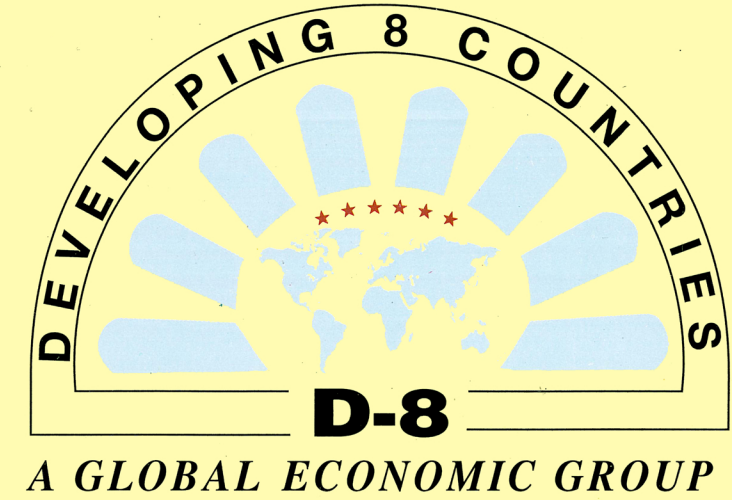


A GLOBAL ECONOMIC GROUP MEETINGS BETWEEN 1999-2001 VOLUME I



**MEETINGS
BETWEEN
THE SECOND AND THE THIRD SUMMITS**

1999-2001

VOLUME I

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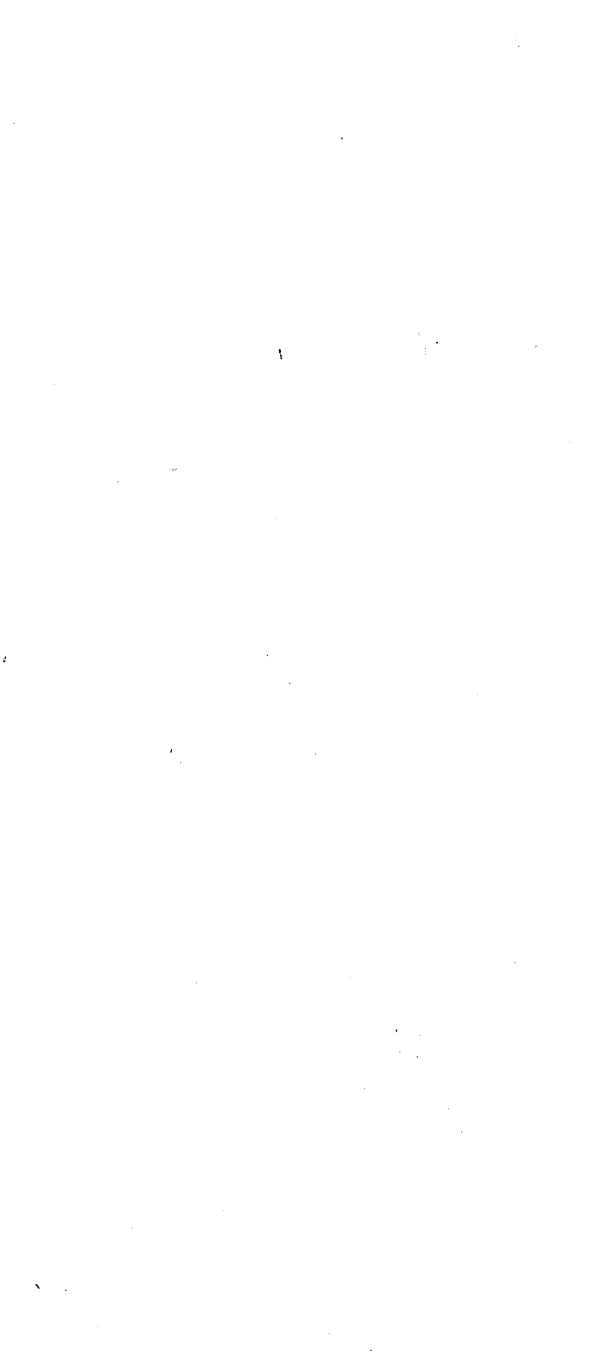
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13

OFFICE OF THE EXECUTIVE DIRECTOR
Istanbul, May 2001



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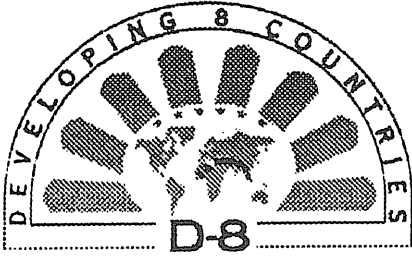
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PART I
SEVENTH SESSION OF THE COMMISSION

Dhaka- Bangladesh

22-23 February 2000

REPORT OF THE COMMISSION



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23 February 2000

REPORT OF THE SEVENTH SESSION OF THE COMMISSION

1. The VII. Session of the Commission was held at Dhaka on 22-23 February 2000. The following countries attended the meeting: Bangladesh, Egypt, Indonesia, I.R. of Iran, Malaysia, Pakistan and Turkey.

2. The inaugural session was held on the morning of 22 February. The Foreign Secretary of Bangladesh H.E. Mr. Shafi Sami, welcomed the guests and spoke on the occasion. The Executive Director of D-8, H.E. Mr. Ayhan Kamel, also delivered a statement. The Minister of State for Foreign Affairs, H.E. Mr. Abul Hasan Chowdhury, addressed the gathering. The Minister for Commerce, H.E. Mr. Md. Abdul Jalil, delivered a short speech as the Guest of Honour. The Minister for Foreign Affairs H.E. Mr. Abdus Samad Azad, addressed the as the Chief Guest, and also formally inaugurated the Meeting. The Commissioner of Bangladesh, H.E. Dr. Toufiq Ali, thanked all those present, on behalf of D-8 Commissioners. A brief demonstration was made of D-8 web-site created by the I.R. of Iran. The inaugural session was well attended by a large audience, including Heads of Diplomatic Missions, representatives of the press and of the business community, and senior government officials.

3. At the regular session, the Commission first adopted the draft agenda. Thereafter, the Commission started the consideration of the agenda items.

Item I. Agriculture (Aquaculture and Food Security):

4. The Commissioner of Pakistan informed that they printed the Directory of Scientists, Experts and Institutions as well as the firms in the private sector and were ready to provide enough copies to the member countries. He also added that they would put it in internet. On the other hand, he also briefed the Commission of the Workshop on Food Security. Referring to the recommendations of the Workshop, the Commissioner requested the members to designate their focal points in their respective ministries and

underlined as well the importance of disseminating these recommendations widely within the member states.

5. The Commissioners appreciated the excellent work done by Pakistan to have produced the Directory. The Egyptian Delegation made various useful proposals in this regard (They are being circulated separately). The Commissioner of Malaysia briefed the meeting on the Introductory Course on Brackishwater organised by his authorities. He further stated that his Government would be pleased to organise in the course of this year additional programmes in aquaculture such as shrimp hatchery operation and management, fresh water aquaculture etc. The Turkish Delegation stated that their authorities would soon indicate the dates of the course mentioned in the ED's report. The Iranian Delegation suggested the setting up of a D-8 fair on agricultural equipment. They also offered to organise a workshop on different kinds of shrimps and fish. These suggestions were welcomed by the Commission.

6. As regards the food security, several delegations referred to consequences of liberalisation on food security. It was suggested that the D-8 members could sensitise their delegations at the WTO so that they could act together. The Egyptian Delegation conveyed his Government's offer to provide expertise and assistance to set up a food estimation system at household level

Item II. Industry (Agricultural Aircraft):

7. The Turkish Delegate informed that the prototype of the aircraft was already completed and ready for testing flights soon. He confirmed that the Turkish Government would be pleased to invite the esteemed D-8 Ministers of Industry for this occasion. On the other hand, he reminded that the member countries were invited to participate in the engineering work and that their responses were awaited. Furthermore, the Turkish Delegate also requested the members to complete their market research as soon as possible in order to be able to start commercial production.

8. Several members appreciated the work so far done by TAI and expressed the wish that it should be a collective endeavour. Accordingly, they indicated their interest to participate in the engineering work. They expressed their readiness to be part of the manufacturing process and requested TAI to provide detailed information in this regard. Iran also stated her readiness to perform the wind-tunnel testing. Some also added that their authorities were ready to supply certain parts of the aircraft with competitive prices.

9. On the other hand, some delegations stated that aerial spraying was not permitted by law or not possible in their countries due to the geographical characteristics of their landscape and, they were therefore interested in multipurpose version of the aircraft. The Executive Director referring to the Dhaka Declaration clarified that it was important to know beforehand approximate number of multipurpose aircraft needed by the member countries in order to attempt to initiate a new version.

Item III. Trade :

a. IMTC Project:

10. The Commissioner of Egypt informed his colleagues of the revised estimate by the ITC, reducing the cost of the project. The new figure would now be around 467.000 USD (The revised terms of reference by ITC is circulated). He added that his Government together with the Nigerian would jointly approach the African Development Bank to make up the existing gap between the cost of the feasibility study and the offer made by the IDB. In response to the inquiry from some commissioners, he stated that this figure would not necessarily reflect the actual cost of the feasibility study and that they would seek bids from six consultants (three being nominated by Egypt and three by the IDB) and would give the task to the consultant with the lowest bid.

11. On the other hand, the Egyptian Commissioner also stated that they were trying to get the agreement of the IDB to remove the condition attached to its offer to the effect that the IMTC should not engage in usual trade but only the barter trade.

12. He also added that the IDB would most probably forgo the stipulation that the IDB's contribution could not exceed 50 percent of the cost. Finally, he requested the member countries to make a commitment in principle to contribute, be it symbolic, to the cost of the feasibility study both to reduce the gap and to encourage as well the private sector to take part in the project.

13. The member countries congratulated the Egyptian Government for organising a very successful meeting on IMTC Project and other trade related issues. Two delegations (I.R. of Iran, Turkey) stated that their governments would be in a position to contribute to the cost of the project provided that the gap in financing will equally be shared by the member countries. Some members explained their difficulty to sell this idea to their private sectors. As regards the existing gap in financing, many members stated that national experts might be utilised in the preparation of the feasibility study rather than seeking financial contributions.

b. Trade related issues:

14. The Commissioner of Egypt summarised the conclusions of the III. Expert Group Meeting held in Cairo on various trade related issues such as trade facilitation, easing visa procedures for businessmen, agreements on the avoidance of double taxation and promotion / protection of investments, shipping, simplification and harmonisation of banking measures, foreign trade financing, etc. He underlined the importance they attached to the setting up of a committee of central bank officials. He said that these officials could meet alongside the next meeting of the Board Governors of IDB. As regards the exchange of trade information, he added that his authorities prepared a preliminary trade data base and that it would soon be distributed. On the other hand, the Egyptian Commissioner made some additional proposals in connection with the shipping such as updating information related to the main ports, cargo movements, the designation

by each member a company as focal point for exchange of information in this field and the establishment of liaison between these focal points through the Egyptian center. He also said that the Islamic Ship-owners Association was ready to work closely with D-8. Moreover, he supported Turkey's offer to act as coordinator concerning the SMEs.

15. All the members concurred with the conclusions of the experts on trade related issues. Regarding the visa procedures, some members indicated that they already had liberal regulations for businessmen. Meanwhile, the Commissioner of Iran informed the session of the newly established ECO Shipping Co. which is successful & profitable, and conveyed their readiness to engage in cooperation with D-8 shipping program. It was suggested that the ECO Shipping Company having rendered valuable services to its members would be happy to share its experience with D-8. The Commissioner of Bangladesh stated that trade facilitation measures should be compatible with international systems and practices. He also added that UNCTAD had a special office and model agreements to help its members conclude agreements on the avoidance of double taxation and protection of investments. The Indonesian Delegation supported the establishment of business services centers to promote cooperation in SMEs.

Item IV. Telecommunication & Information (ITDB Project):

16. The Commissioner of the I.R. of Iran, having explained the stages through which the ITDB project had passed, informed the meeting of the conclusions of the Second Workshop. He underlined the importance of information technologies for the economic development and the expansion of foreign trade. He stated that it was an absolute necessity to narrow the gap in science and technology between developed and developing world. Then, he explained the objectives of the project and the structure of the web-site which was implemented by the Iranian IT Company whose expenses was borne by the Government of Iran.

17. The Commissioner of the I.R. of Iran further informed the meeting of the three alternative options for the project, namely the usage of the existing internet facilities in the short-run, virtual private network and entirely private network. He stated that after the initial stage, the second and third alternatives might be necessary in order to provide security for the exchange of sensitive data, it being understood that these two options will get costlier. He requested the member countries to appoint their web-site administrators. He said that his authorities were considering to convene a meeting of web-site administrators and that they were expecting the comments of the member countries on the three alternative options. He also suggested that the member countries might seek the assistance of ITU in order to start electronic commerce.

18. Thereafter a comprehensive demonstration of the ITDB web-site was presented by the Iranian Project Manager which was warmly appreciated by the commissioners.

19. The member countries deeply appreciated the work undertaken by the Iranian Authorities to prepare a sophisticated web-site. They stated that at the initial stage, it would be preferable to use the existing internet facilities to minimise the cost. On the other hand, they felt that it would be extremely difficult to put the project into operation one month after the Commission meeting since the member countries had to review the data base posted in the web-site for each member and to feed information regarding R&D centers, manufacturers, consultants, etc. Meanwhile, it was also stressed that for the development of cooperation in this field, the member countries should give more emphasis on electronic education and strengthen their national infrastructure. Some members while drawing attention to the risks of engaging in e-commerce stated that it would be difficult to avoid it altogether in the long-run. In the end, the Commissioner of the I.R. of Iran agreed that the project should become operational by 10 May 2000. The Iranian Commissioner suggested that since the data bank network is capable of carrying all sorts of information, all coordinating countries are therefore invited to post their data into the web-site.

Item V. Poverty Alleviation and Human Resources Development:

20. The Commissioner of Indonesia briefed his colleagues about the meeting organised in his country on the social safety net programs. He added that D-8 members must discuss the following questions namely, the modalities of developing institutional set up, rules and regulations for good governance, and measures for the development of human resources and national capacities.

21. Several Commissioners having appreciated the initiative of Indonesia, expressed that in view of the wide and varying experiences of the member countries in this field an exchange of information and experience would be extremely beneficial for all. In this regard, the available data may either be exchanged or posted in the web-site. Several members supported the convening additional training programs, seminars in the field of poverty alleviation and social safety nets programs. On the other hand, the Iranian Delegation offered to the interested members to see the system of subsidies and rationalisation existing in their country.

Item VI. Finance and Banking:

22. The Malaysian Delegation, after having briefed the Commission on the International Workshop on Re-takaful, made a presentation. The Commissioner of Malaysia requested the Commission to endorse the four resolutions and invited interested countries to join this project. The members, having endorsed them demonstrated their keen interest to take part in the Re-takaful scheme. It was suggested that the Re-takaful should open up to other reinsurance companies within and outside D-8 in order to reduce the risks while the capital of the ARIL could gradually be increased. Caution is expressed that the relatively weak Re-takaful schemes existing in the member countries may not stand competition from the powerful western insurance companies under the

circumstances of liberalisation & globalisation and therefore consideration should be given on mergers between Re-takaful companies in the foreseeable future.

23. The Malaysian Delegation offered to organise a training program on finance this year and on privatisation in the year of 2001. The Iranian Delegation also offered to organise a training course on islamic banking and finance.

Item VII. Rural Development:

24. The Commission having heard the statements from Egypt, Bangladesh and Indonesia agreed that a revised version of the project "Promotion of Rural Industrialisation by Comprehensive Approach" be prepared in the light of the comments from the member countries and be finalised. It was also decided that the coordinating country (Bangladesh) and the author of the proposal (Egypt) together could approach formally the UNIDO to seek its financial and technical assistance. In any case, Commission agreed to speed up the implementation of this project. On the other hand, the Egyptian Delegation informed the meeting that they intended to create a headquarter in Egypt for exchange of information in this field.

Item VIII. Energy:

25. The Commissioner of Indonesia briefed his colleagues about the two Training Programs on Solar Energy Systems for Isolated Villages (SESIV), Micro-hydro Power Plants (MPP). He also added that his government is considering to organise a training course on small scale mining this year.

26. Regarding the energy sector it was generally observed that the Meeting of the Working Group on Energy became long overdue. Several members underlined the importance of taking an action in this respect. Accordingly, it was agreed that to this end, the Chair Country approach the Nigerian Authorities in a discrete manner. Meanwhile, the Iranian Commissioner referring to their experience in the sector of oil and gas offered to organise in the fall of this year a Workshop on forecasting oil and gas demand-and-supply in the member countries. Malaysia also indicated its readiness to convene the Working Group on Energy.

Item IX. Permanent Unit:

27. In the Commission ,extensive consultations took place on the creation of a permanent unit in accordance with para.30 of the Dhaka Declaration. The outcome was reflected in the decisions.

Item X. Liaison:

28. The Commissioner of Iran informed that they sent an official letter to the Secretary General of OIC to establish a permanent liaison with this organisation. Moreover, they also contacted with him in Marekesh. He added that though his response was generally favourable, the OIC was at present studying the modalities. Following the consultations in the Commission, it was finally agreed that Bangladesh, the I.R. of Iran and Malaysia should jointly prepare a draft resolution in general terms to be submitted to the approval of the OIC Foreign Ministers when they hold their annual meeting in Kuala Lumpur on 27-30 June 2000. Thereafter, a memorandum of understanding may be discussed between the OIC Secretariat and the Executive Director on the modalities.

Item XI. Any Other Business:

a) Environment:

29. In accordance with the Resolution 19 of the VI. Session of the Commission and the Dhaka Declaration whereby Turkey is designated as the Coordinating Country, Turkey offered to organise the first meeting of the Working Group on Environment between the months of May and August in order to establish the priorities of the member countries. For this purpose, Turkey will soon distribute the list of possible areas of cooperation. On the other hand, the I.R. of Iran proposed to hold a meeting on two main issues related to environment namely, a viable technical cooperation on environment and coordination of their position in international fora regarding this issue. The member countries appreciated the offer made by Turkey and the I.R. of Iran and reaffirmed the understanding that the member countries are welcomed to organise workshops and seminars in their field of expertise in view of close link between the environment and all the other sectors.

b) Health:

30. The Commissioner of Egypt stated that their authorities would be unable to convene a meeting on AIDS Prevention and Control due to unforeseen circumstances while they continue to attach importance to this subject.

c) Technical Consulting Association

31. The Commissioner of the I.R. of Iran, referring to the meeting in September last in the Netherlands amongst the representatives of some D-8 consultant associations, informed that the Iranian Consulting Association proposed to hold a meeting in late spring on this subject. Egypt reminded that there was already the Federation of OIC Consulting Associations based in Cairo and that the members may utilise the existing mechanisms.

32. The Commission welcomed the suggestion of the Commissioner of Iran to use the D-8 Data Bank Network for the dissemination of relevant D-8 documents. The member countries are accordingly invited to post the outcome and documentation of their meetings & workshops on the web-site under the respective country pages.

d) The dates and venue of the next session of the Commission and Council

33. Following the consultations, it was agreed that the next session of the Commission should be convened on a Friday on the sidelines during the General Assembly Meeting with a light agenda, covering the pending issues from this session and some other urgent matters. It was also agreed that the Council could thereafter meet at a date which will be suitable to the foreign ministers. The Chair Country will make the necessary soundings to this end. On the other hand, the Commission also agreed to hold another session to prepare the Cairo Summit, early next year some time before the Summit depending on its precise dates.

DECISIONS ADOPTED



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Decisions adopted at the VII. Session of the D-8 Commissioners Dhaka, 22-23 February 2000

COMMISSION,

Reaffirming the D-8 Guiding Principles,

Underlining once again the large potential of co-operation among member countries in the designated sectors of co-operation for the economic growth and social development of their countries,

Having met in Dhaka on 22-23 February 2000,

Adopted the following decisions,

AGRICULTURE

1. Expresses its appreciation to Pakistan for printing the Directory of Experts, Scientists and Institutions in the field of *aquaculture*, and noted its offer for developing a web page and to issue a revised version updating the information and adding data on businessmen operating in this field.
2. Requests the member countries to ensure widest circulation of the Directory to all relevant institutions and firms in the public and private sectors so that efficient exchange of knowledge, experience and expertise take place between those members with capacity and the others in need.
3. Welcomes the proposal of the Islamic Republic of Iran to insert the information provided in the Directory into the ITDB web site under the respective country pages in order to facilitate prompt and easy access.
4. Appreciates the successful course on Brackish Water, organized by Malaysia and emphasises upon the need to follow on the future line of action for including new areas of co-operation in the field of aquaculture.

