/92	1-6/9/93	-	-	-	-	-	-	-
Cameroon	23/01/78	02/08/83	25/10/94	-	25/10/94	-	-	-	-	-	-	-
Comoros	28/04/78	16/01/81	-	-	-	-	-	-	-	-	-	-
Kyrgyz Republic	-	-	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-	-
Djibouti	21/04/79	-	25/08/82	-	-	-	-	-	-	-	-	-
Egypt	08/11/77	06/06/78	-	16/12/78	15/11/96	31/12/99	-	-	11/6/87	7/5/88	-	-
United A. Emirates	29/12/77	1979	12/02/89	14/01/89	-	-	30/5/89	21-3-89	30/5/89	21/3/89	-	-
Gabon	23/01/78	-	-	-	-	-	-	-	-	-	-	-
Gambia	21/05/80	-	04/09/93	-	08/11/95	-	8/11/95	-	8/11/95	-	-	-
Ghana	-	-	-	-	-	-	-	-	-	-	-	-
Guinea	26/12/77	10/02/81	08/11/95	-	05/09/93	-	8/11/95	-	8/11/95	-	-	-
Guinea-Bissau	-	-	-	-	-	-	-	-	-	-	-	-
Indonesia	30/04/79	08/01/80	01/05/83	3/12/83	04/02/92	-	-	-	-	-	-	-
Iraq	02/07/76	1978	-	-	-	-	-	-	-	-	-	-
Iran	08/11/95	07/11/95	08/11/95	15/9/94	08/11/95	12/5/93	8/11/95	-	4/9/93	6/10/93	-	-
Jordan	29/12/77	10/03/79	04/11/98	25-01-99	01/02/93	21/12/98	25/10/94	-	12/3/88	8/4/86	-	-
Kuwait	05/12/77	10/05/80	18/11/81	12/4/83	-	-	-	-	-	-	-	-
Lebanon	15/11/96	-	15-11-96	-	15-11-96	-	-	-	-	-	-	-
Libya	5/12/77	15/04/78	25/10/94	13/2/96	05/11/92	02/11/92	-	-	-	04/01/89	-	-
Malaysia	18/05/78	14/01/81	30/09/87	-	-	-	-	-	-	-	-	-
Maldives	17/12/77	-	-	-	-	-	-	-	-	-	-	-
Mali	27/04/78	08/08/81	-	24/05/82	-	-	-	-	-	-	-	-
Morocco	23/01/78	16/04/79	02/11/80	07/05/90	29/09/83	-	26/10/00	-	30/12/85	-	-	-



Annex VI to OIC/COMCEC-FC/17-01/REP

NAME OF MEMBER STATES	General Agreement on Economic, Technical and Commercial Cooperation		Agreement on Promotion, Protection and Guarantee of Investments		Framework Agreement on Trade Preferential System		Statute of the Islamic Civil Aviation Council (ICAC)		Statute of the Islamic States Telecommunications Union (ISTU)		Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC)	
	Adopted as per Res. No 1/8-E of the 8 <sup>th</sup> ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No 7/12-E of the 12 <sup>th</sup> ICFM Bagdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6 <sup>th</sup> Session of the COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No 16/13-E of the 13 <sup>th</sup> ICFM Niamey/Niger 22-26/8/1982		Adopted as per Res. No 17/15-E of the 15 <sup>th</sup> ICFM Sana'a/Yemen 18-22/12/1984		Adopted as per Resolution No. 1 of the 14 <sup>th</sup> COMCEC Istanbul/Turkey 1-4/11/1998.	
	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify
Mauritania	08/11/77	09/05/79	-	-	-	-	-	-	-	-	-	-
Mozambique	-	-	-	-	-	-	-	-	-	-	-	-
Niger	18/05/78	07/08/78	-	-	-	-	8/12/84	-	-	-	-	-
Nigeria	4/11/98	-	4/11/98	-	4/11/98	-	4/11/98	-	4/11/98	-	-	-
Oman	15/04/80	28/04/81	25/10/94	10/12/94	-	-	-	-	-	-	-	-
Uganda	08/08/78	-	26/11/78	10/2/78	05/09/93	-	-	-	-	-	-	-
Pakistan	14/01/78	1978	20/12/81	10/7/82	25/10/94	11/10/93	-	1989	-	30/4/86	-	-
Palestine	28/04/78	18/03/80	15/03/82	15/3/82	10/09/92	-	22/5/83	-	3/01/87	11/11/86	7-11-99	-
Qatar	24/09/78	09/09/80	26/10/00	-	-	-	-	-	-	-	-	-
Saudi Arabia	14/01/78	27/06/79	23/9/85	17/9/84	10/09/92	-	-	-	-	-	-	-
Senegal	25/12/77	28/02/79	17/6/87	30/6/94	01/9/91	30/6/94	17/6/87	4/2/89	17/6/87	4/2/89	-	-
Sierra-Leone	-	-	-	-	-	-	-	-	-	-	-	-
Somalia	24/12/78	-	19/12/83	25/11/84	-	-	-	-	-	-	-	-
Sudan	14/01/78	-	20/12/81	-	13/5/92	-	4/9/93	-	4/9/93	-	26/10/00	-
Syria	04/06/78	15/07/80	-	-	-	-	-	-	-	-	7-11-99	-
Suriname	-	-	-	-	-	-	-	-	-	-	-	-
Tajikistan	04/11/97	-	04/11/97	-	-	-	-	-	-	-	-	-
Tchad	27/04/78	-	-	-	14/1/92	-	-	-	-	-	-	-
Togo	-	-	-	-	-	-	-	-	-	-	-	-
Tunisia	27/01/79	13/04/80	10/06/82	11/11/83	21/1/93	31/7/00	6/1/83	11/11/83	8/11/95	14-02-00	-	-
Turkey	29/12/77	02/07/82	16/07/87	09/2/91	23/9/91	28/11/91	-	-	-	-	7-11-99	-
Turkmenistan	-	-	-	-	-	-	-	-	-	-	-	-
Uzbekistan	-	-	-	-	-	-	-	-	-	-	-	-
Yemen	29/12/77	-	12/06/82	-	-	-	25/10/94	-	25/10/94	-	-	-
<b>TOTAL</b>	<b>41</b>	<b>27</b>	<b>29</b>	<b>19</b>	<b>22</b>	<b>8</b>	<b>14</b>	<b>4</b>	<b>13</b>	<b>10</b>	<b>4</b>	<b>-</b>

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**-VII-**

**REPORT BY THE  
OIC GENERAL SECRETARIAT ON THE REVIEW  
OF THE IMPLEMENTATION OF THE PLAN OF ACTION**

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

**(Istanbul, 9-10 May 2001)**



**REVIEW OF THE IMPLEMENTATION OF THE PLAN OF ACTION**  
**TO STRENGTHEN**  
**ECONOMIC AND COMMERCIAL COOPERATION**  
**AMONG OIC MEMBER STATES**

**I. Introduction:**

The 16<sup>TH</sup> COMCEC requested the General Secretariat (at paragraph 23 of resolution I) to continue to submit to the annual sessions of the COMCEC a periodical review of the implementation of the Plan of Action. This review is submitted in pursuance of the resolution.

**II. Background Information on the Plan of Action:**

The Sixth Islamic Summit entrusted the COMCEC to draw up a new strategy for the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States, taking into consideration the changes that took place in the world since the adoption of the Plan of Action in 1981. Accordingly, a revised Plan was approved by the Tenth Session of the COMCEC (November 1994). This document together with the Strategy approved earlier by the COMCEC was endorsed by the Seventh Islamic Summit Conference (Casablanca, December 1994) in its Resolution 8/7-E(IS).

The Seventh Islamic Summit noted, inter alia, that the strategy for economic cooperation adopted by the COMCEC allowed for cooperation among sub-groups of Member States and was based on the principles of economic liberalization, promotion of the private sector, and integration with the world economy and on respect for the economic, political, legal and constitutional structures of the Member States and their international obligations. It also noted that the Plan of Action was open to further improvement during its implementation. The Summit stressed on the urgency of implementing the Plan and called upon the Member States to host the inter-sectoral expert group meetings as envisaged in the chapter on Follow-up and Implementation of the Plan.

The COMCEC Follow-up Committee at its eleventh meeting considered the technical and organisational issues of holding an inter-sectoral meeting and recommended that, instead of holding one inter-sectoral meeting to initiate the implementation of the Plan of Action, a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time. The Eleventh COMCEC accepted the recommendation and invited the member states to host both sectoral and inter-sectoral meetings.

**III. Mechanism for the Implementation of the Plan:**

As per the provision of the Follow-up and Implementation Mechanism which forms an integral part of the Plan of Action, the process of implementation of specific cooperation projects in each of the ten priority sectors is to commence through holding of sectoral Expert Group Meetings. The mandate given to the Expert Group Meetings in each sector/area of the Plan is to review the requirements for action and make proposals. The Expert Group

Meetings are to be held to identify specific cooperation projects. Subsequently, "project committees" are to be formed with interested Member States under the chairmanship of the country originally proposing the project(s). The responsibility of implementing any project remain with the concerned project committee(s).

#### **IV. Expert Group Meetings:**

Since adoption of the revised Plan all meetings of the COMCEC, Islamic Summit Conferences and the Islamic Conferences of Foreign Ministers appealed to the Member States to host sectoral Expert Group Meetings.

The Government of the Republic of Turkey hosted the Expert Group Meeting on Money, Finance and Capital Flows in Istanbul from 1-3 September 1997. A number of cooperation projects and project ideas were submitted at the meeting by some Member States and OIC institutions. The meeting reiterated the basic principles of the Plan of Action that participation in the implementation of the proposed projects is voluntary for the Member States that the private sector would play an important role in the process. The meeting also stressed on the necessity to draw maximum benefit out of the facilities already existing within the OIC system in formulating projects to be proposed in this sector.

The Government of the Islamic Republic of Pakistan organised the Expert Group Meeting on "Foreign Trade Facilitation of the OIC Member States" in Karachi from October 24-25, 1997. A set of project proposals and project ideas emerged from this meeting. The government of Burkina Faso indicated its interest in certain project ideas submitted by the OIC institutions at the Expert Group Meeting on Foreign Trade.

The Government of the Republic of Turkey organised the Expert Group Meeting on Technology and Technical Cooperation in Istanbul from May 6-8, 1998. Jordan, Turkey and Sudan submitted 18 specific project proposals. The report of the Expert Group Meeting, along with the project proposals, was transmitted to all member states with the request to indicate their interest to the General Secretariat by October 1, 1998. Besides, those Member States, which indicated their initial interest during the Expert Group Meeting, were requested to confirm their interest in writing to the General Secretariat by October 1, 1998. Subsequently, the Islamic Republic of Iran and Hashemite Kingdom of Jordan submitted some additional proposals.

Government of Cameroon has submitted a couple of new project ideas. Those new projects which were received in the prescribed Project Profile Form have been circulated among the Member States. Those Member States which submitted project ideas, have been requested to provide idea of the complete project in the prescribed Projects Profile Form. Member States that have indicated interest in the project ideas proposed by the OIC institutions have been requested to submit these as their proposals so that the same can be circulated to all Member States.

The responses to the project proposals/ideas received from some Member States till the end of January, 2001 are shown in tabular form as an annexure. Names of countries indicating interest in any specific project(s)/project idea(s), as shown in the table, have been communicated to the countries which originally proposed these project(s)/project ideas):

#### **V. Activities in some related areas:**

The government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural **Development** in Tehran from 14 to 16 January 1995. The Declaration issued by the Conference **emphasised** on the **need to explore** ways and means to increase agricultural production in **potential areas and decided** to periodically review the situation of food security in all OIC Member States.

The Third OIC Ministerial Meeting on Posts and Telecommunications was held in Tehran, Islamic Republic of Iran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and specific recommendations for action by the Member States. The meeting decided that expert group meetings, seminars and symposiums in the field of cooperation in Posts and Telecommunications be held annually even at regional level and including the private sector. It was also decided to hold the Ministerial Meeting on Posts and Telecommunications more frequently, at least once in every three years.

The First OIC Ministerial Meeting on Tourism was held in Isfahan from 2-4 October, 2000. The meeting adopted a resolution on tourism and the Isfahan Declaration. The resolution recognized the need to hold expert meetings on ways and means of effective and expeditious implementation of the relevant provisions on tourism in the OIC Plan of Action. It also decided to set up a follow-up committee.

The Eighth Islamic Trade Fair was held in Qatar from 15 to 20 October 2000 concurrently with the Seventh Private Sector Meeting (15-17 October, 2000). The Trade Fair was organized by ICDT in collaboration with ICCI and the Government of **Qatar**, while the Private Sector Meeting by ICCI in collaboration with the Qatari Chamber of Commerce and Industry.

#### **VI. Follow-up on the decisions of the 16th Session of COMCEC.**

The appeal addressed by the 16<sup>th</sup> COMCEC to member states who have not yet done so to sign and ratify the various Agreements and Statutes prepared under the auspices of the OIC to help intensify economic cooperation among member states has been transmitted to all concerned by the General Secretariat. Besides, the General Secretariat had earlier requested the Islamic Chamber of Commerce and Industry to advise all its constituent national chambers to make whatever contribution they can in expediting early action by their respective governments with respect to early signature and ratification of OIC Agreements and Statutes as per the appeal of the COMCEC.

The 16<sup>th</sup> COMCEC welcomed the offers of the Governments of the Arab Republic of Egypt, Republic of Gabon, Islamic Republic of Iran, Republic of Indonesia, Malaysia and the Republic of Sudan to host various Ministerial meetings, sectoral expert group meetings, regional seminars and workshops. The General Secretariat is in contact with all these Member States with a view to making necessary arrangements for holding these meetings and seminars/workshops.

It may also be mentioned here that earlier the 15<sup>th</sup> COMCEC requested the OIC General Secretariat to closely pursue the follow-up actions and the results of the three sectoral expert group meetings held so far. It also urged upon Member States to forward to the General Secretariat their responses to the project proposals put forward at the sectoral expert group meetings for the formation of the above-mentioned project committees at the earliest possible date. The General Secretariat circulated the aforementioned project proposals to all member states with the request to indicate their interest at an early date. A few responses received so far have been transmitted to the country(s) which proposed the projects) so that the task of establishing specific Project Committees can be taken up. As responses of vast majority of Member States are still awaited, a reminder has been sent out by the General Secretariat to all Member States urging them to expedite their responses.

While deciding that "Effects of Non-tariff Barriers on the Foreign Trade of Member States" be the theme for the exchange of views at the Seventeenth Session of the COMCEC, the 16<sup>th</sup> COMCEC requested the SESRTCIC, in collaboration with ICDT, ICCI, IDB, and related OIC and other international institutions, to organise a workshop on the topic prior to the 17<sup>th</sup> COMCEC and submit its report to the Session.

## VII. Assessment of the Expert Group Meetings (EGMs) held so far

At the request of the 14<sup>th</sup> COMCEC, the General Secretariat submitted a detailed review of the overall situation of implementation of the Plan of Action at the 15<sup>th</sup> Session of COMCEC held in Istanbul from 4-7 November, 1999. A number of observations and conclusions drawn from an assessment of the experience gained on the EGMs held so far were elaborated in the afore-mentioned review. These are recapitulated below.

- a) Observations and conclusions on EGMs
  - i) It has been observed that project profiles are submitted by Member States mostly during the course of the EGMs and not in advance, which makes it difficult for Member States to study them. It does not also enable the experts participating in the EGM to make any commitment or indication of interest of their respective governments in any projects). This, in turn, makes the formation of project committees during the EGMs impossible.



