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A GLOBAL ECONOMIC GROUP MEETINGS BETWEEN 2001-2004 VOLUME I



MEETINGS
BETWEEN
THE THIRD AND THE FOURTH SUMMITS

2001-2004

VOLUME I

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VOLUME I

OFFICE OF THE EXECUTIVE DIRECTOR
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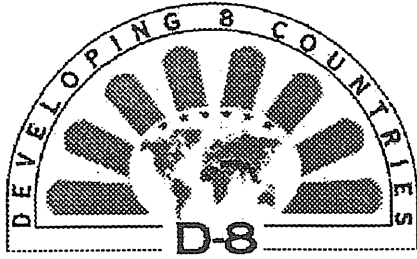
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PART I

ELEVENTH SESSION OF THE COMMISSION

REPORT OF THE COMMISSION



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REPORT OF THE ELEVENTH SESSION OF THE COMMISSION (Cairo, 6-7 June 2002)

1. The Eleventh Session of the Commission was held in Cairo on 6-7 June 2002. All the member countries attended the meeting.
2. At the beginning of the meeting, H.E. Ambassador Raouf Saad, the Chairman and the Commissioner of Egypt made an opening statement. Touching on various items in the agenda, he particularly stressed the need to increase the present level of D-8 intra-trade. He added that the establishment of the IMTC will constitute an important step to this end.
3. The Commission adopted the draft agenda which is provided as Annex I to this report.
4. The Executive Director presented his report. Referring to the share of D-8 intra-trade in the overall trade of the member countries, which is still very low as will be observed in the world trade figures, particularly of the year 2000, he emphasized that the establishment of the IMTC would constitute an important step for the promotion of D-8 intra-trade

Agenda Item.4: Development of D-8 intra-trade

a) IMTC Project

5. The FINBI representative made a presentation on the feasibility study of the IMTC project.
6. The Commissioners confirming their support in principle to this project, reaffirmed that the company should be private sector driven and the private sector should therefore be mainly responsible for running the company while also pointing that the political support of the Government would be necessary to stimulate the interest of the businessmen in this project. The Commissioners also underlined that in the first phase, the company should focus on the marketing activities, thus expanding its involvement in actual trade in the second phase. The Commissioners also exchanged views on how to contribute to the capital of the company. It was agreed that this should depend upon the decision of each member country. In this connection, it was also felt that the contributions by the Governments, in terms of seed money, even in modest amount,

would give a political signal to the business community to stimulate their interest in the company's activities. At the request of the Commissioners, the FINBI representative prepared a short summary of the feasibility study for its wide circulation among the business community. She also stated that it would be necessary to support and engage the SMEs in the activities of IMTC since the SMEs play an important role in the development of D-8 economies.

7. The Commission also discussed the steps to be taken in the coming months for the establishment of the company. In this connection, it was stated that the participation of at least four member countries would be sufficient for making the company operational although this may lead to a slowdown in the company's activities. In considering future steps to be taken, the legal issues related to the establishment of the company and the payment modalities were also raised. Responding to these inquiries, the Commissioner of Egypt, the Chairman, proposed to convene a meeting with the participation of public and private sector companies as well as government representatives in early September to consider the terms and modalities indicated in the feasibility study. The outcome of this meeting would be reported both to the Commission and the Council in their meetings in New York so that the commitments of the member countries could be finalized in order to launch the company by the Jakarta Summit.

8. The Commission agreed that the contributions made in the past by some member countries towards the expenses of the feasibility study should continue to be kept in the bank account with prime interest for possible use as preliminary commitment by the governments concerned to the capital of the company.

b. Trade related issues

i. Establishment of a single framework for shipping

9. The Commissioner of Bangladesh stated that the Commission would soon be appraised about the dates of the working group meeting to discuss the idea of establishing a shipping framework for a constructive dialogue between the business circles, shipping companies and ship owners' associations.

ii. Trade data base

10. The Commissioner of I.R of Iran and Turkey, pointing to the existing duplication of trade data base under the ITDB and the Egyptian data base, stated that it would be advisable to avoid this redundancy. As a result, it was decided that the Egyptian trade data base would become a part of the ITDB with a single address as it was envisaged at the VII/ session of the Commission with the understanding that the trade data base will be administrated by Egypt. The Turkish Commissioner also added that they were in contact with the Egyptian counterpart to clarify certain technical points for feeding the trade information. The CD containing trade information of Pakistan was also handed over to the host country for feeding the data base. On the other hand, The Commissioner of Indonesia suggested that it would be beneficial to extend the coverage of the data base to

other activities including trade exhibitions to be organized in the respective D-8 countries.

iii. Simplification and Harmonization of Banking Measures

11. The Commission extensively discussed the need and the modalities of convening a meeting to discuss this subject. First, it is clarified that what is meant here is the simplification of trade related banking measures rather than harmonization. The view was expressed that there was some merit for convening such a meeting in order to facilitate multilateral payment arrangements as well as the correspondence relationship between various banks. Finally, the Commission agreed to recommend to the central bank governors to arrange a meeting of central bank officials on the margin of the IMF/World Bank meetings to discuss whether and in what way they can contribute to the promotion of D-8 intra-trade.

iv. Consideration of the report of the Expert Group Meeting on Customs Procedures-Trade Preferences-Elimination of Trade Barriers within D-8

12. The Commissioner of Malaysia presented the report of the Expert Group Meeting held in Kuala Lumpur on 21-23 May 2002 to intensify the work in the field of customs procedures as well as to study trade preferences and the issue of trade barriers within D-8 as a regional arrangement consistent with the international obligations of the member states. Referring to various proposals made by the experts, he added that the experts will continue to discuss these proposals in the next meeting which will be held in Tehran. The Commissioner of the I.R. of Iran stated that they would soon propose the dates for this meeting.

v. Agreement on the Simplification of Visa Procedures for the Businessmen

13. The Commissioner of Malaysia stated that they have not signed this agreement since they have a very liberal visa system. He assured that they would offer special treatment to the D-8 businessmen on bilateral basis. On the other hand, the Turkish Commissioner informed that they have ratified the agreement while the Commissioners of Egypt, the I.R. of Iran, Nigeria and Pakistan informed that they were in the process of ratification.

vi. Cooperation in the field of SMEs

14. The Commissioner of Turkey presented the report of the Workshop organized by his country in this field. He added that if the other members are interested like Pakistan in sending experts for a training program, Turkey would be pleased to organize it. The Commissioner of Pakistan informed that their relevant organization SMEDA launched a web site as a discussion forum for exchange of information. In response to an inquiry, he added that a hyper link could easily be established between the ITDB and SMEDA's website.

vii. Business Forum

15. The Commissioners having appreciated the first meeting of the Business Forum which was organized alongside the Cairo Summit, stated that in order to make the second meeting of the Forum fruitful, it would be advisable to formulate a concrete agenda and to ensure larger participation from the business community. To this end, it was proposed that the executive committee of the Forum could be convened beforehand to prepare the meeting of the Forum. Responding to these suggestions, the Commissioner of Indonesia said that they would be pleased to host the meeting of the executive committee and to convene it prior to, and possibly well before, the Business Forum. He promised to give their views at the next Commission meeting on the timing of the meeting of the executive committee.

16. On this item, a question was also raised in connection with joining the activities of the Business Forum. The Commission, referring to the objectives of the D-8 Grouping as outlined in para.3 of the Istanbul Declaration, gave full assurance that there was no impediment to the participation of any member country or of any group in the D-8 members.

Agenda Item. 5: Industry

17. The Commissioner of Turkey stated that the prototype of the aircraft having already been manufactured and testing flights successfully conducted, it was now necessary to ensure the commercial feasibility of the project, taking into account the quantitative needs of the member countries and their financial contributions as well. He added that the member countries have not so far made tangible commitments on these two aspects, neither responded to the Iranian proposal to establish a consortium. He requested the member countries to clarify their position till the next meeting of the Commission to finalize the decision on this matter. The Commissioners of Iran and Nigeria indicated their continued interest and willingness to participate in this project, while reminding the need for establishing a linkage between production and market. The Commissioner of Egypt stated that they were willing to participate in the production although the Egyptian market is quite small for this aircraft. The Commissioner of Indonesia stated that this subject, including the multi-purpose version of the project, was at present studied by various ministries and they therefore needed longer time to respond. Finally, the Commissioner of Turkey expected the member countries to clarify their position on this project till the next session of the Commission with the understanding that this deadline could be taken as a target date.

18. On the other hand, the Commission recognized the importance of expanding cooperation in various fields of industry and urged the member countries to propose new projects to meet this objective.

Agenda Item. 6: Information and Telecommunication

19. The Commissioner of the I.R of Iran stated that ITDB web site was not a centralized endeavor and each member country had direct access to the web site to feed the necessary information and update it. He added that though the first part of the web site concerning the basic information about the member countries was complete, the second part concerning the manufacturers, research institutes, etc were however to a great extent incomplete. Since the number of visitors utilizing the ITDB are increasing, it would be in the interest of the member countries to also feed this part with the necessary information and regularly update it. The Commissioner of Turkey stated that they have updated their national home page recently. The Commissioner of Nigeria informed the meeting that Nigeria had the infrastructure for feeding the ITDB web site. The Chairman strongly urged the member countries to update their national home pages.