5. **Invites** the member countries to organise similar training courses, seminars, etc. to share their experience and expertise, including the involvement of their private sector.
6. **Expresses** its appreciation to Pakistan for organising the Workshop on *Food Security* and endorses its recommendations.
7. **Requests** member countries to co-ordinate their position with respect to negotiations on food trade liberalisation in various international fora to prevent any adverse consequences of the liberalisation of food trade, affecting the socio-economic life of population of countries whose income largely depends on the production of food.
8. **Requests** member countries, who have not yet done so, to designate focal points in their respective ministries dealing with food & agriculture and disseminate the recommendations of the Workshop within their countries.
9. **Requests** the Executive Director to submit a progress report on the implementation of these recommendations of the workshop to the Ninth Session of the Commission, based on the information which will be provided by the member countries.
10. **Welcomes** the proposals of Egypt on aquaculture and food security and requests the competent authorities in the member countries to provide their views and comments on the following proposals:
 - a. **Utilizing** the water covered surface areas, coastal marine areas and marine areas close to the shore and strengthening intra D-8 co-operation.
 - b. **Organizing** training programs for cadres so as to utilize mixed fresh/ marine water resources in fish production via cage culture or semi intensive aquaculture.
 - c. **Utilizing** Marine Coastal areas via employing marine cage culture methods in the production of high export quality fish types, sea bream, sea bass, grey mullet and certain aquatic invertebrates, as well as specially making use of the areas where agricultural irrigation water resources are located.
 - d. **Installing** cages in marine water, as well as establishing shrimp and sea bass hatcheries in marine water so as to promote the fisheries industry with a view to decreasing dependence on natural fisheries.
 - e. **Setting** up a food dissemination system at the household level in the member countries.
 - f. **Disseminating** of information on food, agriculture and technology development among member countries through the respective national focal points.
11. **Also welcomes** the intention of the Islamic Republic of Iran to hold the following activities in the agriculture sector:
 - a. **Research** and educational workshops on fisheries.
 - b. A workshop on food security with special emphasis on food safety.
 - c. A joint fair on agricultural machinery and requests it to provide more details on these activities to the member countries.

INDUSTRY

12. **Appreciates** the work of the Study Group and congratulates the Turkish Aerospace Industries (TAI) for manufacturing the prototype of the agricultural aircraft.
13. **Requests** the member countries to expedite their response concerning open items' list/parts of the agricultural aircraft, which may be supplied by them with competitive prices.
14. **Further requests** interested member countries to expedite the information on their quantitative need of the agricultural aircraft.
15. **Welcomes** the willingness of interested member countries to participate in the engineering work and serial production of the aircraft, as offered by TAI.
16. **Invites** TAI to finalize the issue of certification with the relevant Turkish authorities.
17. **Welcomes** the joint invitation by the Turkish Government and TAI to the esteemed D-8 Ministers of Industry to attend the inaugural flights that are reported to take place soon.
18. **Requests**, in pursuance of the Dhaka Declaration, interested member countries to inform TAI of their approximate needs of the multipurpose aircraft so that the design and engineering work may start on this new version.

TRADE

IMTC Project

19. **Expresses** its appreciation to the Government of Egypt for organising II and III Expert Group Meetings on Trade and the extensive work undertaken by the trade co-ordinator particularly on the IMTC Project.
20. **Endorses** the recommendation of the III Expert Group Meeting on Trade in Cairo on 19-20 January 2000.
21. **Expresses** its appreciation to the International Trade Centre (ITC) for its technical advise and contribution to the discussions in the Working Groups.
22. **Approves** in principle the reduced revised cost of the feasibility study.
23. **Deeply appreciates** the IDB's offer to contribute to the financing of the feasibility study and requests Egypt to contact the IDB with a view to reconsider the terms attached to its offer, in particular the requirement that the proposed IMTC should not involve itself in

actual trading except through the means of counter trade, as the Commission considers trading as the main objective of the proposed company and further requests the IDB to consider waiving the 50% ceiling attached to its offer.

24. **Calls** upon the participating member countries to declare their readiness to contribute, albeit in a symbolic amount, to the cost of the feasibility study as soon as possible, in any case before the end of March, in order to demonstrate their commitment to the project.
25. **Gives** in principle the authorisation to Egypt to sign the grant agreement with the IDB.
26. **Requests** Egypt and Nigeria, the African D-8 members, to approach the African Development Bank and Egypt as the co-ordinating country to approach other international financial institutions to seek contributions to the project so that the participating countries' share in financing the feasibility study is minimised.
27. **Decides** that the project should become private sector driven, and accordingly requests the member countries to encourage their private sector through the chambers of commerce to participate in the project.
28. **Welcomes** the establishment of an independent D-8 Forum for Chambers of Commerce & Industry and Business Associations and calls upon the Governments to encourage their national chambers of commerce & industry and business associations to sign its Charter so that the Forum will start functioning soon.
29. **Invites** the newly established D-8 Forum for Chambers of Commerce & Industry and Business Association to launch the IMTC Project among the D-8 Business Community on the occasion of the forthcoming meeting of the OIC Chambers of Commerce & Business Associations which will take place in Doha on 15-17 October 2000, and accordingly requests the D-8 member countries to encourage their businessmen to attend this meeting.

TRADE RELATED ISSUES

30. **Expresses** its appreciation to Malaysia for organising the seminar on *Trade Facilitation and Simplification of Customs Procedures*, held on 09-12 November 1999 in Kuala Lumpur.
31. **Recommends** the member countries to undertake in-depth study of the experience of ASEAN and APEC and, taking into account the findings of their study, also recommends to submit before the next session of the Commission to the Executive Director a description of their customs procedures coupled with their views and proposals to facilitate customs co-operation and eliminate existing obstacles.

32. **Requests** the Executive Director to transmit the views and proposals on simplification of customs procedures by the member countries in an analytical format to the International Trade Center (ITC) and further requests the ITC to examine the potentials of customs harmonisation within D-8 in accordance with the recommendation of the 3rd Expert Group Meeting on Trade.
33. **Welcomes** the proposal of the Islamic Republic of Iran to establish a Customs Association for member countries and requests the competent authorities in the member countries to provide their views and comments on that proposal, based on the information to be provided by Iran.
34. **Requests** those members, who have not yet done so, to submit their comments on the Iranian draft agreement on *easing visa procedures* for businessmen.
35. **Agrees** to consider at its next session, on the basis of comments by the member countries, the conclusion of a agreement for easing visa procedures for the businessmen, which will be open to interested member countries.
36. **Recommends** meanwhile the members to expedite issuing visas, as appropriate, for businessmen with the simplest possible procedures.
37. **Calls** upon those members that have not yet done so to engage in negotiations to conclude between them *agreements on the avoidance of double taxation and promotion/encouragement of investments* and requests the Executive Director to submit a progress report on the status of existing agreements.
38. **Endorses** the recommendations of the III Expert Group on Trade regarding the *simplification and harmonisation of banking measures* by central banks in line with the internationally recognised practices and the adherence by the banks to the criteria of banking loans as stated in the Basle Convention.
39. **Requests** member countries to recommend to their central banks to consider positively the proposal to set up a committee comprising the representatives of the D-8 central banks to meet alongside the annual meeting of the Board of Governors of the IDB.
40. **Recommends** the member countries, who have not yet done so, to utilise to the maximum extent the existing mechanisms functioning under the OIC and IDB (ICDT, OICIS NET) for *the exchange of trade information*.
41. **Invites** member countries, who have not yet done so, to designate their focal points which will be responsible for providing trade and business information.
42. **Requests** Egypt to prepare the structure and format of the proposed trade database and to circulate it to the national focal points through the Executive Director before the next session of the Commission.

43. **Further** requests Egypt as the Trade Co-ordinator to make this information available on its trade-point web-site, and also requests the Islamic Republic of Iran to put the database in the ITDB web-site.
44. **Expresses** its appreciation to Egypt for convening the First Expert Group Meeting on *Shipping* that was held in Alexandria, Egypt on 15-16 November, 1999 and endorses the recommendations adopted in the field of shipping, in particular, the designation by the member countries of their local focal points for exchange of information about ships and cargo, and establishment of direct shipping services between the member countries.
45. **Welcomes** the following proposals of Egypt in the area of Shipping and requests the competent authorities in the member countries to provide their views and comments on them:
 - a. The establishment of a committee comprising Shipping experts to discuss ways and means of updating available information about national flag vessels, cargo movement and facilities and conditions of the main ports in the respective countries, including through posting this information on the e-mail of the major forwarder to be designated by each country, and to be free of charge for the utilization of member countries.
 - b. The offer by the Egyptian Company for Maritime Transport to establish a liaison office on its own premises to be responsible for gathering information concerning the cargo movements, as well as freight tenders for interested member countries, and to be operated by local staff and fully covered in terms of expenses by the company.
 - c. Similarly, each interested member country would have to name a local liaison office, the expenses of which would be covered by each respective country.
46. **Welcomes** the proposal of Bangladesh to form a Shipping Business Forum involving entrepreneurs of member countries which could help much needed partnership on joint venture basis and thereby help necessary expansion and sustainability of shipping trade in the member countries and requests the competent authorities in the member countries to provide their views and comments on the above proposal.
47. **Welcomes** the readiness expressed by ECO Shipping Company to co-operate with D-8 shipping programme as conveyed by Iran.
48. **Welcomes** the offer of co-operation by the organisation of the Islamic Ship Owners' Association which was conveyed through Egypt by the Secretary General of that organisation.
49. **Underlines** the importance of *SMEs (Small and Medium range Enterprises)* in the overall development of the economies of D-8 countries, and accordingly invites the member governments to encourage co-operation amongst their entities supporting SME's.
50. **Decides** that the Republic of Turkey acts as co-ordinator in the field of SMEs.

TELECOMMUNICATION & INFORMATION AND SCIENCE & TECHNOLOGY

51. **Endorses** the recommendations of the Second Workshop on ITDB Project including the step-by-step Plan of Action and appreciates the work undertaken by the co-ordinating country (I.R. of Iran) in designing and constructing a fully dynamic web-site and web-based data base for this purpose.
52. **Calls upon** member countries to post their own information on different areas of industry, consultants, R & D etc. and to feed the web-site with as much information as possible on other programs and projects.
53. **Requests** the co-ordinating country to operationalize the ITDB web-site by May 10, 2000 and also requests all member countries to publicize the site to the maximum extent possible.
54. **Requests** the member countries, who have not yet done so, to designate their national focal points/administrators and provide their E-mail addresses at the earliest. The national administrators shall enter relevant information concerning their country in the web-site and will meet in Tehran one month before the launching of the web-site for final co-ordination.
55. **Further Requests** the member countries to submit through the Executive Director their views on the Iranian proposal concerning the three alternatives for the future utilization and expansion of ITDB, including the establishment of the private Data Bank Network, to the next session of the Commission.
56. **While appreciating** the Islamic Republic of Iran's approach to ITU (International Telecommunication Union) and possible co-operation of ITU with D-8, encourages the I.R of Iran to continue its contacts with ITU for preparing a feasibility study on e-commerce among the D-8 countries, within the framework of assistance to developing countries through the ECDC (E-Commerce for Developing Countries) program, as well as other interested international organizations.

POVERTY ALLEVIATION AND HUMAN RESOURCES DEVELOPMENT

57. **Expresses** its appreciation to Indonesia for organising a Joint Meeting of Experts and Decision Makers on Social Safety Nets held in Jakarta on 13-17 August 1999 and endorses its recommendations.
58. **Underlines** the importance of continued exchange of information on their social safety nets programs as well as their experience in poverty alleviation, and requests the member

countries to follow up the implementation of the recommendations of the Joint Meeting as well as of the Seminar on Poverty Alleviation, also held in Jakarta on 16-19 June 1998.

59. **Requests** the Executive Director to submit progress report to the Ninth Session of the Commission on the implementation of these recommendations, based on the information to be provided on request by member countries.
60. **Requests** Indonesia as the Co-ordinator to consider presenting to the next Session of the Commission proposals on how to commence co-operation among member countries in the areas of human resources development and poverty alleviation, including training programs.
61. **Welcomes** the Indonesian initiatives to prepare the data of experts as well as to compile a compendium on activities and programmes relating to human resources development and poverty alleviation.
62. **Welcomes** the proposal of Bangladesh to share its experience in micro-credit, rural development and poverty alleviation.

FINANCE-BANKING -PRIVATIZATION

63. **Expresses** its appreciation to Malaysia for organising the International Workshop on Re-takaful (31 May-1 June 1999), the Seminar on Islamic Banking and Finance (2-4 June 1999) and the Training Programme on Banking (13-25 September 1999).
64. **Endorses** the resolutions of the International Workshop on Re-takaful and calls upon interested member countries to take necessary measures and actions to realize the objectives
65. **Urges** interested member countries of D-8 to promote and encourage the active involvement of the private sector in establishing takaful companies so as to ensure the future of ASEAN Re-takaful International (L) Ltd. as a viable D-8 Re-takaful company, jointly owned and supported by the majority of takaful industry companies.
66. **Urges** interested member countries of D-8 to contribute towards the process of creating a conducive environment for the takaful industry to develop and prosper.
67. **Invites** Islamic insurance companies/financial institutions in member countries if any, to consider participating in the enlarged paid-up capital of ARIL to ensure that they become meaningful contributors to ARIL's business growth by becoming shareholders and participating in re-takaful arrangements with ARIL.
68. **Appreciates** the readiness of Malaysia to organise technical training programmes on finance this year and on privatization in the year 2001.

69. Takes note of the proposal of Egypt, that the Federation of Insurance and Re-insurers (FAIR), headquartered in Cairo-should co-ordinate between the various insurance companies that undertake Islamic Reinsurance Operations with a view to increasing intra D-8 co-ordination in the field of Islamic Reinsurance (Re-takaful).
70. Welcomes the offer by the Islamic Republic of Iran to hold training courses and seminars for the interested D-8 countries on Islamic banking.

RURAL DEVELOPMENT

71. Decides that the project entitled "Promoting Rural Industrialisation by Comprehensive Approach" should speedily be implemented, and for this purpose requests Bangladesh the co-ordinating country and Egypt the sponsoring country to jointly prepare, if necessary, a revised version of the project in the light of comments received from member countries.
72. Requests these two members to approach UNIDO on the basis of the revised project to seek technical and financial assistance for its implementation.

ENERGY

73. Expresses its earnest hope that Nigeria as the co-ordinating country will soon convene the Working Group meeting on Energy.
74. Welcomes the offer of the Islamic Republic of Iran to organise an oil and gas workshop.
75. Expresses its appreciation to Indonesia for organising a Training Program on Solar Energy Systems for Isolated Villages (SESIV), held in Jakarta between 29 November till 1st December 1999, as well as a Training Program on Micro-hydro Power Plant, held in Jakarta from 22-25 February 2000, and endorses its recommendations and requests the member countries to inform at the Ninth Session of the Commission, through the Executive Director, of the actions taken on the implementation of these recommendations and in this respect hopes that D-8 as a group would take initiative to seek external funding for financing projects in the rural energy sector.

PERMANENT UNIT (COORDINATING CENTER)

76. The Commission discussed the modalities of setting up a permanent unit, in accordance with Paragraph 30 of the Dhaka Declaration. The members were deeply appreciative of the generosity of Turkey to provide the Executive Director, his staff, and the office and facilities up to the year 2000.

77. The Commission felt that, thereafter, the co-ordination should continue to be performed by a small establishment, as is being done at present, until such time the volume of work warrants a full-fledged secretariat. The members also agreed to make a yearly financial contribution to the tune of US\$ 100,000, excluding Turkey, towards the expenses of the unit. Turkey is expected to meet the rest of the cost of the unit. The modalities of the contribution would be discussed at the next Commission Meeting, for a recommendation to the Council. It was also agreed that this would be a transitional arrangement, to be reviewed before the end of the Chairmanship of Egypt.

LIAISON

78. It was decided that Bangladesh as the Chairman of the D-8, the Islamic Republic of Iran as the Chairman of OIC and Malaysia as the host country of the next Islamic Conference of Foreign Ministers would submit a draft resolution in general terms on the establishment of liaison with OIC and IDB, for the approval of the Foreign Ministers.
79. Requests the Executive Director to discuss with their secretariats the modalities of co-operation and to submit to the next session of the Commission the draft texts of memoranda of understanding which may be agreed upon ad referendum with them to spell out these modalities.

NEXT SESSIONS OF THE COMMISSION AND THE COUNCIL OF MINISTERS

80. Decides that the next session (VIII.) be held in New York, on the sidelines of the UNGA, to immediately precede the IV. Session of the Council of Ministers. The dates for the meeting would be co-ordinated by the chair country in consultation with the member countries.

OTHER MATTERS

81. Welcomes the offer made by the Islamic Republic of Iran to hold a meeting of the representatives of Technical and Engineering Consulting Associations of member countries in the first half of the year 2000 and with the active participation of the Islamic Association of Engineering Consultants, as a follow up to para 27 of the Dhaka Declaration with a view to consider the establishment of a *D-8 Federation of Technical and Engineering Consulting Association* and requested the member countries to encourage active participation of their private sector in this event.

82. Welcomes the suggestion of the Islamic Republic of Iran to use the D-8 databank network for the *dissemination* of relevant D-8 documents by member countries, where appropriate, under their respective country pages in order to facilitate their accessibility.
83. Welcomes the offer made by Turkey, acting as the co-ordinating country for *environment*, to organise a working group meeting on environment between the months of May and August in order to find out the priority areas of member countries for this purpose (Turkey will soon distribute a proposal containing a list of priority areas of co-operation) and also welcomes the proposal of the Islamic Republic of Iran to hold a meeting on the issues of technical co-operation in environment and co-ordination of positions of member countries in international fora regarding this issue. It is the understanding of the Commission that any member country may organise workshops, seminars, etc. in various aspects of the environment, once the proposed list of areas of priorities is agreed upon.
84. The Commissioners expressed their gratitude to the Government of the People's Republic of Bangladesh for its warm welcome and generosity and for the excellent arrangements for the Commission Meeting. They also expressed their deep appreciation to the Chairman for efficiently conducting the work of the Seventh Session of the D-8 Commission.

REPORT OF THE EXECUTIVE DIRECTOR



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D-8/COM.VII/Report
25 January 2000

REPORT BY THE EXECUTIVE DIRECTOR

1999 has become a year of intensive activity. Indeed, since the Dhaka Summit, fifteen meetings as working groups, seminars, workshops, training courses were organised by the member states (the list of the meetings is attached herewith).

The meetings were designed:

- * to exchange information, knowledge, experience and expertise in various fields;
- * to take the necessary steps, as agreed, for the establishment of a legal/institutional framework in order to facilitate and ensure continued cooperation;
- * to achieve projects for joint production.

Moreover, the D-8 Ministers and Commissioners held informal consultations in New York, which proved to be very fruitful.

As will be detailed later, the results so far obtained are encouraging for the future. I believe, there is a growing interest on the part of the world community in the activities of D-8. Indeed, various international/regional organisations have indicated their willingness to initiate cooperation with the D-8 Grouping although we do not have yet official links with them. In this context, it is worth mentioning that UNDP has recently extended an invitation to our Grouping to attend a “High Level Forum on South-South Cooperation on Science and Technology”, which will take place in Seoul.

In this connection, I would like to underline once again the importance of the speedy establishment of liaison with the OIC as all the D-8 countries are also the members of this organisation. This is all the more important since D-8 represents over 55% of the total foreign trade of the OIC countries with the world, nearly 60% of their total GDP and 65% of their population. I believe, close link with the OIC is expected to give a boost to the overall cooperation amongst the OIC countries.

Now, I would like to summarise the activities since the Dhaka Summit within each sector in the order of the draft agenda.

I. AGRICULTURE

a. Aquaculture

i. I have been informed by the Coordinating Country (Pakistan) that the **Directory** of experts, scientists and institutions is at present under printing on the basis of information provided by the member states with the exception of Nigeria. When received, **the member governments are advised to ensure its widest circulation** to all relevant institutions and firms in the public and private sectors so that efficient exchange of knowledge, experience and expertise take place between those members with capacity and the others in need.

As a second step, a supplement may also be issued to cover the businessmen in the private sector, as decided by the Commission.