- ii) Number of Member States submitting project proposals for the EGMs has remained very limited. Though the mechanism keeps open the possibility for Member States to submit project proposals even after the holding of the EGMs, only one has, so far, exercised this option despite specific requests in this respect having been addressed to them.
- iii) The formation of project committees depends on the indication of interest by Member States for any particular project(s). Such firm indication of interest has not yet been forthcoming in sufficient number on the project proposals which emerged from the three EGMs held so far.
- iv) In some cases, the responses received from the Member States are not clearly indicative of their intent as far as supporting any particular project proposal is concerned. These merely constitute general observations and comments rather than clear-cut expression of interest or commitment to be associated with any particular joint venture.
- v) In many cases, the responses from the Member States do not correspond to the stipulations on follow-up actions as envisaged in the mechanism of implementation of the project proposal(s) project ideas that emerge from the EGMs. This calls for a clarification of the follow-up action envisaged.
- vi) Many project proposals submitted by Member States are prepared in the context of exclusively the national development priorities of the proposing Member State and thus fall short of any element of regional or multilateral nature. This results in apparent lack of interest by the other Member States.
- vii) The proposing Member State which, under the mechanism of implementation, has been responsibility of constituting the respective project committee(s) once sufficient number of responses have been received on particular projects/project ideas. No such Member State has yet taken any initiative to undertake this step; nor have they given any indication of such action in this respect.
- viii) Under the Follow-up and Implementation mechanism of the Plan of Action, only a Member State can submit project proposals which also has to take the responsibility of establishing specific project committee(s) comprising interested Member States and take all subsequent steps related to the implementation of projects). Since the OIC institutions can not assume this responsibility, the project ideas contributed by them during the deliberations of the EGMs, constitute only broad ideas which need to be taken up by a Member State.
- ix) Lack of an arrangement that would directly involve the private sector and financing institutions in the process of implementation has remained a marked weakness of the existing follow-up and implementation mechanism.

- x) Unavailability of financial support and technical assistance for the preparation of the project proposals is a major stumbling block hampering steady inflow of project proposals duly developed and submitted by the Member States.
- xi) Expert Group Meeting are meant, by definition, to be participated by well-informed and technically qualified persons in order to achieve the desired outcome. Delegations attending the EGMs are found often to be composed mostly of non-experts.
- xii) Lack of adequate responses from Member States to the invitations to attend sectoral Expert Group Meetings have remained a persistent problem. This crucial issue can be resolved only through a heightened level of interest by the Member States that may lead to their effective participation by nominating competent and well-informed experts to these meetings.

**b) Some Suggestions based on the observations and conclusions:**

The following suggestions are based on the axiom that the success or failure of any initiative of multinational character is essentially conditioned by the level of interest and the degree of political will displayed by the Member States:

- i) Preparation of pre-feasibility documents of projects indicating not only the technical viability of the project, but also the benefits that the Member States could expect to get, requires a certain degree of technical and professional expertise, which may not be available in some of the Member States that would, otherwise, be interested in proposing and taking a lead role in piloting such projects. The relevant OIC institutions having necessary expertise in project preparation and evaluation may be inducted in the process from the outset under suitable institutional arrangements.
- ii) While preparing the pre-feasibility documents for any projects, efforts should be concentrated on clarifying the nature and extent of financial obligations which an interested Member State will be expected to meet. The documents should also identify the possible sources of funds other than the direct contribution from the participating Member States. This will add an element of predictability which is so vitally needed in motivating Member States to participate in the project.
- iii) The idea of designating one or more of the competent OIC institutions for each of the project proposals worked out within the framework of the implementation of the OIC Plan of Action as project focal points may be given serious consideration. The institutions so designated would be expected to provide technical support to the proposing Member State in preparation of the pre-feasibility studies, providing technical clarification and assisting the proposing Member States in preparing documentation for the meeting of the Project Committees.

- iv) Greater use should be made of the IDB technical expertise and resources in preparation of pre-feasibility and feasibility studies. IDB support should also be ensured for the proposing Member State in hiring experts and undertaking evaluation of expected benefits of the proposed projects to other Member States.
- v) A thorough and serious review and evaluation of the Follow-up and Implementation Mechanism of the Plan of Action as well as of the re-evaluation of the modus-operandi of the COMCEC itself should be undertaken in order to enable the Standing Committee to take stock of the situation and devise rectification wherever necessary. The review should also cover the ways and means of involving the private sector as well as financial institutions in the implementation of the Plan of Action.
- vi) frequent review and follow-up of the work of the Project Committees should be undertaken preferably during the annual COMCEC sessions. Sessional Committees should be established to help concurrently with the COMCEC Sessions to help launching the initial meetings of the project committees which ought to have been formed by now.
- vii) A mechanism needs to be developed for monitoring the implementation of the private sector meetings in the context of the COMCEC and implementation of the OIC Plan of Action. In this respect, the suggestion of the ICCI for the formation of a monitoring group consisting of the ICCI, the OIC General Secretariat, SESRTCIC, ICDT and IDB deserves to be closely looked into.
- c) Recommendations of the 16<sup>th</sup> Meeting of the Follow-up Committee of COMCEC:

After detailed discussion on the aforementioned review the 15<sup>th</sup> Session of the COMCEC adopted a resolution expressing concern over the "slow progress of the implementation of the Plan of Action" and recommended to the Follow-up Committee at its next meeting to "suggest best possible remedies to alleviate the situation". Accordingly, the Follow-up Committee at its 16<sup>th</sup> Meeting held in Istanbul on 9-11 May, 2000 deliberated on the possible ways and means to accelerate the implementation of the Plan and decided to forward the following recommendations to the 16<sup>th</sup> Session of COMCEC for consideration:

- "i) In order to generate the interest of Member States in any joint venture project, initially only those projects that are of interest to a group of Member States should be concentrated upon. The project profile must focus on this aspect of the project proposals specifically indicating the expected benefits to the countries of the region/group of Member States.

- ii) The existing practice of proposing projects by one Member State acting on its own and then circulating it to enlist interested Member States had not proved to be effective. An alternative approach of ascertaining a nucleus of possible interested Member States and conducting preliminary consultations with them by the country originally conceiving the project idea before and after submitting it at the expert group meeting was likely to have better chances of success.
- iii) The facilities and expertise available within the existing OIC system in general and those of the IDB, SESRTCIC, ICDT, IIT and ICQ in particular, should be fully utilised in preparing the project proposals « a professional and technically sound manner. The feasibility of establishing a direct and concrete linkage between preparation/implementation of project proposals and the utilisation of resources and facilities available in relevant institutions, such as the IDB, needs to be seriously looked into.
- iv) The feasibility of utilizing IDB's expertise in appropriate cases, for forming a consortium comprising appropriate financial institutions, both inside as well as outside the OIC framework, for financing implementation of joint venture projects under the OIC Plan of Action should be explored.
- v) In view of the pivotal role of the private sector in the economic development of Member States, the Committee reaffirms the importance of involving the private sector and calls upon the Islamic Chamber to do this through the meetings, in this regard".

VTII. Expert Group Meeting on ways and means of accelerating the implementation of the Plan of Action:

The 16<sup>th</sup> COMCEC expressed concern over the slow progress in the implementation of the Plan of Action and urged the Member States to take appropriate action for expediting its implementation. It resolved in this connection that an open-ended experts group meeting be convened before the 17<sup>th</sup> meeting of the Follow-up Committee, which is scheduled on 9-10 May, 2001, "to explore all possible ways and means of accelerating the implementation of the Plan of Action" and welcomed the offer of the Republic of Turkey to host the experts group meeting. Accordingly, the experts group meeting is scheduled to be held on 6-7 May, 2001 in Istanbul. The report of the said meeting containing its conclusions and recommendations will be before the Follow-up Committee for its consideration.

SI. No	Project Proposals/Ideas	Proposing State/ Institution	Interested Country
	<b>TECHNICAL COOPERATION</b>		
1.	Technical cooperation in the area of Software Engineering Among OIC Member States.	Jordan	
2.	Technical Cooperation in the Area of Heritage Preservation Among OIC Member States.	Jordan	
3.	Production of pulp and paper in Sudan.	Sudan	
4.	Strengthening the Innovation, Design and Prototype Manufacturing Centre.	Sudan	
5.	Shelter and Habitat in Sudan.	Sudan	
6.	Photovoltaic Cells Production.	Sudan	
7.	Technical Cooperation Among Patent Offices in the OIC Member States.	Turkey	Kazakhstan
8.	Technical Cooperation in the area of Business Incubators Among OIC Member States.	Turkey	
9.	Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner.	Turkey	Kazakhstan
10.	Provision of Technical Assistance for Establishment of Technology Development Foundation in the OIC Member States.	Turkey	
11.	Energy Research and Technology Development Centre For Islamic Countries.	Turkey	Kazakhstan
12.	Space Agency for Islamic Countries.	Turkey	Kazakhstan
13.	Distance Educational Project.	Turkey	
14.	Technical Cooperation in the area of Environmental Protection: Proper use of coastal zone to prevent Accelerated beach/coast erosion.	Turkey	
15.	Metametrone and Metribuzine Process development for production of the 1,3,4 triazine 6 one deriv, which are used as fungicide in Iran.	Iran	Saudi Arabia
16.	Ionoxyail (totril) Process development for this valuable fungicide and its Dibromo analogue.	Iran	Saudi Arabia
17.	Carbamazepine Process development for production of Carbamazepine at 25 MT/year capacity.	Iran	Saudi Arabia
18.	Sut-SOFT, Software for modeling of Heat Transfer, Mass Transfer and Stress Analysis.	Iran	Saudi Arabia
19.	Field-Test establishment.	Iran	Saudi Arabia

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	<b>MONEY, FINANCE AND CAPITAL FLOWS</b>		
<b>20.</b>	Establishment of an Islamic Insurance-Reinsurance Corporation.	Turkey	
<b>21.</b>	Islamic Finance Corporation under the Auspices of the IDB.	Turkey	
<b>22.</b>	Multilateral Islamic Clearing Agency (Union).	Turkey	
<b>23.</b>	Development of a cohesive multi-year programme for Training and Seminars to be conducted in Financial and Monetary Fields.		
<b>24.</b>	Compilation by SESRTCIC, in collaboration with IDB/IRTI Of a Directory of Muslim Experts in the field of money, Banking and finance.	Turkey	
<b>25.</b>	Regular and Systematic Collection and dissemination of detailed data and information on the money, banking and finance activities in the member countries. Establishment by SESRTCIC, in collaboration with the IDB, of a set of database on the relevant activities comprising such data and information.	Turkey	
<b>26.</b>	Compilation by SESRTCIC, in collaboration with the IDB/IRTI of a Directory on Banks and Financial Institutions in the member countries.	Turkey	
	<b>FOREIGN TRADE</b>		
<b>27.</b>	A Mechanism for Systematic Collection and Dissemination Of Detailed Information on Tariff and Non-tariff Trade Barriers of the Member countries.	Turkey	Burkina Faso Sultanate of Oman.
<b>28.</b>	Establishment of Islamic Trading House(s).	Turkey.	
<b>29.</b>	A Mechanism for Integration of the OIC Member Countries to the World Trade System.	Turkey	Burkina Faso
<b>30.</b>	A Study on the Determination of the Economic Comparative Advantages of the OIC Member countries.	Turkey	Sultanate of Oman.
<b>31.</b>	Creation of an Islamic Export Market Development Fund.	SESRTCIC	
<b>32.</b>	Collection and Collation of Statistical Information Regarding the Import Needs and Export Potentials of Member Countries.	SESRTCIC	
<b>33.</b>	Development of a Joint Transportation Scheme for The Land-locked Member States.	SESRTCIC	

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34.	Preparation of a Detailed Study of Trade Regulations And Procedures of Member States.	SESRTCIC	
35.	Trade Facilitation Services to be Provided by the National Chambers of the Member Countries.	ICCI	
36.	Import Management Facilities to be Provided by the National Chambers of the Member Countries.	ICCI	
37.	Programme for Training of Trainers in the Area of International Trade.	ICDT	Burkina Faso
38.	Setting up of Regional Companies Specialised in Organisation of Trade Fairs and Exhibitions.	ICDT	Burkina Faso
39.	Setting up of Permanent Exhibition Halls.	ICDT	
40.	Organising a Permanent Virtual Goods Exhibition on The INTERNET Web site of the ICDT.	ICDT	

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**REPORT  
OF THE EXPERT GROUP MEETING  
FOR ACCELERATING THE IMPLEMENTATION  
OF THE OIC PLAN OF ACTION**

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

**(Istanbul, 9-10 May 2001)**



Original: English

**REPORT**  
**OF THE EXPERT GROUP MEETING FOR ACCELERATING**  
**THE IMPLEMENTATION OF THE OIC PLAN OF ACTION**

(Istanbul, 6-7 May 2001)

1. The Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action for Economic and Commercial Co-operation was held in Istanbul, Republic of Turkey, on 6 and 7 May 2001.

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

1. Republic of Azerbaijan
2. Burkina Faso
3. Arab Republic of Egypt
4. Republic of Guinea
5. Republic of Indonesia
6. Islamic Republic of Iran
7. Hashemite Kingdom of Jordan
8. Republic of Kazakhstan
9. State of Kuwait
10. Malaysia
11. Republic of Mali
12. Kingdom of Morocco
13. Mozambique
14. Republic of Nigeria

15. Sultanate of Oman
16. Islamic Republic of Pakistan
17. State of Palestine
18. State of Qatar
19. Kingdom of Saudi Arabia
20. Republic of Senegal
21. Republic of Sudan
22. Republic of Tunisia
23. Republic of Turkey
24. State of the United Arab Emirates

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

- I. The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
2. The Islamic Centre for Development of Trade (ICDT)
3. The Islamic Institute of Technology (DT)
4. The Islamic Development Bank (IDB)
5. The Islamic Chamber of Commerce and Industry (ICCI)
6. Organization of Islamic Shipowners Association (OISA)

4. UNTDO Center for Regional Cooperation in Ankara, also attended the meeting as observer.

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

#### Opening Session

5. The meeting was opened and chaired by H.E. Ambassador Yaşar YAKIŞ, Head of the Turkish Delegation. Thereafter, a message of H.E. Dr. Abdelouahed BELKEZIZ, the

## **Annex VIII to OIC/COMCEC-FC/17-01/REP**

OIC Secretary General was read out by H.E. Ambassador Nabika DIALLO, Assistant Secretary General of the OIC.

(A copy of the text of the message of H.E. Dr. Abdelouahed BELKEZIZ is attached as Annex II.)

### **Election of the Bureau**

6. Under Agenda item 2, the Meeting elected the Bureau as follows:

Chairman	Republic of Turkey
Vice-Chairman	Kingdom of Saudi Arabia
Vice-Chairman	State of Palestine
Vice-Chairman	Republic of Indonesia
Vice-Chairman	Burkina Faso
Rapporteur	Islamic Republic of Pakistan

### **Adoption of the Agenda**

7. Under Agenda item 3, following the adoption of the Agenda of the Meeting, an open-ended Drafting Committee was set up under the Chairmanship of the Rapporteur, H.E. Ambassador Qazi HÜMAYUN, Head of the Delegation of the Islamic Republic of Pakistan.

(A copy of the Agenda as adopted by the Meeting is attached as Annex III.)

### **Background Report by the OIC General Secretariat on the Implementation of the OIC Plan of Action for Economic and Commercial Cooperation**

8. Under Agenda item 4, H.E. Ambassador A.H.M. MONIRUZZAMAN, Director of Economic Affairs, presented the Background Report of the General Secretariat. The report provided a historical background information on the subject under consideration by the Meeting and reviewed the status of sectoral expert group meetings convened to implement the OIC Plan of Action. After assessing the expert group meetings held so far,

the report made some suggestions for accelerating the implementation of the OIC Plan of Action.