20. Concerning the establishment of a cyber mall for e-commerce, the Commissioner of the I.R. of Iran stated that this was important to conduct direct business transactions. He said that six member countries had so far replied to the questionnaire prepared by ITU to collect the necessary information. He also requested the remaining two member countries to do likewise. He informed that the ITU was at present preparing a memorandum of understanding and would make it ready till the next Commission meeting. The Commissioners while appreciating the step taken by the I.R of Iran stated that it would be extremely useful if the host country could, upon the finalization of the feasibility study, organize a comprehensive demonstration of the site to explain how it would function.

21. As regards the dedicated server, the Commissioner of the I.R. of Iran said that at present a server of Host Pro was being used, and added that it would however be necessary to have a dedicated server perhaps at a later stage when e-commerce would be started. In such a case, the yearly cost for each member would be around 2-3 thousand USD. Meanwhile, the Commissioner of Malaysia informed that various ministries of his government were now studying this matter, and he hoped that they would be able to give their response soon.

Agenda Item. 7: Agriculture

22. The Commissioner of Pakistan briefed the Commission on the Workshop on Alternate/Organic Fertilizer organized by his country. He added that the Workshop on Conservation of Farm Animal Genetic Resource which was planned to take place in April last but postponed due to the late nomination of the participants was now going to take place on 1-3 August 2002. He requested the members to make their nominations before the deadline date indicated. Moreover, he also indicated that the third workshop on biotechnology initiative for increasing agricultural productivity would also be organized before the end of this year. On the other hand, the Commissioner of Turkey in his turn briefed the Commission on the Seminar on Residue Monitoring Systems and Hygiene Rules & Quality Control Procedures for Fish Packaging.

23. In this connection, the question was also raised on how to give a follow-up to

these meetings to make them more useful for our people. In response, the Commissioner of Pakistan said that they ensured widest circulation of the reports to the government agencies as well as the businessmen in the private sector for their benefit. The Commission agreed that it was necessary to make a more scientific evaluation of the usefulness of these meetings.

Agenda Item. 8: Finance-Banking-Privatization

24. The Commissioner of Malaysia first briefed the Commission on the outcome of the Training Program on Privatization organized by his country on 20-25 August 2001. He added that they would organize another program on the same in the year 2003. Referring to the Seminars on Takaful, Retakaful and Islamic Banking organized by his country in 1999, he said that his authorities were considering to organize another national conference on takaful in the year 2003. The expert from Malaysia gave an extensive briefing on this subject, also informing the Commission about the training programs his Government intends to organize in the years of 2002-2003 and 2004. (The text is attached herewith as Annex IV)

25. The Commissioners deeply appreciated this presentation and the training programs to be organized by Malaysia. They underlined the importance of cooperation and exchange of information in this field, taking into account great potentials existing in the member countries. In this connection, it was suggested that the Egyptian proposal made at the Cairo Summit to cooperate and coordinate between insurance and reinsurance company, and the Malaysian proposal to ensure a collaboration between the supervisory and regulatory authorities in the field of insurance could be combined and addressed in the same meeting which will be organized by Malaysia.

Agenda Item. 9: Human Resources Development-Poverty Alleviation

26. The Commissioner of Indonesia presented the report of the Workshop on the Empowerment Rural Community through the Use of Appropriate Technology for Poverty Alleviation. The expert from Egypt explained four proposals which have been considered at this workshop and referred to its recommendations in this respect. She especially emphasized the importance of establishing a web site for exchange of information. She also added that what was needed now was to prepare a work plan to activate these recommendations.

27. The Commissioner of the I. R of Iran, underlining the importance of the dissemination of information by using the web site, informed the meeting that his authorities were planning to organize this fall a workshop on poverty reduction reforms and development measures. He also suggested that Indonesia could consider to organize a meeting of executives just before the next Summit. In response, the Commissioner of Indonesia said that he took note of the Iranian suggestion and would convey it to his Government. He also added that his authorities would organize a workshop on food safety for poverty alleviation during the Fourth Summit. They would inform in writing the objectives and arrangements for this workshop for circulation to the members. He said that two participants, one being an expert and the other a decision maker, would be

invited. Finally, the Chairman added that the subject of poverty alleviation should be considered in a larger context together with developing dimension. On the other hand, the Commissioner of Bangladesh suggested that the D-8 should take a unified step in Micro Summit which would take place in New York this year.

Agenda Item. 10: Rural Development

28. The Commissioner of Egypt explained the current state of affairs with the project of Rural Industrialization by Comprehensive Approach and UNIDO's response to D-8 request of assistance. The Commissioner of Malaysia explained the policies and practices of his country in this field. The Commissioners, pointing to various projects in the field of SMEs, poverty alleviation and rural development which are closely linked, stated that what was now needed in this variety of activities was to establish a large scale dialogue by using the internet in order to harmonize these activities and to develop a sound strategy, a sort of road map in this respect. To this end, the member countries should feed as much as information in the internet.

29. Meanwhile, the Commissioner of the I.R of Iran stated that they carefully studied the project "Rural Industrialization by Comprehensive Approach" and had several questions in this respect. The Chairman suggested that these questions might be brought to the attention of all the member countries through the internet so that they would be able to respond to them. On the other hand, the Executive Director has been requested to approach UNIDO to further explore the possibilities of assistance from this agency.

30. Moreover, the Commissioner of Turkey briefed the meeting about "the Village-Turned-Town Project" which is designed to ensure the comprehensive development of the rural areas, providing education, health services, infrastructure, social services, economic activities etc. He said that taking into account the successful implementation of this pilot project, his Government recently decided to extend it to some other rural communities. He added that his Government was ready to share its experience by organizing a workshop and a study tour.

Agenda Item. 11: Energy

31. The Commissioner of Nigeria presented the report of the Working Group Meeting on Energy together with its recommendations. The Commissioners, having appreciated and commended the step taken by Nigeria for organizing this Working Group Meeting, stated that amongst various recommendations, priority should be given to the exchange of information in this field. To this end, the member countries should collect and exchange data, providing a catalogue of experts and institutions specialized in various forms of energy. In this connection, the Commissioner of Egypt also suggested that the member countries should first utilize the expertise available within D-8 before attempting to import from developed world.

32. The Commissioner of Turkey, referring to various forms of energy existing in the member countries, drew attention to the energy corridors constructed for the transmission

of hydro carbons, thus serving as a intermediary between the consumers and producers of energy.

Agenda Item. 12: Environment

33. The Commissioner of the I.R. of Iran briefed the meeting about the Working Group Meeting on Technical Aspects of Environmental Cooperation and its recommendations. The Commissioner of Egypt informed the Commission that his authorities were planning to organize the next Expert Group Meeting on Environment on 15-16 December 2002 and a seminar to discuss the subject of agricultural solid waste management on 17 December 2002. He invited the member countries to make concrete proposals to the seminar.

Agenda Item. 13: Question of Liaison with the OIC and other International Organizations

34. In the light of the instructions given by the Heads of State and Government at the Summit meetings, the Commission engaged in an extensive discussion on this matter. In the end, the Commission, taking into account paragraphs 3 and 9 of the Istanbul Declaration and paragraph 30 of the Cairo Declaration, requested the Executive Director to pursue and initiate contacts with a view to establishing liaison, in consistent with the D-8 priority interest, with various international/regional organizations such as IDB, OIC, UN, UNDP, FAO, UNIDO and WTO.

Agenda Item. 14: The Status of the financial contributions by the member countries

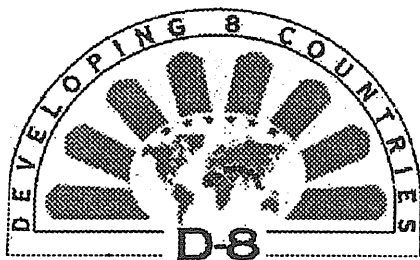
35. The Commission called upon member countries to make their contributions for the year 2002 together with the unfulfilled contributions for the last year towards the expenses of the Coordinating Unit.

Agenda Item. 15: Dates and Venue of the Next session of the Council and the Commission

36. The Commission recommended the D-8 foreign ministers to hold the VI. session of the Council alongside the UNGA meetings and would accordingly hold its next session also in New York to precede the Council meeting. The Chairman stated that they would inform the Commissioners about the precise dates of these two meetings.

* * *

37. In the conclusion of this session, the Commissioners congratulated the Commissioner of Egypt for his very able chairmanship to steer the deliberations in the most efficacious manner and expressed their deep gratitude to the Government and People of Egypt for their generous hospitality and for the excellent arrangements made for this meeting.



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ANNEX I

6 June 2002

AGENDA

(XI. Session of the Commission)

1. Opening statement by the Chairman
2. Adoption of the Agenda
3. Report of the Executive Director
4. Development of D-8 intra-trade
 - a. IMTC : Final version of the feasibility study drafted in the light of the comments by the members (circulated with our letter No. TR/01/234 dated 1 August 2001)
 - b. Trade related issues:
 - i. Establishment of a single framework for shipping
 - ii. Trade data base: Feed-up by the members
 - iii. Simplification and harmonisation of banking measures: Meeting of the central bank and ministry of finance officials alongside with the IMF meetings
 - iv. *Consideration of the report of the Expert Group Meeting (yet to be circulated) on customs procedures-trade preferences-elimination of barriers within D-8 as a regional arrangement consistent with the international obligations of the member states, organised in Kualalumpur on 21-23 May 2002.*
 - v. Agreement on the Simplification of Visa Procedures for the Businessmen: Ratification process.
 - vi. Consideration of the report of the workshop for cooperation in the field of SMEs, organized in Istanbul on 2-4 October 2001.
 - vii. D-8 Business Forum :
 - Signatures to the Charter
 - Preparations of the second meeting of the Business Forum :
Convening a meeting of the executive committee of the Forum.
5. Industry: Future of the agricultural aircraft project

(* The changes made in the original draft dated 22 January 2002 are indicated in italic.