The aquaculture monitoring centers in the member countries may serve as the official channels in this cooperation.

ii. The **Introductory Course on Brackishwater** of one month (17 July-18 August 1999) was attended by almost all the members in addition to some third world countries. The participants gained valuable experience from this course as reflected in the report. Meanwhile, Malaysia also offered to organise additional courses and provide experts in this field as reflected in para.6 through 13 in the report.

iii. The Turkish Authorities are requested to propose new dates for the **Course on the Development of the System of the Residue Monitoring and the Hygiene Rules and Quality Control Procedures related to Fish Packaging Facilities**, which was earlier postponed to the year of 2000.

b. Food Security

The **Workshop on Food Security** was held in Islamabad on 24-26 November 1999. Prior to the Workshop, country papers were submitted by the members. In the course of the Workshop which was also attended by the experts from FAO, WFP and UNDP, an extensive exchange of views took place, covering a wide range of issues involved in the question of food security. The Workshop adopted a series of recommendations addressing these issues. In order to ensure the follow-up and efficient implementation of the recommendations, the member countries are requested to designate focal points in their respective ministries dealing with food and agriculture. The Workshop also decided that these focal points should disseminate the recommendations widely within the member states as well as to international agencies so that maximum benefit is drawn from them. **The Executive Director may be instructed to give, on the occasion of each Summit, a report on the implementation of these recommendations, based on the information which will be provided by the member countries.**

II. INDUSTRY

The 4th and 5th Sessions of the Study Group were held in Ankara on 11 June and 27 October 1999 respectively. As reported in the New York consultations by the Turkish Delegation, the agricultural aircraft was already manufactured with the installations partially performed and was on static display at the IV. International Aerospace and Maritime Fair organised in Ankara at the end of September last.

Issues:

- Vendor lists: As agreed at the 4th Session of the Study Group, TAI sent open item lists/parts to be purchased by TAI from the members with competitive prices. Most members are yet to give their response. This information is required for participation in the project and work-sharing.

- Market research: As agreed at the 3rd Session and thereafter confirmed at the 4th Session of the Study Group, the member countries are requested to inform of their quantitative needs of the agricultural aircraft. So far, few members (I.R. of Iran and Malaysia) did so. TAI engaged itself in a market research in Turkey for this aircraft and prepared a questionnaire which was utilised for this purpose. The questionnaire together with the outcome of the market research were circulated to the member countries in order to facilitate the work in their home market (Our letter IND/99/385 dated 15 November 1999).

- Participation in engineering work: At the 5th Session of the Study Group, TAI invited the members to participate in the engineering work of the aircraft through certification. As agreed at the same meeting, TAI later provided a time table for the activities in which the members might wish to participate (Our letter No.IND/99/449 dated 29 December 1999). The responses from the member countries are awaited.

- Certification: As agreed at the 4th Session, TAI is in continuous contact with the Turkish Civil Aviation Authorities on the subject.

- Date of the inaugural testing flights and invitation to the D-8 Ministers of Industry: TAI is planning to organise the inaugural flights with a slight delay for technical reasons. The precise dates will be communicated in due course. As stated by the Turkish Delegation in New York, the Turkish Government intends to invite on this occasion the Distinguished Ministers of Industry from the member countries. The Ministers of Industry may wish to take this opportunity to have exchange of views on other projects in the sector of industry.

Here, I would like to remind that the experts from the member countries are invited to participate in the ground tests which will precede the inaugural flights and the cycle of flight tests which will follow the inaugural flights to take place during the months from May to August as stated in our letter No:IND/99/449 dated 29 December 1999. The responses from the member countries are awaited.

- Multi-purpose (multi-functional) civilian aircraft: the Study Group agreed at its 4th. Session on the definition of this aircraft (para.3 of its report). Nevertheless, as

stated in para. 19 of the Dhaka Declaration, this new version can only be based on the quantitative requirements of the member countries. **Therefore, the member countries are requested to inform TAI of the approximate quantity of multi-purpose aircraft which they may need in the coming years.**

III. TRADE

The II. and III. Expert Group Meetings on Trade were held in Cairo on 6-7 April 1999 and 19-20 January 2000 respectively. Moreover, the Expert Group Meeting on Shipping took place in Alexandria on 15-16 November 1999, and the Meeting on Trade Facilitation & Simplification of Customs Procedures in Kuala Lumpur on 9-12 November 1999. The reports of these last two meetings were also before the III. Expert Group Meeting on Trade.

The two Expert Group Meetings on Trade were well attended by all the member states. The ITC Expert Mr. G. Lajsic participated in the exchange of views on the IMTC project. The Secretary General of the Islamic Chamber of Commerce and Industry, and the Secretary General of the Organisation of Islamic Shipowners Association were also present.

The experts undertook substantial discussions in Cairo on the IMTC project as well as wide-ranging trade related issues, and adopted a series of recommendations, as summarized herebelow:

a. Progress on IMTC Project:

The participants, reviewing the project in the light of the revised terms of reference, underlined the need to reduce the increased cost (779.000 USD) of the feasibility study by relying on national rather than international sources (experts). Accordingly, the ITC expert is requested to submit a revised proposal for the cost of this study by the first week of the February next. **The Commission is expected to take a decision on this matter on the basis of the new proposal.**

On the other hand, taking into account of the reporting by the Bangladesh Delegation on the response of the Asian Development Bank to contribute to the financing of the project, which was not favourable, the meeting requested Egypt and Nigeria, the African members of D-8, to contact with the African Development Bank for the same purpose. Egypt also offered to approach other financial institutions to this end.

The expert meanwhile decided that the project should be private sector-driven from its very beginning and accordingly requested Egypt to disseminate information about this project to the private sector.

The objective of all these efforts is understood to **bring the government's share in the financing of the feasibility study to a minimum. Nevertheless, even a small contribution by the governments is, I believe, extremely important to help**

stimulate the interest of the private sector in this project by demonstrating their governments' commitment to it.

Accordingly, the Commission may invite the Governments to declare their readiness to contribute, albeit in a symbolic amount, to the cost of the feasibility study as soon as possible, in any case before the next session of the Commission, and may agree to give in principle the authorisation to Egypt to sign the grant agreement with the IDB it being understood that the requirements of the IDB (the covering of the gap in the financing of the feasibility study by the members or any other source) will be met.

b. Trade Facilitation and Simplification of Customs Procedures (TFSCP):

The participants, taking note with appreciation the report of the Seminar on TFSCP, and the paper presented to the Seminar by Malaysia on Trade Facilitation Measures amongst ASEAN and APEC, expressed interest to make an in-debt study of the experience of these groupings.

Furthermore, recognising the importance of simplification and harmonisation of customs procedures within D-8 as a prerequisite for trade facilitation in accordance with international norms and standards, and with a view to exploring ways and means to coordinate their positions and policies in the issues of common concern, they recommended that the D-8 members submit to the Executive Director a description of their customs procedures coupled with their views and proposals to facilitate customs cooperation and to eliminate existing obstacles.

The experts also recommended that the ITC examine the potentials of customs harmonisation within D-8 in the context of the feasibility study on the IMTC project.

The Commission is expected to endorse the recommendations in these three paragraphs.

c. Easing visa procedures for businessmen:

The experts, recognising the importance of facilitating the process of issuing visas for businessmen indicated that the forthcoming Commission Meeting would present an opportunity to those members, who have not yet done so, to submit their comments on the Iranian draft agreement. The Commission may take an appropriate decision on the subject.

d. Status of agreements on the avoidance of double taxation and protection/promotion of investments:

In view of various bilateral agreements already signed between D-8 members, the participants did not see any need to conclude multilateral agreements in these two fields. Instead, the meeting decided that those members, who have not yet done so, to engage in negotiations as soon as possible to complete and finalize bilateral agreements between them, covering these two areas. For this, the member countries are kindly requested to verify in the first instance with their relevant authorities

the information they earlier provided in this regard to remove the discrepancies between their replies as indicated in the chart circulated by the Executive Director. (Our letter No: TR/99/442 dated 24 December 1999)

e. Simplification and Harmonisation of Banking Measures and Foreign Trade Financing:

i. Simplification and Harmonisation of Banking Measures: The meeting adopted a series of recommendations for the harmonisation of banking measures by the central banks in line with the internationally recognised practices, and for the adherence by the banks to the criteria of banking loans as stated in Basle Convention and to the international accounting criteria to achieve sound disclosures of their financial status. It was also recommended that D-8 countries consider the presently growing phenomenon of bank mergers while taking into consideration the specific socio-economic conditions in each member country. **The Commission may endorse these recommendations.**

ii. Foreign Trade Financing: The experts underlying the role of central banks in this respect **suggested the setting up of a committee comprising the officials of D-8 central banks with the task enumerated in the report.**

Moreover, the member countries, which have not done so, are encouraged to establish an Export Credit Guarantee System. The experts also recommended that Export Credit Guarantee Companies in each member country get in touch with their counterparts in the others.

The experts further recommended that the banks become actively involved in providing investment financing especially for technology upgrading projects.

The Commission may ask the representatives of the D-8 Central Banks to meet alongside of the annual meeting of the Board of Governors of the IDB to discuss the above-mentioned suggestion (setting up a committee) and the implementation of the recommendations made by the experts.

f. Exchange of Trade Information:

The experts, taking note of the replies by the member countries to the Egyptian questionnaire, recognised the importance of the trade information mechanisms for the expansion of trade and business within D-8, and concluded that the existing mechanisms under the OIC and IDB (ICDT, OICIS NET) must be utilised to the maximum for this purpose. As regards the Intra-D-8 Trade Data Base, in the light of the Egyptian paper, **the member countries are invited to identify their focal points which will be responsible for providing trade and business information.** The experts also requested Egypt to prepare the structure and format for the proposed trade database and circulate it to the national focal points.

The Commission may endorse these conclusions of the experts and select the coordinator for the proposed trade database.

g. Shipping problems:

The participants, taking note of the report of the Expert Group Meeting on Shipping,

- stressed the importance of maritime transport in promoting trade within D-8,
- recommended the utilisation existing regional facilities, in particular, those under the OIC,
- highlighted the importance of designating local focal points for the exchange of information about ships and cargo,
- recognised the importance of scheduled direct shipping services between the member countries.

The Commission may endorse these recommendations and invite the Governments to bring them, in particular the last two, to the attention of their relevant bodies, institutions and companies.

h. Establishment of the Federation of D-8 Chambers:

Representatives of the D-8 Chambers of Commerce & Industry and Business Associations held a meeting in Cairo in parallel to the III. Expert Group Meeting on Trade, and decided to establish an Independent D-8 Forum for Chambers of Commerce & Industry and Business Associations to function within the Islamic Chamber of Commerce and Industry which is based in Karachi. They adopted the Charter of the Forum.

The Egyptian Delegation signed the Charter while the others declared their acceptance in principle pending the final approval from their respective unions. The Charter will come into force as from the date of being approved by at least five members.

The experts, while welcoming this step by the representatives of the private sector, requested the Forum to put the IMTC project on top of its priorities to encourage the participation of the private sector.

The Commission, welcoming the creation of the D-8 Forum and adoption of its Charter, may endorse the experts' request from the Forum to put the IMTC project on top of its priorities.

I believe, the forthcoming meeting of the OIC Chambers of Commerce & Business Associations which will be organized by the Islamic Chamber of Commerce & Industry (ICCI) in Doha/Qatar on 15-17 October 2000 (concurrently with the Eighth Islamic Trade Fair on 15-20 October) will provide an important opportunity to launch the IMTC project among the D-8 Business Community. Accordingly, also in line with the call of the Secretary General of the ICCI in the Cairo Expert Group Meeting, the Commission may invite the D-8 member governments to encourage their businessmen through their chambers of commerce & industry to participate in this meeting in Doha.

k. The proposal by the Istanbul Chamber of Commerce on Business Services Centers:

Recognising the significant role played by SME's in boosting national economies, the experts:

underlined the importance of identifying the existing entities within each member country supporting SME's and agreed on the necessity to initiate and encourage cooperation and coordination among these entities (relevant organisations and centers),

- and therefore did not see any need to establish new entities.

Both the Istanbul Chamber of Commerce and the Egyptian Social Fund of Development expressed their interest to act as coordinator in this field. On the other hand, the Iranian Delegation also indicated that his country was considering this subject to act as Coordinator (*)

The Commission may encourage cooperation amongst the entities supporting SME's in the member countries and may select the member country which will coordinate this subject.

IV. TELECOMMUNICATION & INFORMATION AND SCIENCE & TECHNOLOGY

The Second Workshop on ITDB Net Project was held in Tehran on 1-2 December 1999. In line with the recommendation made in the First Workshop (the adoption of a step-by-step plan of action and the utilisation at the initial stage of the existing facilities to minimise the cost), the Government of the I.R. of Iran presented to the Workshop a format of website which is designed on the basis of TCP/IP protocols. It is indeed a very good work. It consists of two parts, namely, the static part providing general information on the member countries and the dynamic part covering the data bases of manufacturers, R&D centers and consultants & contractors. The Workshop requested the members to supply information for the static part of the website to the Coordinating Country till the Commission meeting. As for the dynamic part, the member countries are requested to take necessary steps to insert on a continued basis, wherever and whenever appropriate, the new and updated data on industrial and commercial activities in their designated country pages.

The I.R. of Iran is planning to officially inaugurate the website in the internet one month after the meeting of the Commission . **For this to achieve, the member countries are expected to furnish sufficient material/information by that time**

(*) The experts' report states that " if the Executive Director does not receive the Iranian offer by the 10th February 2000, then, it means that Iran is not interested to act as coordinator."

and also designate their national focal points/local administrators and inform as well of their e-mail addresses at the earliest.

The Workshop also recommended the possibility of having a private ITDB Network with a backbone provided that it would be efficient and cost effective solution. In this respect, the Coordinating Country is expected to submit to the Commission a proposal (including the mode of financing) on which the Commissioners may reflect and pronounce their views.

In pursuance of the decision of the Workshop (Section B/para.5 e), the Iranian Delegation would like to make a demonstration of the web-site to the Commission Meeting.

V. POVERTY ALLEVIATION AND HUMAN RESOURCES DEVELOPMENT

The Joint Meeting of Experts and Decision Makers on Social Safety Nets was held in Jakarta on 13-17 August 1999. The meeting has been very useful to exchange information on the social safety net programs and experiences of the member countries. The experts having adopted a series of valuable recommendations underlined the importance of the continued exchange of information in this field amongst the members through information services, including website/home page.

In this connection, I would like to bring to the attention of the Commission the plan of action and recommendations, adopted at the Seminar on Poverty Alleviation (held in Jakarta on 16-19 June 1998) and endorsed by the Commission at its VI. Session. As will be recalled, paragraphs 6 and 7 of the resolution 13 recommended the D-8 Governments to take into account the recommendations of the Workshop in the formulation of their policies and strategies and invited the member countries to take the necessary steps with a view to initiating programs for exchange of experts, documentation and relevant information, data base; organising workshops, seminars, training programs, etc; conducting joint research activities; exploring the possibilities of engaging triangular funding arrangements for specific projects etc. As the Executive Director is instructed by the Commission to follow-up the implementation of this resolution and to report thereupon to the Commission, I would appreciate any information from the members on the steps which they have already taken and/or intend to take in the immediate future in pursuance with these paragraphs, especially para.7.

VI. FINANCE-BANKING-PRIVATIZATION

The Workshop on Re-takaful International and the Seminar on Islamic Banking & Insurance were held in Kuala Lumpur on 31 May-1 June 1999 and 2-4 June 1999 respectively. The Workshop adopted the following four resolutions and submitted them to the Commission for endorsement:

- Res. 1: Establishment of more takaful operators
- Res.2: Malaysia's offer to share its technical experience
- Res.3: Re-takaful program
- Res.4: Transformation of ARIL into a well capitalised re-takaful operator for D-8 by raising its paid up capital to USD 50 million within the next five years.

Moreover, the Central Bank of Malaysia organised the Training Program on Banking on 13-24 September 1999, taking into account the subjects of particular interest for the member countries. The program has been very useful for the participants. Furthermore, the Government of Malaysia indicated its readiness to organise similar technical training programs this year on **finance** and in the year of 2001 on **privatization, in case there is interest and request by the member countries.**

VII. RURAL DEVELOPMENT

As will be recalled, the Heads of State and Government gave instructions at Dhaka for the speedy implementation of the project "Promoting Rural Industrialisation by Comprehensive Approach". After the summit, Bangladesh, the Coordinating Country for the sector of rural development, requested some clarifications on the project as formulated by Egypt. The reply of the Egyptian Authorities has been transmitted to Bangladesh. Moreover, Indonesia also made some comments on the project, which were circulated to the member countries. **Perhaps a revised version of the project may be formulated in the light of clarifications brought by Egypt and comments made by Indonesia.**

Meanwhile, in line with para.3 of Resolution 16, I unofficially approached UNIDO through the Turkish Mission to the Vienna Office of the UN to find out whether this organisation would be willing to provide technical and financial assistance for the implementation of this project. Upon request for additional information, I referred the matter to the Egyptian Authorities. They have contacted UNIDO through its Office in Cairo and offered the additional information requested. In the end, the Organisation has given a favourable response but requested the D-8 Group to present them a formal letter. The UNIDO's response is circulated as an attachment to our letter No:RD/99/172 dated 22 June 1999.

Now, the Commission may consider the project in the light of the comments by the member countries as well as the UNIDO's response to our request of assistance.

VIII. ENERGY

a. As would be recalled, the Dhaka Summit welcomed the renewed commitment by Nigeria to convene the meeting of the Working Group on Energy in the near future. The necessary steps by the Coordinating Country in this sector is still awaited. It is hoped that the new Nigerian Government having now left domestic

agenda (local, parliamentary and presidential elections held successively) behind would be in a position to give consideration to this matter in the near future.

b. In line with the Dhaka Declaration, Indonesia organised in Yogyakarta on 29 November-1 December 1999 the Training Program on Solar Energy Systems for Isolated Villages (SESIV). The participants reached important conclusions as reflected in the report which was forwarded to the Coordinating Country as well as the others. Amongst various recommendations adopted, the meeting :

i. underlined the need to strengthen cooperation and the exchange of technical know-how amongst the members in the field of energy, in particular solar energy systems;

ii. suggested the setting up of a joint cooperative fund for the development of rural energy sector;

iii. urged that research on energy/solar energy systems be conducted in partnership with academicians, private sectors and related institutions.

The members may report to each Summit through the Executive Director on the implementation of these recommendations.

c. The Training Program which was planned to be conducted also by Indonesia earlier had to be postponed to 22-25 February 2000 due to the late response by the member countries.

IX. PERMANENT COORDINATING UNIT (SECRETARIAT)

As is known, the secretarial services have so far been carried out by the Executive Director and its modest staff. The Turkish Government has provided facilities for the Office of the Executive Director and covered its expenses for which I would like to express my profound gratitude.

As would be recalled, para.4.5 of the document provided that “the Second D-8 Summit shall review the arrangements for coordination in order to adopt a decision on the modalities including the establishment of a coordinating center in Istanbul....”

The Heads of State and Government having accordingly reviewed these arrangements at the Dhaka Summit, “agreed on the need to create a permanent unit (coordinating center) to fulfil conference and secretarial services and instructed the Council of Ministers to finalise this matter before the end of 2000” (para.30 of the Dhaka Declaration).

I have prepared for consideration by the Commission a working paper, giving an outline for this permanent unit which covers various aspects of this important question. This paper is circulated as an attachment to our letter No.COM/00/13 dated 12 January 2000.

In preparing this paper, I have acted from a basic premise that like in other international/regional organisations, the Executive Director needs, and depends on, the help and assistance of professional staff (specialists) to fulfil the tasks enumerated in the paper since he is in a position only to give a general policy guidance and oversee the functioning of the secretariat. Such an arrangement is also necessary in order to ensure continuity as the Executive Director will be rotating amongst the member countries together with the Chairmanship.

In the working paper, a rather small number of staff is proposed for the permanent unit in order to keep the cost to the minimum. As a **second option**, even a smaller size of secretariat may be adopted for the initial stage, again for the financial reasons.

The Commission would, I hope, take a speedy decision on this matter to be submitted to the approval of the Council of Ministers.

X. LIAISON AND DISSEMINATION OF INFORMATION ABOUT D-8

The establishment of liaison with international/regional organisations and in particular with the OIC is still pending.