9. The Meeting expressed its appreciation for the concise information provided in the report to facilitate the deliberations of the Meeting.

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

**Problems Facing the Implementation of the OIC Plan of Action and Possible Ways and Means for Accelerating its Implementation**

10. Under Agenda item 5, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) submitted a working paper on the *Problems Facing the Implementation of the OIC Plan of Action and Possible Ways and Means for Accelerating its Implementation* which was prepared with contributions from the relevant OIC institutions. The report highlighted the various problems facing the implementation of the OIC Plan of Action such as political, financial, human resources, organizational constraints and formulated some possible solutions for accelerating its implementation. A paper by UT was also submitted to the Meeting in this regard.

11. During deliberations on this item, the Meeting appreciated the efforts made by the Centre for the preparation of the working paper on the subject Member States also expressed their views with respect to the reasons for the slow progress in implementing the OIC Plan of Action and their proposals for accelerating its implementation. The Meeting also took note with appreciation of the paper by ÜT.

(Copies of the Working Paper submitted by SESRTCIC and ÜT are attached as Annexes V and VI.)

**Measures for Promoting and Expanding Intra-OIC Trade;**

12. Under Agenda item 6, ICDT, IDB and OISA submitted working papers on the issues of Trade Promotion, Trade Financing and Transportation, respectively.

13. The Meeting appreciated the efforts made by ICDT, IDB and OISA for the preparation of their respective papers and contributions to the subject

(Copies of the Working Papers submitted by ICDT, IDB and OISA are attached as Annexes VII, VIII and IX, respectively.)

### **Modalities of Active Involvement of the Private Sector in the Activities of the COMCEC**

14. Under Agenda Item 7, the Islamic Chamber of Commerce and Industry (ICCI) submitted a paper on modalities of active involvement of the Private Sector in the activities of the COMCEC, along with contributions from IDB.

15. The paper focused on how the private sector could play an active role in the activities of COMCEC so as to be an essential factor in stimulating economic development. The proposals covered the promotion of awareness within the private sector and involvement in the issues being dealt with by COMCEC. The paper also addressed the need to develop SMEs in industry and services, production of information technology, private investment and training. After lengthy discussion the Meeting took note with appreciation of the paper submitted by ICCI.

16. The Meeting also took note with appreciation, of the statement made by the Director of UNIDO Centre for Regional Cooperation in Ankara, indicating UNIDO's readiness to join forces with OIC in promoting the development of SMEs in OIC member countries, within the framework of existing cooperation Agreements between the two organizations.

(A copy of the Working Paper submitted by ICCI is attached as Annex X.)

### **Speeding up the Communication and Flow of Information among Member Countries**

17. Under Agenda item 8, ICDT submitted a paper to the Meeting on Speeding up the Communication and Flow of Information among Member Countries which was prepared in collaboration with the relevant OIC institutions. The paper highlighted the need to develop the sector of Information Technology through close cooperation between the ICDT and other concerned OIC institutions. SESRTCIC also presented a paper on the

same topic and suggested proposals for speeding up the communication and flow of information among Member Countries. The Meeting took note with appreciation of the papers submitted.

18. The Egyptian delegation also presented a paper to the meeting taking note with appreciation of the paper, the Meeting decided that the paper be annexed to the Report of the Meeting.

(Copies of the Working Papers submitted by ICDT, SESRTCIC and the Arab Republic of Egypt are attached as Annexes XI, XII and XIII.)

19. Following a detailed discussion on the various agenda items, the Expert group meeting agreed to a set of recommendations to accelerate the implementation of the OIC Plan of Action and decided to forward them to the Seventeenth Meeting of the Follow-up Committee of the COMCEC. The recommendations are as follows:

- (1) The meeting viewed that promotion of political commitment was the primary requirement to achieve progress in the implementation of the Plan of Action and recommended that closer collaborative efforts be intensified among the current Chairman of the Islamic Summit, the Chairman of the COMCEC and the Secretary General of the OIC with a view to obtaining the required political commitment among member countries. In this connection, the meeting also highlighted the importance of intensifying efforts on the political front with a view to having the OIC Agreements signed and ratified expeditiously.
- (2) In order to heighten the level of interest of the Member States and translate this interest into an effective participation there is a need to highlight some common objectives as the Plan's main targets such as:
  - i) Food security
  - ii) Alleviation of poverty
  - iii) Rural development
  - iv) Infrastructural development
  - v) Production and trade development

- vi) Employment creation
  - vii) Human resource development (Education, Training, Health, etc.)
- (3) The implementation of the OIC Plan of Action may be accelerated by assigning priorities to the sectors and/or areas of cooperation and, at the same time, by introducing a time-frame with reasonable quantifiable targets.
  - (4) Focal Points may be set up for each priority area of the Plan of Action, one in each Member State and one consisting of a relevant OIC institution. The two Focal Points would work jointly to implement the projects which were identified in consultation with Member States (fully involving both public and private sectors). A Focal Point Unit may also be set up within the COMCEC Coordination Office to coordinate all Focal Point activities for the various Expert Group Meetings.
  - (5) From the initial stage of pre-feasibility/feasibility study of any cooperation project in any sector/area, particularly under technology and technical cooperation, OIC organ(s)/institution(s) having appropriate expertise and physical facilities should be involved as focal point(s) so that this organ(s)/institution(s) can provide, among others, the required technological inputs to facilitate smooth implementation of the project.
  - (6) IDB may continue to provide financial assistance to the host countries for the timely convening of the EGMs, as it has been doing in the past.
  - (7) Project proposals should be received by the Member States at least one month before the meeting for their full consideration.
  - (8) COMCEC may frequently review, evaluate and follow up the work of the Project Committees.
  - (9) Member States should give priority to joint projects that can generate the interest of other Member States and be undertaken by groups of Member States at regional, sub-regional or inter-regional levels.

- (10) There is need for preliminary consultations between the Member States proposing the project and the Member State wishing to participate in it before submission to the EGM as it would enhance the chances of the project acceptance.
- (11) A degree of technical and professional expertise is needed in the preparation of pre-feasibility documents of regionally-attractive projects. These documents should indicate the technical viability of the project as well as the benefits that partner states could expect to derive from them.
- (12) A standard form of project profile may be developed by the COMCEC Coordination Office, adopted by the relevant OIC fora and circulated by the OIC General Secretariat. This form should be circulated at an early date by the proposing Member States.
- (13) There is a need to have a financial framework, detailing the ways and means and the institutional set up through which project proposals are to be financed within their existing mandate, policy and procedure. To this end, the relevant OIC institutions could be mandated to study, appraise and provide the necessary financial and technical support to the proposed cooperation projects.
- (14) The nature and extent of financial obligations, which an interested Member State will be expected to fulfill, should be indicated in the feasibility studies and profile documents for any proposed project. These documents should also identify the possible sources of funds to be contributed by the other participating Member States.
- (15) In order to infuse dynamism into cooperation efforts among the OIC countries, the private sector should be given a more effective role in OIC economic cooperation and should be included at all stages of the implementation process of the OIC Plan of Action. Accordingly, the project proposals may be, if feasible, determined in consultation with the private sector and circulated directly to the various private sector institutions through the ICO.



- (16) A working group comprising the Bureau of COMCEC, the OIC General Secretariat and IDB, with ICCI as the focal point, may be set up to assume the responsibility of the monitoring mechanism to implement the recommendations of the Private Sector Meetings.
- (17) A marketing network for the SMEs may be developed by ICCI with the assistance of UNIDO and ICDT. Through such a network, SMEs in the Member Countries would enlarge their market through creating partnership and supply chains amongst themselves. These partnerships and supply chains would include provision of raw materials and co-production of spare parts, semi-manufactured goods and other items.
- (18) For development of joint venture investment in industry and service, the sponsors of potential projects may be invited six months before the annual Private Sector Meeting to attend that Meeting. A joint IDB-ICCI Committee may scrutinize these projects and decide how to properly guide the sponsors in the preparation of feasibility studies of these projects and evaluation of the performance of management for the proposed joint venture projects. Afterwards, due information may be provided to the sponsors for re-structuring their proposals for discussion at the ICCI Private Sector Meeting. Thereafter, these projects may be submitted to IDB for consideration of financial and technical assistance.
- (19) The ICCI may maintain contact with the IDB for information about facilities for trade financing schemes and the various windows available at the Bank.
- (20) The OIC specialized institutions could make a major contribution by enhancing the institutional capabilities of Member States. The IDB and other OIC institutions should step up the commendable efforts they have been deploying in this area through technical assistance and technical cooperation programs.

- (21) The OIC institutions should enhance their efforts to further cooperation with Regional Organizations. The concerned OIC family of institutions need to reinforce their cooperative efforts with the relevant regional organizations in the form of research, meetings, workshops and seminars on topics related to reinforcing economic cooperation among member countries.
- (22) There is need to further enhance the existing level of coordination among the respective programs and activities of the various OIC related institutions in order to avoid duplication of tasks. In' order to enhance the existing collaboration among these institutions, avoid duplication, monitor the progress of the programs assigned to each institution and share and learn from their respective experiences, consultative meetings should be held on a regular basis concurrently with the annual sessions of the COMCEC and Islamic Commission for Economic, Social and Cultural Affairs.
- (23) Possible steps could be taken for trade facilitation among the Member States such as simplifying custom procedures, documentation and harmonization of standards by the exchange of trade related information through the existing OIC information network systems.
- (24) There is need to take the necessary measures in order to assist in the smooth transportation of goods among the Member States.
- (25) In order to facilitate shipping services among Member States, the Islamic Chamber (ICO) was called upon to cooperate with the OISA in proposing effective mechanism to this end.
- (26) Member Countries are encouraged to utilize the services of the cooperative information system set up by the OISA at its headquarter in Jeddah to render services to the shipping companies in the member countries.

- (27) Given the importance of electronic facilities in the exchange of information and trade promotion, Member States may extend support for the operation of the Trade Information Network (TINIC) data base in terms of regular and sustained flow of statistical, economic and other related information that would contribute to the promotion of intra-OIC trade.
- (28) Efforts should be made to speed up the signing and ratification of the Framework Agreement for Trade Preferential System (TPS-OIC) to enable ICDT to organize trade negotiations among the Member States for exchange of preferences and consider removal of non-tariff barriers which would contribute significantly to developing intra-OIC trade.
- (29) Given the objective of establishing an Islamic common market ICDT, in collaboration with IDB, SESRTCIC and ICCI may organize seminars emphasizing the advantage for all Member States to make use of the TPS-OIC Agreement which provides a legal framework for the establishment of a free-trade zone for the OIC Member States.
- (30) ICDT/Host country organizers may prepare a legal framework to regulate the convening of Islamic Trade Fairs and its organization (Rules of Procedure) and defining relevant procedures and mandate (Tender Document) in order to ensure their continuity and success with the objective of its registration as an International Fair with the International Fairs and Exhibitions Union.
- (31) The meeting recommended that ICDT, IDB and IIT collaborate in the implementation of a program aimed at acquiring the new techniques, norms and regulations in the field of international trade for the benefit of the Member States.

Closing of the Meeting

20. At its closing session, the Meeting adopted its report and recommendations together with its Annexes and requested the OIC General Secretariat to submit it to the Seventeenth Meeting of the Follow-up Committee of the COMCEC and to circulate it to Member States

21. Finally, the Meeting expressed its thanks and appreciation to the people and the Government of the Republic of Turkey for hosting the Expert Group Meeting as well as the hospitality they extended to the participants.

**-IX-**

**REPORT BY IDB ON THE EXPANSION OF INTRA-TRADE  
AMONG OIC/IDB MEMBER COUNTRIES**

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

**(Istanbul, 9-10 May 2001)**



**REPORT BY IDB ON EXPANSION OF INTRA-TRADE  
AMONG OIC/IDB MEMBER COUNTRIES**

**(For the 17<sup>th</sup> Meeting of the Follow-up Committee of COMCEC  
to be held on 9-10 May 2001, Istanbul, Turkey)**

**PURPOSE**

1. This Paper is to highlight the role of and achievements made by IDB in increasing intra trade among OIC/IDB member countries.

**BACKGROUND**

2. The Islamic Development Bank's (IDB) trade financing programme is implemented through different schemes and windows namely the Import Trade Financing Operations (ITFO), the Export Financing Scheme (EFS), Islamic Banks Portfolio (IBP) for Investment & Development and the IDB Unit Investment Fund (UIF). IDB also manages a special programme, in cooperation with the Khartoum-based Arab Bank for Economic Development in Africa (BADEA), to finance exports from Arab countries to non- Arab League member countries of the Organisation of African Unity.

3. The Resolution of the Eighth Islamic Summit, held in Tehran in 1997, has set a new dimension to IDB's role in trade financing. The Bank has been mandated to play a major role as a financier in spearheading the effort to increase intra trade among member countries from 10% to 13% through its trade financing program

4. To achieve the above objective, IDB raised its planned target for ITFO financing from US\$830 million in 1419H to US\$2.0 billion beginning from 1420H. This US\$2.0 billion programme will be funded by IDB's own resources as well as funds to be mobilised externally through Two Step Murabaha Financing (2SMF) and Syndication mechanisms.

5. In 1420H, the Bank allocated resources of US\$1.0 billion to meet the planned financing target and this was increased to US\$1.03 billion in 1421H. Additional resources of US\$200 million were made available under EFS for the two years.

**OVERVIEW**

6. Since the inception of trade operations in 1397H, IDB had approved an aggregate amount of US\$15.72 billion under the four schemes and windows. (See Annexure 1).

7. Its breakdown is as follows:

i.	ITFO	US\$12.98 billion
ii.	EFS	US\$771.55 million
iii.	IBP	US\$1.68 billion
iv.	UIF	US\$284.45 million

8. The trade operations were especially focused on financing of intra trade among member countries. Under ITFO, US\$9.82 billion out of the total approvals of US\$12.98 billion (or 76%) **were** to finance imports from member countries. The whole EFS operations of US\$771.55 million had been utilised for this purpose. (See Annexure 2)

9. IDB's **trade financing programme performed** well in 1421H.. The total amount approved under the various financing schemes was US\$1.72 billion, an increase of 97% over the net approved amount of US\$873.5 million in 1420H

10. The amount approved under ITFO in 1421H was US\$1.2 billion, an increase of 80% over the net approvals of US\$674.8 million in 1420H. Of this amount, US\$976.45 million (or 80%) was to finance intra trade,

11. **EFS approvals had also increased.** The **approved amount** of US\$220.7 million **was a jump** of 202% over **the net approvals** of US\$73.1 million in 1420H.

12. The trade operations under IBP and UIF also performed well The approvals were US\$190.0 million (1420H - US\$106.6 million) **and** US\$95.0 million (1420H - US\$19.0 million) respectively.

## **ANALYSIS OF PERFORMANCE IN 1421H**

### **1.. Import Trade Financing Operation (ITFO)**

13. The performance of ITFO in 1421H had improved considerably when compared to the previous year. During the year, US\$1.2 billion was approved for 74 operations as compared to the net approvals of US\$674.8 million for 35 operations in 1420H, representing an increase of 80 %.

14. The improved performance can be attributed to the more focussed and intensive marketing efforts with existing and new customers in Algeria, Iran, Saudi Arabia, Jordan, Lebanon, Kuwait, Morocco, Oman, Tunisia and Egypt. In addition, there has been sizeable demand for ITFO from the traditional customers in Pakistan, Bangladesh and Turkey.