6. **Information and Telecommunication.**
 - a. ITDB network : Updating national home pages in the internet
 - b. Cyber mall e-commerce: Pre-feasibility study prepared by ITU and the comments by some members thereupon.
 - c. Dedicated server for the ITDB web-site: The study on its cost requirements and the comments by some members thereupon.

7. **Agriculture**
 - a. Consideration of the report of the workshop on alternate/organic fertilizer, organized in Islamabad on 19-20 June 2001 (circulated with our letters No. AGR/01/240 and 246 dated 3 and 10 August 2001).
 - b. Convening of the two workshops on biotechnology initiative for increasing agricultural productivity and conservation of farm animal genetic resource, both to be organized by Pakistan: Setting the dates
 - c. *Consideration of the report of the the Training Course on residue monitoring systems and hygiene rules & quality control procedures for fish packaging, organised by Turkey on 26-29 March 2002 in Bodrum.*

8. **Finance Banking and Privatization.**
 - a. Consideration of the report of the Training Program on Privatization, organized in Kuala Lumpur on 20-25 August (circulated with our letter No. FBP/01/286 dated 24 September 2001).
 - b. Cooperation between insurance and reinsurance companies (Egyptian proposal) as well as collaboration amongst the representatives of supervisory and regulatory authorities in the field of insurance. (Malaysian proposal): Setting the dates of a meeting to discuss these two topics.

9. **Human Resources Development- Poverty Alleviation:** Consideration of the report of the Workshop on the Empowerment of Rural Community through the Use of Appropriate Technology for Poverty Alleviation, organized in Jakarta on 5-9 November 2001 (circulated with our letter No. PHR/01/336 dated 16 November 2001).

10. **Rural Development:**
 - a. Revised version of the project "Promoting Rural Industrialisation by Comprehensive Approach": Implementation of the project in the light of comments by Bangladesh, Indonesia, Pakistan, and UNIDO's possible contribution. (ref: Our letter No. RD/01/306 dated 1 October 2001)
 - b. *Consideration of the report of the Workshop "Sharing Experience and Formulation of Future Strategy for Rural Development", organized by Bangladesh on 5-7 March 2002 in Dhaka.*

11. **Energy:** Consideration of the report and the communique of the Working Group Meeting on Energy, held in Abuja on 2-5 April 2001 (circulated with our letter No. ENG/01/127 dated 10 April 2001)

12. **Environment:** Consideration of the report of the Working Group Meeting on Technical Aspects of Environmental Cooperation, held in Tehran on 14-15 November 2001. (circulated with our letter No. ENV/01/351 dated 29 November 2001).

13. The follow-up of the ideas put forward by the Heads of State/Government at the Working Session of the Cairo Summit. (integrated format is circulated with our letter No. SUM-COM/01/264 dated 3 September 2001) (**)
14. Question of liaison with the OIC and other international organizations.
15. *The state of financial contributions by the members towards the expenses of the Coordinating Unit for the last year and the current year 2002, and the budget performance of the year 2001.*
16. Dates and venue of the next sessions of the Council and the Commission
17. Any other business

(**) Some of these ideas may be taken up, as appropriate, during the discussions of the relevant agenda items mentioned above.

DECISIONS ADOPTED



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DECISIONS ADOPTED BY THE XI SESSION OF THE COMMISSION 6-7 JUNE 2002, CAIRO

The Commission, having met in Cairo on 6-7 June 2002, adopted the following decisions and recommendations:

TRADE

1. Appreciates the work done by the consultant firm – FINBI- in preparing the final version of the feasibility study on the establishment of the International Marketing and Trading Company (IMTC) in the light of comments offered by the member countries after the Cairo Summit.
2. Decides to convene a meeting for the prospective partners or potential shareholders to be hosted by the Egyptian Federation of the Chambers of Commerce, early September 2002, to consider the terms and modalities of the establishment of the IMTC. The Egyptian government will later announce the exact date of the meeting.
3. The next Commission will consider the recommendations of the said meeting prior to submitting the final report to the next Council of ministers for adoption, with the ultimate objective of launching the IMTC in the Fourth summit of Heads of State and Government.
4. Reaffirms the already agreed principle that the company would become private sector driven based on the objectives of the D-8.
5. Invites the member governments to encourage through their national chambers and business associations, the firms and businessmen operating in their country to participate in the said company and to subscribe to its capital.
6. Calls upon the D-8 Business Forum and its executive committee to also stimulate the interest of D-8 firms and businessmen in the activities of the IMTC and to encourage them to join the company.
7. Also invites the member governments to subscribe to the capital of the company, be it in a modest amount in accordance with the principles of public-private partnership, to give a clear signal to the private sector that they strongly support this project.

8. Reaffirms the importance the Commission attaches to the establishment of a shipping framework for a constructive dialogue among the business circles, shipping companies, ship owners associations, and invites the government of Bangladesh to set a date to convene the working group meeting on shipping to consider this matter.
9. Invites the member governments to feed and update the trade database regularly with trade information, including trade exhibitions, for the common interest of the entire membership, as requested at the Cairo Summit, and recommends to incorporate the trade data base, which will be administered by Egypt, into the ITDB website; and requests the Executive Director to follow up the implementation of this decision.
10. Invites Egypt as the coordinating country, to convene the first meeting of the officials of D-8 Central Banks/Ministries of Finance to discuss trade-related banking measures amongst the member countries. It is recommended that advantage could be taken of the presence of the Central bank governors of the member countries in Washington, D.C. to attend the World Bank/IMF meetings to convene the above mentioned meeting.
11. Appreciates the efforts of the government of Malaysia in convening the first expert group meeting on Trade Preferences, Customs Procedures and Trade Barriers from 21-23 May 2002. Encourages the expert group to follow up on the recommendations contained in the report, in the upcoming meeting to be held in the I.R. Iran.
12. Invites the members who have not yet done so, to sign and accelerate their procedures of the ratification of the Agreement on the Simplification of Visa Procedures for D-8 Businessmen so that the Agreement would enter into force as soon as possible.
13. Endorses the report of the Workshop on SMEs jointly organized by the Istanbul Chamber of Commerce and the Small and Medium Industry Development Organization (SMIDO) of Turkey in Istanbul on 2-4 October 2001.
14. Welcomes the offer of SMEDA of Pakistan to set up a forum on the internet under its website to achieve continuous exchange of information among the members in this field. The Commission endorses the proposal to organize a workshop on data collection, classification system and management of SMEs and ideas such as convening an expert group meeting on Joint D-8 Venture Programs and setting up subcontracting exchange offices through the assistance of UNIDO.
15. Invites Indonesia, as the next Chair, to consider convening a meeting of the Executive Committee of the Business Forum before the second meeting of the Business Forum to take place alongside the Fourth D-8 Summit to be held in Jakarta 2003.

INDUSTRY

16. Appreciates the work done and the financial support given by the Turkish Aerospace Industries (TAI) to manufacture the prototype of the agricultural aircraft and to successfully conduct its test flights. The Commission invites the member countries to respond, by the next session of the Commission, to the letter of the Commissioner of

Turkey circulated on 15 December 2000, and to the Iranian proposal made at the Tenth Session of the Commission to establish a consortium for initiating commercial production of the aircraft so that a definitive decision could be taken on the future of this project in the light of the directive given by the Heads of State and Government at the Cairo Summit, thus avoiding unnecessarily prolonging existing uncertainties on this matter

17. Recognizes the importance of expanding cooperation in various fields of industry and urges member countries to propose new projects to meet this objective.

TELECOMMUNICATION & INFORMATION AND SCIENCE & TECHNOLOGY

18. Appreciates the work done and the financial support given by I.R. Iran to establish and administer the ITDB network, and reiterates its earlier call to the member countries to regularly feed and update their national home pages in this network.

19. Requests the coordinating country – I.R. Iran – to pursue the finalization of the feasibility study done by the International Telecommunication Union (ITU) for setting up a cyber mall for e-commerce, including the need for a dedicated server, in the light of the comments by the member countries on the pre-feasibility study. The Commission also, requests I.R. Iran, in cooperation with, the ITU to provide a demo (Pilot Project) of the cyber mall, once the feasibility study is completed.

AGRICULTURE

20. Endorses the recommendations of the report of the Workshop on Organic/Alternate Fertilizer, which was held in Islamabad on 19-20 June 2001.

21. Welcomes the convening of the workshop on Conservation of Farm Animal Genetic Resources on 1-3 August 2002 in Pakistan, and the workshop on Biotechnology Initiative for Increasing Agricultural Productivity, to be organized by Pakistan before the end of this year.

22. Appreciates the Training Program on Residue Monitoring Systems and Hygiene Rules & Quality Control Procedures for Fish Packaging, organized by the Government of Turkey in Bodrum on 26-29 March 2002; and recommends the member countries to exchange information and experience in aquaculture technology and infrastructure, and to encourage as well private sector companies to collaborate in the breeding and trade of sea products.

FINANCE-BANKING-PRIVATIZATION

23. Appreciates the efforts by the Government of Malaysia in convening the Training Program on Privatization on 20-25 August 2001, which has been very informative for the participants. The Commission welcomes the offer of Malaysia to convene another Training Program on Privatization to be held in 2003.

24. Appreciates the efforts by Malaysia in promoting takaful, retakaful (insurance and reinsurance) and Islamic Banking initiatives among member countries. The Commission welcomes the training programs and activities on takaful and retakaful to be organized by Malaysia for the period 2002 - 2004.