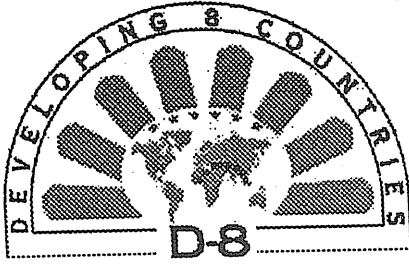
As would be recalled, the Commission entrusted the Chair Country (Bangladesh) with the task of getting in touch with the OIC for this purpose. It was at the time felt that a D-8 member, that is, the I.R. of Iran being the Chairman-in-Office of the OIC would facilitate the solution of this issue. Meanwhile, I circulated for the perusal of the member countries the texts of some models of memorandum, signed by ECO and the Arab League of States which established their liaison with certain international/regional organisations. **I believe, the Commission would finalise this issue at this session and give the necessary instructions to the Executive Director.**

On the other hand, as instructed in the New York consultations, I have forwarded the D-8 brochure and three volumes of D-8 documents to OIC, IDB, UN, UNDP, FAO, UNIDO. As I stated in the beginning, these publications evoked genuine interest in the activities of D-8. Indeed many expressed their interest to enter into relationship with our Grouping.

XI. ANY OTHER BUSINESS

I am in contact with the Turkish and Egyptian Authorities to get the dates of the Working Group Meeting on Environment and the next meeting of the Sub-Working Group on AIDS respectively.

STATEMENT BY THE EXECUTIVE DIRECTOR



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22 February 2000

**STATEMENT BY THE EXECUTIVE DIRECTOR TO THE VII. SESSION OF THE
COMMISSION**
(22-23 February 2000)

Honorable Minister for Foreign Affairs,
Honorable Minister for Commerce,
Honorable State Minister for Foreign Affairs,
Distinguished Commissioners,
Excellencies,
Ladies and Gentlemen

First, I would like to pay tribute to the martyrs of the Mother Language Movement as the International Mother Language Day was observed yesterday.

As will be recalled, at the Dhaka Summit of last year, the memories of which we continue to cherish, transpired a comprehensive program of action. The Summit was indeed a success. For this, I would like to pay tribute once again to the Government of Bangladesh and, on top of it, to Her Excellency Madame Prime Minister Sheikh Hasina.

Since then, the member countries, fulfilling the tasks entrusted with them in the Dhaka Declaration, have organised fifteen meetings in the form of seminars, workshops, expert and working group meetings, training programs in various sectors. These meetings have been extremely useful to share what the members have in terms of expertise, know how, experience and knowledge in various fields such as aquaculture, food security, poverty alleviation and social safety net programs, solar energy systems for isolated villages, micro-hydro power plants, finance and banking, rural industrialization, aids prevention and control etc.

We have also made progress on the implementation of the IMTC project and taken concrete steps on trade related issues. The ITDB project has taken shape. The prototype of the agricultural aircraft has already been manufactured and is ready for testing flights soon. A multi-purpose version of this aircraft is also considered.

Moreover, a D-8 Forum for the Chambers of Commerce & Industry and Business Associations has been established. This Forum, which will, I believe,

become operational soon, will be instrumental to involve the private sectors in D-8 cooperation.

All these which have been detailed in my report to the Commission are not a small achievement. This outcome is obtained thanks to the strong commitment by the members to the D-8 cooperation and the dedicated work on their part.

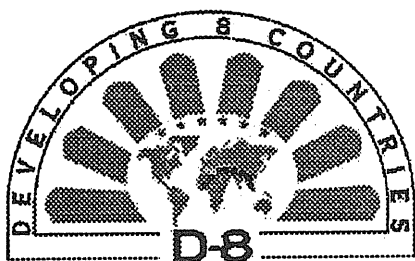
Certainly, greater benefit will in the long run accrue to the members if the decisions and the recommendations are closely followed up.

Lastly, I am happy to state that a growing number of international organisations such as the UN, UNDP, UNIDO, IDB, etc. are showing interest in the activities of the D-8 Grouping. The recent invitation by the UNDP to our Grouping for the High Level Forum for South-South Cooperation in Science and Technology is another vivid example of this interest. The Forum was jointly organised by the UNDP and the Republic of Korea in Seoul last week. In my statement to the Forum, I commented on the strategies for the development of science and technology and explained what we have been doing within the D-8 in this respect. The Forum, which was attended by 35-40 eminent scientists, including those from all the D-8 members, produced the Seoul Accord in Science and Technology. It will be submitted to the South Summit which will be held in Havana in April.

From now till the Cairo Summit, we still have a lot to do. We have to work even harder to meet the objectives set last year. In my view, we have the capacity and the potential to do more and the gradually expand the scope of cooperation within D-8, as this grouping of eight OIC members collectively represents about 60 percent of the aggregate OIC GDP, 55 percent of its total foreign trade and 65 percent of its population.

May I take this opportunity to thank to the Government of Bangladesh for its generous hospitality and the excellent arrangements done for the Commission Meeting.

AGENDA OF THE MEETING



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22 February 2000

AGENDA OF THE COMMISSION (VII. SESSION) (Dhaka, 22-23 February 2000)

I. AGRICULTURE

a. Aquaculture

Ref: paragraphs 2 and 3/Res.11 (VI.) and para.21/Dhaka Decl.

- i. Directory of Experts, Scientists and Institutions in the field of aquaculture, and

Aquaculture Monitoring Centers
- ii. Report on the Introductory Course on Brackish Water organised in Kuala Lumpur, on 17 July-18 Aug 1999 (circulated by the Malaysian Delegation in the New York consultations)
- iii. Turkish proposal to organise a Course on "The Development of Residue Monitoring System, and Hygiene Rules & Quality Control Procedures Related to Fish Packaging Facilities"

b. Food Security

Ref: Res. 18 (VI) and para.22/Dhaka Decl.

Report of the Workshop held in Islamabad on 24-26 November 1999
(Our letter No: AGR/99/448 dated 29 December 1999)

II. INDUSTRY

Ref: Res.12 (VI) and para.19/Dhaka Decl.

Reports of the 4th and 5th Sessions of the Study Group on Agricultural Aircraft, held in Ankara (Our letters No: IND/99/161 and IND/99/385 dated 14 June 1999 and 15 November 1999 respectively)

Issues:

- Vendor lists
- Market research
- Participation in engineering work
- Certification
- Date of the inaugural testing flights and invitation to the D-8 Ministers of Industry
- Multi-purpose civilian aircraft

III. TRADE

Ref: Res.15 (VI.) and paragraphs 14,15,16 and 18/Dhaka Decl.

- * Report of the II. Expert Group Meeting, held in Cairo on 6-7 April 1999 (Our letter No: TR/99/84 dated 15 April 1999)
- * Report of the III. Expert Group Meeting to be held in Cairo on 19-20 January 2000 (Our letter No: TR/00/32 dated 24 January 2000)
- * Report of the Expert Group Meeting on Shipping held in Alexandria on 15-16 November 1999 (Our letter No:TR/99/405 dated 23 November 1999)
- * Report of the Seminar on Trade Facilitation, held in Kuala Lumpur on 9-12 November 1999 (Our letters No:TR/00/3 and TR/00/24 dated 3 and 18 January 2000 respectively)

a. Progress on IMTC Project

- * Report of the Consultant of the International Trade Center on IMTC (Our letter No:TR/00/5 dated 3 January 2000)
- * The revised terms of reference by IDB (circulated by Egypt in the New York consultations)
- * Comments and remarks by the ITC Consultant on the revised terms of reference (Our letter No: TR/99/423 dated 1 December 1999)

Issues:

- Offer of the IDB to contribute to the financing of the feasibility study (FS) and its conditions
- Revised terms of reference (TOR) of the FS in the light of the IDB offer
- Outcome of the contacts with the Asean Development Bank to contribute to the financing of the FS

- Commitment by the members to cover the gap in the financing of the FS
- Authorization to sign the grant agreement with the IDB

- b. Trade Facilitation and Simplification of Customs Procedures (the Report referred to above)
- c. Easing visa procedures for businessmen (revised draft agreement by the I.R. of Iran, circulated with our letter No:TR/99/170 dated 22 June 1999)
- d. Status of agreements on the avoidance of double taxation and protection/promotion of investments (charts circulated with our letter No:TR/99/442 dated 24 December 1999)
- e. Simplification and Harmonisation of Banking Measures and Trade Financing(*), including the use of four IDB mechanisms(**)
 (* The Egyptian paper circulated during the II. Expert Group Meeting in Cairo. Egypt prepared a revised text in the light of the comments by the members on which the views of Malaysia as the Coordinating Country was requested)
 (** The Egyptian paper on IDB's four financing mechanisms, circulated during the VI. Session of the Commission)
- f. Exchange of Trade Information

Issues:

- Use of the existing OIC mechanisms (Egyptian questionnaire circulated with our letter No:TR/98/200 dated 27 July 1998)
- Linking Trade Information Centers of D-8 Chambers (proposal by the Istanbul Chamber of Commerce, circulated with our letter No:TR/98/138 dated 3 June 1998)
- Egyptian proposal circulated during the V. Session of the Commission

- g. Shipping problems (The report referred to above)
- h. Establishment of the Federation of D-8 Chambers (proposal by Egypt and I.R. of Iran, made during the VI. Session of the Commission)
- k. The paper by the Istanbul Chamber of Commerce on Business Services Centers (circulated with our letter No:TR/98/47 dated 20 February 1998) and the Turkish papers on Small & Medium Sized Enterprises/SME's, (circulated with our letter No:TR/99/400 dated 19 November 1999)

IV. TELECOMMUNICATION & INFORMATION AND SCIENCE & TECHNOLOGY

Ref: Res.14 (VI.) and para.20/Dhaka Decl.

Report of the Second Workshop on ITDB Network Project, held in Tehran on 1-2 December 1999 (Our letter No: TCI/99/429 dated 7 December 1999)

V. POVERTY ALLEVIATION AND HUMAN RESOURCES DEVELOPMENT

Ref: para.4/Res.13 (VI.) and para.24/Dhaka Decl.

Report of the Joint Meeting of Expert and Decision Makers on Social Safety Nets, held in Jakarta on 13-17 August 1999 (Our letter No.PHR/99/278 dated 31 August 1999)

VI. FINANCE-BANKING-PRIVATIZATION

Ref: Res.20 (VI.) and para.29/Dhaka Decl.

Report of the Workshop on Re-takaful International, held in Kuala Lumpur on 31 May- 1 June 1999 (Our letter No:FBP/99/184 dated 6 July 1999)

Report of the Seminar on Islamic Banking and Insurance, held in Kuala Lumpur on 2-4 June 1999 (as above)

Report of the Training Course on Conventional Banking, held in Kuala Lumpur on 13-25 September 1999 (Our letter No:FBP/99/437 dated 15 December 1999)

VII. RURAL DEVELOPMENT

Ref: Res.16 and para.23/Dhaka Decl.

Implementation of the project "Rural Industrialisation by Comprehensive Approach"

Issues:

- The request of clarification by Bangladesh on the Egyptian proposal and the Egyptian response
- Comments by Indonesia on the Egyptian proposal (Our letter No.RD/99/319 dated 4 October 1999)
- Seeking UNIDO's assistance (UNIDO's letter circulated with our letter No: RD/99/172 dated 22 June 1999)

VIII. ENERGY

Ref: para.25/Dhaka Decl.

- a. Convening the meeting of the Working Group on Energy by Nigeria
- b. Report of the Training Program on Solar Energy Sytem for Isolated Villages (SESIV), organised in Yogyakarta on 29 November-1 December 1999 (Our letter No.ENG/99/434 dated 14 December 1999)
- c. Training Program on Micro-Hydro Power Plants (MPP) to be organised by Indonesia in Bogor on 22-25 February 2000

IX. PERMANENT COORDINATING UNIT (SECRETARIAT)

Ref: para.30/Dhaka Decl.

Working paper by ED (Our letter No:COM/00/13 dated 12 January 2000) for finalising the organisational arrangements

X. LIAISON AND DISSEMINATION OF INFORMATION ABOUT D-8

Ref: Report of the VI. Session of the Commission and the Summary Note dated 30 September 1999 on the New York Consultations

* Contacts by the Chair Country with OIC/ IDB to establish liaison (Memoranda of understandings signed by ECO and the League of Arab States, circulated as models with our letters No: COM/99/326 and COM/99/331 dated 12 October and 13 October 1999 respectively)

* Circulation of the D-8 documents to regional and international organisations

XI. ANY OTHER BUSINESS

- a) Environment

Ref: Res.19 (VI.) and para.26/Dhaka Decl.

- b) Health

Ref: Res.17 (VI.) and para.28/Dhaka Decl.

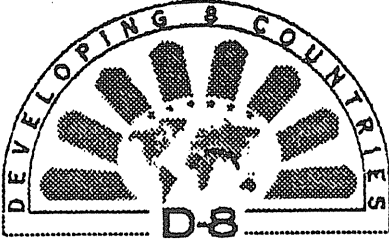
- c) Venue and dates of the next sessions of the Commission (VIII) and of the Council of Ministers (IV).

PART II
EIGHT SESSION OF THE COMMISSION

New York

15 and 20 September 2000

REPORT OF THE COMMISSION



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20 September 2000

**REPORT OF THE COMMISSION (VIII. SESSION)
TO THE COUNCIL OF MINISTERS (IV. SESSION)**

1. The Commission held its VIII. Session in New York on 15 September 2000 and resumed it on 20 September 2000.
2. Following the opening statement of the Commissioner of Bangladesh, Chairman-in-Office, the Commission welcomed the new Commissioners of Egypt, Indonesia and Malaysia while paying tribute to the excellent work and cooperation of their predecessors.
3. The Commission after adopting its agenda heard the short introduction by the Executive Director of his report.
4. The Commission decided to consider draft decisions in conjunction with the agenda items.
5. Concerning the dates of the Cairo Summit, the Egyptian Commissioner stated that his Government scheduled the Summit on 25 February 2001 and added that the Heads of State are expected to arrive on 24th and to depart on the 26th February. Most of the Commissioners informed of the agreement of their Governments with this date while the others stated that they submitted it to their Heads of State and Government for confirmation. Accordingly, they recommended 24th February as the date of the V. Session of the Council of Ministers. They also decided that the IX. and X. Sessions of the Commission take place mid-January 2001 and 22-23 February 2001 in Dhaka and Cairo respectively.

6. On the **agricultural aircraft**, the Commission congratulated Turkey for completing the manufacture of the prototype of the aircraft and for undertaking as well all the necessary tests successfully. At the same time, many Commissioners expressed the view that the project should be a joint endeavour involving all the interested countries on the basis of work-sharing. The Turkish Commissioner stressed the necessity to undertake the market research in the member countries as soon as possible and to make their decisions known on the quantity they may wish to purchase of this aircraft. The Executive Director clarified several points raised in connection with the work-sharing and underlined as well the importance of the completion of the market research by the member countries in order to start the commercial evaluation and production of the aircraft. The D-8 Ministers of Industry/Science and Technology may wish to discuss possibilities of initiating projects in the field of industry and address the issues of interest; when they come together on the occasion of the inaugural flight.

7. In the context of the consideration of the **IMTC project**, the Commissioners emphasized the importance of the completion of the feasibility study and the early entry into force of the Charter of D-8 Forum for Chambers of Commerce & Industry and Business Associations. For this purpose, they decided to encourage their national chambers to sign the Charter as soon as possible. The Commission also agreed that efforts should be made to introduce the IMTC project on the occasion of the forthcoming meeting of the OIC Chambers of Commerce and Business Associations which will take place in Doha.

8. The Iranian Delegation has circulated the text of the revised version of the **Draft Agreement on Easing Visa Procedures for Businessmen**. The Commission requested the member countries to convey their views prior to the IX. Session of the Commission.

9. Concerning the **simplification and harmonisation of banking procedures**, the Commissioners extensively discussed the issues involved in organising a meeting of central bank officials such as its venue and timing (on the occasion of the IDB's Board of Governors or Joint Meeting of IMF and the World Bank), participation of the central bank officials/finance ministries, etc. Finally, it was decided that this topic should be deferred to the next session of the Commission pending the outcome of the inquiry by the Chair Country with its central bank on the issues mentioned above.

10. As for the **ITDB Network**, the Commissioner of the I.R. of Iran stressed the importance of publicising the web-site in the member countries.

11. Regarding the **human resources development and poverty alleviation**, the Commissioner of Indonesia circulated the Terms of Reference for the "Workshop on the Empowerment of Rural Community Through the Use of Appropriate Technology for Poverty Alleviation" which will be organised in Jakarta from 14 to 18 May 2001 in response to Decision.60 (VII.)

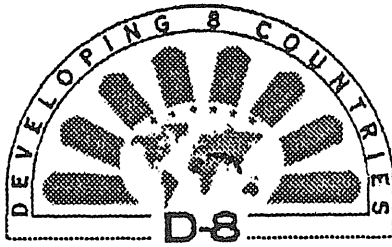
12. On **rural development**, the Commission reiterated its request from Bangladesh and Egypt to prepare a revised version of the project “Promoting Rural Industrialisation by Comprehensive Approach”.

13. In the light of decision taken by the Commission at its VII. Session, the Commission decided on the yearly financial contributions to meet the expenses of the Coordinating Unit, and related matters.

14. On the question of **liaison** to be established between the OIC and the D-8 Grouping, the Commission considered the text of the draft resolution proposed by Bangladesh for submission to the Islamic Conference of Foreign Ministers (ICFM) and agreed on it. At their Annual Coordination Meeting, the Foreign Ministers of the OIC are reported to have welcomed this proposal, to be reflected in their final communiqué.

15. The Commission adopted decisions in the light of the discussions summarised above.

DECISIONS ADOPTED



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20 September 2000

DECISIONS

**VIII. SESSION OF THE COMMISSION
(New York , 15-20 September 2000)**

COMMISSION,

Having met in New York on 15-20 September 2000,

Adopted the following decisions,

PREPARATIONS OF THE CAIRO SUMMIT

1. Thanks the Egyptian Commissioner for his preliminary briefing concerning the arrangements of the Cairo Summit.
2. Recommends the dates for the following meetings:

The III. Summit (Cairo) 25 February 2001

The V. Session of the Council of Foreign Ministers (Cairo) 24 February 2001

The X. Session of the Commission (Cairo) 22-23 February 2001
(Preparatory Meeting)

The IX Session of the Commission (Dhaka) Mid-January 2001
3. Requests the Executive Director to prepare in collaboration with the host country the draft text of the Cairo Declaration and to circulate it at an early date for the first reading at the IX. Session of the Commission in Dhaka.

INDUSTRY

4. Congratulates the Turkish Aerospace Industries (TAI) for completing the manufacture of the prototype of the agricultural aircraft with the equipment mounted on it and for undertaking all the necessary tests successfully, and appreciates as well the substantial work so far conducted by the Study Group in connection with this project.
5. Reiterates its thanks to the Turkish Minister of Industry and Trade for his kind invitation to the D-8 Ministers of Industry/Science & Technology to mark the inaugural flight of the agricultural aircraft and to discuss as well other projects for industrial cooperation, an event which was initially scheduled for 12-13 September but later postponed due to the prior engagements of some Ministers.
6. Welcomes the setting up of a Management Committee to coordinate the industrial activities in the project such as design, development, certification, work-sharing, manufacturing, marketing, sales and after-sales support, its first meeting having been held in Ankara on 11-15 September 2000 following the conclusion of the non-disclosure agreement designed to protect intellectual properties concerning the exchange of information among the delegated companies, and instructs the Management Committee to resolve the remaining issues mentioned in the last report of the Study Group and to report to it.
7. Invites the member countries to direct their respective organisations to continue to closely collaborate with the Turkish Authorities (TAI) and to consider all the necessary steps, including speedily making their decisions known on the quantity they may wish to order this aircraft so that its commercial evaluation and production could be started at an early date, while at the same time working on the multi-purpose version.

TRADE

8. Reiterates its appreciation to the IDB for its offer to contribute to meeting the cost of the feasibility study of the IMTC project and thanks as well the Bank for agreeing to remove the two terms earlier attached to this offer.
9. Also reiterates its appreciation to those member states that have agreed to contribute to the cost of the feasibility study.
10. Welcomes the steps taken by Egypt in pursuance of Decision 23 (VII) that led to the reconsideration by the IDB of the terms attached to its offer and invites Egypt to complete as soon as possible all the necessary steps for the start of the work on the feasibility study including the announcement of the tender conditions for the

offers by the nominated consultant firms, selection of the firm with the lowest bid etc., and authorizes her to sign the contract with this selected consultant firm.