15. The highlights of performance are as follows:

- Good measure of diversification of customers was achieved as a result of resumption of operations in Algeria, Jordan, Senegal, Niger, Unites Arab Emirates and Morocco.
- Increased financing of imports from member countries (intra trade). The amount approved for this purpose was US\$976.5 million, an increase of 103 per cent over the amount of US\$479.8 million in 1420H.
- Increased use of 2SMF/Syndication mechanisms to finance **trade operations**. During the year, US\$274.0 million had been approved as compared to US209.0 million in 1420H or an increase of 31 per cent. Of the US\$274 million approved, US\$149 million were from mobilised funds while US\$125 million were from IDB Resources.
- **Improved disbursements**. The amount disbursed amounted to US\$606.8 million, as compared to US\$515.3 million in 1420H (an increase of 18 per cent).

2.. Export Financing Scheme (EFS)

16. During the year, US\$220.7 million for 24 operations had been approved as compared to net approvals of US\$73.1 million for 14 operations in 1420H, an increase of more than 200 per cent.

17. This good performance was due to the improvements made to the Scheme, which were approved by the Board of Executive Directors in 1420H. Among omers, it allows for 100% financing and increases the coverage of financing to include both traditional and non- traditional goods. The more active marketing efforts in the major exporting member countries during the year also contributed to this good performance.

18. The highlights of EFS performance are as follows:

- **Significant overall increase in approvals** from US\$73.1 million (net of cancellations) in 1420H to US\$220.72 million in 1421H. (201 per cent increase). All operations under EFS in 1421H were for financing of intra trade.
- **Increased approvals** especially for exporters in Saudi Arabia (US\$103.50 million), Malaysia (US\$45.50 million) and Tunisia (US\$25.85 million)

- **Improved disbursements.** During the year, disbursements amounted to US\$126.4 million. As compared to the disbursed amount of US\$59.7 million in 1420H, this represents an increase of 111%.

**C. BADEA Export Financing Scheme (BADEA)**

19. BADEA is a special programme which was set up as a result of the Memorandum of Understanding (MOU), signed on 26 Shawwal 1418H (23 February 1998) between the Islamic Development Bank (IDB) and Khartoum-based Arab Bank for Economic Development in Africa (BADEA).

20. Under this programme, IDB manages a US\$50 million fund to finance Arab exports to non-Arab League member countries of the Organisation of African Unity. Since its inception in 1419H, a total amount of US\$29.5 million had been approved, of which US\$16.7 million had been approved in 1421H.

21. The Board of Directors of BADEA had recently approved IDB's proposal to include Government and corporate guarantees and assignment of receivables as acceptable security for the facilities, apart from bank guarantees. The Board had also approved the extension of BADEA facilities through intermediary banks. These approvals are expected to improve the utilisation of the Scheme in the coming years.

**D. Islamic Banks' Portfolio for Investment & Development (IBP)**

22. IBP was established in association with twenty other Islamic banks and financial institutions. Its objectives are to mobilise the liquidity available with the Islamic Banks and financial institutions, to promote the development of the Islamic financial market and to diversify its portfolio with a view to generating a return commensurate to its risk profile. In 1421H, IBP approved US\$190.0 million for trade operations as compared to US\$106.6 million in 1420H, representing an increase of 78%.

**E. Unit Investment Fund (UIF)**

23. UIF, which was established in 1410H (1989), also finances short-term trade financing (Murabaha) operations. Since its inception, the Fund had approved US\$284.5 million, for trade operations of which US\$95.0 million was approved in 1421H. (US\$19 million in 1420H)

## **TRADE PROMOTION ACTIVITIES**

24 IDB also promotes intra trade through its Trade Cooperation and Promotion Programme (TC&PP). The objectives of the programme, which started in 1415H, are to strengthen trade relationships, explore potential area of trade cooperation and facilitating opportunities for enhancement of intra trade among member countries.

25. TCPP focuses on informing member countries on existing and potential trade opportunities. The thrust of the programme is in organising workshops, seminars, trade fairs/exhibition, training courses, and financing of studies. IDB is currently organising, together with the Jeddah Chamber of Commerce, the First Jeddah Islamic Trade Fair, which is scheduled to be held in early 1422H.

26. The following activities were carried out under TCPP in 1421H:

### **Seminars and Workshops**

- The Second Focal Points Meeting on Promoting Intra Trade, Jeddah
- Workshop on Finance and Export guarantee for Industrial Products of GCC, Bahrain.
- Conference on Ways and Means of Establishing an Islamic Common Market, Tehran
- Seminar on IDB-Turkey Cooperation and IDB's Operations in Turkey, Istanbul

### **Trade Fairs**

- 4\* International Lome Trade Fair, Togo
- Arab and Islamic Exhibition, Oman
- 2nd Fair on Leather Products in Africa, Morocco
- The 8<sup>th</sup> Islamic Trade Fair. Qatar
- Tunis International Trade Fair, Tunisia

### **Studies**

- Feasibility study on establishing International Trade Marketing Company among D-8 Group countries (Partially financed by IDB).
- Diversion of trade of West African Member Countries to the other IDB Member Countries (in collaboration with ICDT).
- Preferential Trade Agreements existing within OIC member Countries (in collaboration with ICDT).

## CONCLUSION

27. Trade operations under the four financing schemes performed well in 1421H. Total approvals amounted to US\$1.72 billion for one hundred and fifteen operations as compared to net approvals of US\$873.45 million for fifty-nine operations in 1420H, representing an increase of 97%.

28. IDB continued its efforts in 1421H to realise the OIC target of increasing intra-trade. Apart from allocating resources, it had undertaken more intensive marketing campaign with beneficiaries including those who had been inactive in the recent past. Trade promotions under TCPP were also geared towards this effort

29. The outcome had been encouraging with approvals under the ITFO, EFS, IBP and UIF registering higher growth during the year. Under ITFO, increases in financing of imports of member countries (intra trade) and in the use of 2SMF/Syndication financing mechanisms were achieved. More EFS operations were approved for exporters in Saudi Arabia, Malaysia and Tunisia Higher levels of disbursements for both ITFO and EFS were also achieved.

30. Actions were also taken to review the operations of the schemes in order to make them more competitive. The most important was the inclusion of the 3, 6 and 9 months LIBOR, apart from the 12 - months LIBOR, in determining the mark-up of the ITFO and EFS facilities.

31. The good performance achieved in 1421H augurs well for the future. IDB will continue with its endeavour to promote intra trade financing among OIC member countries. The Bank will make available more internal resources for trade financing in 1422H. It will continue to mobilise funds from the market to augment its resources during the year. Rules and procedures of the financing schemes will continue to be reviewed and improved in order to enhance the effectiveness of the schemes.

32. IDB hopes that all tariff and non- tariff barriers that impede intra trade development will be removed as soon as possible so that the 13% target for intra trade will be achieved in the coming few years.

## Annex IX to OIC/COMCEC-FC/17-01/REP

ANNEXURE1Trade Financing Approvals  
From 1397H up to 1421H\* - in US\$ Million

Year	ITFO		EFS		IBF		UIF		TOTAL	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1397	5	50,52							5	50,52
1398	11	155,82							11	155,82
1399	22	338,09							22	338,09
1400	32	456,99							32	456,99
1401	31	453,44							31	453,44
1402	27	400,30							27	400,30
1403	28	519,50							28	519,50
1404	42	704,42							42	704,42
1405	36	653,00							36	653,00
1406	53	601,01							53	601,01
1407	48	531,34							48	531,34
1408	60	577,00	2	8,38	5	24,00			67	609,38
1409	53	514,77	23	39,09	5	18,51			81	572,37
1410	64	545,30	18	28,38	5	20,43			87	594,11
1411	46	485,50	15	26,79	8	75,99			69	588,28
1412	60	503,90	11	64,35	3	130,00	1	1,55	75	699,80
1413	44	351,63	11	41,86	4	28,80	3	9,79	62	432,08
1414	47	405,39	6	28,30	8	179,85	1	5,54	62	619,08
1415	51	483,33	8	28,24	10	175,35	5	30,56	74	717,48
1416	46	583,50	10	66,08	6	187,50	5	31,70	67	823,78
1417	47	519,94	11	44,52	11	206,50	4	24,38	73	795,34
1418	36	537,40	8	36,99	18	234,20	7	49,33	69	857,92
1419	31	771,42	15	64,80	10	103,10	4	17,60	60	956,92
1420	35	674,84	14	73,05	8	106,56	2	19,00	59	873,45
1421	74	1,213.45	24	220,72	9	190,0	8	95,0	115	1,719.17
Total	1029	12,986.80	176	771,55	110	1,690.79	40	284,45	1,355	15,723.59

- Net of cancellations.

ANNEXURE 2FINANCING OF INTRA TRADE AMONG MEMBER  
COUNTRIES UNDER ITFO

Year	Number of Countries	Number of Operations	Amount		Member Country Sources	
			I.D.M	US\$ M	US\$M	%
1397H	4	5	43,61	50,52	27,98	55,4
1398H	9	11	127,44	155,82	99,10	63,6
1399H	13	22	262,36	338,09	268,51	79,4
1400H	18	32	350,06	456,99	371,09	81,2
1401H	14	31	367,89	453,44	342,64	75,6
1402H	12	27	357,34	400,30	316,30	79,0
1403H	11	28	480,60	519,50	430,50	82,9
1404H	14	42	671,68	704,42	530,05	75,3
1405H	12	36	661,68	653,00	555,00	85,0
1406H	13	53	531,09	601,01	527,02	87,7
1407H	11	48	425,34	531,34	411,50	77,5
1408H	12	60	427,10	577,00	510,50	88,5
1409H	13	53	394,34	514,77	424,80	82,5
1410H	16	64	419,37	545,30	389,50	71,4
1411H	13	46	349,33	485,50	337,50	69,5
1412H	11	60	366,12	503,90	401,40	79,7
1413H	9	44	250,73	351,63	279,63	79,5
1414H	9	47	290,03	405,39	356,25	87,9
1415H	9	51	325,62	483,33	348,33	72,1
1416H	9	46	360,93	538,50	330,50	61,4
1417H	8	47	364,85	519,94	315,44	60,7
1418H	12	36	394,06	537,40	439,40	81,8
1419H	11	31	568,97	771,42	351,00	45,5
1420H	11	35	496,51	674,84	479,84	71,1
1421H	17	74	930,99	1,213.45	976,45	80,5
TOTAL		1,029	10,218.13	12,986.79	9,820.23	75,6

- Net of cancellations

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**MONITORING REPORT BY  
THE GENERAL SECRETARIAT ON WTO**

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

**(Istanbul, 9-10 May 2001)**





MONITORING REPORT ON WORLD TRADE ORGANISATION (WTO)  
FOR THE SEVENTEENTH MEETING  
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC  
(Istanbul, 9-10 May, 2001).

INTRODUCTION

Out of 139 WTO member states, 38 belong to the Organisation of the Islamic Conference (OIC). In view of the importance of the WTO in shaping the new world economic order, monitoring of developments with respect to the WTO has been included as a regular item in the agenda of the annual meetings of the COMCEC and its Follow-up Committee. As detailed reports on the progress of negotiations at various Working Groups set up by the first Ministerial Conference of WTO held in 1996 in Singapore are normally covered by the relevant OIC institutions, the scope of this report of the General Secretariat has been confined to an overview on the following issues:

IMPLEMENTATION OF THE URUGUAY ROUND AGREEMENTS

Considerable divergence of views exists among the WTO member states as regards the progress of the implementation of the Uruguay Round Agreements (URAs). There is a general feeling that the implementation has been much less than what was expected. There is a difference in the assessment of the underlying causes responsible for this outcome between the developed and developing countries.

The developing countries remain unsatisfied and consider that the in-built fundamental weaknesses of the new system not only are responsible for the slow progress in the implementation of the URAs, these also put in jeopardy the equilibrium in the multilateral trade system that have been worked out through painstaking negotiations. The developing countries demand full implementation of the commitments regarding liberalisation of trade. This is, of course, a concern for all WTO members, but for a number of developing countries in particular it is an issue which influences their attitude to further trade negotiations. These countries have stated that they have encountered unexpected problems with implementing existing Uruguay Round commitments, and furthermore that some of those agreements have deficiencies that have only become apparent during the implementation process. On the other hand, they claim that anticipated benefits have failed to materialise because, for example, industrialised countries have not lived up to the spirit of the agreements on liberalisation (such as textiles), made excessive use of anti-dumping measures, or failed to respect the principle of special and differential treatment. In short, these countries see an imbalance in the way existing agreements affect them, and they see this as a problem which needs a political solution, not just more technical assistance. They also argue that since this is a question of righting an existing imbalance, it should not become something they are expected to "pay" for in a new Round.

Countries like Australia and New Zealand, on the other hand, expressed their satisfaction on the question of the implementation of the Uruguay Round Agreements. However, this group of countries maintains that the multilateral trade system, in general, is threatened by the protectionist trends, which affect important sectors of world trade. The EU member states do not recognise existence of any problem with the trading system as such. They explain that some agreements are not functioning normally and these need some adjustments. Nevertheless, this group of countries is opposed to any re-negotiation of the URAs.

### WTO MINISTERIAL MEETINGS

The First Ministerial Meeting of WTO held in Singapore in 1996 was primarily concerned with putting in place the various organisational infra-structure and determining work method for ensuring effective implementation of the URAs. While the Singapore meeting identified some areas like services, agriculture, and intellectual property for negotiation, sharp differences exist between Member States about the timeliness and need for going into new areas for the purpose of initiating new round of negotiations. The Second Ministerial meeting held in Geneva in 1998 was essentially an intervening event between the initial Ministerial Meeting and the Third Ministerial Meeting in Seattle from November 30 - December 3, 1999, which was held against the backdrop of violent street demonstration by NGOs and other representatives of civil society. The Fourth Ministerial Meeting is scheduled to be held in Doha on 9-13 November, 2001.

### WORK OF THE WTO

In the course of last year, the WTO moved forward in these areas: mandated negotiations on agriculture and services; implementation-related issues and concerns; participation of all Members in the work of the WTO; and integration of Least-Developed Countries and other low-income WTO Members into the multilateral trading system.

#### **Mandated Negotiations**

The mandated negotiations on agriculture and services started in 2000. The negotiations under Article 20 of the Agreement on Agriculture are to continue the reform process set out in the agreement, which brought into the multilateral rules, largely for the first time, the policy instruments used by many WTO Members to support domestic agricultural producers. In addition to their effects on domestic consumers and producers, these support policies have spillover effects on world markets and on the export opportunities of trade partners, many of which are developing countries. The transition period to full implementation of current commitments in the sector is the year 2000 for developed countries (2004 for developing countries). As a result of agriculture negotiations held on 26-27 March 2001, the first phase of the negotiations was wrapped up on 27 March 2001. The work programme for the second phase for meetings upto February 2002 has been agreed upon.

On services, the negotiations are to address further rule-making and to "achieve a progressively higher level of liberalization" (GATS Article XIX), building on the market-access commitments already contained in the schedules. It should be recalled that the services sector - the leading sector of economic activity in many WTO Members - was brought into the multilateral rules for the first time in the Uruguay Round, and additional substantial agreements were reached in 1997 on telecommunications and financial services. In 2000, to date, WTO Members have agreed on a 'roadmap' for the first phase of negotiations and that the second phase of these negotiations began with a stock-taking exercise by a Special Session of the GATS Council held in March 2001.