25. Invites Malaysia to organize a meeting of competent authorities, as suggested by I.R. Iran, to discuss takaful and retakaful, and the Egyptian proposal entitled "Cooperation among the D-8 for the Development of Insurance and Takaful Business in the Wake of Globalization", as well as the Malaysian proposal on the modalities of establishing a mechanism of cooperation in the field of insurance.

HUMAN RESOURCES DEVELOPMENT – POVERTY ALLEVIATION

26. Endorses the report of the Workshop on the Empowerment of Rural Community through the Use of Appropriate Technology for Poverty Alleviation, which was organized by the Government of Indonesia on 5-9 November 2001.

27. Recommends the member countries to continue to work together to find ways and means in order to develop appropriate technologies, and to this end to exchange experiences and best practices, including in micro-financing, among them through the D-8 web-site.

28. Recommends the members to utilize community-based technologies that are simple and low cost; to ensure participation of rural community in the planning, designing and implementation of schemes to alleviate poverty; to encourage the involvement of the private sector in the development of appropriate technology and in efforts to empower rural community; to increase cooperation among the D-8 member countries in information and communication technologies related to poverty alleviation and to this end closer collaboration among the coordinators.

29. Recommends the member countries to continue exchange of experiences in Human Resources Development and Poverty Alleviation by conducting 2 workshops as follows:

- Proposal by I.R. Iran to hold a workshop on "Poverty Alleviation: Reforms and Development Measures" to be held in the fall of 2002.
- Proposal by Indonesia to hold a workshop in 2003 on Food Safety for poverty alleviation.

The Commission invites the member states to provide relevant information in the D-8 website.

30. Welcomes the proposal by I.R. Iran to convene a meeting of the officials responsible for poverty alleviation programs, to initiate cooperation among member countries in this end.

RURAL DEVELOPMENT

31. Invites members to engage actively in a constructive dialogue through the D-8 website to promote with a view to promoting common perspectives on rural

industrialization. Further invites Bangladesh as the coordinating country and Egypt as the author of the project "Promoting Rural Industrialization by Comprehensive Approach", in cooperation with interested members to initiate the implementation of this project. To this end, the Commission also requests the Executive Director to approach UNIDO and other relevant international agencies and donors for assistance.

32. Appreciates the efforts of the Government of Bangladesh for convening the Workshop on "Sharing Experience and Formulation of Future Strategy for Rural Development" on 5-7 March 2002 and endorses the recommendations made.

33. Appreciates the briefing of the Turkish Commissioner on the pilot project called "Villages Turned Towns" and welcomes the Turkish proposal to organize a seminar and a study tour to share the experience on this project.

ENERGY

34. Appreciates the efforts by the Nigerian government in convening the Working Group Meeting on Energy, which was held on 3-5 April 2001 and endorses the recommendations made.

35. Invites the interested member countries to take the necessary steps with the view of initiating the projects identified in the report.

36. Stresses the importance of information exchange in the field of energy and strongly recommends that a program for the exchange of information on the members' expertise in the field of energy to be established with a view to enhancing capacity-building and feeding the D-8 website with this information. Also takes note of the recommendations for the establishment of an International Energy Institute for Manpower Development, and to give their views thereupon till the next session of the Commission so that it may examine them, and accordingly report to the Council of Ministers

ENVIRONMENT:

37. Appreciates the efforts by the I.R. Iran in organizing the Working Group Meeting on Technical Aspects of Environmental Cooperation which was organized by the government of the I.R. Iran on 14-15 November 2001 and endorses the report of the said meeting.

38. Invites the members to make appropriate proposals and to take the necessary steps for the implementation of various recommendations formulated by the experts, such as organizing workshops on identification of existing environmentally sound technologies in member countries and developing mechanisms for their transfer upon the request of interested member countries; designing funding and implementing joint projects on various environmental issues faced by the member countries; establishing an environmental network through the ITDB web-site and developing and monitoring system to determine and manage the environment pollution under the coordination of I.R. Iran's Department of Environment.

39. Welcomes the proposal by Egypt to organize the next Expert Group Meeting on Environment on 15-16 December 2002 as well as the Seminar on "Agricultural Solid Waste Management" on 17 December 2002.

QUESTION OF LIAISON WITH THE OTHER INTERNATIONAL ORGANISATIONS

40. Authorizes the Executive Director, in line with paragraph 3 and 9 of the Istanbul Declaration and paragraph 30 of the Cairo Declaration to pursue and initiate liaison, consistent with the priority interests of the Group, with the relevant international and regional organizations such as, the IDB, UN, UNDP, FAO, UNIDO, WTO and OIC, bearing in mind that this constitutes the first step to include more organizations as required. Also requests the executive director to report about his contacts to the next session of the Commission.

STATUS OF THE FINANCIAL CONTRIBUTIONS AND THE BUDGET PERFORMANCE OF THE YEAR 2001

41. Takes note of the status of financial contributions by the members and the budget performance submitted by the Coordinating Unit for the year 2001.

42. Calls upon the member governments to make their payments for the year 2002, together with the unfulfilled contributions for the last year, towards the expenses of the Coordinating Unit under the existing arrangements agreed upon.

DATES AND VENUE OF THE NEXT SESSIONS OF THE COUNCIL AND THE COMMISSION

43. Recommends that the VI. Session of the Council be held in New York alongside the 57th session of the UNGA, and accordingly would hold the next session of the Commission also in New York to precede the Council meeting, the dates of both of which to be fixed by the Chair Country in consultation with the member states.

REPORT OF THE EXECUTIVE DIRECTOR



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XI. SESSION OF THE COMMISSION

13 May 2002

REPORT (*REVISED*)(*) OF THE EXECUTIVE DIRECTOR

INTRODUCTION

About fifteen months passed since the Cairo Summit. During this period, the feasibility study on the International Marketing and Trading Company (IMTC) has been finalised in the light of further comments from the member countries and the text is now ready for formal approval by the Commission. Certain long-standing projects/issues also require decisions of the Commission. On the other hand, *nine meetings (including the one which is to take place in the second half of this month)* in the form of workshops, seminars and training programs were organised by the member states. Their reports are before the Commission for necessary action. *One meeting is postponed to the month of July-August* while the dates of the others mentioned in the Cairo Declaration are expected to be fixed soon. In the order of the draft agenda, I shall summarize herebelow the D-8 activities since the Summit.

AGENDA ITEM 4: DEVELOPMENT OF D-8 INTRA-TRADE

a. International Marketing and Trading Company (IMTC) :

1. As would be recalled, the draft feasibility study prepared by the consultant firm FINBI was first discussed at the IX. session of the Commission, and thereafter at the IV. Expert Group Meeting on Trade and the X. session of the Commission in the course of the Cairo Summit. The summaries of the discussions at the IX. and X. sessions were reflected in paragraphs 11-15 and paragraphs 6-9 of their reports respectively.
2. At the Summit, the Council of Ministers having reviewed the report of the X. session hoped that "the company would soon become operational after the examination of the revised version of the feasibility study to be prepared in the light of the views expressed in the Expert Group on Trade and the Commission, and added that the governments should encourage the participation of the private sector in this important project" (Para.9/alinea.3 of its report to the Summit). Thereafter, the Heads of State and Government requested the coordinating country to continue its collaboration with the other D-8 members for the establishment of the company at an early date with the active participation of the private sector (para. 20 of the Cairo Declaration).

(*) *The changes made in the original report dated 22 January 2002 are indicated in italic for easy perusal.*

3. Following the Cairo Summit, FINBI prepared a framework of the final draft of the feasibility study on the basis of the discussions taken place in the Expert Group Meeting, the Commission and the D-8 Business Forum, on which the member countries were requested to give their comments. Turkey and Indonesia did so. Thereupon, the consultant firm FINBI prepared final version of the feasibility study. This latest version was circulated to the member countries to seek their final comments with the understanding that in the absence of any further comment, the Egyptian authorities would consider the text to be agreeable (Our letters No. TR/01/153, TR/01/170 and TR/01/172 dated 16 May, 30 May and 4 June 2001 respectively). Till the deadline date (15 July 2001), Indonesia, the I. R. of Iran and Turkey offered some comments on this last version. The pages of the final version of the feasibility study that were thus amended by FINBI in the light of comments from these three countries were also circulated in the attachment of our letter No. TR/01/234 dated 1 August 2001.

4. As has been stressed time and again, the expansion of D-8 intra-trade is perhaps the most promising area in D-8 cooperation. As has been underlined by the Foreign Ministers at the V. session of the Council, "the setting up of IMTC will be instrumental to achieve this end". **In view of this and the directive given by the Heads of State and Government in the Cairo Declaration, the Commission has to give its formal approval to the final version of the feasibility study for making the company operational as soon as possible.** As agreed upon, the company will, in principle, be private sector driven. Nevertheless as has also been emphasized in the discussions on this topic, the Governments must encourage private sectors to join the company and to subscribe to its capital. To this end, the Governments may take a modest commitment in this respect in order to give a strong signal to the private sector that they are behind this project. In this connection, I would like to add that the I.R. of Iran while giving their final comments on the latest version of the feasibility study made it clear at the same time that the Iran Foreign Investment Company was ready to invest in the IMTC with its full proportion (%12.5 of the total holdings), a step to be welcomed.

b. Trade related issues:

5. i. **Establishment of a single framework for shipping:** At the Cairo Summit, the Heads of State and Government welcomed the Bangladesh proposal which was first presented to the IX. session of the Commission to establish a shipping framework for a constructive dialogue between the business circles, shipping companies and shipowners associations (para. 21 of the Cairo Declaration). As agreed at the IX. session, the Government of Bangladesh is yet to set the dates of the working group meeting on shipping which will take place in Dhaka to discuss this idea. *In response to the last reminder which was sent in April, the host country may brief the Commission on the dates of this meeting.*

6. ii. **Trade database:** The Egyptian Government has successfully completed the intra D-8 trade database (our letter TR/01/71 dated 13 February 2001). At the Cairo Summit, the Heads of State and Government having welcomed the finalization of the work on trade database invited the members to feed the site regularly with trade information. At the request of the Commissioner of Egypt, I sent *four reminders to the member countries on this subject (the last one is our letter No: TR/02/100 dated 25*

April 2002). The Commissioners may offer information on this matter to the forthcoming session of the Commission.