11. Reaffirms its request from the member countries to encourage their private sector through their chambers of commerce to participate in the project.
12. Reiterates its call upon the governments to encourage their national chambers of commerce & industry and business associations to sign as soon as possible the **Charter of the D-8 Forum for Chambers of Commerce & Industry and Business Associations** for its early entry into force. Efforts should be made to introduce the IMTC project among the D-8 business community on the occasion of the forthcoming meeting of the OIC Chambers of Commerce & Business Associations which will take place in Doha 15-17 October 2000, as decided by the Commission at its VII. Session.
13. Appreciates the work by the I.R. of Iran for the new version of the **Agreement on Easing Visa Procedures for Businessmen** circulated at the Commission meeting and requests the member states to convey their views on this new text prior to the IX. Session of the Commission for facilitating a final decision.
14. Decides to consider in principle a single framework in the field of **shipping** to discuss ways and means of updating available information about national flag vessels, cargo movements and facilities, conditions of the main ports in the member countries as well as the development of partnerships among the entrepreneurs of member countries on joint venture basis for the expansion and sustainability of shipping trade within D-8.
15. Invites Bangladesh and Egypt as the sponsors of the earlier proposals on this subject to jointly prepare a paper on the modalities of establishing such a framework including its structure and functioning, to be circulated to the member countries to seek their comments thereupon, and decides to consider the paper in the light of these comments.
16. Invites those member countries who have not yet done so to designate their focal points in the field of shipping.
17. Expresses its thanks to the Secretary General of the Islamic Shipowners' Association for their valuable suggestions for cooperation with the D-8 members and requests the member countries to give their comments on them in order to take an appropriate action at its next session.

ITDB NETWORK

18. Thanks the Government of the I.R. of Iran for organising the Meeting of National Administrators on 24 April 2000 to finalise the preparations of the ITDB project.
19. Expresses as well its appreciation to the Iranian Government for accomplishing this project and launching the ITDB website on 24 May 2000.
20. Strongly urges the member countries to complete the work on their national home pages and to insert the latest data on industrial, technological, economic and commercial activities and to update them regularly; recommends as well to the member states to make efforts to publicise the website in their respective countries.
21. Invites those member countries that have not yet done so to designate their national focal points responsible for the implementation of this project.
22. Appreciates the contacts of the I.R. of Iran with the ITU for the preparation of a feasibility study on e-commerce and requests the member countries to respond as soon as possible to the questionnaire prepared for this purpose.

HUMAN RESOURCES DEVELOPMENT AND POVERTY ALLEVIATION

23. Welcomes the steps taken by the Indonesian Authorities to follow up Decision 60 (VII.). Invites the Member States, as requested by the coordinating country, to provide the Executive Director with an updated list of their national focal points as well as information and data on their capacities on HRD and poverty alleviation programs on the basis of the two sets of forms circulated earlier.
24. Thanks the Indonesian Authorities for the offer to organise a workshop on the empowerment of rural community through the use of appropriate technology for poverty alleviation in Jakarta on 14-18 May 2001, as outlined in the Terms of Reference circulated at the Commission Meeting.

RURAL DEVELOPMENT

25. Reiterates its earlier request from Bangladesh and Egypt to prepare the revised version of the project "Promoting Rural Industrialisation by Comprehensive Approach" for its approval at the next session of the Commission, thus enabling both member countries to jointly approach UNIDO to seek technical and financial assistance for its implementation.

PERMANENT UNIT (COORDINATING CENTER)

26. Reaffirms its earlier agreement to make a yearly financial contribution to the tune of USD 100 000, excluding Turkey towards the expenses of the coordinating unit with the proviso that the rest of the cost of the unit is expected to be met by Turkey. Financial contributions of the member countries other than Turkey will be shared equally.
27. Decides to review this transitional arrangement, including the scales of assessments, before the end of the Chairmanship of Egypt, taking into account the relevant decisions.

LIAISON WITH OIC/IDB

28. Agrees on the draft resolution proposed by Bangladesh on liaison to be established between D-8 and OIC/IDB for its submission to the meeting of the OIC Foreign Ministers.
29. Requests the Executive Director to take the steps mentioned in Decision 79. (VII) following the adoption of the draft resolution referred to above by the OIC Foreign Ministers.

REPORT OF THE EXECUTIVE DIRECTOR



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15 September 2000

VIII SESSION OF THE COMMISSION

REVISED REPORT OF THE EXECUTIVE DIRECTOR

INTRODUCTION

1. At the last session of the Commission, it was agreed that the next session should be convened with a light agenda, covering the pending issues from that session and some other urgent matters. (para 33. of its report). I have accordingly prepared a draft agenda containing a short list of topics, which has been circulated in the attachment of our letter No.COM/00/267 dated 9 August 2000.

2. As will be seen in the draft agenda, at its forthcoming session, the Commission has to address two sets of issues, namely, preparations of the III. Summit which will be held in Cairo, and the review of the progress in some important projects and certain urgent matters.

3. This report while covering all the activities and developments since the last session, including the implementation of the decisions taken by the Commission, it is however structured and submitted in two parts for easy reference in the discussions within the Commission. Part. I addresses the agenda items while Part. II covers subjects of cooperation not specified in the agenda. Nevertheless, if the distinguished Commissioners wish to do so, they may raise under any other business (agenda item. 12) any subject of special interest to them but not specifically referred in the agenda.

PART. I

AGENDA ITEM 4 : PREPARATIONS OF THE CAIRO SUMMIT

4 In April last, the Egyptian Authorities communicated that they were planning to host the Cairo Summit either in February or March 2001 and inquired from the member countries any previous commitments of their Heads of State and Government during these two months so that they could be taken into account when fixing the precise dates of the Summit. In the light of responses from some members, the Commissioner of Egypt recently informed that his Government scheduled Sunday, 25th February 2001 as the date of the III. D-8 Summit. The Commission and the Council may in New York confirm it.

5. Moreover, the Commission taking into account this date has also to decide the dates of the preparatory meeting of the Commission (X. Session) and that of the Council (V. Session), both of which will precede the Summit. Furthermore, the Commission has to discuss the dates of its additional meeting (IX. Session) which was agreed upon to be held in Dhaka early next year (para 33 of the Commission Report) with a view to discuss the preparations of the Cairo Summit including the first reading of the draft of the Cairo Declaration as well as to review all D-8 activities since the Dhaka Summit.

6. In the course of the discussions under this item at the forthcoming session, the Egyptian delegation may wish to give some preliminary information about the summit arrangements, and the Commissioners may seek clarifications thereupon.

AGENDA ITEM 5 : AGRICULTURAL AIRCRAFT PROJECT

7. As already known, the agricultural aircraft was manufactured sometime ago at the premises of the Turkish Aerospace Industries (TAI) with the necessary equipment mounted on it. Several tests including flight control, fuel systems and ground tests were conducted. And finally for the last couple of weeks, the flight tests have been carried out successfully.

8. As earlier pronounced by the Turkish Delegation, the Turkish Minister of Industry and Trade has extended an invitation to the Honourable D-8 Ministers of Industry/Science and Technology for the days 12-13 September 2000 to mark the inaugural flight of the agricultural aircraft and to discuss as well further steps for the expansion of industrial cooperation. (our letter No. IND/00/242 dated 24 July 2000). Nevertheless, this function had to be postponed due to the fact that several Ministers indicated that they would be unable to attend it because of their prior engagements.

9. Meanwhile, the Study Group held its VII. Session in Ankara on 27 June 2000. The participants had substantive discussions on various aspects of the project, including other prototypes, issue of certification, type of engine, measures to lower the cost of the aircraft. Finally, the delegates decided to set up a Management Committee in order to coordinate the industrial activities in the project, such as design, development, certification, work-sharing, manufacturing, marketing, sales, and after-sales support.

The member countries were requested to nominate their delegated companies to TAI at the latest by 28 July 2000.

10. Again, according to the report of the Study Group, a design review was scheduled to be held by the Management Committee from 11 to 15 September 2000 in order to discuss the topics mentioned in para. 17 of the report. To this end, TAI sent in August the draft text of the non-disclosure agreement, which will protect the intellectual properties concerning the exchange of information among the delegated companies, to seek their prior approval.

11. So far, only Indonesia, I.R. of Iran, Nigeria, Pakistan nominated their delegated companies to the Management Committee. (Egypt informed that "they would not be able to nominate representatives to attend the meeting of the Management Committee due to their prior engagements but would be interested in attending and following up the activities of this Committee"). The Turkish authorities are expecting nominations also from the other interested member countries.

12. I believe, the project has reached a crucial stage at which the vital issues such as final design, measures to lower the cost, certification, work-sharing, marketing etc. must be finalized.

AGENDA ITEM 6: TRADE

a. International Marketing and Trading Company

13. At its last session, the Commission called upon the participating countries to declare their readiness to contribute, albeit in a symbolic amount, to the cost of the feasibility study in order to demonstrate their commitment to the project. So far Egypt, I.R of Iran, Pakistan, Turkey made written commitments to this effect, indicating the amounts of their contribution. (Malaysia regretted "not to be in a position to contribute at this juncture"). Egypt informed of the bank account where the contributions by the members to the financing of the IMTC feasibility study could be paid.

14. In pursuance of Decision. 23, the Egyptian Authorities approached to IDB so that the Latter reconsiders the terms attached to its offer. The Egyptian Authorities informed that the IDB already agreed to remove the condition of 50 % ceiling that was attached to its offer. (Our letter TR/00/157, dated 17 May 2000). The IDB's reply concerning the other condition that "the IMTC should not involve itself in actual trading except through the means of counter-trade" is still awaited. Thereafter, Egypt is to sign the grant agreement with IDB in accordance with the mandate given by the Commission (Decision. 25).

15. On the other hand, in line with Decision. 26, Egypt has also approached the African Development Bank to seek its contribution to the project so that the participating countries' share in financing the feasibility study is minimized. Nevertheless, the African

Development Bank is reported to have expressed its regret for not being able to contribute to the project in view of the fact that only two members of D-8 are from Africa.

16. As distinguished Commissioners realize, the feasibility study should at the latest be ready for submission to the Cairo Summit. Hence, the work on the feasibility study must start soon. To this effect, the coordinating country has recently sought nominations for consultants also from the contributing member countries for the preparation of the feasibility study although three nominations by the IDB and another three by Egypt were initially foreseen. After the completion of the nomination process, Egypt is to invite the consultant firms nominated to make their bids on the basis of the tender conditions which also have to be announced soon. The task will be offered to the firm with the lowest bid.

17. Given the IDB's contribution (I.D.200 000) and the total sum of contributions from the participating countries (about USD 32 000), I feel that there would still be a gap in the financing of the feasibility study in spite of the revised reduced estimate. Therefore, as already stated by many members at the last session of the Commission, national experts might be preferred in the preparation of the feasibility study.

18. At its last session, the Commission decided that the project should become private sector driven and accordingly requested the member countries to encourage their private sector through their chambers of commerce to participate in the project (Decision. 27). Furthermore, the Commissioners thought that the forthcoming meeting of the OIC Chambers of Commerce & Business Associations which will take place in Doha on 15-17 October 2000 would provide a good opportunity to launch the IMTC project among the D-8 business community as stated in Decisions. 28 and 29. Therefore, the member countries, while encouraging their private sector through their chambers to participate in the project, could also urge their national chambers of commerce & business associations to sign as soon as possible the "Charter of the D-8 Forum for Chambers of Commerce & Industry and Business Associations" which may, I believe, play a crucial role to involve private firms in the IMTC project. So far, Egypt, the I.R. of Iran and Pakistan signed this Charter while Turkey offered some comments.

b. Trade related issues

19. **i. Easing visa procedures:** The Commission requested at its last session those members who have not done so to submit their comments on the Iranian draft agreement. Bangladesh, Egypt and Turkey had already communicated their comments. Following the Commission meeting, I sent two circular letters to other members, requesting their comments by 14 August. In response, Indonesia sent its comments too. The Iranian Authorities may now redraft the existing text in the light of the comments already received and submit the new version to the forthcoming session of the Commission as provided in Decision. 35 for a recommendation to the member states to sign it.

Meanwhile, Pakistan informed that they might also have some comments on the draft agreement.

20. **ii. Shipping:** At the last Commission meeting, two distinct proposals were made by Egypt and Bangladesh for the establishment of a Committee comprising shipping experts and a Shipping Business Forum respectively. The Commission requested the member countries to send their comments on these proposals (Decisions. 45 and 46). The I.R. of Iran responded to the first and Indonesia to both proposals. Furthermore, Egypt and the I.R. of Iran requested more detailed information on the proposal of Bangladesh .

21. As I have already pronounced in my recent communication sharing the views expressed by Indonesia, to have two bodies in the same field may be a duplicating endeavor and therefore redundant (our letter No TR/00/260 dated 3 August 2000). I believe, whatever name is given, a body where both government officials and representatives from maritime chambers (or corresponding body) are represented would serve the purpose. The I.R. of Iran and Turkey also favour this idea. The Commission may consider this subject at its New York Session to agree in principle on a single body. Thereafter, the two sponsoring countries may prepare a paper on the modalities of establishing such a body, including its structure and functioning, to be circulated to the members for seeking their comments. The Commission may take a final decision on this subject at its IX. Session in the light of these comments.

22. Meanwhile, in response to Decision. 44, Bangladesh, Egypt, Indonesia, the I.R. of Iran and Turkey have designated their focal points for exchange of information about ships and cargo. A new reminder to the other members was sent on 31 July.

23. In order to give a follow-up to the Decisions. 47 and 48, I inquired from the I.R. of Iran and Egypt what services ECO Shipping Company and the Islamic Shipowners' Association may offer for cooperation with D-8 countries. I have recently received the response from the Secretary General of the Islamic Shipowners' Association through the Commissioner of Egypt. Their suggestions for cooperation have been circulated for consideration by the relevant bodies of the member countries both in public and private sectors (Our letter TR/00/261 dated 3 August 2000). In case the comments on these suggestions are received from the members by the time of the New York meeting , the Commission may take an appropriate action thereupon. Otherwise, it has to be deferred to the subsequent session. The response of the ECO Shipping Company to our inquiry is awaited.

24. **iii. Simplification and Harmonisation of Banking Measures:** The Commission, while endorsing the recommendations of the III. Expert Group Meeting on Trade on this subject, requested the member countries to recommend to their central banks to consider positively the proposal to set up a committee comprising representatives of the D-8 Central Banks to meet alongside the annual meeting of the IDB's Board of Governors (Decisions. 38-39). I believe that the forthcoming meeting of the IDB's Board of Governors which will reportedly take place in Lebanon on 7-8

November 2000 may provide an opportunity to consider and approve the proposal for setting up the committee mentioned above. Accordingly, I have requested the member countries to find out from their central banks whether they would be agreeable to this suggestion (Our letter No:TR/00/229 dated 13 July 2000). In response, Bangladesh and the I.R. of Iran informed of their agreement with the setting up of a committee comprising the representatives of D-8 central banks and expressed their readiness to participate in the meetings of the committee. In this connection, I would like to remind that earlier before the VII. Session of the Commission, Pakistan and Turkey while commenting on the Egyptian paper (Simplification and Harmonisation of Banking Measures) had expressed that they favoured the idea of setting up such a committee.

25. The Commission may invite at its New York meeting the member countries to instruct their central banks' representatives to have a meeting in Lebanon alongside the IDB meeting to finalize this subject. When established, this committee may continue to have its yearly meetings again alongside the IDB meetings. The Committee may, in addition to its main function, may be also entrusted with the task to have exchange of views on world financial situation, including on measures averting as well as overcoming financial crises.

AGENDA ITEM 7: ITDB NETWORK

26. As will be recalled, the Commission requested at its last Session to put the ITDB website into operation by May 10, 2000. (Decision. 53).

27. The I. R. of Iran organised in pursuance of Decision. 54 a Workshop for national administrators on 24 April 2000 for final coordination. Only Egypt sent an expert to the workshop, all the other members having been represented by the staff of their embassies in Tehran. The workshop **urged the member states to take appropriate actions to insert their country data** in the relevant parts of the website since most member states had not done so until that time. Thereafter, the Commissioner of Iran underlined in its letter of 29 May (circulated with our letter no TCI/00/162, dated 30 May) that the member states "were responsible for the accuracy of the relevant information in the respective country pages and that they should insert the latest national data on industrial, technological, economic and commercial activities and update them regularly." According to the latest information received from the coordinating country, so far only Egypt, the I.R. of Iran, Pakistan and Turkey have updated their home pages in the ITDB website. In this connection, I should add that Egypt has made some suggestions and queries concerning the usage of the database.

28. On the other hand, again in pursuance of Decision. 54., Egypt, Indonesia, Malaysia, Pakistan and Turkey have designated their national focal points responsible for the implementation of this project, some also indicating their e-mail addresses.

29. As for the electronic commerce, the I. R. of Iran continued its contacts with the International Telecommunication Union (ITU) for the preparation of a feasibility study on e-commerce amongst the member countries.(Decision. 56). In fact, Afranet Company acting on behalf of the coordinating country met in Dubai on 17 April 2000

with the ITU officials for initiating a feasibility study on setting up a Cyber Mall using VPN to conduct e-commerce. Thereafter, the Iranian authorities prepared a questionnaire in cooperation with the ITU to collect the information needed for the feasibility study. This questionnaire was circulated in the attachment of our letter TCI/00/175 dated 13 June. The Iranian authorities later extended the deadline for the replies from 30 June to 30 July. So far only Egypt and Turkey responded to the questionnaire.

30. Since the success of this important project entirely depends on the continued collaboration of the member states, they will, I am sure, do their utmost to feed the necessary information in their national home pages and to review them from time to time to update the information especially in the dynamic part of the website covering R&D centers, manufacturers and consultants.

AGENDA ITEM 8: HUMAN RESOURCES DEVELOPMENT AND POVERTY ALLEVIATION

31. The Commission requested Indonesia as the coordinator to consider presenting to the next session proposals on how to commence cooperation in the areas of human resources development and poverty alleviation including training programs (Decision. 60). In order to give a follow-up to this request, I raised this subject with the Indonesian authorities. In response to my inquiry, they have requested an updated list of the member countries' national focal points as well as data and information on their capacities on HRD and poverty alleviation programs. For this purpose, they have prepared two sets of questionnaire for the completion by the member countries (our letter PHR/00/262 dated 3 August 2000). So far, only Egypt responded. In case the members give their replies well in time, the Indonesian authorities would, I believe, be able to submit their proposals to this session of the Commission. Otherwise, this subject has to be deferred to its subsequent meeting.

AGENDA ITEM 9: PROMOTING RURAL INDUSTRIALIZATION BY COMPREHENSIVE APPROACH

32. The Commission decided at its last session that this project should speedily be implemented, and for this purpose requested Bangladesh (the coordinating country) and Egypt (the sponsoring country) to jointly prepare if necessary a revised version of the project in the light of comments from member countries (Decision. 71).

33. So far, Bangladesh, Indonesia and Pakistan commented on the Egyptian project proposal. As the deadline (1 May 2000) set by Egypt for comments was passed long ago, I do not expect additional comments from other member countries. In view of this, Egypt and Bangladesh can now jointly prepare a revised version of the project in the light of comments already received and submit it to the forthcoming session of the Commission for approval. Thereafter, Bangladesh and Egypt may jointly approach UNIDO to seek technical and financial assistance for its implementation in pursuance of Decision. 72.

AGENDA ITEM 10: ISSUES RELATED TO PERMANENT UNIT (COORDINATING CENTER)

34. After having again reviewed this question at its last session, the Commission came to the conclusion that “the coordination should continue to be performed by a small establishment, as being done at present, until such time the volume of work warrants a full-fledged secretariat. The members also agreed to make a yearly financial contribution to the tune of USD 100 000, excluding Turkey, towards the expenses of the unit. Turkey is expected to meet the rest of the cost of the unit. The modalities of the contribution will be discussed at the next Commission meeting for a recommendation to the Council”.

35. Following the Commission meeting, the Turkish authorities confirmed their acceptance of the above mentioned offer with the understanding that in accordance of the decision of the Dhaka Summit, necessary steps will be taken before the end of Egyptian Chairmanship to set up a full-fledged secretariat. They further informed that taken into account the commitments by the other members to make a yearly contribution of USD 100 000, an allocation of USD 60 000 was placed in the draft budget of the Turkish Government for the year 2001 in order to meet the rest of the cost of the permanent unit. (Our letter COM/00/138 dated 3 May 2000)

36. As stated in Decision. 77, at its forthcoming session, the Commission has to discuss, and agree on, the modalities of this yearly contribution to the tune of USD 100 000, including the share of each member state, payment arrangements etc.