While the mandated negotiations got under way in 2000, WTO Members continued to discuss at the political level a wider agenda of negotiations, to address other outstanding market access barriers or extend the framework of the multilateral rules to new areas\*. In the latter case, proponents view the stakes as being the relevance of the WTO as the main framework of rules for the conduct of international economic relations, notably with respect to competition policy and investment matters. In addition, certain Members are of the view that securing a wider agenda for negotiation will have an impact on the final outcome of those mandated on agriculture and services by expanding the scope for mutually beneficial trade-offs. Other Members, however, continue to have doubts on whether it is appropriate to consider launching a new round of negotiations in the presence of implementation issue and concerns related to the Uruguay Round.

#### Implementation Issues and Concerns

All WTO Members are bound to observe the multilateral agreements concluded in the Uruguay Round and to implement, if applicable, post-Uruguay Round commitments on basic telecommunications and financial services. Certain Members have, however, identified difficulties of implementation in connection with the end of transition periods on 31 December 1999 for developing and transition economies; certain transition periods for LDCs are still in effect. Extensions were requested by certain Members notably with respect to the TRIMs and Customs Valuation Agreements. WTO Members are considering the requests for extensions to TRIMs transition periods within a framework established by the General Council at its meeting of 3 and 8 May 2000.

A wide range of other implementation-related issues and concerns are being considered by the General Council in the Implementation Review Mechanism. This activity has been identified by Members, especially developing countries, as a priority area for the WTO's attention. At the Special Session held on 17 October, 2000 the General Council Chairman and the Director-General reported in detail on the progress made in consultations so far. These had focused primarily on possibilities for action in the shorter term.

#### Internal Transparency **and** the Effective **Participation of WTO Members**

Following up on concerns over transparency and process that emerged around the Third Ministerial, the Chairman of the General Council and the Director-General began early in the year a series of consultations with Members on possible improvements in procedures and practices. Numerous contributions were received from members in the course of these

consultations. It became clear that Members in general see no need for radical reform of the WTO, that they firmly support the practice of reaching decisions by consensus, and that informal consultations continue to be a useful tool provided that certain improvements regarding inclusiveness and transparency are applied.

#### Market access and the Integrated Framework for LDCs

To a large extent, market access is determined by the range of tariff and non-tariff barriers in foreign markets. Strategies for improving market access for LDCs include reductions and eliminations of tariffs on a most-favoured-nation (MFN) basis, in which case all trading partners benefit, or on a preferential basis and therefore targeted at LDCs specially, notably through GSP or similar programmes. However, LDCs' capacity to use the market access opportunities available to them - both existing and enhanced - is also strongly affected by, and linked to, domestic supply-side and policy constraints, which are addressed through the Integrated Framework (IF). IF for the LDCs is a partnership between six agencies - IMF, ITC, UNCTAD, UNDP, WB, and WTO - and LDCs to provide them with assistance to integrate in the world economy. The six agencies manage the IF process through an Inter-Agency Working Group (IAWG), chaired by the WTO.

A key principle of the IF is participation and ownership by the LDCs. For that reason, the WTO invited every LDC to submit a "Needs Assessment" for trade-related assistance, including physical infrastructures, human and institutional capacity-building, at the outset of the IF exercise. In their assessments, the authorities in most countries identified the major obstacles to trade expansion as supply constraints and lack of capacity. The needs ranged from training in information technology and assistance to improve customs administration, through transport and storage infrastructures, to issues such as telecommunications, and electrical power. Another major need was trade analysis and policy expertise for export promotion, for the implementation of WTO agreements, and to build capacity to participate more effectively in the WTO.

The six core agencies provided "Integrated Responses" based on existing programmes and budgetary commitments by each agency, coordinated among agencies in order to avoid overlap. The Needs Assessment and Integrated Response also formed an input into the "Round Table" organized with donors during the High-Level Meeting that launched the Integrated Framework in Geneva in October 1997.

#### The Council for Trade in Goods (CTG)

The Council for Trade in Goods met five times in formal session. In its fifth session on 15 November 2000, the meeting was suspended and is to be reconvened in April. The following matters were raised and/or acted upon in the CTG meetings: continuation of the Harmonization Work Programme; reports of the Committee on Market Access; trade-related technical assistance; trade facilitation; work programme on electronic commerce; free trade agreements; reports of subsidiary bodies of the CTG.

### **The Council for Trade in Services**

At its meeting on 7 February 2000, the WTO General Council decided that the services negotiations would be conducted in Special Sessions of the Council for Trade in Services. The Council held five formal meetings in Special Session up to October 2000. The Special Session addressed the following matters: negotiations under article XIX of the GATS, assessment of trade in services, tourism services, elements of a proposed first phase of the services negotiations, and negotiating guidelines and procedures.

### **The Council for Trade-Related Aspects of Intellectual Property Rights**

The Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS Council) continued its work on intellectual property issues arising in connection with electronic commerce at its meetings in September and November 2000.

Issues suggested for further work related to intellectual property included: advantages and opportunities relating to access to technology and the administration of IPRs; the use of digital and telecommunications technologies in the management of IPRs to extend the benefits of IPRs to right holders in developing countries, what kind of exploitation of IPRs on the Internet constitutes an infringement; the relationship between the TRIPS Agreement and the WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty; developments concerning trademarks and well-known trademarks, including the work carried out by and under way in WIPO; implications of the WIPO Internet Domain Name Process in relation to trademarks, geographical indications and other distinctive signs; use of patents in the digital environment particularly in relation to software and business methods; potential anti-competitive uses of IPRs in the digital environment; challenges to the enforcement of IPRs; ways in which digital technology can be used to enhance enforcement of IPRs at the border while at the same time facilitating trade; and international cooperation under Article 69 of the TRIPS Agreement in respect of intellectual property infringements occurring in the digital environment; questions of jurisdiction, applicable law, electronic contracts, enforcement, and classification of intellectual property products.

TRIPS Council continues to hold the view that the novelty and complexity of the intellectual property issues arising in connection with electronic commerce are such that continued further study is required by the international community to better understand the issues involved.

### **General Observation on WTO Work**

Certain challenges and concerns lie ahead for the WTO. A trend common to a number of WTO Members, both developed and developing countries, is a rising use of anti-dumping measures to limit imports. Furthermore, dissimilar technical regulations and product standards, as well as conformity assessment, are emerging as significant potential impediments to market access.

For agriculture products, tariffs are generally high and developed countries use a panoply of measures to support agricultural producers and processors of basic products. Support levels remain high, and may be rising in certain countries. This underlines the importance of current WTO negotiations on agriculture.

Competitiveness of goods on world markets is directly impaired by poor quality or costly business-related services. Despite steps to liberalize financial services and telecoms, the scope of commitments is not comprehensive and restrictions on the supply of services through all modes of delivery remain. Reducing or removing restrictions gives the possibility of exporting services based on comparative advantage. This underlines the significance of the current negotiations on services.

The WTO has a role to play in helping LDCs up the development ladder. Experiences have shown that development requires macroeconomic stability and market-friendly reforms, including more open and transparent regimes for trade and trade-related policies. Such countries lacking the requisite experience in administering or enforcing WTO obligations, have asked for assistance in understanding their commitments and implementing them domestically. The ability of the WTO to respond in this regard is limited as such technical assistance programmes are sustained only by the generous extra-budgetary donations of certain WTO Members.

#### DISPUTE SETTLEMENT UNDER WTO

The performance of the WTO's dispute settlement mechanism has remained under close observation of the member states as a number of them have already resorted to it. With respect to WTO related disputes involving some OIC Member States the following should be noted:

- a) Complaint against Turkey by India on "restrictions on imports of textile and clothing products" is completed. On 19 November 1999, Turkey stated its intention to comply with the recommendations and rulings of the Dispute Settlement Body (DSB). On 7 January 2000, the parties informed the DSB that they had agreed on a reasonable period of time for Turkey to implement the DSB's recommendations. The rulings expires on 19 February 2001.
- b) With respect to the complaint by Malaysia, Pakistan, Thailand and India against the United States on "Import prohibition of certain shrimp and shrimp Products" it may be mentioned that in November 1998 the US informed the DSB that it was committed to implementing the recommendations of the DSB and was looking forward to discussing with the complainants the question of implementation. The parties to the dispute later announced that they had agreed on an implementation period of 13 months. On 12 October, 2000, Malaysia requested that the matter be referred to the original panel. At its meeting of 23 October, 2000, the DSB referred the matter to the original panel. Pakistan and Thailand, reserved their third party rights to participate in the panel's proceedings.

- c) Following Pakistan's complaint against the United States on "transitional safeguard measure on combed cotton year from Pakistan", a panel was established by DSB on 19 June 2000. Despite a further recommendation, the United States continue to maintain its unilateral restraint and thus the matter remain unsolved pending consideration by the Panel.
- d) In the following cases, consultations are requested with the view to resolving the dispute:
  - (i) Complaint against Egypt on "Definitive Anti-Dumping Measures on Steel Rebar from Turkey". This request, dated 6 November 2000, concerns an anti-dumping investigation by Egypt with respect to imports of rebar from Turkey. Turkey considers that Egypt made determinations of injury and dumping in that investigation.
  - (ii) Complaint on "anti-Dumping Duty on Steel and Iron Pipe Fittings", by Brazil against Turkey. This request, dated 9 October 2000, concerns the anti-dumping duty on steel and iron pipe fittings from Brazil, imposed by Turkey. Brazil considers that Turkey failed to ensure proper notifications in this case; its establishment of the facts was not proper, and its evaluation of these facts was not unbiased nor objective.
  - (iii) Complaint by Thailand against Egypt on Import "Prohibition on Canned Tuna With Soybean Oil". This request, dated 22 September 2000, concerns the prohibition imposed by Egypt on importation of canned tuna with soybean oil from Thailand. Thailand considers that, the Arab Republic of Egypt fails to carry out its obligations under the certain provisions of the Marrakesh Agreement.

#### STATUS OF APPLICATION FOR WTO MEMBERSHIP BY QIC MEMBER STATES

The starting point of an accession process is the establishment of a Working Party by the General Council with standard terms of reference. The applicant then submits a Memorandum on the Foreign Trade Regime. Then follows a clarification process through questions and replies, both oral and written. As this evolves, the process at the multilateral level increasingly focuses on the terms and conditions of entry and the commitments to be undertaken by the acceding government in the Report of the Working Party and the Protocol of Accession. In parallel, the applicant and interested members of the Working Party commence bilateral market access negotiations in goods and services, the results of which are finally compiled into Schedules of Concessions and Commitments. The Working Party concludes its mandate by adopting on an ad referendum basis its Report, Schedules of Concessions and Commitments and a Protocol of Accession containing the precise terms and conditions of accession upon which the applicant may be invited to accede to the WTO. The entire package of Report, Schedules and Protocol are then forwarded to the General Council for decision. Thus, each accession is principally a negotiation between the WTO members and the applicant. Each accession is, therefore, unique and must be considered on its own

merits.

Since the last report, Jordan, Albania and Oman have become members of WTO. There are at present 9 OIC Member States, whose application for accession is under examination by the respective WTO Working Party. The position of the 9 applicant in this respect is given below in summary form.

#### Algeria

Working Party on the accession of Algeria (established on 17 June 1997) met once in April 1998. Topics under discussion in die Working Party include: agriculture, the customs system, state trading, transparency and legal reform and TRIPS. Initial contacts on market access in goods have taken place.

#### Azerbaijan

Azerbaijan's Working Party was established on 16 July 1997. Questions and replies concerning Azerbaijan's memorandum on the Foreign Trade Regime were circulated in July 2000.

#### **Iraa**

No Working Party has been established to examine the application of Iran for accession.

#### **Kazakhstan**

Since the establishment of the Working Party on 16 February, 1997 and last meeting in October 1997, topics under discussion in the Working Party: agriculture, the customs system, price control, import licensing, industrial subsidies, legal system, services and TRIPS.

#### **Lebanon**

A working Party was established on 14 April 1999. It has not yet met.

#### Saudi Arabia

First meeting of the Working Party (established on 21 July, 1993) was held in May 1996. The last meeting of the Working Party was held in October 2000. The Working Party is now focusing on a Draft Report and Protocol of Accession.

#### Sudan

A Working Party was established on 25 October 1994. Replies to questions were



circulated in November 2000. The Working Party has not yet met.

Uzbekistan

A Working Party was established on 21 December 1994. Its Memorandum on the Foreign Trade Regime was circulated in October 1998. Replies to the questions concerning the memorandum were circulated in October 1999. The Working Party has not yet met.

Yemen

A Working Party was established on 17 July 2000. Yemen has not yet submitted a memorandum on its foreign trade regime. The Working Party has not yet met

#### PARTICIPATION OF THE OIC IN THE WTO MEETINGS

The OIC continues to enjoy die observer status, on the meeting by meeting basis, with the WTO Committee on Trade and Development (CTD), and is usually invited to participate in certain CTD sessions, meetings of the CTD Sub-Committee for the LDC, and CDT related seminars. OIC is continuing to participate in all CTD sessions, meetings of CTD Sub-Committee for the LDCs and CTD related seminars.



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**PROGRESS REPORT ON IDB'S TECHNICAL ASSISTANCE  
TO MEMBER STATES IN MATTERS RELATING TO WTO**

**Sevateeatfc Mectng of the  
Follow-up *Cmmitttt* \*f the COMCEC**

**(faaahaL 940 May 2M1)**



ISLAMIC DEVELOPMENT BANK  
COOPERATION OFFICE

REPORT ON THE ISLAMIC DEVELOPMENT BANK'S (IDB)  
WTO- RELATED TECHNICAL ASSISTANCE TO ITS MEMBER  
COUNTRIES

Introduction

The conclusion of the Uruguay Round in April 1994 and the establishment of the WTO in its wake, constitutes one of the most important milestones in the history of the world trading system. The new trade body - WTO came into effect in January 1995 with the following key objectives:

- to set rules for international trade and trade related activities,
- to provide a forum to negotiate trade liberalization rouralateralry,
- to settle dispute between contracting parties,
- to provide information on trade and trade policies; and
- to cooperate with other multilateral institutions.

The WTO's mandate includes not only the original GATT-1947 as amended and added to but also the new General Agreement on Trade in Services, the Agreement on Trade-related Intellectual Property Rights and various plurilateral trade agreements. In short, WTO is a permanent institution which covers all trade in goods, services and ideas (Intellectual Property Rights) and more automatic dispute settlement system than did GATT.

While the new multilateral trading system as epitomized by WTO, greatly contributed to liberalization of the world trade, yet it has placed onerous demands on the limited human and technical resources of the developing countries. As a result, many developing countries including some IDB member states have not been able to integrate their economies into the world trading system so as to fully partake the benefits of trade liberalization.

Keeping in view these developments on the international trade scene, the Islamic Development Bank embarked upon an intensive Technical Assistance Programme to help its member countries to upgrade their institutional and manpower resources relating to WTO activities. The resolutions adopted at the 11\*, 12<sup>th</sup> and 13\* sessions of the COMCEC provided further fillip to the LDB's efforts in that direction.