7. **iii. Simplification and harmonisation of banking measures:** In compliance with the decisions of the Commission and the Summit, a meeting of the officials of the D-8 Central Banks and Ministries of Finance was planned to take place alongside the IMF and World Bank Group meetings by the end of September last. However, due to the postponement of IMF and World Bank Group meetings as a result of the terrorist act taken place on 11 September in the U.S., the D-8 meeting could not be held either. This meeting can now be organized alongside the forthcoming meeting of these two financial institutions.

8. **iv. Trade preferences and elimination of barriers:** Malaysia had organised in November 1999 a seminar on trade facilitation and simplification of customs procedures in the light of the experience of the ASEAN countries. As a follow up to this seminar, all the member countries with the exception of Nigeria have provided the description of their custom procedures and their views to facilitate customs cooperation. Later at the Cairo Summit, the Heads of State and Government instructed the Commission to intensify its work in this area as well as to study trade preferences and the issue of trade barriers within the D-8 as a regional arrangement consistent with the international obligations of the member states (para. 22 of the Cairo Declaration). *In consultation with Egypt as the coordinating country in the field of trade*, the Government of Malaysia agreed to convene a special expert group meeting in Kuala Lumpur on 21-23 May 2002 to discuss the above-mentioned topics. *Most members nominated their participants. Its report is expected to be ready in time for consideration by the Commission.*

9. **v. Agreement on the Simplification of Visa Procedures for the Businessmen:** At the time of the Cairo Summit, all the member countries with the exception of Malaysia signed the Agreement of the Simplification of Visa Procedures for Businessmen of D-8 countries. As is known, according to the articles 9 and 10 of the Agreement, more than three members should ratify it for its entry into force. So far, only Turkey ratified this agreement. The other member countries are requested to expedite their ratification process so that this important agreement could be made operational. *So far, three reminders were sent to the members in this respect (The last one is our letter No: TR/02/86-89 dated 17 April 2002).*

10. **vi. Cooperation in the field of SMEs:** Turkey convened a workshop on small and medium sized enterprises on 2-4 October 2001. The meeting was jointly organized by the Istanbul Chamber of Commerce and the SMIDO (Small and Medium Industry Development Organization of the Turkish Government). The participants considered several valuable ideas such as setting up a forum on internet for exchange of information, organizing a workshop on data collection and classification system, the establishment of joint D-8 venture program and convening a workshop for this purpose, creation of the subcontracting office exchange and seeking the assistance of UNIDO to this end, etc.. The Commission may take appropriate steps in the light of the recommendations of the workshop.

11. **vii. Business Forum:** The first meeting of the Business Forum for Chambers of Commerce and Industry and Business Associations was convened alongside the Cairo Summit and proved to be very useful. Its Charter is yet to be signed by Malaysia and

Nigeria. *So far, four reminders were sent in this regard (The last one is our letter No: TR/02/90 dated 17 April 2002).* The second meeting of the Business Forum may be organised again alongside the next summit which is expected to take place early in 2003 in Indonesia. To ensure its success, it is necessary to make a thorough preparation. Article 6 of the Charter provides that the Executive Committee, which is composed of the chairmen and chief executives or secretaries general of the national chambers, is responsible inter alia for preparing the meeting of the Business Forum. I believe, it will be highly advisable to convene a meeting of the Executive Committee at an early date to prepare the second meeting of the Business Forum and to ensure largest participation from the D-8 business circles.

AGENDA ITEM 5 INDUSTRY: FUTURE OF THE AGRICULTURAL AIRCRAFT PROJECT

12. As would be recalled, the prototype of the agricultural aircraft was manufactured and its test flights were also conducted successfully about a year and a half ago. The developments on this project were summarised in paragraphs 22-24 of my report to the IX. session of the Commission and in paragraphs 24-28 of the Commission's report of the same session. The Turkish Aerospace Industries (TAI), having alone met all the expenses incurred till that time, inquired at that stage in what manner the member countries might participate in the commercial phase of the project. In order to facilitate a decision on the future of this project, the Commissioner of Turkey addressed a letter to the member countries in December 2000, soliciting their final position on this matter. To this letter, only Pakistan responded.

13. At the X. session of the Commission during the Cairo Summit, the Iranian Delegation proposed to establish a consortium or a holding company for sharing labour and/or investment for the commercial production of the aircraft (paragraphs 16-18 of the Commission's report). At the Summit, the Heads of State and Government "instructed the Commission on the basis of the principles of work-sharing to look into the possibility of serial production of the aircraft, taking into account its commercial feasibility, the quantitative requirements of the member countries and their likely contribution to the financing of the project." (Para. 23 of the Declaration)

14. Later on, the Iranian Authorities have elaborated on their proposal in writing, which was circulated in the attachment of our letter No: IND/01/320 dated 23 October 2001. Responding to this proposal, the Government of Pakistan indicated that they have no reservation to the Iranian proposal to establish a consortium for the production of the agricultural aircraft *while Egypt stated that they would rather like to participate in the manufacturing process of the aircraft as they were not in favour of a financial participation in the consortium. So far, two reminders were sent to the other members in this respect. (The last one is our letter No: IND/02/85 dated 17 April 2002)*

15. I believe, it would be highly desirable to take a pragmatic approach in order to give a follow-up to this project, which had been sanctioned by the Heads of State and Government at the First Summit, and thus not to waste so much effort and resource spent for the manufacturing of the prototype. The Commission may accordingly take appropriate decision in this regard, taking into account the directive given by the Heads of State and Government at the Cairo Summit.

AGENDA ITEM 6: INFORMATION AND TELECOMMUNICATION:

a) ITDB Network:

16. The Heads of State and Government, while appreciating at the Cairo Summit the efforts of the I.R. of Iran in the successful launching of the ITDB website on the internet, "invited the member countries to regularly feed necessary information in their national home pages." To follow-up this summit decision, in early December, I inquired from the Coordinating Country as well as from the individual member countries about the steps they must have taken to feed the national home pages in the internet. *In this respect, three reminders were sent to the members since the Cairo Summit (The last one is our letter No: TCI/02/99 dated 25 April 2002). So far, only Egypt informed that they completed their national home page.* I expect the other member countries to brief the Commission on this matter.

b) Cyber Mall for E-Commerce:

17. As would be recalled, the International Telecommunication Union (ITU) prepared a pre-feasibility study for setting up a cyber mall for electronic commerce in the member countries. This study was based on the replies by the member states to the questionnaire earlier circulated. At the request of the coordinating country, I solicited in June last the views and comments of the members on this study. *Since then, three reminders were also sent to the remaining members. (The last one is our letter No: TCI/02/87 dated 17 April 2002).* So far Bangladesh, Indonesia, Pakistan, Turkey and Egypt responded. The remaining members may give their views at the Commission meeting so that the ITU may finalise its work.

c) Dedicated Server for the ITDB Website:

18. The Iranian Delegation circulated at the X. session of the Commission a preliminary study on the cost requirements of a dedicated server to host a D-8 ITDB website and requested member countries to give their views on it. *Since then, four reminders were sent to the member countries (The last one is our letter TCI/02/88 dated 17 April 2002).* So far Egypt, Indonesia, Pakistan and Turkey responded. The remaining members may brief the Commission on their position at the forthcoming session.

19. Meanwhile, the Iranian Authorities commenting on the replies of Egypt and Indonesia stated that the dedicated server is required in order to reinforce the backbone of the D-8 website with a view to prepare it for e-commerce purposes, although the current status of the server is sufficient for the time being.