AGENDA ITEM 11: LIASION WITH THE INTERNATIONAL ORGANIZATIONS (OIC/IDB)

37. At its last Session, the Commission decided that Bangladesh as the Chairman of D-8, the I.R. of Iran as the Chairman of OIC, Malaysia as the host country of the next OIC Conference of Foreign Ministers would submit a draft resolution on the establishment of liaison with OIC and IDB for the approval of the Foreign Ministers. To my inquiry on this matter following the ICFM, I have been informed by the Chair Country that “due to the circumstances out of our control, it was not possible to place such a resolution at the ICFM in Kuala Lumpur and that considering its urgency, the formulation of a suitable and generally acceptable draft resolution might be discussed at the forthcoming Commission meeting” (circulated with our letter COM/00/231 dated 13 July 2000). The Iranian Authorities sharing this view of Bangladesh recently prepared two sets of draft resolutions on this subject, one for adoption by the Commission and the other by the OIC Foreign Ministers (circulated with our letter No. COM/00/264 dated 7 August 2000).

38. The Commission may agree at its forthcoming session on the text of a draft resolution which could then be proposed by Bangladesh as the D-8 Chairman-in-Office to the OIC Foreign Ministers for consideration at their New York Meeting on 18 September or on the occasion of the OIC Summit later in the year.

AGENDA ITEM 12: ANY OTHER BUSINESS

(Please refer to the last sentence of paragraph 3 in the introduction.)

PART. II

AGRICULTURE

a. Aquaculture

39. Pakistan communicated on 6 May 2000 that 70 copies of the Directory of the Aquaculture Experts, Scientists, Institutions and Private Sector Firms have been provided to each of the D-8 Missions in Islamabad.

40. In pursuance of Decision 5, Turkey informed that the Training Course on "Development of Residue Monitoring Systems and Hygiene Rules and Quality Control Procedures Related to Fish Packaging Facilities" would be organized at the Aqua Products Research Institute in Bodrum on 11-13 October 2000. (Our letter AGR/00/222, 10 July). So far, only Egypt and the I.R. of Iran indicated their participants in this training course.

b. Food Security

41. The I.R. of Iran communicated that they decided to organize a workshop on food security with special emphasis on food safety in Tehran at the Institute for Plant Paste and Disease Research on 16 October 2000 (Our letters No AGR/00/183 and AGR/00/263 dated 16 June and 7 August 2000). So far, only Egypt and Turkey informed of their participants.

42. In compliance with Decision. 8, so far, Bangladesh, Egypt, Indonesia, the I.R. of Iran and Turkey designated their focal points for food security. The last reminder to the other member countries was sent on 31 July.

43. On the other hand, in response to the request of the Commission, only Pakistan sent its comments on the Egyptian proposals on food security and aquaculture, which were enumerated in Decision. 10. The last reminder on this subject was sent on 10 July.

TRADE/OTHER TRADE RELATED ISSUES

a. Trade Facilitation /Custom Procedures

44. In the light of the outcome of the Seminar organized by Malaysia on 9-12 November 1999, the Commission recommended at its last session the member countries to undertake an in-depth study of experience of ASEAN and APEC and, taking into account the findings of their study, also recommended to submit before the next session of the Commission to the Executive Director a description of their custom procedures coupled with their views and proposals to facilitate customs cooperation and eliminate existing obstacles (Decision. 31). Since the Executive Director was requested to transmit these views and proposals in an analytical format to ITC for further action, I have accordingly requested the member countries to give their response to this decision of the

Commission by 15 August 2000 (Our letter TR/00/196 dated 23 June 2000). So far, no member state has responded.

45. On the other hand, the Commission, having welcomed at its last session the Iranian proposal to establish a Customs Association for member countries, requested their competent authorities to provide their views and comments on this proposal, **based on the information to be provided by Iran**. Accordingly, I requested the Iranian authorities to elaborate on their own proposal. The last reminder was sent on 10 July.

b. Agreements on Avoidance of Double Taxation and Promotion/Encouragement of Investments

46. In response to the call by the Commission (Decision. 37), Malaysia informed about its agreements on the avoidance of double taxation with the other member countries (in the course of the last Commission meeting) and Bangladesh presented an updated list of agreements on the same subject. After the completion of the replies from the member countries on both sets of agreements, I intend to submit a progress report to the IX. Session of the Commission.

c. Exchange of trade information (Utilization of the OIC and IDB mechanisms)

47. In response to certain recent requests of trade information from some private firms in the member countries, we have checked the website pages of ICDT and OICIS-NET. Nevertheless, the information requested was not available. I think, the websites of the national chambers of commerce of the member countries are in a position to offer this kind of information. Therefore, I sent a circular letter (TR/00/100 dated 28 March 2000) to the member countries requesting them to give the exact titles and web-site addresses of their chambers of commerce and industry (or corresponding body). All the members with the exception of Nigeria have responded . I circulated them to the member countries (our letters No. TR/00/150 and 155 dated 15 and 22 May 2000 respectively). I believe, it would be useful if these website addresses of the national chambers are transmitted to the businessmen and commercial companies in the member countries.

d. Trade database

48. In response to Decision. 42, Egypt prepared the final version of the structure and format of the proposed trade database which consists of 69 pages. For technical reasons, it has been delivered to the D-8 Embassies in Ankara for onward transmission. I requested the member countries to offer their comments and suggestions on this new paper (our fax message TR/00/185 dated 16 June 2000). Earlier, the I.R. of Iran had sent its comments on the Egyptian preliminary proposal on this matter which were also circulated to the member countries.

e. Small and Medium Sized Enterprises

49. In its Decision. 49, the Commission, underlying the importance of SME's in the overall development of D-8 economies, invited the member countries to encourage cooperation among their entities supporting SME's. In order to give a follow-up to this subject, Turkey prepared a questionnaire which would, I believe, provide necessary data for initiating such a cooperation. I requested the member countries to give their response by 31 August 2000 (our letter TR/00/166 dated 9 June 2000). So far, only Egypt responded to it. A reminder to the other members was sent on 31 August.

FINANCE BANKING PRIVATIZATION

50. a) In response to my inquiry concerning Decision.68, the Malaysian Authorities communicated that they would organise a technical training program on the Malaysian Capital Market on 9-13 October 2000. So far, Egypt, Indonesia, the I.R. of Iran and Pakistan have nominated their participants in this training program.

b) On the other hand, the I.R. of Iran, inviting the member countries to participate in an International Training Course on Islamic Banking which will take place on 8-18 October 2000, also informed that they were planning to organise a special training program on the same subject only for D-8 members. They inquired the reactions of the members about these two offers (our letter No. FBP/00/266 dated 7 August 2000). In response, Indonesia, Pakistan and Turkey informed of the names of their participants in the International Training Course. Moreover, Pakistan communicated that such an international course should obviate the need for organising a special training program only for D-8 members.

c) Bangladesh forwarded the views of Bangladesh Central Bank concerning Decisions. 64,65,66 and 67 (VII.) on Re-takaful and ARIL.

ENERGY

51. Taking into account the offer of the I.R. of Iran as mentioned in Decision. 74, I requested the Iranian authorities to indicate the dates at which they intend to organise the workshop on oil and gas.

52. Meanwhile, in response to the request made in Decision. 75, Egypt and the I.R. of Iran informed of the actions taken by their authorities on the implementation of the recommendations of the Training Program on Solar Energy Systems for Isolated Villages (SESIV) held in Jakarta last year. As provided in the same decision, I will submit a full report on this matter to the IX. Session of the Commission, taking into account the responses from the other members.

THE ESTABLISHMENT OF D-8 FEDERATION OF TECHNICAL AND ENGINEERING CONSULTING ASSOCIATION

53. The Commission welcomed at its last session the Iranian offer to hold a meeting in the first half of the year 2000 in order to discuss the establishment of such a Federation (Decision. 81). I requested from the I.R. of Iran precise dates for this meeting. In response, the Iranian authorities while proposing the second week of October stated that the exact dates and the program would be communicated immediately after the member states indicate their willingness to participate in such a meeting. Accordingly, I inquired from the member countries whether their national technical and engineering consulting associations would be willing to take part in the said meeting and requested them to give their replies by 31 August 2000 (Our letter IND/00/207 dated 3 July 2000).

ENVIRONMENT

54. In pursuance of the Decision. 83, the Turkish Authorities proposed to organize the Working Group Meeting on Environment in Istanbul on 20-21 July 2000 and requested the participants to send before the meeting summary notes on major environmental problems faced by their countries (our letter ENV/00/152 dated 15 May 2000). In spite of two reminders, only Egypt nominated its participants and sent a summary note. In view of this situation, the Turkish Authorities were obliged to postpone the meeting to 20-21 September 2000. Accordingly, I this time requested the members to nominate their participants by 21 August and send as well their summary notes (our letter No. ENV/00/225 dated 11 July 2000). Recently, the I.R. of Iran and Pakistan have also nominated their participants in the Working Group Meeting on Environment.

55. On the other hand, the I.R. of Iran referring to the same decision proposed to organise the Seminar on Technical Aspects of Environmental Cooperation in the first half of October 2000. However, in view of the proximity of the dates of these two meetings as a result of the postponement of the first one, I have suggested to the Iranian Authorities to also postpone their meeting to a later date. Their response is awaited.

STATEMENT BY THE EXECUTIVE DIRECTOR

- I associate myself with the remarks of the Chairman to welcome the new Commissioners of Egypt, Indonesia and Malaysia.

- As I have already informed, you will find before you the revised version of my report incorporating the changes reflected in the addendum. Moreover, even after the circulation of the addendum, additional information in connection with some items was offered by the member countries. These are reflected in para.'s 7,8,10 and 50 of the revised Report. Please also find before you the revised version of the draft decisions.

- I would like to highlight a few points in the report:

- As I made it clear in the report, we have to start the preparations of the Cairo Summit at this session.

- Concerning the IMTC project, after the completion of the selection process of the consultant, the feasibility study should speedily be prepared and made ready for approval by the Cairo Summit. On the other hand, some trade related issues referred to in the report also deserves the attention of the Commission. In this context, I would like to emphasise that the speedy entry into force of the Charter of the D-8 Business Forum of Chambers of Commerce & Industry and Business Associations is extremely important in order to involve the private sectors in D-8 cooperation. For this purpose, the Commissioners may urge their chambers of commerce to sign the charter as soon as possible. So far, three countries have signed the Charter as reflected in the revised report.

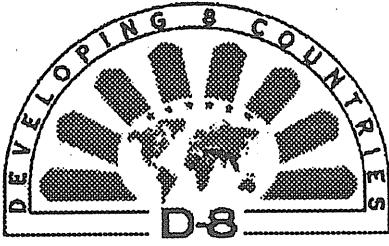
- As you know, the ITDB project has officially been launched on 24 May 2000. I hasten to underline that for the success of this important project, the member countries must complete their national home pages including the dynamic part and regularly update them.

As for the agricultural aircraft, all the tests, including the flight tests have successfully been completed. Nevertheless, the inaugural flight which was scheduled to take place on 12 September in the presence of D-8 Ministers had to be postponed because of the fact that some Ministers indicated that they would be unable to attend this occasion due to their prior engagements. In any case, the commercial evaluation and production of the prototype has now become an urgent issue to be addressed.

- The Commission has also to finalise the question of liaison at this session. The chair country in its capacity of being also the OIC member may submit a draft resolution on liaison to the OIC Foreign Ministers Meeting which will take place next Monday. The other members of D-8 may usefully sponsor such a draft resolution.

- Last but not least, in pursuance of Decision. 77, the Commission have to agree on the modalities of the yearly financial contribution to be made to Turkey with a view to meeting the expenses of the Coordinating Unit.

AGENDA OF THE MEETING



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15 September 2000

**AGENDA
VIII SESSION OF THE COMMISSION
(15 September 2000, New York)**

1. Opening statement by the Chairman of the Commission
2. Adoption of the Agenda
3. Report of the Executive Director
4. Preparations of the Cairo Summit
5. Agricultural Aircraft Project
6. Trade
 - a. International Marketing and Trading Company
 - b. Trade related issues
 - i. Easing visa procedures for businessmen
 - ii. Shipping
 - iii. Simplification and harmonisation of banking measures
 - iv. Status of the signing of the Charter of the D-8 Forum
7. ITDB Network
8. Human Resources Development and Poverty Alleviation
9. Promoting Rural Industrialization by Comprehensive Approach
10. Issues related to permanent unit (coordinating center)
11. Liaison with international organizations. (OIC/IDB)

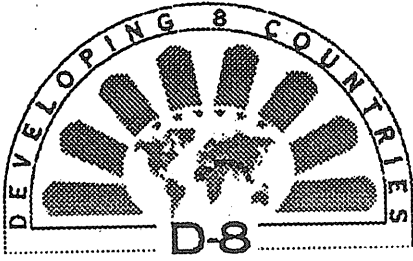
PART III

FOURTH SESSION OF THE COUNCIL OF MINISTERS

New York

20 September 2000

**REPORT OF THE FOURTH SESSION OF THE
COUNCIL OF MINISTERS**



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20 September 2000

REPORT OF THE IV. SESSION OF THE COUNCIL OF MINISTERS

(New York, 20 September 2000)

1. The IV. Session of the Council of Ministers was held in New York on 20 September 2000. The Meeting was followed with a working luncheon.
2. The Chairman of the Council, the Honourable Minister of Foreign Affairs of Bangladesh, made an opening statement, summarizing the progress made in D-8 cooperation in various fields. Referring to the momentous decisions of the Millenium Summit, he stated that we should make joint efforts to meet the challenges of this new era. He also added that we should take advantages of globalization while trying to guard against its harmful consequences. Thereafter, the agenda of the meeting was adopted.
3. The Ministers stated that in view of the new challenges faced by the world due to the far-reaching political, economic and technological transformations, we as D-8 have to make joint efforts to promote the welfare, well being and the quality of life of our peoples. They expressed the view that the member countries should therefore reinforce their commitments to D-8 cooperation.
4. Reviewing the progress achieved in various fields, the Ministers stated that the pace of the progress in D-8 cooperation has not however reached the desired level. For this reason, they underlined the need to review the past performance of the Grouping and to draw lessons from it. In this vein, they also said that the member countries should better respond to the invitations for participation in various meetings. They added that this review should lead to the maximum use of potentials of the member countries.
5. The Commissioner of Bangladesh, the Chairman of the Commission, presented his Report on the VIII. Session of the Commission. (The text is attached herewith).
6. The Executive Director responding to the valuable and inspiring comments made by the Ministers, said that though there is a progress in the implementation of several projects, there is still a lot of work to be completed especially in relation to major projects

such as the IMTC, ITDB network and agricultural aircraft. He underlined that if the decisions are swiftly implemented and closely followed up, greater and quicker benefits would accrue to the members. Sharing the views of the Distinguished Ministers on the review of the past performance of D-8, he added that he would submit to the Cairo Summit a report of "the State of D-8" so that the Heads of State and Government would take necessary conclusions and give appropriate instructions.

7. In the light of the Report of the Chairman of the Commission and the discussions in the Council, the Ministers endorsed the decisions of the Commission.

8. The Ministers pronounced their sincere wish to see Nigeria attending the D-8 commission, council and summit meetings, including the forthcoming Cairo Summit.

9. The Ministers expressed their appreciation to the Chairman of the Commission and the Executive Director for their efficient work.

10. The Ministers expressed their thanks to the Foreign Minister of Bangladesh for his hospitality and for his able Chairmanship as well as their appreciation for the hospitality of his Government.

**STATEMENT
BY THE
CHAIRMAN OF THE COMMISSION**

Excellencies,

It is an honour to address the distinguished gathering and to give a brief report on the Meeting of the D8 Commissioners.

Since the last Council Meeting, we have had two Commission Meetings. The first was in Dhaka, from 22-23 February, this year. Our second Meeting was in New York, and was spread over two sessions, on 15th and 20th September (that is, today). We covered a wide range of issues of interest to the members. With your permission, I would like to highlight some of the main areas covered in the New York Meeting.

One of the most important issues before us was the preparation for the 3rd Summit of the Heads of State or Government of the D8. At the 2nd Summit in Dhaka last year, our leaders had decided that the next Summit be held in Egypt in 2001. Accordingly, the Egyptian authorities have now proposed the date of 25th February, 2001 for the Summit. As is the usual practice, prior to that there will be the Council Meeting on 24th February. The D8 Commissioners will meet once in mid-January in Dhaka and again, immediately preceding the Council Meeting, on 22-23 February, 2001 in Cairo, to prepare for the Summit.

While reviewing our cooperation in industry, particularly the D8 aircraft project, it was felt that when the Ministers of Industry and/or Science and Technology meet for the inaugural flight, they may also wish to discuss other projects for cooperation.

With regard to the trade sector, we covered a number of areas. The feasibility study of the proposed IMTC project could be taken up soon. In order to involve the private sectors of our respective countries, we would encourage the approval of a Charter of the D8 Forum of Chambers of Commerce and Industry and Business Associations. Initiatives would also be taken at the forthcoming meeting of the OIC Chambers of Commerce and Industry to be held in Doha in October to publicize the D8 activities. To facilitate trade, our countries are also looking at a possible understanding to ease visa arrangements for businessmen to travel among our countries. An issue that is uppermost in our minds is the need to involve our respective private sectors in the D8 processes.

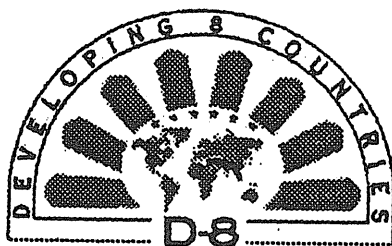
In tune with the increasing reliance on information technology, we would try to strengthen the ITDB website and network. Apart from including more data on the web site, we would also try to publicize it for greater use.

Sharing of experience in human resource development, and in poverty alleviation programmes would be strengthened.

In conformity with the decisions taken at the Summit level, the Commissioners have looked at the possibility of sharing some costs of the coordinating unit currently in Turkey. It is the view of the Commissioners, subject to approval by the Council, that all countries, except Turkey, share equally the contribution of \$ 100,000 annually till such time that the scale of assessment of the members is agreed upon. Turkey would bear the rest of the costs. This would be a transitional arrangement, to be reviewed before the end of the Chairmanship of Egypt.

I thank you for the opportunity to make this short presentation to the Council.

AGENDA OF THE MEETING



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DRAFT AGENDA
IV. SESSION OF THE COUNCIL OF FOREIGN MINISTERS
(New York, 20 September 2000)

1. Opening statement by the Chairman-in-Office, Bangladesh Foreign Minister
2. Adoption of the agenda
3. Consideration of the report of the Commission
 - a. Progress on the subjects of cooperation
 - b. Preparation of the Cairo Summit
 - c. Coordinating Center and its financing
 - d. Liaison with the OIC
4. Approval of the decisions and recommendations of the Commission

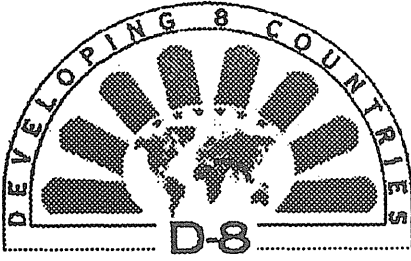
PART IV

NINTH SESSION OF THE COMMISSION

Dhaka, Bangladesh

16-17 January 2001

REPORT OF THE COMMISSION



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REPORT OF THE IX SESSION OF THE COMMISSION
(16-17 January 2001, Dhaka)

1. The IX Session of the Commission was held at Dhaka on 16-17 January 2001. All the countries attended the meeting.

2. The inaugural session was held on the morning of 16 January 2001. The Foreign Secretary of Bangladesh H.E. Mr. Shafi Sami, welcomed the guests and spoke on the occasion. The Executive Director of D-8, H.E. Ambassador Ayhan Kamel, also delivered a statement. The Minister of State for Foreign Affairs, H.E. Abul Hasan Chowdhury, addressed the gathering. The Minister of Commerce, H.E. Mr. Md. Abdul Jalil, delivered a short speech as the Guest of Honour. The Minister of Foreign Affairs H.E. Mr. Abdus Samad Azad, addressed the Chief Guest and also formally inaugurated the Meeting. The Commissioner of Bangladesh, H.E. Dr. Toufiq Ali, thanked all those present, on behalf of D-8 Commissioners. The inaugural session was well attended by a large audience, including Heads of Diplomatic Missions, representatives of press and of the business community, and senior government officials.

3. At its session, the Commission considered and adopted the draft agenda of its Meeting, which is provided at Annex I to this report.