Pursuant to the COMCEC's resolutions, the IDB's WTO-related technical assistance activities can be grouped into two broad categories: (i) those related to preparing the member countries for coordinating their positions on major issues in the context of WTO Ministerial Conferences as well as for future negotiations;

and (ii) other technical assistance activities aimed primarily at capacity building. The following itemized progress report has been prepared specifically keeping in view the above referred COMCEC resolutions and the IDB's Technical Assistance Programme conceived in 1997 with the objective of improving the institutional and manpower capability of the member countries pertaining to the WTO's matters:

## **L EXCHANGE OF VIEWS AND COORDINATION OF POSITIONS AMONG MEMBER COUNTRIES**

### **First WTO Ministerial Conference**

The Bank **has** been doing its best to provide a forum for its member countries to exchange views and coordinate their positions on matters related to the WTO. During the First WTO Ministerial Conference held in Singapore from 9-13 December, the IDB, in accordance with the resolution adopted at the Twelfth Session of COMCEC, organized three consultation meetings for member countries. These meetings were attended by representatives of the following twenty countries: Algeria, Bahrain, Bangladesh, Benin, Burkina Faso, Cameroon, Chad, Egypt, Indonesia, Jordan, Morocco, Mozambique, Oman, Pakistan, Saudi Arabia, Sierra Leone, Sudan, Tunisia, U.A.E., and Uzbekistan.

The major recommendations that emerged from these three consultations were that the IDB should provide the following assistance to its member countries:

1. Technical assistance to member countries in the process of negotiating their membership in the WTO;
2. Technical assistance on request, and on a case-by-case basis, to enable member countries that are already members of the WTO to derive maximum benefits from the Organization;
3. Organize a Seminar to assess the outcome of the First Ministerial Conference of the WTO and to evaluate the likely impact of the decisions arrived at during the Conference on present and future IDB members of the WTO; and
4. Assist member countries to keep abreast of developments in the WTO and help them in coordinating their positions in the various bodies of the WTO. In particular, help member countries to make early and effective preparatory arrangements for the Second WTO Ministerial Conference.

After the coordination meetings in Singapore the IDB organized a seminar on Accession to the WTO and Implementation of the Uruguay Round Agreements. This seminar was held at the IDB Headquarters in Jeddah in June 1997. The details of this seminar are given in the next section. Before the seminar

the Bank organized a meeting of the permanent Missions based in Geneva of IDB member countries in the process of acceding to the WTO. This meeting was held from 17-22 March 1997. The following eight member countries participated in this meeting: Albania, Algeria, Jordan, Kazakhstan, Kyrgyz Republic, Oman, Saudi Arabia and Sudan. In addition, two other member countries, namely Egypt and Pakistan, were also invited to the meeting because of their active role in the Uruguay Round Agreements and WTO-related matters.

During this meeting, the IDB member countries in the process of accession to the WTO briefed participants on their current accession status and the specific problems they were facing during the accession process. One thing that came out very clearly from their statements and discussions was that they were all facing very serious problems in fulfilling the WTO conditions and that they were not well prepared for this kind of situation. The acceding countries highlighted the fact that the conditions for accession to WTO were becoming more stringent and that the price which they were being forced to pay for membership in the WTO was substantially higher than that paid by the original members. They also highlighted their substantive technical assistance needs.

### **Meetings before the Second WTO Ministerial Conference**

#### **1. Brain-storming Meeting of Experts**

As mentioned earlier, the Thirteenth Session of COMCEC had adopted a resolution recommending that meetings of OIC member countries shall be convened with regard to WTO meetings and related issues for consultations and coordination of positions and that the Islamic Development Bank shall take the initiative for arranging such meetings in collaboration with ICDT and other related institutions. In order to carry out this mandate the IDB organized a brain-storming meeting of experts in Geneva with a view to identifying issues of high interest to the member countries and assist them in coordinating their positions before the Second WTO Ministerial Conference. The meeting was held at Intercontinental Hotel, Geneva on February 27-28, 1998 and was attended by more than 40 participants from 19 IDB member countries and 6 organizations. The meeting discussed the priority WTO-related issues for the OIC member countries and identified the topics for discussion in the consultative meeting before the Second WTO Ministerial Conference. Subsequent to this meeting, the IDB identified experts and arranged the preparation of discussion papers on selected topics to serve as the basis for discussion in the high level consultative meeting.

#### **2. Consultative Meeting of Senior Officials before the Second WTO Ministerial Conference**

Following the brainstorming meeting of experts in Geneva, the IDB organized a meeting of senior officials from the ministries of commerce in

member countries at its headquarters in Jeddah on 29-30 April 1998. The purpose of the meeting was to provide a forum to the OIC member countries to discuss and exchange views on WTO-related issues of high interest to them and to coordinate their positions on those issues that were likely to be taken up during the Second WTO Ministerial Conference. A total of 71 participants from 37 member countries and 7 institutions including IDB took part in that meeting.

Eight substantive papers dealing with issues of interest to OIC developing countries identified by the Geneva brainstorming meeting were presented and were discussed during the two-day-Consultative Meeting by a group of experts from Islamic Countries. These issues discussed in the meeting related to the following topics: (i) implementation of the Uruguay Agreements (agriculture, textile and clothing, anti-dumping, and special and differential treatment for developing Countries); (ii) dispute settlement mechanism; (iii) accession to the WTO; and (iv) built-in-agenda and the new issues.

Detailed discussion was held on the above subjects for two days. During the discussions, among other things, it was pointed out that the Ministerial Resolutions adopted at Marrakesh and Singapore were not fully implemented. The participants emphasized that the OIC member countries should insist on this point during the Geneva Ministerial Conference. The participants expressed their appreciation for the Islamic Development Bank in assisting the OIC member countries to participate more effectively in the WTO and to enable them to cope with the challenges of integrating them into the new Multilateral Trading System. They encouraged the Bank to continue its efforts in this regard with special attention to the implementation issues in general, and to agriculture, and textile and clothing in particular. The participants also stressed the need that the IDB should take follow-up action for the benefit of the OIC member countries and prepare them for the Third WTO Ministerial Conference.

In the concluding session, the meeting also drafted a Memorandum for submission to the Ministers of OIC member countries taking part in the Second WTO Ministerial Conference. This Memorandum contained the elements which the participants thought the OIC Commerce Ministers should use in issuing a common declaration at the time of the Second WTO Ministerial Conference in Geneva.

### 3. Consultative Meetings in Conjunction with the Second WTO Ministerial Conference

After the meeting in Jeddah the Bank again organized consultative meetings in Geneva in conjunction with the WTO Ministerial Conference. The idea of these meetings was to provide an opportunity to the Commerce Ministers of OIC member countries attending the WTO Conference to meet and discuss the latest developments on the relevant issues with a view to coordinate their positions on such issues. Two consultative meetings were held in Geneva: the



first on 17 May 1998 - a day before the WTO Ministerial Conference, and the second after the conclusion of the Conference on 20 May 1998. The main points of these sessions are given below:

(i) Consultative Meeting of 17 May 1998

The consultative meeting of 17 May 1998 was held at the WTO headquarters and was attended by Commerce Ministers, Ambassadors, and other senior officials of OIC member countries. The meeting was chaired by Dr. Ahmad Mohamed Ali, the President of IDB. Mr. Hassan Abouyoub who was the Chairman of the Brain-Storming Meeting in Geneva (February 1998) and Co-Chairman of the Consultative Meeting held in Jeddah in April 1998, briefed the participants on the discussions in those two meetings. It was pointed out during those meetings that the Ministerial Resolutions adopted at Marrakesh and Singapore were not fully implemented, and the participants had emphasized that the OIC member countries should insist on this point during the Geneva Ministerial Conference. He also highlighted the need for undertaking studies to support the position of OIC member countries. Other points highlighted by Mr. Abouyoub were the complexity of the dispute settlement mechanism and the expertise required and high cost involved in using this mechanism by the developing countries. Following the briefing by Mr. Abouyoub several speakers commented on the new developments on different WTO-related issues and discussed ways and means to consolidate the stance of OIC member countries. The main points of this discussion and suggestions made by the participants were the following:

1. The promises and the expectations for which the WTO was created have not been realized in achieving a balanced flow of benefits to all the developed and developing countries. The benefits are tilting towards one side and the developing countries, including Muslim countries, keep facing problems in the garb of child labour, social accounting standards and other measures like anti-dumping duties, etc.
2. The Agreements which were in favour of developing countries, such as Agreements on Textile and Clothing are to be implemented in 10 years, but when it comes to electronic-commerce and other things, developed countries expect the developing countries to open up over-night
3. The draft Ministerial Declaration in its original form was a one-sided document reflecting the interests of developed countries. However, the developing countries, particularly some of the IDB member countries like Egypt, Pakistan, Morocco and Tunisia were able to reflect some of their interests in the Declaration. The IDB member countries insisted that the developed countries should not introduce new issues at a time when even the decisions of Marrakesh Conference had not been fully implemented. Even though the revised draft Ministerial Declaration was not an ideal one, it would

have been worse if the IDB member countries had not participated in the negotiations.

4. The purpose of the Third Ministerial Conference in 1999 seems to be to ensure a new round of negotiations on the built-in agenda that will start in 1999 with the Agriculture and Services in the year 2000. It was suggested that the OIC member countries should continue to resist launching of a new round till such time that what was agreed upon earlier has been fully and honestly implemented.
5. The next Ministerial Conference would be a meeting for taking stock of what has happened especially with regard to the developing countries and the least developed countries in Africa and Asia. It requires a close monitoring and follow-up and participation in the WTO meetings where the various issues are tackled. Some member countries cannot participate in those meetings because of technical and/or financial reasons. For this reason the task of IDB becomes more important especially given the fact that there are many least developed countries which are considering accession to the WTO and they need support and guidance.
6. A unique feature of the Declaration is that it lays down a work programme for preparation for the next meeting in which there is a balance between issues which relate to the implementation issues already existing in the built-in agenda and the issues which were inherited from Singapore. Another feature is that members have a right to bring in new issues if they so wish. This opportunity should be grabbed, and IDB member countries should not merely be at the receiving end even in case of new issues. IDB can prepare a significant role in terms of preparing research papers and preparing the delegations of member countries in the capitals to at least understand the issues and ventilate their views at the forum.
7. The OIC member countries should seriously think and consider how to come up with a common strategy. They should identify what has been achieved, what has not been achieved, and what is the purpose for which the developed countries want to jump to the next agenda.
8. So far the WTO has been very passive. The OIC member countries should propose to it as a joint forum of Islamic countries to evaluate whether it has achieved the objectives for which it was established. It should also be made incumbent upon the WTO Secretariat to pay attention to important issues like halting of the official development assistance to some IDB member countries, reduction of foreign investment, burden of indebtedness and the conditionalities imposed upon them.

It was suggested that IDB should consider: (i) developing a key department within its organizational structure having the best expertise on WTO issues, the services of which should be available to OIC member countries as and when they

require; (ii) providing technical assistance to the member countries when they need it; (iii) having a comprehensive programme of collection of data from all its member countries on their imports and exports, and see how IDB could promote mutuality, and complement trade amongst its member countries; and (iv) formulation of an OIC trade grouping, like other regional trade groupings.

The participants expressed their high appreciation for the efforts of the IDB for arranging the Consultative Meetings and suggested that such meetings should also be held in the future.

(ii) Consultative Meeting of 20 May 1998

The second consultative meeting of OIC member countries was held on 20 May 1998 in the Palais des Nations, Geneva, after the closing session of the Ministerial Conference. The meeting was chaired by Dr. Syed Jaafar Aznan, Vice President (Trade and Policy) of IDB. The purpose of the meeting was to get preliminary reactions of the participants on the discussions, statements and issues raised during the Ministerial Conference and their suggestions to prepare for the next WTO Ministerial Conference.

The meeting discussed at length the major issues and the steps needed to be taken for the preparation of the next Ministerial Conference. The observations and suggestions made by the participants included the following:

1. A brainstorming meeting should be organized in the near future to determine in a final way the priorities that need to be addressed, the modalities to address those priorities, and identification of topics on which studies need to be undertaken. The IDB should identify specific areas and activities in relation to matters like trade, agriculture, services, etc.
2. A comprehensive survey of the benefits and die pros & cons of the Uruguay Round Agreements should be undertaken to take stock of what has been gained over the last 3 years. The WTO Secretariat should be asked to prepare a paper on all the implementation problems that have been raised by the developed countries, agreement by agreement, in their statements. This paper should then be studied to see how to address those problems.
3. A Ministerial meeting of OIC member countries be organized in end-1998 or in early 1999 to assess the outcome of the studies undertaken, to have discussions and consultations on die various issues/positions, to look at the matter comprehensively and prepare for the next WTO negotiations.
4. The OIC member countries should have their own agenda identifying their own interests. They should also prepare their response to the agenda of the USA, e.g. in the areas of environment, labour standards, consumer interests, NGOs, transparency, etc.

5. In many member countries there is an urgent need to back the national efforts and strengthen their capacity to enable the government, government agencies and the private sector to supply with fresh and updated data related to the WTO activities. This can be done with the assistance of WTO, ITC, UNCTAD etc. This data could be available on-line, using the network facilities.
6. IDB should consider having a comprehensive programme of collection of data from all its member countries on their imports and exports, and see how it could be used to promote trade among its member countries. The IDB and the Casablanca Center should also cooperate in this regard and through their databases/studies highlight the potentials of strengthening trade among the Muslim countries.
7. There should be a focal point in Geneva to monitor the meetings of the WTO, coordinate among different OIC delegations, collect studies/documents which should be sent to the member countries.

In addition to the above, observations/suggestions were also made concerning accession to WTO, and on preparation of the WTO-related work programme. On the subject of accession to the WTO it was observed that it was one of the major problems facing the developing and the least developed countries and that they were facing many difficulties including the preparation of instruments of accession. It was suggested that the accession issues therefore be included in the future activities of the OIC. Concerning the work programme it was suggested that it should consist of some of the activities which may be proposed by the experts meeting which should be convened as soon as possible, and that it should include: (i) undertaking some studies on important issues for member countries, like sectoral implications of multilateral trade negotiations; (ii) organizing seminars for the benefit of the private sector to sensitize the businessmen about the commercial and economic implications; and (iii) organizing workshops for the purpose of training of trainers in member countries.

The meeting was also informed that the ICDT had compiled the rules and regulations related to trade. The ICDT offered to enrich this collection of information in collaboration with other member countries and make them available to all concerned member countries. The participants again expressed their high appreciation for the meetings organized by IDB and urged the Bank to continue holding such consultative and coordination meetings on a periodic basis.

#### Preparations for Future Multilateral Trade Negotiations and the Third WTO Ministerial Conference

The Consultative Meeting of OIC Member Countries for the Preparation of the Third WTO Ministerial Conference was held at IDB Headquarters on 7-8 Rajab 1420H (16-17 October 1999). The meeting was attended by 47 participants

from 35 member countries and four participants from sister institutions, namely, OIC, SESRTCIC, ICDT, and ICCI. Besides, nine experts from UNCTAD, WTO, ESCWA, and from some of the IDB member governments participated in the meeting. The working sessions of the meeting were chaired by H.E. Ambassador Mounir Zahran, Adviser to the Minister of Foreign Affairs, Egypt.

The discussions in the meeting covered a wide spectrum of issues ranging from implementation of the existing WTO Agreements, Built-in Agenda, Mandated Negotiations, Singapore Issues to possible New Issues likely to be taken up at the Seattle Conference. The meeting also discussed the three studies on agriculture, investment, and services, prepared under the joint supervision of the Bank and the UNCTAD. As a culmination of the in-depth discussions in the meeting on a variety of trade-related subjects, a set of main findings was unanimously adopted. In nutshell, the findings embodied the following points:

The implementation of WTO Agreements and particularly the ones wherein the IDB member countries enjoy comparative advantage leaves much to be desired. Hence, the meeting called for full and faithful implementation of those agreements.

The meeting stressed that the interest of developing countries including IDB member countries should be fully taken into account in the on-going activities under the Built-in Agenda.

The meeting underscored the need to redress some of the structural weaknesses of agreements like agriculture and services in the Mandated Negotiations which are to start after the Seattle Ministerial Conference.