AGENDA ITEM 7: AGRICULTURE

a) Consideration of the Report of the Workshop on Alternate/ Organic Fertiliser:

20. The Government of Pakistan organised a Workshop on Alternate/ Organic Fertiliser in Islamabad on 19-20 June 2001. The Workshop has adopted a series of extremely valuable recommendations. In this connection, I would like to draw attention to paragraphs 4, 5 and 15 of its report whereby the Workshop recommended

that each member country should develop a national action plan on the promotion of an integrated plant nutrition management system (IPNMS) to be placed on a web site and shared by the member countries. Moreover, the Workshop also recommended that a support fund for joint activities on research and development and information dissemination should be established and The National Fertiliser Development Center of Pakistan should coordinate these activities. The Commission may take appropriate action at its forthcoming session.

b) Two Workshops on Biotechnology Initiative for Increasing Agricultural Productivity, and on Conservation of Farm Animal Genetic Resource:

21. *The Workshop on Conservation of Farm Animal Genetic Resources, which was proposed by the Pakistani Authorities to take place in Islamabad on 22-23 April 2002, had to be postponed to the months of July-August 2002 since most members could not timely nominate their participants. Pakistan is expected to give precise dates for this Workshop.*

c) The Seminar on Residue Monitoring Systems and Hygiene Rules & Quality Control Procedures for Fish Packaging:

22. *This Seminar was organised by Turkey in Bodrum on 26-29 March 2002. The participants found the Seminar very useful and expressed their willingness to enter into collaboration in various fields of aquaculture. In the light of its report, the Commission may wish to encourage this collaboration.*

AGENDA ITEM 8: FINANCE-BANKING-PRIVATISATION

a) Training Program on Privatisation:

23. Malaysia organised the Training Program on Privatisation in Kuala Lumpur on 20-25 August 2001. The course has been very useful for exchange of information and experience in this field.

b) Cooperation between insurance and reinsurance companies (Egyptian proposal) as well as collaboration amongst the representatives of supervisory and regulatory authorities in the field of insurance. (Malaysian proposal):

24. The cooperation amongst the D-8 insurance companies as well as supervisory and regulatory authorities has been the subject of substantial discussions both at the IX. and X. sessions of the Commission. As a result, the Heads of State and Government endorsed at the Cairo Declaration the Egyptian proposal to cooperate and coordinate between the insurance and reinsurance companies as well as the Malaysian proposal to invite the representatives of the supervisory and regulatory authorities in the field of insurance to work out the modalities of establishing a mechanism of cooperation (para. 27/iv).

25. I believe, these two subjects may be taken up in a single meeting. In following up this matter, I solicited from the Malaysian Authorities to set the dates of such a meeting. The Malaysian Delegation may brief the Commission in this respect.

AGENDA ITEM 9:HUMAN RESOURCES DEVELOPMENT-POVERTY ALLEVIATION:
Consideration of the Report of the Workshop on the Empowerment of Rural Community Through the Use of Appropriate Technology for Poverty Alleviation

26. Indonesian Authorities organised a workshop on this topic in Jakarta on 5-9 November 2001. The Workshop having on this occasion also considered four Egyptian proposals, which had been cited in para. 27/5 of the Cairo Declaration, made to the Commission several important recommendations such as: to continue to work together to find ways and means in order to develop appropriate technologies, and to this end to exchange experiences and best practices including, in micro financing, among the D-8 members through the D-8 web-site; to utilize community based technologies that are simple and low cost; to ensure participation of rural community in the planning, designing and implementation of schemes to alleviate poverty; to encourage the involvement of the private sector in the development of appropriate technology and in efforts to empower the rural community; to increase cooperation among D-8 member countries in information and communication technologies related to poverty alleviation and to this end closer collaboration among the coordinators. The Commission may accordingly take appropriate action.

AGENDA ITEM 10: RURAL DEVELOPMENT:

a) **Revised version of the Project “Promoting Rural Industrialisation by Comprehensive Approach”**

27. The new version of the Egyptian proposal “Promoting Rural Industrialisation by Comprehensive Approach” was circulated to the member countries in December 2000. At the Cairo Summit, the Heads of State and Government welcomed this proposal too. So far Bangladesh, Indonesia and Pakistan have commented on this new version, all favouring the cooperation in this field, while the first two members also making it clear that due to the financial constraints, they would not be able to commit any fund to this project.

28. On the other hand, in response to the inquiry of the Egyptian Authorities from UNIDO about possible contribution of the Organisation to this project, UNIDO agreed in principle to sending an expert at its own expense to Egypt for three weeks with the objective outlining the framework for UNIDO’s technical support of the project. However, the Organisation made it clear that its technical support would be limited to advise technical assistance without participation in the financing, training or any other component of the project. In the light of the above, the Commission may take appropriate action.

b) **Workshop in the field of rural development**

29. *The Workshop on Sharing Experience and Formulation of Future Strategy for Rural Development was held in Dhaka on 5-7 March 2002. The summary report was circulated with our letter No: RD/02/65 dated 2 April 2002. The experts adopted a number of recommendations such as organising study tours, seminars, workshops on regular basis; establishment of an information network (website) for the dissemination of rural development information; linkages among D-8 training organisations operating in the rural development sector; development of mechanisms for exchange of experts and consultants; creation of a Common Development Fund*

for investment in priority areas. The workshop also recommended that the Egyptian project proposal on "Promoting Rural Industrialisation by Comprehensive Approach" be implemented on priority basis after its final approval and that efforts be made to explore the possibilities of seeking funds from other sources if UNIDO does not come up immediately. The Commission may take appropriate action on them.

AGENDA ITEM 11: ENERGY

30. Nigeria organised the first Working Group Meeting on Energy in Abuja on 2-5 April 2001. The participants while defining the objectives of the cooperation in the energy sector at the same time identified and agreed upon several projects. The Working Group also discussed the modalities for implementation of the projects as well as funding issues i.a., seeking grants from multilateral banks and the establishment of a D-8 bank.

31. On the other hand, in the communiqué adopted by the experts on the same occasion, several recommendations were made to the D-8 Council of Ministers, including the establishment of international energy institute for manpower development, research and development; and the setting up of an energy development fund. The Commission may take appropriate action on the recommendations of the Working Group.

AGENDA ITEM 12: ENVIRONMENT: Consideration of the Report of The Working Group Meeting on Technical Aspects of Environmental Cooperation

32. The I.R. of Iran organised a Working Group Meeting on this topic in Tehran on 14-15 November 2001.

33. As seen in its report, the participants made a number of valuable recommendations for consideration by the Commission on several specific aspects of environmental cooperation including the establishment of an environmental network in the ITDB website and the modalities of such a cooperation.

34. At the meeting, Egypt agreed to organise the next session of the Working Group to discuss the topic "agricultural solid waste management".

AGENDA ITEM 13: The follow-up of the ideas the ideas put forward by the Heads of State/Government at the working session of the Cairo Summit

35. As would be recalled, at the working session of the Cairo Summit, the Heads of State and Government put forward valuable ideas for the furtherance of D-8 cooperation. In the conclusion of the working session, The Chairman, H.E. the President of the Arab Republic of Egypt, entrusted the Commission with the task of evaluating these ideas and giving them the necessary follow up. I circulated them in the attachment of our letter SUM/01/183 and 185 dated 12 and 13 June 2001 respectively. Thereafter, I presented them in an integrated format for easy perusal and reference (Our letter SUM-COM/01/264 dated 3 September 2001). These ideas may be taken up by the Commission in conjunction with the relevant agenda items.

AGENDA ITEM 14: QUESTION OF LIAISON WITH THE OIC WITH THE OTHER INTERNATIONAL ORGANISATIONS

36. The question of liaison with the OIC is a long-standing issue since the Istanbul Summit where the Heads of State decided that “an appropriate mechanism be established to liaise with other relevant international organisations, particularly with the OIC. To this end, the then D-8 Chair Country approached the OIC on the occasion of the coordination meeting of the OIC Foreign Ministers held in New York in September 2000. Soon after, the subject was raised at the OIC Summit convened at Doha. The OIC Summit is reported to have passed a resolution for the establishment of liaison with the D-8. (The text of the Resolution was obtained from the OIC Secretariat). In the light of this resolution, I approached the OIC Secretariat by sending a written message to work out the modalities of cooperation.

37. However, there seemed to have emerged a confusion on this matter at the Doha Summit, the validity of the Resolution having later been questioned. It is probably for this very reason, the OIC Secretariat has not so far reacted to my letter. The Commission may wish to consider this problem in order to find a way out.

38. On the other hand, as reflected in para.30 of the Cairo Declaration, the Heads of State and Government instructed the Commission to consider establishing institutional relationship with other international and regional organisations, especially IDB, UN, UNDP, FAO, UNIDO, WTO. If agreeable, in accordance with the established practice, memoranda of understanding may be signed with some of these organisations. I had in the past submitted to the Commission some samples of such memoranda.

AGENDA ITEM 15: THE STATUS OF FINANCIAL CONTRIBUTIONS BY THE MEMBER COUNTRIES AND THE BUDGET PERFORMANCE OF THE YEAR 2001.

39. As would be recalled, the arrangement earlier agreed upon by the Commission to contribute toward the expenses of the coordinating unit was endorsed by the Heads of State and Government at the Cairo Summit. In accordance with this summit decision, I solicited the cooperation of the member countries to fulfil their shares. All the member countries *with the exception of Nigeria* made their payments to contribute to the budget of the Coordinating Unit for the year 2001. The payments effected are shown in Table 1, attached herewith. As will be seen in the Table, *the payments made by seven members amounted to USD 145.611,00.*

40. The budget performance covering the period of 1 January – 31 December 2001 is indicated in Table 2. As will be seen therein, the total expenditures for the year of 2001 amounted to USD 148.615,91 . Hence, there existed a *budget deficit of about USD 3.000,00.*

41. *As for the contributions for the current year, so far only the Governments of Pakistan and Turkey made their payments (please see Table.3). The other members are kindly requested to do likewise.*

AGENDA ITEM 16: DATES AND VENUE OF THE NEXT SESSIONS OF THE COUNCIL AND THE COMMISSION

42. As is known, in the year of 2000 when there was no Summit meeting, the Council held its fourth session for practical considerations in New York alongside the UNGA Meeting. For the very same reason, the next session of the Council may also be organised in New York on the same occasion. Then, the Commission has to also meet in New York to precede the Council meeting. If agreed, the dates of the meetings may be set as soon as possible by the Chair Country in consultations with the member states.