Item III: Report of the Executive Director

4. The Commission took note of the report of the Executive Director on the progress achieved in the implementation of the projects and programmes of the Group as well as the evaluation report of the overall activities of the Group since its inception. The Commission appreciated the Executive Director for all his assistance to advance the cause of this Group.

Item IV. Preparations of the Cairo Summit

5. The Commissioner of Egypt informed the meeting about the organisational arrangements of the Cairo Summit and distributed provisional agenda and programs of work of the Summit, the V Session of the Council of Ministers and the X Session of the Commission, which are provided at Annexes II, III, IV. She reported that Turkey and Indonesia had already intimated that they would be represented at the Summit at the level of President and Pakistan by the Chief Executive. She requested the remaining members to kindly indicate as soon as possible their level of participation. She also added that they

needed the composition of the delegations together with special requests, if any. Malaysia clarified that the level of their representation has not been decided yet. Nigeria informed that their delegation had been instructed to forward a detailed report to their authorities on the Commission Meeting in order to assist the country's preparations for the Summit.

6. Concerning the Business Forum, the Commissioner of Egypt informed that the Forum would be organised on 22-23 February 2001. They selected these dates to be as close as to the Summit so that it would be linked with the Summit meeting. She also circulated the provisional agenda of the Business Forum for Chambers of Commerce and Industry & Business Associations, which is provided at Annex V to this report. The invitation to the Forum has already been made through the national chambers of commerce. The Egyptian Ministers of Foreign Affairs and Foreign Trade are expected to address the Forum to encourage the participation of the business community. The Commissioners, having agreed on the need to make the Forum more attractive and meaningful for the businessmen, stated that the objectives and the contents of the Forum should be well defined. The possibility of interaction should be created between them, and the experiences of other Groupings such as ASEAN and APEC should be utilised. In this connection, it was also added that the national chambers should be informed about the IMTC and other trade related issues in order to involve the private sector in D-8 cooperation, establishing an active interaction between the Forum and the Commission.

7. The Commission appreciated the Commissioner of Egypt for her report on the preparation made for the Summit and considered the draft agenda proposed for the Cairo Meetings. The member countries were requested to communicate their views and comments on the drafts, if any, to the Egyptian authorities in due course. The Commission suggested that the businessmen be invited to the inaugural session of the Summit.

8. The Commission made a preliminary exchange of views on the draft Cairo Declaration presented by the Executive Director. The Commission emphasized the need for a declaration covering the current world economic situation and issues of common concerns to D-8 member countries as well as guidelines for the promotion of co-operation within the Group. The Executive Director was requested to prepare a revised version of the second part of the draft Declaration in the light of the guidelines agreed upon by the Commission and taking into account the proposals received from some member states during the meeting. The host country was requested to revise the first part of the draft Declaration, taking into account the comments already made or to be made by other members. The revised version of the draft Declaration (First and Second Parts) will be distributed to member states well ahead of the Summit. The Commission shall consider and finalize the draft Declaration at its 10th Session in Cairo.

9. The Commissioner of Egypt informed that in view of the inadequate response from the member countries to participate in the cultural event on the sidelines of the Cairo Summit and also considering the time constraints, it would not be possible to hold this event.

10. The Executive Director referring to Article 6 of the Charter of the D-8 Forum for Chambers of Commerce and Industry & Business Associations, said that the Executive Committee composed of the Presidents and the Secretary Generals of the national chambers was entrusted with the task of preparing for the Business Forum. It was decided that the committee might be convened just before the Business Forum in Cairo due to the lack of time.

Item V. Trade

a) *International Marketing and Trading Company (IMTC)*

11. The Commissioner of Egypt informed the meeting of the progress of work on the feasibility study on the establishment of the IMTC Project and the future phases of the study. Having circulated a summary along with the text of the first draft covering the sections on project background, economic analysis and implementation plan, she said that the IMTC should not duplicate what is already existing in other organisations and should make full use of the mechanisms and resources now available such as the Islamic Chamber of Commerce (Karachi), ICDT (Islamic Center for Development of Trade - Casablanca). She added that it should be in the form of a treaty, which would include all rules and regulations, privileges.

12. The representative of UNCTAD Mr. Shaffaeddin, who was invited to attend the Meeting, offered his general comments, which are provided at Annex VI.

13. The Commissioner of Egypt stated that one of the main objectives of the D-8 group is to promote and intensify intra-trade amongst its members. To that end, it opted for a pragmatic, step-by-step approach. Explaining the structure and the work phases of the IMTC, she stressed that every member country should feel free about the way in which it contributes its share. In conclusion, the Commissioner of Egypt suggested her colleagues to provide their comments in writing in order to be taken into account by FINBI for the revision of the draft.

14. In the discussions, which took place thereafter, the following views were expressed by the member countries:

- The Company in its present shape resembles an organisation rather than a real Company. It should be aiming at profit making.

- The Company should primarily address the D-8 intra-trade. In other words, there should be a modest beginning.

- The Company should be private sector driven. However, at the initial stage, the government involvement may be necessary. This raises a conceptual problem. In view of this, either the Company could be established with the initial involvement of governments but there would be an in-built devise to gradually draw the private sector into the Company or the Company could be established by the private sector as from the

beginning. Perhaps, in a flexible approach, it could also be left to each member country how to participate in the Company. In certain member countries, the private sector is quite weak. Therefore, the initial government involvement may be required in these countries.

- Deciding on the possibility of concluding a treaty or any other kind of agreement for the establishment of the company largely depends on the comments, which will be provided by the member states after the consideration of the feasibility study.

- Meanwhile, the Malaysian Commissioner explained in detail their experience on this matter. Japanese experience shows that their trading companies were developed over many years. Malaysian experience is also valuable and should be taken into account for designing IMTC. Therefore the project could be developed starting from a modest scheme with specific objectives.

15. The members expressed the need to thoroughly examine the concept of the draft feasibility study. It was suggested that the Trade Expert Group Meeting and the Business Forum be given an opportunity to examine the draft feasibility study and provide their views. Every effort should be made to reach a broad agreement on the concept and objectives of such a company for a recommendation to the Summit. The feasibility study should then be revised on the basis of such agreement.

b. Trade related issues

ii. Easing Visa Procedures for Businessmen

16. The Commission took note of the second revised text of the draft agreement on easing visa procedures for businessmen. It was agreed that the text would be recommended to the Fifth Meeting of the Council of Ministers for approval so that it could be signed on the occasion of the Summit, if no additional comments are raised by the members by that time.

iii. Shipping

17. The Commissioner of Bangladesh presented their proposal to establish a Shipping Business Forum and added that they would organise a Working Group meeting on Shipping in Dhaka, which was welcomed by the Commission. Thereafter the following views were expressed:

- The purpose of this meeting should be to establish a dialogue between the business circles, shipping companies and Ship-owners' associations under the umbrella of shipping forum.

- As regards cooperation in the field of shipping, it is important to know what the government may offer for cooperation to the shipping companies such as providing port facilities, reducing the fees and easing government regulations, etc.

- The Business Forum, which will take place in Cairo, may provide a suitable occasion to establish this dialogue. To this end, the Islamic Ship-owners' Association may also be invited to the Business Forum. However, the discussions in the Business Forum should be of general nature to hear the problems of each side. Thereafter, these problems could later be taken up in detail in the meeting of Shipping Forum, which will be organised by the Government of Bangladesh.

iv. Simplification and harmonisation of banking measures

18. The Commissioner of Bangladesh reporting their consultation with the Central Bank of Bangladesh stated that the annual IMF meetings offer the best occasion to have a meeting of D-8 central bank officials as all the members attend the IMF meetings with the officials of their central banks and ministries of finance. Following short discussions, it was agreed to hold the first meeting on the sidelines of the annual IMF meetings. It was recommended that the Chair Country may convene the meeting.

v. Trade facilitation/customs procedures

19. The Commission reiterated its request from the member countries to take the necessary steps to respond to its earlier decisions.

vi. Agreements on the avoidance of double taxation and promotion/protection of investments

20. The Commission took note of the updated chart of the status of these agreements. The Executive Director drew attention to the discrepancies between the replies of some member countries as provided at Annex VII to this report. It was mentioned that UNCTAD provides facilities for the negotiation of such agreements.

vii. Trade database

21. The member countries, who have not yet done so, were requested to provide Egypt with the necessary information to complete the trade database of the Group.

viii. Small and medium sized enterprises (SMEs)

22. The Commissioner of Turkey presented a wide-ranging program for cooperation in this field, developed by his authorities in the light of responses which had been offered by the member countries to the questionnaire earlier circulated. Egypt has also circulated a paper on SMEs on Joint D-8 Venture Initiative for SMEs with the D-8 member countries (The text is provided at Annex VIII).

23. The Commissioners welcomed the proposal of Turkey to convene a workshop to discuss problems in this field.

Item VI. Agricultural Aircraft

24. The Commissioner of Turkey briefed the Commission about the latest stage of the project and then the TAI representative also gave detailed information on the progress so far achieved as well as the problems presently encountered. In this connection, he underlined that it was extremely important to know the requirements of the member countries for this aircraft, in precise terms, their likely orders and the current and future status of their markets in order to further proceed on this project. He also requested the member countries to contribute to the financing of the future work on this project.

25. Some Commissioners while congratulating TAI for its successful endeavour stated that the unit price of manufacturing was on the high side, and the design and specifications of the aircraft do not meet their respective needs.

26. It was also said that the project should be based on the concept of division of labour, some parts being manufactured by different member countries. In this vein, it was suggested that a meeting could be organised to look in these problems.

27. In response, the Turkish Delegation stated that the principles of division of labour were agreed upon long ago in the meetings of the Study Group and that Turkey was accordingly ready to share the work. It was added that in order to decide on the work sharing and serial production, it was necessary to know beforehand the aircraft orders of the member countries, the whole market potential and decision to share future costs. The Study Group at its VII. Session took an important step to establish a Management Committee with the participation of the representatives of the delegated companies to discuss the problems mentioned above. However, only two member countries took part in the first meeting of this Committee. Moreover, a demonstration for the inaugural flight of the aircraft, which was planned to earlier take place for the D-8 Ministers of Industry and Commerce, was cancelled due to the lack of interest.

28. Finally, the Commissioner of Turkey referring to his letter of 15 December 2000, requested his colleagues to respond to various questions raised therein so that the Commission would be able to take a decision on the future of the project.

Item VII. ITDB Network

29. Bangladesh briefed the Commission about the database, which they posted in the ITDB Website in Internet.

30. The Commissioner of Iran expressed its appreciation to the member countries for entering information in their national home pages although the current level is not satisfactory. He therefore appealed for more information and for its update. He also added that the inclusion of trade database into the website will give a boost to the project. Furthermore, he stated that AFRANET Company (the Private company running the website) added another page for Cairo Summit, which will help advertise the event.

31. Then he informed that the server that is used by an American Company for the website is shared with 250 other websites. Therefore, he added that it would certainly be better to have a dedicated server. In this case, the cost should be shared among the member countries, which would be minimal. He also briefed on their consultations with ITU to establish a Cyber Mall. It will be a virtual eight-story building, one story to be allocated to each member. He concluded that it was important to bring this matter to the attention of the business circles.

32. In the discussions, the following views were expressed:

- Several member countries have already cyber malls in their trading houses operating through Internet. Therefore, it is advisable to link into the existing cyber malls in the member states before we commit financial and technical resources for this purpose.

- Secondly, for such a scheme, we have to find sufficient number of clients to utilise the cyber mall. In this connection and in view of the participation of companies, any proposals for cyber mall should be commercially sound and feasible.

- There were also suggestions to add addresses of the reputed website which could be hyperlinked through the Internet.

- Concerning the server, the attention was drawn to the existing servers in the member countries. They could be utilised instead of those of non-members, these being even cheaper.

- The Iranian Commissioner explained that the website has two parts. The D-8 web page can not be commercialised. The countries may enter their information or hyperlink their site in the page. For the cybermall, after the completion of the questionnaire, the next stage will be explained to the member states by the coordinating member. Finally, it was emphasized that the member countries should be committed to the D-8 page that reflects the collective spirit of D-8 cooperation. It was concluded that there was no contradiction between the two approaches, as one will not exclude the other.

Item VIII. Agriculture

33. The Commissioner of Pakistan informed that his authorities are planning to organize meetings on the following three subjects:

- Workshop on bio-technology initiative for increasing agricultural productivity
- Workshop on alternate/organic fertilizer
- Seminar on conservation of farm animal genetic resource.

34. The Commissioner of the I.R of Iran, briefing the Commission on the findings of the Workshop on Food Security with Special Emphasis on Food Safety, held in

Tehran, drew the attention to the extensive use of pesticides and chemicals in agriculture to increase productivity, and added that this has created concerns in FAO circles due to the health reasons. He also referred to the follow-up committee recommended by the Workshop. He invited the member countries to respond to the recommendations of the Workshop, adding that so far only Turkey has offered its comments.

35. The Commissioner of Bangladesh informed that their authorities were interested in the training course, planned to be organized by Turkey but later postponed, on the Residue Monitoring Systems and Hygiene Rules & Quality Control Procedures. He requested that this idea should therefore be revived.

Item IX. Human Resources Development and Poverty Alleviation

36. The Indonesian representative informed that the Workshop on the Empowerment of Rural Community through the Use of Appropriate Technology for Poverty Alleviation was postponed due to the hectic program of conferences (G-15 Summit) coinciding with that period, and added that the new dates would be communicated in due course. Furthermore she appealed to those member states who have not yet done so to respond to their questionnaire so that the Indonesian focal point could proceed developing program of activities in this field.

Item X. Finance-Banking-Privatization

37. A high level Egyptian Expert on insurance made a presentation on the cooperation among D-8 for the development of insurance and Takaful business in the wake of globalisation. (The text is provided at Annex IX). In his expose, he especially drew the attention to the outflow of insurance funds (premiums) to the developed world. He also underlined the importance of establishing coordination among the member countries in connection with the rules of insurance supervision and control.

38. The Commissioners appreciating this comprehensive presentation made the following comments:

- There was a general consensus that the member countries should start cooperation in this field, which is an important supporting factor for the development of trade. They stated that the members should help each other to use, as far as possible, the existing insurance capacities in the member countries for the benefit of the D-8 area. The importance of cooperation amongst supervisory and regulatory bodies was underlined in this context. Reference was made to the optimisation of the activities of the insurance companies. In this connection, competitiveness is certainly an element to be taken into account.

- It was also suggested that the member countries should cooperate to establish their own system of rating using the existing rating institutions.

- This subject should be brought up to the attention of the Business Forum since it was a matter of primary concern for the private sector.

- In response to an inquiry whether a permanent committee could be established for cooperation between D-8 supervisory and regulatory authorities, it was suggested that Malaysia as the coordinating country might also invite the representatives of the supervisory bodies for a meeting to discuss these issues elaborated in the presented paper.

39. The Commissioner of Malaysia reported that they were planning to organise a technical training program on privatisation in August or September next.

40. The Commissioner of Iran reported on the holding of the training course on Islamic Banking for the relevant D-8 experts in October 2000 and offered to organize a similar event in the year 2001.

Item XI. Energy

41. The representative of Indonesia reminded of the decision of the VII. Session of the Commission whereby the member countries, who have not done so, were requested to report on the implementation of the recommendations of the training programs on Solar Energy Systems for Isolated Villages and Micro-Power Plants.

Item XII. Rural Development

42. The Secretary of the Ministry of Local Government, Rural Development and Cooperatives Division of Bangladesh made a presentation on the poverty alleviation in South Asia, with special emphasis on social mobilisation.

43. The Commissioners deeply appreciated this presentation as all the member countries faced challenges in rural development. It was stated that though government support was certainly necessary for rural development programmes, people's participation and involvement were the most important. In this connection, a question was also raised on how to combine rural activities with small-scale industrialisation. The Bangladesh authorities were requested to consider organizing a workshop of D-8 countries to share their experience and develop specific programs for cooperation

Item XIII. Environment

44. The Commissioner of Egypt submitted for the consideration of the Commission a proposal for Co-operation in the Utilisation of Agricultural Solid Waste for Energy Generation. The text is provided at Annex X. Moreover, the Commissioner of the I.R. of Iran informed the Commission that his authorities were planning to organise a working group meeting on the technical aspects of environmental cooperation. It was suggested that the proposals put forward by Egypt be discussed in this working group

Item XIV. Liaison with the OIC

45. The Commission welcomed the resolution adopted at the OIC Summit held at Doha, for the establishment of liaison between the OIC and D-8, and the contact between the Executive Director and the Secretary General of the OIC to work out the modalities for cooperation.

Item XV. Coordinating Unit

46. The arrangements agreed upon in the earlier sessions to contribute to the financing of the coordinating unit were brought to the attention of the Nigerian Delegation, as they were not present on those occasions. The Nigerian representative stated that he would report the subject to his authorities. The Chairman reminded the need for timely payment of the national contributions towards covering the expenses of the coordinating unit.

* * *

47. The Commissioners heartily congratulated the Chairman for conducting the work of the Commission in the most diligent and excellent manner during the tenure of Bangladesh. They expressed as well their profound thanks and appreciation to the Government and People of Bangladesh for their hospitality and generosity.

REPORT OF THE EXECUTIVE DIRECTOR



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18 December 2000

IX. SESSION OF THE COMMISSION

REPORT OF THE EXECUTIVE DIRECTOR

INTRODUCTION

1. In preparation of the Cairo Summit, the Commission has to address at Dhaka all the subjects of cooperation and issues in a comprehensive approach, and to report thereupon to the Summit through the Council. The Commission may conduct this work in conjunction with the draft decisions of the Cairo Summit on D-8 cooperation, which will form the second part of the Cairo Declaration, it being understood that if necessary, final touch might be given to these draft decisions at the Cairo session of the Commission. Furthermore, time permits, the Commission may have preliminary discussions on the first part of the Cairo Declaration covering world financial situation as well as international economic issues.

2. At the outset, I should also make it clear that this report is built upon the earlier one of 15 September 2000, presented to the New York meeting of the Commission. I submit herebelow the developments in various sectors of cooperation in the order of the agenda:

AGENDA ITEM 4: SUMMIT PREPARATIONS

3. At Cairo, three distinct events will be taking place simultaneously, namely the Summit proper, the meeting of Business Forum and the cultural festival. I suppose, their combined programs and booklets covering organisational arrangements will be circulated before the forthcoming session. The Commissioners while reviewing them may wish to seek clarifications thereupon from the Delegation of Egypt.

4. As underlined on several occasions in the past, the engagement of the private sector in D-8 cooperation is of vital importance. In this connection, the Cairo meeting of the Business Forum provides a unique opportunity. In order to ensure its success, the D-8 Governments may wish to take the necessary steps to encourage business circles to largely

participate in this first meeting of the Forum. In this connection, I have also suggested that the Executive Committee of the Business Forum, composed of the chairmen and chief executives of the national chambers, might be convened well before the Forum as this executive committee is entrusted with the task of preparing the meetings of the Forum under Article 6/B of the Charter.

5. As for the cultural festival, so far only Bangladesh has indicated its agreement in principle to send a cultural team. A reminder has recently been sent to the member countries.

6. As would be recalled, at their New York meeting, the distinguished D-8 Foreign Ministers remarked that the progress in D-8 cooperation not yet reached the desired level and underlined the need to review the past performance. Accordingly, I am also submitting to this session of the Commission a distinct **evaluation report** covering D-8 activities since the Istanbul Summit. **In the consideration of the agenda items, the Commission may also take into account the conclusions of this report and may accordingly adopt recommendations for consideration by the Summit.**

AGENDA ITEM 5: TRADE

7. At the outset, I should make it clear that this section should be read with the proviso that **all the issues and draft decisions related to trade** have to be reviewed at the Cairo session of the Commission in the light of the recommendations to be made by the Fourth Expert Group meeting which will take place in Cairo on 20-21 February 2001, in other words, immediately before the X. Session of the Commission. In my view, this is an additional reason for the Commission to try to finalise at the forthcoming IX. session the draft decisions pertaining to **all the sectors other than trade**. In other words, the X. session may rather concentrate its work on topics related to trade and the first part of the Cairo Declaration covering world economic and financial situation.

a. International Marketing and Trading Company (IMTC):

8. As the coordinating country, Egypt selected from amongst the nominated consultant firms "the Finance & Banking Consultation International Office (FINBI)" to conduct the feasibility study on this project. According to the work programme received from the Egyptian Authorities, the first draft of this study is expected to be circulated in the course of the Commission meeting at Dhaka, on which the members are to be requested to offer their preliminary comments by the end of January. Thereafter, the consultant firm is planning to submit the second draft early February 2001, on which the members are expected to give their views by Mid-february. And the final draft is planned to be circulated at the time of the Expert Group meeting referred to above. In the light of the recommendations by the Expert Group, the Commission may then take appropriate decisions on this subject at its X. Session and submit them to the Summit for its approval.