The meeting concluded that the on-going work on Singapore Issues like trade and investment, trade and competition policy, transparency in government procurement, and trade facilitation should be continued as these areas are still not mature for any formal negotiations.

The meeting stressed that labour and environmental standards should not be used as instruments of protectionism .

The meeting, while recognizing the importance of electronic commerce, underscored the need for further work on the subject.

The meeting addressed the issue of the marginalization of LDCs and called for enhancing technical assistance to the least developed member countries of the IDB.

The meeting also called for accelerating the accession process of the IDB member countries and stressed that these countries should be offered terms that neither exceed nor are unrelated to the commitments of developing and LDC members of the WTO. The meeting noted that other than economic criteria political considerations also affect the accession process.

The meeting emphasized the need to evolve a positive agenda on the part of developing countries including the IDB members as a negotiating strategy for the Seattle Conference and post-Seattle multilateral trade negotiations.

In brief, the debate in the course of the meeting led to the conclusion that the IDB should maintain its present momentum of technical assistance to its member countries in order to enable them to effectively participate in the post-Seattle multilateral trade negotiations. In this context, the need for continued updating of the three studies and possibly undertaking of new studies in other relevant areas was underscored.

### **Consultative Meeting of 29 November in Seattle in conjunction with the Third WTO Ministerial Conference.**

The IDB organized a Consultative Meeting of OIC member countries in Seattle, USA, in conjunction with the Third WTO Ministerial Conference. The meeting was held at Crowne Plaza Hotel on 21 ShaTjan 1420H (29 November 1999). A total of 80 participants from 38 member countries of the OIC, including representatives from two institutions, namely, ICDT and GCC Secretariat attended the meeting. The meeting was intended to provide a forum to OIC member countries to exchange views on issues relating to the Third WTO Ministerial Conference and form common positions to the extent possible.

#### **n. OTHER TECHNICAL ASSISTANCE ACTIVITIES**

Since the signing of the Uruguay Round Agreements and the establishment of the World Trade Organization, the IDB has been doing its best to provide technical assistance to member countries with a view to familiarizing them with the contents and provisions of the Uruguay Round Agreements and the activities of the WTO so that they could be in a better position to defend their interests. In this regard, the IDB has so far financed/cofinanced the following :

1. Workshop on the Impact of the GATT Agreement and ISO Requirements on the export capabilities of IDB Member Countries. Jakarta, Indonesia, Muharram 1416H (June 1995).
2. Seminar on the Impact of the GATT Agreement on Trade in Services on OIC Member Countries (organized by the Islamic Centre for Development of Trade in cooperation with IDB). Casablanca, Morocco, Jumad Thani 1416H (November 1995).
3. Workshop on the Impact of the Technical Regulations introduced by the World Trade Organization and the European Union on OIC Member Countries in the Mediterranean. Ankara, Turkey, October 1996.

4. Regional Seminar on the International Trade Agreement related to the Technical Barriers to Trade among Arab Maghreb Countries (organized by the Tunisian Ministry of Trade in cooperation with the IDB). Tunis, Tunisia, Jumad Thani 1416H (November 1996).
5. Seminar on WTO for the Muslim Countries in Central Asia and some Middle East Countries. Ashgabat, Republic of Turkmenistan, December 1996.
6. Seminar on WTO for IDB member countries in West and Central Africa. Dakar, Republic of Senegal, January 1997.
7. Seminar on Policies and Methods of Promoting IDB Member Countries' Exports of Textile and Ready-made Garments to European Market Amman, Jordan, August 1997.
8. Seminar on the Islamic Countries' Future Trade in Food Production with European Market in the Light of the Current Developments in the World Trade. Tunis, Tunisia, December 1997.
9. Seminar on Export Promotion & Complementarity in Textile among IDB Member Countries in the light of the Current Developments in the World Trade. Beirut, Lebanon, July 1998.
10. Seminar on Policies and Memods of Promotion of Non-Traditional Exports of IDB Member Countries. Damascus, Syria, August 1998.
11. Seminar on Technical Barriers to Trade and their Implication for the Exports of IDB Member Countries in the Mediterranean Region. Cairo, Egypt, September 1998.
12. Workshop on Impact of WTO Agreements on Trade in Services in IDB Member Countries. Amman, Jordan, 24-26 January 1999.
13. Regional symposium on Trade and Environment (organized in collaboration with United Nations Environment Programme, Regional Office for West Asia. Cairo, 6-8 September 1999.
14. Regional Workshop on Dispute Settlement Procedures and Practices. (Organized in collaboration with United Nations Economic and Social Commission for Western Asia (UN-ESCWA). Beirut, Lebanon, 13-16 September 1999.
15. International Workshop on WTO and Liberalization of World Trade in Services. Kuala Lumpur, Malaysia, 28-29 September 1999. (Organized by the Federation of Consultants for Islamic Countries (FCIC))

16. Regional study and a workshop on the impact of trade liberalization on the environment in the Arab region. (Project submitted by the Centre for Environment and Development in the Arab Region (CEDARE).
17. Seminar on Accession to the World Trade Organization and Implementation of the Uruguay Round Agreement, Jeddah, Kingdom of Saudi Arabia, 7-10 1997.
18. Regional seminar on Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary Measures (SPS) , in collaboration with the International Trade Centre (ITC), Geneva was held in Conakry, Guinea, 2-5 August, 1999.
19. Seminar on Technical Barriers to Trade .and Sanitary and Phyto-sanitary Measures was held in English, Dhaka, People's Republic of Bangladesh, on 21-24 Dhul Hijjah 1420H (27-30 March 2000)
20. Seminar on WTO Dispute Settlement Mechanism and Anti-dumping Agreements in Arabic, Jeddah, Kingdom of Saudi Arabia, 5-8 Jumad Thani 1421H (3-6 September 2000).
21. Seminar on WTO and Multilateral Trading System for IDB member countries in the Middle East and North Africa, Amman, Hashemite Kingdom of Jordan, 24-27 Dhul Hijjah 1421H (19-22 March 2001).
22. Seminar in English on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements , Kuala Lumpur, Malaysia, 29 Muharram-2 Safar 1422H (23-26 April 2001).

#### Trade Policy Courses

During 1419H, the IDB organized three Trade Policy Courses in collaboration with the World Trade Organization (WTO). These were short versions of the regular trade policy courses that are organized by the WTO in Geneva for a period of three months.

The first course was in Arabic language for the Arabic speaking member countries of the Bank. It was held at IDB Headquarters in Jeddah from 23 Jumad Awwal to 14 Jumad Thani 1419H (14 September - 4 October 1998). Twenty-two participants mainly from ministries of trade and commerce from 12 member countries took part in this training course. The course covered a wide range of topics including the following: market access, customs and trade administration, agriculture, textile and clothing, sanitary and phyto-sanitary measures, technical barriers to trade, government procurement, general agreements on trade in services, intellectual property rights, anti-dumping, subsidies and countervailing measures, safeguards and state trading, dispute



settlement, agreement on trade-related investment measures, trade and competition policy, trade and environment, regionalism, and future work.. The course was very much appreciated by the participants and it was suggested that similar course be organized by the Bank in future. Certificates were awarded to the participants on successful completion of the course.

The second trade policy training course was for the English-speaking member countries. It was held at Rawalpindi, Pakistan, from 19 Dhul Hijjah 1419H to 8 Muharrem 1420H (5-24 April 1999). The scope and coverage of the course was the same as in the case of the first course. A total of 31 officials attended this course. These included twenty-two officials from 11 member countries, one IDB staff member. Most of the participants were middle-level officials from the Ministries of Trade and Commerce who were dealing directly with trade matters. At the request of the government of Pakistan eight officials from the Foreign Trade Institute of Pakistan were also allowed to audit the course. Like the earlier course in Jeddah, this course was also very well received by all the participants and very much appreciated by the host government.

The third trade policy course was for the French-speaking member countries of the Bank . It was held in Ouagadougou, Burkina Faso from 14 February to 3 March 2000. A total number of 38 officials from 18 IDB French-speaking member countries participated in the course.

At the request of the Government of the State of Qatar, trade policy course in Arabic was held in Doha, State of Qatar on 10-28 Rajab 1421H (7-25 October 2000). A total number of 44 officials from 19 IDB member countries participated in the course.

### **Studies on Electronic Commerce and TRIPs**

The studies on Electronic Commerce and TRIPs have already been assigned to the consultants along with the case studies. These studies are expected to be completed ahead of the consultative meeting of the OIC member countries tentatively scheduled to take place towards mid September 2001 prior to the forthcoming WTO Ministerial Conference which is to be held in Doha, State of Qatar in November 2001.

### **Country-specific Projects;**

The IDB continues to receive specific technical assistance requests from a number of member countries. While most of these project proposals have already been approved by the Bank and are being implemented, others are currently under process. Some of these proposals are listed below:

1. Assistance to Suriname for drafting laws related to "professional and financial services" and "safeguards".

2. Seminar on specific agreements under WTO (agriculture, rule of origin, services, investment, environment etc. **(Chad)**).
3. Workshop on the impact of Uruguay Round Agreements on the economy of **Niger**.
4. Seminars/workshops on WTO-related topics **(Saudi Arabia)**.
5. "Support to Kazakhstan for Accession to WTO" **(Kazakhstan)**.
6. Study visit of officials for acquiring skills and experience in WTO operations **(Kyrgyz Republic)**.
7. "Support to Lebanon for Accession to WTO" **(Lebanon)**
8. Undertaking of sectoral studies, enhancing negotiating skills, and capacity building in WTO-related areas **(Sudan)**.
9. Support to Sudan for Accession to WTO (Sudan)
10. Finance a seminar on competition policy (Tunisia)
11. Support for establishing of WTO Unit in the Ministry (UAE)
12. Support for Accession to WTO (Yemen)

The IDB's planned programme for 1422H covers implementation of the on-going projects as well as new initiatives in the shape of subjects-specific seminars, special courses for countries in accession and specifically tailored training modules for the private sector participants. More specifically, the Technical Assistance Programme for 1422H envisages seminars and training courses on subjects like agriculture, services, tariffs, trade and investment, environment and trade facilitation. These subjects are considered relevant in the context of the Fourth WTO Ministerial Conference and the multilateral trade negotiations, should that be agreed in the Ministerial Conference..

Additionally, the IDB is contemplating to organize a consultative meeting towards mid September 2001 in order to provide a forum for exchange of views among the OIC member countries relating to the issues likely to form the agenda of the Fourth WTO Ministerial Conference. The IDB also plans to organize a consultative meeting in tandem with WTO Ministerial Conference to be held in Doha, State of Qatar on 9-13 November 2001.



**- XII-**

**REPORT BY ICDT ON MATTERS RELATED TO  
WTO'S ACTIVITIES**

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

**(Istanbul, 9-10 May 2001)**

## MATTERS RELATED TO WTO'S ACTIVITIES

This note takes stock of the latest activities undertaken by the WTO from April 2000 to April 2001:

### A. GENERAL COUNCIL:

On April 10<sup>th</sup> 2000, the General Council took the following measures

First, measures in favour of the Least-Developed Countries: there is a wide agreement to improve market access opportunities. A number of major traders are geared up to provide tariff and quota-free access consistent with domestic requirements and international agreements under their respective preferential schemes for basically all products originating in LDC Members. Other industrialised as well as developing countries have also indicated their willingness to enhance LDCs' access to their markets. Many Members including LDCs themselves have emphasized that market access is only part of the picture. On these grounds, it has been considered that it is important to put into effect the other measures, which have been discussed, to help with building capacity to trade and to participate more fully in the multilateral trading system.

Second, capacity building through technical co-operation is of key importance not only to LDCs but also to developing countries as a whole and to economies in transition, but the funding of this activity through a real and guaranteed budget is still encountering some difficulties.

Third, implementation of WTO Agreements and -in particular-transition periods: the results so far obtained from consultations on transition periods, together, with the work that has been done in the relevant Councils and Committees, have contributed to reducing the outstanding problems concerning this issue. But there is more work to be done, like in the TRIMs area. The major trading partners have also suggested possible action on a number of technical and procedural measures relating to the implementation of the agreements on TBT, SPS, Agriculture and Services, in order to address a number of developing country's concerns.

Fourth, internal transparency and more effective participation of Members: discussions were vigorous and productive. In fact thoughtful inputs from Members on these issues and others reached the council on 28 March 2000.

The General Council held a meeting from 14<sup>th</sup> to 15<sup>th</sup> December 2000 to adopt the Decision on the issues and concerns linked to the implementation of the WTO agreements and decisions listed in paragraph 21 of the revised projects of the Ministerial Declaration.

This project covers the actions to be undertaken in the fields of agriculture, sanitary and phytosanitary measures, technical obstacles to trade, customs evaluation, rules of origin and subsidies and countervailing measures.

Such a decision does not provide for any immediate action to facilitate the implementation of some agreements of primary importance for Developing countries, namely the agreement on Trade Related Investments measures (TRIMs), the Agreement on Trade in services and the Agreement on Trade related Aspects of Intellectual Property Rights (TRIPs).

Upon the General Council Meeting, the following decisions were taken:

- Agreement on Agriculture: The WTO Member States must conform to transparent, equitable and non-discriminatory tariff systems and quotas. In this respect, the Committee on Agriculture was requested to review and improve the implementation process of measures concerning the negative possible aspects of the reforms program on LDCs and DCs food products net importers.

- Agreement on the rules of origin: The WTO Member States have undertaken to speed up the remaining harmonization work of non-preferential rules of origin so as to submit them to the WTO Fourth Conference, to be held in November 2001 in Doha.

## **B/ RETROSPECTIVE OF NEGOTIATIONS**

### ***1/SERVICES COUNCIL:***

On February 14<sup>th</sup>, 2000, the Council for Trade in Services adopted its work programme for 2000, including dates for negotiating sessions. Australia and Singapore and MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) respectively presented the special session with a communication calling for the market access phase of the negotiations to start in March 2001.

It was also suggested to ask Members to submit their proposals concerning the modalities and the field of negotiations on Market access in December 2000.

The first Special Session of the Services Council has already taken place at the end of February in a positive and constructive atmosphere.

The items that were discussed during the meetings of the year 2000 are : the appraisal of the world trade in services, the examination of the proposal on the annexe on tourism and the exemptions from MFN obligations. As concerns air transport, the council has summoned two meetings on this issue on 28 and 29 September 2000 and on 30<sup>th</sup> November and 1<sup>st</sup> December 2000.

Thus, the WTO secretariat has initiated a project containing the following proposals:

- Members were requested to submit their proposals before the end of December 2000: negotiations modalities, increasing participation of DCs and the granting of special treatment in favour of LDCs in particular, self-liberalisation, systemic issues, progress report on the proceedings of the Council for Trade in services (CTS) and of its Subsidiary Organs.
- Holding of the extraordinary session meetings concomitantly with the ordinary sessions of the CTS and of its subsidiary organs,
- Completion of the proceedings of the committee on specific commitments on the matters relating to the classifications of sectors and sub-sectors of services in March 2001 and launching of the new stage of negotiations.

Negotiations on trade in services have been speeded up. As a matter of fact, at its extraordinary session held from March 28th to 30th, the Services Council has adopted the guidelines and procedures for negotiations and provided information on this sector. Through these negotiations, concerned parties aim at progressively raising the level of liberalization of trade in services and reducing or eliminating the adverse effects of some measures on trade in services with a view to ensuring market access in a more effective manner and promoting the interests of all participants on the basis of mutual advantages and equity as far as rights and obligations are concerned. These negotiations also aim at increasing the participation of developing countries in trade in services.