AGENDA ITEM 17: ANY OTHER BUSINESS

TABLE I

CONTRIBUTIONS BY THE MEMBER COUNTRIES AS OF 31 DECEMBER 2001

MEMBER COUNTRY	USD
BANGLADESH	14.286,00
EGYPT	14,286,00
INDONESIA	14,281,00
I.R. OF IRAN	14.177,00
MALAYSIA	14,286,00
NIGERIA	Not yet received
PAKISTAN	14.295,00
TURKEY	60.000,00
TOTAL	145.611,00

TABLE II

BUDGET PERFORMANCE (12 months)
(1 January –31 December 2001)

EXPENDITURE ITEMS	USD				USD	
	First Quarter (1.1 / 31.3 2001)	Second Quarter (1.4 / 30.6.2001)	Third Quarter (1.7 / 30.9. 2001)	Fourth Quarter (1.10 / 31.12. 2001)	Total 12 months	USD
Salaries (3 professional+2 auxiliary staff)	21.375,00	21.375,00	21.375,00	21.375,00	85.500,00	
Income taxes	5.897,61	6.631,76	9.012,87	10.873,00	32.415,24	
Social security premiums	2.615,62	2.419,47	2.770,43	2.450,00	10.255,52	
Tel/fax/postal/internet expenses	4.161,81	1.511,87	1.869,20	1.225,00	8.767,88	
Maintenance/insurance/gasoline expenses for the official car	1.475,55	635,19	773,78	760,00	3.644,52	
Heating/electricity/water (*)	-	-	-	-	-	
Stationary/services for the photocopy machine & computers	268,34	109,84	170,53	110,00	658,71	
Representation expenses	-	-	-	101,00	101,00	
Transportation	111,50	120,00	-	203,00	434,50	
Purchases of permanent office equipment	-	-	(**) 2.486,69	-	2.486,69	
Expenses of publication	-	2.190,84	1.843,88	-	4.034,72	
Miscellaneous	109,48	50,10	103,55	54,00	317,13	
TOTAL	36.014,91	35.044,07	40.405,93	37.151,00	148.615,91	

TABLE III

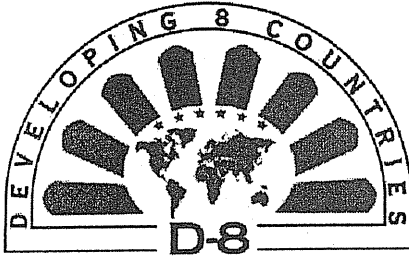
CONTRIBUTIONS BY THE MEMBER COUNTRIES FOR THE CURRENT YEAR 2002

MEMBER COUNTRY	USD
BANGLADESH	Not yet received
EGYPT	“ “ “
INDONESIA	“ “ “
I.R. OF IRAN	“ “ “
MALAYSIA	“ “ “
NIGERIA	“ “ “
PAKISTAN	14.240,86
TURKEY	60.000,00

PART II

TWELFTH SESSION OF THE COMMISSION

REPORT OF THE COMMISSION



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12 August 2003

REPORT OF THE XII. SESSION OF THE COMMISSION (11-12 August 2003, Cairo)

1. XII. Session of the Commission was held in Cairo on 11-12 August 2003 with the participation of all the member countries.
2. At the beginning of the meeting his Excellency Ambassador Nihad Abdel Latif, Chairman and the Commissioner of Egypt made an opening statement, touching on the developments in international arena as well as in D-8 cooperation.
3. The Commission adopted the draft agenda with the following amendments :
 - New item. 8/b: Meeting of Supervisory and Regulatory Authorities of D-8 Countries to Work out the Modalities of Establishing a Mechanism of cooperation .
 - Change the title of item 10/b to read Comprehensive Community Development.
 - Transfer item 9/d: Cooperation with SAARC to become item 13/c
 - Add a new item 14 : "Revitalization of D-8 Cooperation" to follow the existing item 13.
4. The Executive Director while presenting his report made a brief evaluation of the past activities. In this connection, he drew the attention to a slowdown in the D-8 cooperation in recent months and underlined the need to revitalize the spirit of collaboration among the member countries and to give greater substance and impetus to D-8 cooperation.

Agenda Item 4. Development of D-8 Intra Trade:

a. IMTC project:

5. The Commission took note of the delay in launching this project which is conceived to mainly serve D-8 business community. The Commissioners, taking into account the fact that the businessmen are motivated by profit making, underlined the need to exert greater efforts to convince the business community to participate in this

project. In this context, it was also suggested that a flexible approach could be adopted in the structure of the company to make it operational even among 3-4 interested member states. Finally, it was agreed that one more trial could be done to convene the meeting of prospective partners and shareholders in the light of the written commitments by the members till the end of September. In any case, the matter could be reviewed on the sidelines of the private sector meeting of the Islamic countries which is to be held in Tehran in early October. If favored by the majority of the members, the IMTC Meeting could then be convened sometime in November.

b. Trade related issues:

i. Trade data base

6. It was reported that three member countries (Egypt, Pakistan and Turkey) inserted some information in trade data base. However, other member countries stated that they had difficulties in entering the data base as they did not have the password. In this connection, it was suggested that the websites of national accredited institutions could be hyper-linked with the D-8 database.

7. Under this item, Pakistan has withdrawn the proposal by the Pakistan Chamber of Commerce for the creation of a D-8 window to avoid duplication with trade data base.

ii. Shipping

8. The Commissioners underlined the importance of shipping for the expansion of D-8 intra-trade. The Commissioner of Bangladesh reaffirmed the commitment of his Government to convene the Working Group Meeting for the Establishment of Shipping Framework and to reschedule its date very soon.

iii. Consideration of the Report of the Meeting of Central Bank Officials.

9. The Egyptian Delegation presented the Report of the Meeting of the Central Bank Officials. The Commission endorsed the recommendations. In this vein, it was stressed that the D-8 banking system should act in tune with the standards of international financial institutions and to this end exchange views on how to further promote trade relations, to establish correspondence relationship and credit lines and to create necessary facilities. It was added that the D-8 banks could only cooperate in reducing the risks, and thus in increasing confidence-building in their operations. In response to the recommendations by the Central Bank officials, the Iranian Delegation expressed their willingness to organize the next meeting of the Central Bank Officials. It was suggested that at this meeting, an eventual meeting of Central Bank Governors may also be discussed.

iv. Consideration of the Report of the Second Expert Group Meeting on Customs Procedures-Trade Preferences and Elimination of Trade Barriers.

10. The Commissioners while appreciating the two draft texts presented by the I.R. of Iran, one related to the 'Multilateral Agreement on Administrative Assistance on Customs Matter' and the second to the Preferential Tariff Agreement (PTA), expressed the need to have more time to properly examine them. It was stated that

both agreements should comply with WTO rules and that D-8 could seek assistance from WTO on this matter since almost all the member countries (Iran being in initial accession process) are the members of this organization. Concerning the second draft, it was reminded that the OIC had already worked out a framework agreement on PTA and a duplication should therefore be avoided. The Executive Director stated that D-8 could certainly draw upon the experience of OIC in working out a framework agreement but that negotiations have however to be conducted on a commodity-by-commodity basis taking into account the distinct priorities within D-8. Turkish Delegation informed the Commission of the intention of their authorities to organize the Third Expert Group Meeting in October to continue discussions of the subjects mentioned above. On the other hand, Pakistan offered to host a WTO Seminar in Islamabad and welcomed participation from the member countries

v. Agreement on Simplification of Visa Procedures for the Businessmen

11. The Commission recognized the importance of the early entry into force of this agreement to facilitate the contacts between D-8 businessmen. Turkey and the I.R. of Iran having already ratified this agreement, some other members (Egypt, Bangladesh and Pakistan) briefed the Commission about the steps their authorities have taken to complete the ratification process.

vi. Cooperation in the field of SMEs.

12. The Commissioners evaluating the conclusions of the Workshop on SMEs which was held in October 2001 in Istanbul, underlined the importance of encouraging small and medium enterprises to get organized to export their products. Pakistan Delegation volunteered to host another workshop on SMEs provided that the member countries expressed their willingness to send their experts. In this connection, the Turkish Commissioner informed that his Government was organizing in collaboration with OECD a ministerial meeting on SMEs in 2004 in continuation of Bologna process and added that they would be pleased to see the participation from D-8 members.

Agenda Item 5: Industry

13. The Turkish Commissioner briefed the Commission about the latest situation in agricultural aircraft project and added that in the light of the responses from the member countries, the commercial production of the aircraft have to be delayed until such time when the marketing possibilities would justify it. The Iranian Commissioner proposed a meeting of officials from the civil aviation industry to discuss how to combine member countries' potentials in manufacturing, marketing of an aircraft (to provide postal, patrolling and medical services). While some members supported this idea, others stated that they could only take note of this proposal and later seek the reaction of their authorities on it.

14. As regards the new projects in industrial sector, the Commission took note of various proposals made by Egypt and Pakistan. In the course of the discussions, it was stated that the member countries should focus on a very limited number of subjects of cooperation. In the consideration of the new projects, the technological capacity, marketing possibilities and the financial requirements have to be taken into account. Indeed, in view of the experience of the agricultural aircraft, one should act more

prudently in this regard. In conclusion, it was agreed that a common vision should be developed before deciding on individual projects and that a meeting of senior experts could be organized with a view to engage in a brain storming exercise. It was also stated that the private sector representatives could be involved in this exercise.

Agenda Item 6: Telecommunication and Information

15. The Iranian Commissioner called upon the member countries to regularly update their national homepages in ITDB website every six months . He also briefed the Commission on the steps they are taking in collaboration with ITU to establish a dedicated server for e-commerce for future needs. Some members stated that they had some problem in entering the ITDB website and requested the assistance of the Iranian Authorities in this respect.