9. In this connection, I should also add that no member has responded until now to the questionnaire circulated in November, requiring information for use in the preparation of the feasibility study.

b. Trade related issues

10. **i. The Charter of the Business Forum:** So far, five member countries (Bangladesh, Egypt, the I.R. of Iran, Pakistan and Turkey) have signed the Charter. Thus, the Forum has formally come into existence as the Charter has entered into force according to Article 8. I believe, its signature by the remaining three countries too is important.

11. **ii. Easing visa procedures for businessmen:** In response to the request made by the Commission at its last session, Egypt and Pakistan have indicated their approval of the new version of the draft agreement as it stands while Indonesia and Turkey proposed some amendments to this latest version, mostly being of minor nature. They may, I believe, be taken care of at the Commission meeting. The Commission may then recommend to the interested members to sign it so that the agreement will be in force amongst the signatories.

12. **iii. Shipping:** As would be recalled, the Commission taking into account the comments earlier made by the members decided (para. 15 of the Decisions) at its last session to consider in principle a single framework in the field of shipping, and accordingly requested Bangladesh and Egypt, as the sponsors of the two original proposals on this subject, to jointly prepare a paper on the modalities of establishing such a framework, including its structure and functioning. The proposals just made by the Egyptian Company of Maritime Transport in response to this request have been circulated to the member countries.

13. On the other hand, as would also be recalled, in response to the inquiry made by Egypt before the last session of the Commission, the Islamic Shipowners' Association made valuable suggestions for cooperation with D-8 countries. As requested by the Commission at its last session, I solicited the comments of the members thereupon. Egypt and Pakistan offered substantial comments, both replies having been circulated at the time to all the members. I believe, the single framework referred to in para. 12 above, when established, could address these comments together with those which might later be offered by the others.

14. The response to our parallel inquiry with the ECO Shipping Company, made through the intermediary of the I.R. of Iran, is still awaited.

15. **iv. Simplification and harmonisation of banking measures:** The recommendation made by the Expert Group on Trade for setting up a committee composed of central bank officials to meet alongside with the Board of Governors of the IDB was discussed at the last session. At that time, some Commissioners remarked that not all D-8 members were represented at the IDB's Board while the others pointed to the fact that certain members were represented at the Board not by their central banks but by their ministries of finance. Meanwhile, it was also suggested that a meeting of the central bank officials could be organised in Washington on the occasion of IMF's annual meetings. Finally, the Chairman concluded that he would inquire the views of their central bank on the issues raised. Accordingly, the Commission may hear the outcome of this inquiry and take an appropriate action on this subject.

16. I believe, the work of this committee, if and when set up, is expected to be beneficial to the member countries not only to help simplify banking measures related to trade but also to provide a forum for exchange of information on world economic situation including financial crises. On this occasion, Indonesia and Turkey may also report to this committee about the discussions in the Group of 20 on world economic and financial issues as these two countries are at the same time the members of the said Group.

17. **v) Trade Facilitation/customs procedures:** In the light of the outcome of the seminar organised by Malaysia on 9-12 November 1999, at its VII. Session, the Commission recommended the member countries to undertake an in-depth study of experience of ASEAN and APEC and, taking into account the findings of their study, also recommended to submit before the next session of the Commission to the Executive Director a description of their customs procedures coupled with their views and proposals to facilitate customs cooperation and eliminate existing obstacles. The Commission could not address this subject at its New York session due to the fact that no response was received from any member. Since the New York meeting, only Indonesia has given its response. Last month, a new reminder has been sent to the member states to expedite their replies.

18. On the other hand, as requested by the Commission (VII. Session), the Iranian Authorities are to provide detailed information on their own proposals for setting up a **Customs Association** amongst the member countries.

19. **vi) Agreements on the avoidance of double taxation and promotion/protection of investments:** In order to present an updated chart to the Commission, the member countries have been requested to provide latest information on the subject. So far, only Egypt, Indonesia and Turkey responded. The other members may circulate their written replies in the course of the Commission meeting.

20. **vii) Trade Data Base:** As would be recalled, the final version of the structure and format of a trade database, prepared by Egypt in response to Decision 42 (VII.), was circulated to the member countries in June last to seek their comments and suggestions. So far, only Pakistan has responded. A new reminder has been sent to the member countries last month.

21. **viii) SMEs:** A questionnaire prepared by Turkey to encourage cooperation amongst the entities supporting SMEs in the member countries was circulated last June to get their replies. So far, Bangladesh, Egypt, Indonesia, the I.R. of Iran and Pakistan responded. In the light of their replies, Turkey has recently proposed a wide-ranging program of cooperation, on which the views of the member countries have been requested.

AGENDA ITEM 6: AGRICULTURAL AIRCRAFT PROJECT

22. As mentioned in my report to the last session of the Commission, the Study Group decided at its VII. Session to set up a Management Committee, composed of the representatives of the delegated companies of the member states, to discuss and resolve all the issues related to this project. Prior to the first meeting of the Management Committee, held on 11-13 September 2000, delegated companies of four member countries (Indonesia, the I.R. of

Iran, Nigeria, Pakistan) signed the non-disclosure agreement prepared by Turkish Aerospace Industries (TAI). However, only Indonesia and Nigeria attended this important meeting of the Management Committee. TAI circulated at this meeting a paper of confidential nature (ZIU Design & Program Review) addressing topics such as certification, marketing and commercialisation, production modes, financial implications of the project etc. (The same paper has later been mailed by TAI to all the other members.)

23. The project today reached a crucial stage at which the member countries are required to make their final decisions on the following fundamental issues before proceeding further on this project.

i. In the light of the experience obtained both in the manufacturing phase of the first prototype as well as ground and flight tests, a second prototype is to be prepared before starting serial production. This is a usual technical requirement. Thereafter, a certification document must be obtained, ensuring the safe flight of this aircraft. Thus, the extra expenses till the start of the serial production are estimated to require a financing of about USD 6 million. TAI is reported to have so far spent on this project USD 8 million from its own resources and thus overreached the budgetary limits. In order to meet the additional financing mentioned above (6 million USD), TAI is now obliged to turn to the member governments, including the Turkish Government. Accordingly, the member governments are to consider to what extent they could contribute to this requirement of extra financing.

ii. Before commencing serial production, commercial feasibility of the project must also be prepared, based upon the definite orders and potential needs of the member states in the first instance and of other countries outside the D-8 area in the second. In spite of the relevant decisions of the Dhaka Summit and the Commission, the member countries are yet to complete their market research and indicate their definite orders and potential needs. In assessing their needs, the member countries may, under the new concept of agricultural aviation, take into account multi-usage of this aircraft for several purposes such as spraying biological staff (bioaeronautic), fertilising, seeding, protection against frost and extinguishing harvest fires, etc.

iii. As another issue linked with the above, the member countries are also to indicate what mode of production they prefer, namely, joint production on the basis of division of labour or purchase of the aircraft plus offset arrangements.

24. All these issues are detailed in the ZIU Design & Program Review referred to above as well as in the letter of the Commissioner of Turkey, which has recently been circulated to the member countries. In short, the Turkish Authorities are of the view that it would be impossible to proceed further in this project unless the above-mentioned issues are resolved.

AGENDA ITEM 7: ITDB NETWORK

25. As would be recalled, ITDB Network was launched through the Internet on 24 May 2000. According to the information received from the Iranian Authorities, while two member countries have not yet entered any information in their home pages, six members have updated their data in the network. Nevertheless, the number of data entered by them (with the exception of host country) seems to be marginal.

26. Concerning the electronic commerce, as would be recalled, a questionnaire prepared by the Iranian Authorities in collaboration with the ITU was circulated to the members last June in order to collect the information required for the feasibility study on the proposal of setting up a Cyber Mall using VPN. Most members (Bangladesh, Egypt, Indonesia, Pakistan and Turkey) have responded to this questionnaire. A reminder was sent to the other members in October last.

AGENDA ITEM 8: AGRICULTURE

27. In line with its offer made at the VII. Session of the Commission, the I.R. of Iran organised a **Workshop on Food Security with Special Emphasis on Food Safety** in Tehran on 16-20 October 2000. With the exception of Nigeria, all the members plus the representative of FAO participated. The Workshop made several valuable recommendations to the member countries.

28. On the implementation of the recommendations of the Workshop on Food Security which was held in Islamabad on 24-26 November 1999, till the deadline of Mid-december, no member has responded to the request of information by the Commission (Decision. 9 of the VII. Session).

29. On the other hand, the Training Course on **“Development of Residue Monitoring Systems and Hygiene Rules and Quality Control Procedures Related to Fish Packaging Facilities “** had to be postponed to the year 2001 due to the low number of participants.

AGENDA ITEM 9. HUMAN RESOURCES DEVELOPMENT AND POVERTY ALLEVIATION

30. In line with the offer made at the VII. Session, the Indonesian Delegation informed the Commission at its New York meeting that they decided to organise a **“Workshop on the Empowerment of Rural Community through the Use of Appropriate Technology for Poverty Alleviation”** in Jakarta on 14-18 May 2001. The terms of reference of the workshop was also circulated at the same meeting.

31. Earlier, in preparation for this meeting, the Indonesian Authorities had requested an updated list of the member countries' national focal points as well as data and information on their capacities on HRD and poverty alleviation programs. For this request of information, two sets of questionnaires were circulated to the members last August. So far, Bangladesh, Egypt and Pakistan have responded. The last reminder has been sent this month.

32. On the implementation of the recommendations of the Seminar on Poverty Alleviation, held in Jakarta on 16-19 June 1998 and the Joint Meeting of Experts and Decision Makers on Social Safety Nets, also held in Jakarta on 13-17 August 1999, till the deadline of Mid-december, no member has responded to the request of information by the Commission (Decisions 57,58 of the VII. Session).

AGENDA ITEM 10: FINANCE-BANKING-PRIVATISATION

33. As offered earlier, the I.R. of Iran organised an International Training Course on Islamic Banking on 8-18 October 2000. With the exception of Nigeria, all the members took part. On the other hand, Malaysia also organised a Technical Training Program on the Malaysian Capital Market on 9-13 October 2000. In addition to the host country, Egypt, Indonesia, Pakistan and Turkey participated. Both meetings proved very beneficial to the member countries.

AGENDA ITEM 11: ENERGY

34. I believe, Nigeria intends to organise the first meeting of the Working Group on Energy soon. Meanwhile, the Iranian Authorities is expected to propose the date of the oil and gas workshop, originally announced at the VII. Session.

35. As for the implementation of the recommendations of the Training Programs on Solar Energy Systems for Isolated Villages (SESIV) and on Micro-Hydro Power Plant (MPP), both held in Jakarta, till the deadline of Mid-december, only Egypt, Indonesia and the I.R. of Iran informed about the implementation of the recommendations of SESIV. Moreover, Egypt and Indonesia also reported on their implementation of the recommendations of MPP. I have recently circulated them altogether to the member countries for their perusal and for possible joint action at a later stage, especially in seeking funding for financing projects in the rural energy sector as stated in para.75 of the decisions taken at the VII. Session.

AGENDA ITEM 12: RURAL DEVELOPMENT

36. As would be recalled, the Commission reiterated at the New York Meeting its request from Bangladesh and Egypt to prepare a revised version of the project "Promoting Rural Industrialisation by Comprehensive Approach" (para.25 of the Decisions). In response, Egypt has just submitted the new version of the project, which has been circulated to the member countries.

AGENDA ITEM 13: ENVIRONMENT

37. Turkey organised the first meeting of the Working Group on Environment in Istanbul on 20-21 September 2000. In addition to the host country, four members participated. Following extensive discussions, the workshop identified potential areas of cooperation in this field. The Iranian Delegation proposed to hold the next meeting of the Working Group in Iran to look into the technical aspects of environmental cooperation amongst D-8 countries.

AGENDA ITEM: 14 LIAISON WITH THE OIC

38. As would be recalled, the Delegation of Bangladesh as the Chair Country raised this subject at the Coordination Meeting of the OIC Foreign Ministers, held in New York last September. In their joint communique, they welcomed this proposal.

39. With a view to follow up this initial step, the Chair Country later approached the OIC Secretariat for the inscription of this subject into the agenda of the OIC Summit at Doha with the hope that the question might be finalised on that occasion. The OIC Secretariat accepted this request. As a matter of fact, the subject was addressed in the meeting of senior officials which preceded the Summit. Nevertheless, partly due to the hectic work of the Summit and partly due to the additional time required by some members of the OIC to further study this proposal, the draft resolution on this subject could not be taken up. The Commissioner of Bangladesh has, I am sure, more to say on the subject. In any case, the Commission may consider the strategy to be followed for again raising this issue at the next meeting of the OIC foreign ministers.

AGENDA ITEM: 15 COORDINATING UNIT

40. The Commission may decide on the modalities of payment of the yearly financial contribution towards the expenses of the coordinating unit as agreed at its last session.



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URGENT

8 January 2001

**ADDENDUM
REPORT OF THE EXECUTIVE DIRECTOR
(18 December 2000)**

Additional information and data offered by the member countries after the circulation of the Report of the Executive Director are compiled herebelow:

1. Para.11: Visa Procedures

The second revised text of the Agreement on Simplification of Visa Procedures for Businessmen, prepared by the Iranian Authorities in the light of comments by some member countries, is circulated with our letter No: TR/01/7 dated 8 January 2001.

2. Para.12: Shipping

a. Bangladesh prepared the final draft outline of their proposal on the Shipping Business Forum, which has been circulated with our letter TR/00/493 dated 31 December 2000.

b. Egypt informed that they would be preparing a revised version of their proposal on shipping, with the request that the earlier version be disregarded (Our letter No.TR/01/2 dated 2 January 2001).

3. Para.17: Trade Facilitation/Customs Procedures

In addition to Indonesia, this time Bangladesh has also given its views and proposals on the subject.

4. Para.20: Trade Database

In addition to Pakistan, this time Indonesia and Turkey have also sent their comments on the final version of the Egyptian proposal.

5. Para.27: Food Security

Turkey has given its response to the recommendations of the Workshop held in Tehran.

6. Para. 31: HRD and Poverty Alleviation

In addition to Bangladesh, Egypt and Pakistan, this time Turkey has also responded to the questionnaire circulated by Indonesia in preparation of the Workshop which will be held next May.

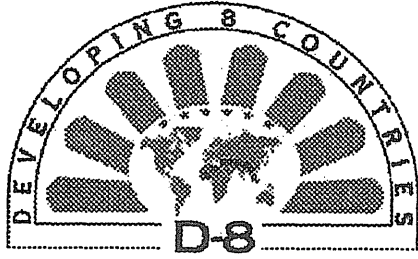
7. Para. 35: Energy

In addition to Egypt, Indonesia and the I.R. of Iran, this time Turkey has also informed about its implementation of the recommendations of SESIV.

8. Para's 38-39: Liaison

The last OIC Summit held at Doha adopted a Resolution, approving the establishment of liaison between D-8 and OIC. Accordingly, I have recently approached the OIC Secretary General to work out the modalities of cooperation (Our letters No: COM/SUM/00/478 and COM/01/6 dated 19 December 2000 and 4 January 2001 respectively).

STATEMENT BY THE EXECUTIVE DIRECTOR



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16 January 2001

The Honourable Minister of Foreign Affairs,
The Honourable Ministers, Excellencies,
Ladies and Gentlemen,

During the tenure of the Chairmanship of Bangladesh, we came together several times at the Capital City of this brotherly country. This would be the last occasion to meet as the Commission at Dhaka. We shall always cherish the days we spent in this fascinating city and carry with us unforgettable memories.

The D-8 Chairmanship of Bangladesh has been active and fruitful. The mere fact that out of 34 expert level meetings, 24 were held during the Chairmanship of Bangladesh testifies it. The leadership demonstrated by Prime Minister Her Excellency Sheikh Hasina and the guidance given by the Foreign Minister His Excellency Samad Azad and other Cabinet Ministers for the promotion of D-8 cooperation have been most inspiring.

* * *

In addition to my periodical Report, I have also submitted to this session an Evaluation Report covering the D-8 activities since the creation of our Grouping. The progress so far achieved can in no way be underestimated. Indeed, the Industrial and Technological Databank Network (ITDB) has been launched, the prototype of the Agricultural Aircraft manufactured and substantial work undertaken for the establishment of the International Marketing and Trading Company (IMTC). In the sector of trade, a major topic for cooperation, in addition to the IMTC project, concrete steps have been taken in trade related issues, namely, the conclusion of an agreement on easing visa procedures for businessmen, establishment of a single framework for shipping, simplification and harmonisation of banking measures, trade facilitation and elimination of barriers, setting up of a trade data base, development of small and medium sized enterprises (SMEs). On the other hand, the creation of the D-8 Business Forum is an important achievement as it would be instrumental to involve private sectors in D-8 cooperation. With the signature by the chambers of five member countries, the Charter has recently entered into force and the Forum has thus come into existence.

Moreover, by organising workshops, seminars, training courses, the member countries have also shared their experience, expertise and knowledge in several fields such as aquaculture, food security, poverty alleviation, takaful, banking and capital markets, energy, rural development, environment, health, etc.

Nevertheless, as they say, the better is the enemy of the good. The better we implement the decisions and recommendations and follow them up, the faster the progress will be, and the greater the benefits will accrue to the member countries.

* * *

At the Istanbul Summit, the Heads of State and Government decided that liaison be established with other regional and international organisations and groupings. This is important in order to share knowledge and expertise and to benefit from each other's experience as well as to promote joint endeavours. In this connection, I am pleased to state that the necessary steps have been taken to establish liaison between the D-8 and Organisation of the Islamic Conference (OIC). In fact, the Heads of State and Government of OIC have recently adopted a Resolution to this effect at the Doha Summit. Thereafter, I have approached the Secretary General of the said Organisation to work out a document defining the modalities of cooperation between the two bodies. Here, I would like to pay tribute to the Government of Bangladesh for its efforts to this end.

The members of D-8 Grouping have, as you know, also memberships in some other regional organisations/groupings or links with them such as ASEAN, APEC, SAARC, ECO, The League of Arab States, Black Sea Economic Cooperation, European Union, Group of 20, etc. I believe, the dual memberships may also serve to share the information and knowledge available in these organisations and groupings, and to draw upon their experience.

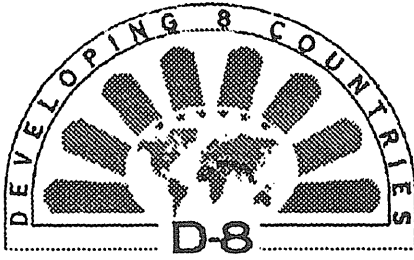
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This Session of the Commission is primarily designed to prepare the Cairo Summit and to ensure its success. The Commission has a rather heavy agenda before it. I am sure, under the able and diligent Chairmanship of Ambassador Toufiq Ali, the Commission will be able to handle all the issues in its agenda and end up its work with tangible results.

In concluding, I would like to express my gratitude and thanks to the Government and the People of Bangladesh for their hospitality and generosity.

Long live Bangladesh.

AGENDA OF THE MEETING



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18 December 2000

DRAFT AGENDA IX SESSION OF THE COMMISSION (16-17 January 2001, Dhaka)

1. Opening statement by the Chairman of the Commission
2. Adoption of the Agenda
3. a) Report of the Executive Director (periodical)
b) Evaluation Report (June 1997-January 2001)
4. Preparations of the Cairo Summit
5. Trade
 - a) International Marketing and Trading Company (IMTC)
 - b) Trade Related Issues
 - i. Charter of the Business Forum
 - ii. Easing visa procedures for businessmen
 - iii. Shipping
 - iv. Simplification and harmonisation of banking measures
 - v. Trade facilitation/ customs procedures
 - vi. Agreements on the avoidance of double taxation and promotion/ protection of investments
 - vii. Trade database
 - viii. Small and medium sized enterprises (SMEs)
6. Agricultural Aircraft Project
7. ITDB Network
8. Agriculture
9. Human Resources Development and Poverty Alleviation

10. Finance-Banking-Privatisation

11. Energy

12. Rural Development

13. Environment

14. Liaison with the OIC

15. Coordinating Unit

16. Any other Business