During this council, more than 70 negotiations proposals on services emanating from 40 Member States were presented.

During this session of the Council, Governments have put forward some proposals : They have claimed their right to regulate the provision of services and introduce new regulations in this field in order to meet the objectives of national policy, to select the services sectors, which they wish to open to foreign suppliers along with their conditions and requirements; they have also laid stress on the primordial principal of a flexible treatment to be accorded to the Least Developed Countries.

The Council has decided to hold its negotiations sessions in May, July and October 2001 in order to examine thoroughly negotiations proposals. Other meetings have been scheduled for December 2001 and March 2002 to review the progress of such negotiations.

Besides, negotiations on safeguard measures that were led within the framework of Article X will be completed by March 15<sup>th</sup> 2002 in compliance with the decision adopted by the Council on Trade in Services on December 1<sup>st</sup>, 2000. Members will endeavour to finalize negotiations within the framework articles VI, IV, XIII and XV before the end of negotiations on specific commitments.

The main negotiating method will be based on requests and offers but Developing countries will be treated with flexibility.

It has been decided to include the appraisal work on trade in services within the permanent activities of the Council.

In compliance with Article XXV of the GATS, a technical assistance will be provided on request to developing countries, WTO members, in the field of national or regional evaluations.

The Committee on Trade in services has been entrusted to establish a negotiation schedule in compliance with any relevant decision taken by the General Council.

## **2/COMMITTEE ON AGRICULTURE:**

The Committee on Agriculture met on 23-24 March 2000, and has made a solid start to the agricultural negotiating process. Members have agreed on a programme of work for the first phase of the negotiations, including benchmarks of negotiating proposals for submission.

The decision reached on 24 March 2000 deals with the "first phase" of the negotiations and contains the following three parts:

*Technical work:* In order to provide countries with information on the development of agricultural issues and the effects of the current round of reduction in subsidies and protection they need to negotiate the next stage, the secretariat will compile the factual information and has been assigned a set of tasks for the next meeting at the end of June.

*Date for receiving proposals:* countries are requested to submit proposals from the end of March until the end of December 2000, with a little flexibility for those, which cannot meet that date or want to make additions. In March 2001, the Committee met to take stock of all the proposals.

*Timetable of meetings:* in the first phase, it was decided to hold these meetings in June, September and November 2000 and March 2001.

Delegates also agreed to conduct technical work on agricultural subsidies and protection within the framework of Article 20 of the Agreement on Agriculture.

Several Cairns Group members also pointed out that they consider the negotiations on agriculture to be "stand-alone" because they obtained the commitment to resume negotiations in return for the moderate reforms agreed in the Uruguay Round. European countries, Japan, Korea and some others believe that an agreement in the agriculture issues will need a comprehensive round that covers a wide range of topics (single undertaking). Many developing countries including some Cairns Group members declared that priority should be given to the special problems of developing countries, and to net food importers.

- The second negotiation meeting was held on June 29<sup>th</sup> and 30<sup>th</sup>, 2000 and was for the most part attended by participants from developing countries. They undertook to respect the deadline fixed for these negotiations and deposit their proposals by the end of the year. Forty-five countries submitted their proposals.



During the Meeting Held in June, the WTO secretariat presented a compilation of the different concessions accorded during the Uruguay Round in the field of market access, exports subsidies and domestic support.

Negotiating parties met on 26<sup>th</sup> and 27<sup>th</sup> March 2001 to draw up a work programme of the second stage and submitted 44 negotiations proposals.

This programme is scheduled as follows: Three meetings in extraordinary session to be held concomitantly with the ordinary meetings of the Committee on Agriculture in September and December 2001 and in March 2002. Three informal meetings in extraordinary session in May and July 2001 and in February 2002.

During the Committee's session in March 2001 most Members agreed on a number of proposals such as tariff reductions, quotas, special safeguard clauses, the necessity of reducing or eliminating all forms of subsidies, non trade concerns based on Article 20 of the Agreement on Agriculture.

A review of the negotiations progress is scheduled for the formal meeting to be held in March 2002.

The themes that will be developed in these meetings are the following: administration of tariff quotas, tariffs, export subsidies (orange category), export credits, state trading enterprises, export restrictions, food security, sanitary security of food products and rural development.

### *3/TRIPS:*

In addition to negotiations on agriculture and services in February, negotiations and reviews foreseen under the TRIPS Agreement were also under-way. On 21<sup>st</sup> March, the TRIPS Council held an extensive discussion on carrying forward its work on each of its built-in agenda items.

### *4/ SYSTEMIC ISSUES :*

#### *4.1 - Chairpersons:*

On February 9<sup>th</sup>, 2001, the WTO General Council noted the consensus on the following slate of names of chairpersons from OIC Members states for WTO bodies:

*Trade policy review body:* Amb Nathan Iumba (Uganda);

*Committee on trade and environment:* Supperamaniam (Malaysia);

*Committee on budget, finance and administration:* Ognz Denrinup (Turkey).

#### *4.2 - Transparency of the WTO proceedings:*

As concerns transparency, the General council presented a text during the meeting of July 17<sup>th</sup> 2000, which presumes the following points. The decision -making within the

WTO remains based on consensus, but all the members will be informed of the restricted meetings to give their viewpoints. The consultations outcomes led in restricted meetings will be conveyed to all members as soon as possible.

#### 4.3 -LDCS:

In February 2000, the General Council launched an important programme of consultations aimed at producing agreement on measures in favour of the Least-Developed Countries, on improving the funding and planning of WTO technical assistance activities, on **implementation issues** including transition periods and finally, on improving internal transparency and ensuring fuller participation of all Members.

Within the framework of technical assistance, it was decided: to create a steering committee for the follow up composed of the (world Bank, ITC, IMF, WTO and UNCTAD in addition to donor countries and LDCs); to incorporate the administrative unit for the present integrated framework of the ITC into the WTO system; to create a special allocation fund to be administered by the UNDP (20 million US dollars for the 2001/2003 period).

On February 12<sup>th</sup>, 2001, the WTO sub-committee of the LDCs adopted a common proposal, aiming at improving the implementation of the integrated framework for the implementation trade related technical assistance in favour of LDCs. It is within this framework that a pilot project was initiated by the LDCs in order to add a chapter on the integration of trade in their global developmental strategies and those relating to struggle against poverty.

This project will be financed by a special fund and bilateral donors will support the ongoing complementary activities.

The integrated framework is a joint initiative of six organisations, the ITC, the UNCTAD, the IMF, the UNDP and the WTO.

#### **MISCELLANEOUS:**

##### I. Accessions:

On April 11<sup>th</sup>, 2000, Jordan became the 136<sup>th</sup> WTO member and Albania the 138<sup>th</sup> WTO member on September 8<sup>th</sup>, 2000 and Oman the 139<sup>th</sup> WTO member on November 9<sup>th</sup>, 2000.

Thus, 38 OIC Member States are currently WTO members.

The other OIC member States that have applied for accession to the WTO are as follows: Algeria, Saudi Arabia, Azerbaijan, Kazakhstan, Lebanon, Uzbekistan, Sudan and Yemen.

## **2. Next Meeting of the WTO :**

On February 8<sup>th</sup> 2001, the General Council has decided to hold the WTO Fourth Ministerial. Conference from 9<sup>th</sup> to 13<sup>th</sup> November 2001 in Doha.

The preparation of the Fourth Ministerial Conference of the WTO, to be held in Doha has already been launched. Thousands of participants; delegates, observers, reporters and NFG are expected. All information on transport means, housing and accreditation procedures may be found in the WTO's site starting from April 2001.

## **PROPOSAL TO THE COMCEC :**

It should be pointed out that the holding of the Fourth Ministerial Meeting in Doha, Qatar, which is the current Chairman of the OIC Summit Conference should incite the COMCEC to capitalize on this event to better coordinate the positions of the OIC Member States with regard to all negotiations issues.

Therefore, It would be timely to entrust ICDT and IDB to arrange an Experts Group Meeting of Member States before August 2001 that could be followed by a Meeting of Ministers of Trade of Islamic Countries in September 2001 in order to define a common platform for the future WTO negotiations and better uphold the interests of the Islamic Ummah.

**Annex I**  
**Membership of the World Trade Organization**  
**38 out of 139 of the WTO Members are**  
**OIC Member States as of November 2000**

Members	Date of membership
Albania	8 September 2000
Bahrain	01 January 1995
Bangladesh	01 January 1995
Benin	22 February 1996
Brunei Darussalam	1 <sup>st</sup> January 1995
Burkina Faso	03 June 1995
Cameroon	13 December 1995
Chad	19 October 1996
Djibouti	31 May 1995
Egypt	30 June 1995
Gabon	1 January 1995
Gambia	23 October 1996
Guinea Bissau	31 May 1995
Guinea	25 October 1995
Guyana	1 January 1995
Indonesia	1 January 1995
Jordan	11 April 2000
Kuwait	1 January 1995
Kyrgyz Republic	20 December 1998
Malaysia	1 January 1995
Maldives	31 May 1995
Mali	31 May 1995
Mauritania	31 May 1995
Morocco	1 January 1995
Mozambique	26 August 1995
Niger	13 December 1996
Nigeria	01 January 1995
Oman	10 November 2000
Pakistan	01 January 1995
Qatar	13 January 1996
Senegal	01 January 1995
Sierra Leone	23 <sup>rd</sup> July, 1995
Suriname	01 January 1995
Togo	31 May 1995
Tunisia	29 March 1995
Turkey	26 March 1995
Uganda	01 January 1995
United Arab Emirates	10 April 1996

**Annexe II****LIST OF O.I.C MEMBER STATES**

<b>COU NTRY</b>	
AFGHANISTAN	MALAYSIA
ALBANIA	MALDIVES
ALGERIA	MALI
AZERBAIJAN	MAURITANIA
BAHRAIN	MOROCCO
BANGLADESH	MOZAMBIQUE
BENIN	NIGER
BRUNEI	NIGERIA
BURKINA FASO	OMAN
CAMEROON	PAKISTAN
CHAD	PALESTINE
COMOROS	QATAR
DJIBOUTI	SAUDI ARABIA
EGYPT	SENEGAL
GABON	SIERRA LEONE
GAMBIA	SOMALIA
GUINEA	SUDAN
GUINEA BISSAU	SURINAME
GUYANA	SYRIA
INDONESIA	TAJIKISTAN
IRAN	TOGO
IRAQ	TUNISIA
JORDAN	TURKEY
KAZAKHSTAN	TURKMENISTAN
KHYRGYSTAN	U.A EMIRATES
KUWAIT	UGANDA
LEBANON	UZBEKISTAN
LIBYA	YEMEN



**-XIII-**

**DRAFT AGENDA OF  
THE SEVENTEENTH SESSION  
OF THE COMCEC**

**as recommended  
by the Seventeenth Meeting of the  
Follow-up Committee of the COMCEC**

**(Istanbul, 9-10 May 2001)**





Original : English

**DRAFT AGENDA  
OF THE SEVENTEENTH SESSION OF THE COMCEC  
(Istanbul, 18-21 October 2001)**

1. Opening Session
2. Adoption of the Agenda
3. Renewal of the Members of the Bureau
4. Reports by the OIC General Secretariat
  - Background Report by the OIC General Secretariat
  - World Economic Developments with Special Reference to OIC Member Countries (SESRTCIC)
  - Supporting the Reform of the International Financial Architecture (SESRTCIC)
  - Report of the Follow-up Committee
  - Review of the Implementation of the Plan of Action (Recommendations of the Follow-up Committee on the Outcome of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action)
5. Report by IDB and ICDT on the Expansion of Intra-OIC Trade
6. Matters related to World Trade Organization Activities
  - a) Report by IDB
  - b) Report by ICDT
7. Report by ICCI on the Eighth Private Sector Meeting for the Promotion of Trade and Joint Venture Investment among OIC Member Countries
8. Exchange of Views on the "Effects of Non-Tariff Barriers on the Foreign Trade of the Member Countries"
9. Matters Related to Economic Assistance to Some Islamic Countries
10. Report of the Sessional Committee
11. Date of the Eighteenth Session of the COMCEC
12. Any Other Business
13. Adoption of the Resolutions of the Seventeenth Session of the COMCEC
14. Closing Session



**-XIV-**

**CLOSING STATEMENT BY  
H.E. AKIN İZMİRLİOĞLU, CHAIRMAN OF  
THE CLOSING SESSION OF THE SEVENTEENTH MEETING  
OF THE FOLLOW-UP COMMITTEE**

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

**(Istanbul, 10 May 2001)**



Original: English

**CLOSING STATEMENT BY H.E. AKIN İZMİRLİOĞLU,  
CHAIRMAN OF THE CLOSING SESSION  
OF THE SEVENTEENTH MEETING OF THE  
FOLLOW-UP COMMITTEE OF THE COMCEC**

**(Istanbul, 10 May 2001)**

Honourable Delegates,  
Distinguished Assistant Secretary General  
Esteemed Guests,

I would like to start my address by expressing my satisfaction at the successful conclusion of another meeting of the Follow-up Committee, a leading forum of the COMCEC.

COMCEC, with a past of nearly two decades, has established an important platform of cooperation and collaboration for the muslim countries, and, by implementing some significant cooperation projects in a short time, has distinguished itself as an outstanding forum of OIC. I believe that the Follow-up Committee, of which we are members, has made a substantial contribution to the success of the COMCEC.

Honourable Delegates,  
Esteemed Guests,

We have exchanged views during this Meeting on issues pertaining to economic and commercial cooperation among our sister countries.

Preceding our Committee Meeting, an Expert Meeting for accelerating the implementation of the Plan of Action was held. The recommendations of the

distinguished experts from around the Islamic world were reviewed during our debates, and were adopted with a view to facilitating the implementation mechanism.

I have noted with satisfaction that a more weighty role has been assigned to the private sector by our distinguished delegates; with special reference to the Small and Medium-Sized Enterprises. The emphasis on involving the private sector more actively in the work of COMCEC was particularly stressed by our Expert Group Meeting and by this esteemed Committee. I believe it will be used as an instrument to move us forward with the objectives and principles of the Plan of Action.

At the recommendations of the Expert Group Meeting, measures were discussed and agreed upon on the need for pre-feasibility studies on the projects proposed within the context of the implementation of the Plan of Action, an efficient coordination mechanism and a well-established, concise financial framework.

We also considered and decided upon the significant issues, within the context of the recommendations made by the Expert Group Meeting. In this regard, we recommended that measures be taken for the ratification and implementation of the Trade Preferential System Agreement and removal of non-tariff trade barriers.

Issues pertaining to intra-OIC trade and World Trade Organization activities were also discussed in our meeting. I have to note that COMCEC members have a great potential for increased trade among themselves and to get a bigger share from the world trade provided they adapt themselves to the WTO principles and the rapidly changing global environment.

We have reviewed during our Meeting the preparations for the exchange of views on "Effects of Non-Tariff Barriers on the Foreign Trade of the Member Countries", to be held during the 17<sup>th</sup> Session of the COMCEC.

Honourable Delegates,  
Esteemed Guests,

In conclusion, I would like to express my most sincere thanks and appreciation to all delegations, the General Secretariat of the Organization of the Islamic Conference and the Subsidiary and Affiliated Institutions of the Islamic Conference for their valuable contributions to the success of the Meeting.

I would also like to thank the auxiliary personnel and the interpreters for their devoted endeavours for the success of the Meeting.

Hoping to see you at the 17<sup>th</sup> Session of the COMCEC, I wish a safe journey to all.

I declare closed the seventeenth meeting of the Follow-up Committee of the COMCEC.