16. The Commissioner of Pakistan briefed the Commission on their project proposal to monitor and report, through the internet, from international and Pakistani newspapers and journals, reports, analyses and news items on global economic issues and trade matters, which may be of interest to D-8 members, particularly for their individual and joint trade and services promotion. The Iranian Commissioner drew attention to the news section of the ITDB website where the member countries could enter information concerning business and development opportunities in a selective approach. While recognizing the need to avoid duplication, in view of the distinct coverage and approach of the proposal by Pakistan, which it would itself fund, it was agreed the D-8 project proposed by Pakistan was approved to proceed.

Agenda Item 7: Agriculture

17. The Commissioner of Pakistan presented the Report of the Workshop on Conservation of Farm Animal Genetic Resources. In response to the recommendation of the Workshop, the Egyptian Delegation expressed their readiness to organize a meeting of national coordinators before the end of the year, subject to technical and financial support of FAO. As for the establishment of a working group, it was agreed that this could be achieved virtually at this stage by way of exchanging e-mails between the focal points

18. The Commissioner of Pakistan informed the Commission that his authorities were ready to organize a “Workshop on Water Conservation and Drip Irrigation” instead of on “Biotechnology Initiative for Increasing Agricultural Productivity” as earlier proposed.

19. Concerning the implementation of the recommendations of the “Workshop on Food Security with Special Emphasis on Food Safety” held in Iran in 2000, a virtual committee could carry out this task by way of correspondence between focal points.

Agenda Item 8: Finance-Banking and Privatization.

20. The Malaysian Delegation presented the Report of the “Convention on the Emergence of Takaful in the Wake of Globalisation” held in Kuala Lumpur on 1-2 November 2002 and explained in detail their proposal for the transformation of

“ASEAN Retakaful International (ARIL)” into a “D-8 Retakaful operator”. (The text of the proposal has been circulated in the course of the meeting) and solicited the responses from the member countries. Several Commissioners appreciating this presentation indicated their interest in this project. Moreover, it was also stated that private companies and investors in D-8 countries could also be invited to participate in this project in addition to the governments. It was suggested that the conventional insurance should also be considered in this context. The Egyptian Delegation proposed to organize a Seminar within the first six months of 2004 in the field of conventional insurance and reinsurance in addition to takaful.

21. The Malaysian Delegation informed the Commission that their authorities had the intention to organize in 2004 a meeting of supervisory and regulatory authorities in D-8 countries to work out the modalities of establishing a mechanism of cooperation in takaful and insurance which had earlier been scheduled to take place this year.

22. The Malaysian Delegation also informed the meeting of their willingness to organize a second training program on privatization on 8-13 December 2003.

Agenda Item 9: Poverty Alleviation and Human Resources Development

23. The Commissioner of Iran informed the meeting that they established a separate section under the ITDB for exchange of information on the best practices for poverty alleviation and rural development and added that they had already entered data pertaining this matter. The Malaysian Commissioner while endorsing the idea of having separate section stated that the feeding should also cover subjects such as the practices of micro credit, income generating activities etc.. On the other hand, the Commissioner of Iran stated that they would be ready to organize the twice-postponed workshop on poverty alleviation if the member countries are still interested.

24. The Commissioner of Indonesia informed the Commission that they would submit the new dates for the Workshop on Food Safety for Poverty Alleviation.

Agenda Item 10 : Rural Development

25. In view of the response from UNIDO to the project “Promoting Rural Industrialization by Comprehensive Approach”, the Commission decided to delay the implementation of this project until the necessary funds become available.

26. The Turkish Commissioner stated that he could propose to his authorities to organize a seminar on “Comprehensive Community Development” in case the member countries indicated their interest.

Agenda Item 11. Energy

27. The Nigerian Delegation brought to the attention of the Commission the recommendations of the First Working Group Meeting on Energy held in Abuja in 2001. The Iranian Commissioner informed the Commission of the readiness of his authorities to host the Second Working Group Meeting on Energy in winter months

before the Summit and added that some member countries already fed the relevant section in ITDB with information pertaining energy. Several Commissioners recognizing the great potential of oil and gas resources existing in the member countries underlined the importance of cooperation in this field. Some Commissioners stated that they could offer scholarships for training. It was suggested that in preparation of the Second Working Group Meeting, the member countries could circulate their concrete proposals beforehand. The Indonesian Commissioner stated that like Malaysia their Ministry of Energy were also preparing a list of experts to be submitted in due time.

Agenda Item 12: Environment

28. The Egyptian Delegation presented the Report of the Expert Group Meeting on Environment and Seminar on Agricultural Solid Waste Management. As agreed in the Expert Group Meeting, they have circulated their proposal for cooperation in the Utilization of Agricultural Solid Waste for Energy Generation, which would be presented to the Islamic Development Bank for financing, and requested the member countries to respond to the questionnaire attached to their proposal.

29. Concerning the implementation of international conventions and instruments related to environment, it was suggested that a coordinated position is needed in the context of international instances to urge developed countries to comply with the criteria set in international conventions and to seek funds from them to implement environmentally sound technologies.

Agenda Item 13: Liaison with other Regional/International Organizations

30. The Executive Director briefed the Commission on his contacts with UNIDO and FAO to establish liaison with these two organizations and added that a Joint Communique was signed with UNIDO in which UNIDO expressed its readiness to conduct joint studies and organize joint workshops, seminars etc. . The Commission appreciated the efforts of the Executive Director to establish liaison with UNIDO. Although certain international agencies lack adequate funds, it would still be good to establish liaison with them in order to project the image of D-8 in the world at large. In this vein, the Commission welcomed the approaches made by ECO and SAARC to initiate cooperation with D-8. Moreover, it was suggested that the D-8 should also approach international financial institutions such as the World Bank, IMF, Asian Development Bank and Islamic Development Bank. The Commissioners agreed that D-8 should establish liaison with OIC as instructed by the Cairo Summit.

Agenda Item 14: Review of D-8 Cooperation

31. The Commissioner of Iran stated that in view of the slowing down in D-8 cooperation, it is necessary to revive the sense of community within D-8 and to give a fresh momentum to the activities of the Grouping. For this purpose, the Grouping could make an assessment of the past performance and then to consider the necessary steps to revitalize D-8 cooperation. In this vein, he proposed to convene a Meeting of Eminent Persons Group (EPG), comprising the representatives of the distinguished Commissioners (the text of the proposal is in the attachment).

32. In parallel to the proposal by Iran, the Commissioner of Pakistan also underlined the need to revitalize the D-8 and suggested to take certain steps such as developing institutional linkage with international financial institutions in addition to Islamic Development Bank as well as with regional organizations such as ECO, SAARC and ASEAN, informal meetings at the working level of the D-8 representatives in the capitals of these organizations, establishment of an ad hoc working group with a view to thoroughly examine the expansion of trade and economic cooperation among D-8 countries as agreed under the Istanbul Declaration as well as creation of liaison with the OIC, etc. The text of the proposal is also attached herewith.

33. In the course of discussions, the Commissioners endorsed the initiatives proposed by the I.R. of Iran and Pakistan in order to enhance D-8 cooperation and give a greater momentum to its activities. In this context, the I.R. of Iran proposed to convene a special session of the Commission soon after the Holy Month of Ramadan. The Commission requested the member countries to send their written comments on this matter well before the special session.

Item 15: Coordinating Unit

a. Review of the arrangements made for the Coordinating Unit including the scale of contributions as requested at the Cairo Summit. (para. 32 of the Cairo Declaration)

34. The Commissioners deeply appreciated the efforts of the Executive Director and his staff to promote D-8 cooperation. The Commissioner of Pakistan stressed the need to restructure D-8 Coordinating Unit to make it more efficient by enlarging its staff member and expanding its mandate (para 6. of the Pakistani paper mentioned above). In the course of the discussions, some Commissioners stated that this matter was closely linked with the question of revitalization of D-8 cooperation and that if we would wish to confer upon the Coordinating Unit additional tasks, it would then become necessary to consider the restructuring of the unit, while others commented that in view of the present level and scope of cooperation, there might not be any need to restructure the Coordinating Unit and added that the responsibility to make D-8 cooperation more efficient rather lies with the member countries. Moreover, the attention was also drawn in this context to the financial implications of the restructuring. In the end, it was decided that the special session of the Commission should also consider this matter in the light of discussions on the revitalization of D-8 cooperation.

b. The state of financial contributions to the budget of the Coordinating Unit

35. After having heard the statement by the Executive Director, the Chairman invited those member states, who have not done so until now, to fulfill their contributions for the current year as well as for the past two years as soon as possible. The Commissioners of Bangladesh and Indonesia stated that their authorities are in the process of completing the necessary steps for the remittance of their contribution.

Item 16: IV. D-8 Summit

a. The Next Chairmanship

36. The Indonesian Commissioner informed the Commission of the arrangement made between his Government and the Government of the I.R. of Iran to hand over the D-8 Chairmanship from Egypt to the Latter and to convene the next Summit. On behalf of his Government, he expressed high appreciation and gratitude to the Government of Iran for its acceptance to replace Indonesia. The Commission approved this arrangement, to be also endorsed by the Council of Ministers.

b. Preliminary briefing by the host country on the preparations of the next Summit and consultations on the dates and venues of the forthcoming sessions of the Commission and the Council of Ministers.

37. The Commissioner of Iran stated that they would be pleased to organize the next Summit in Tehran at a time suitable to all Heads of State and Government, thus ensuring adequate number of participation. According to some consultations they have already conducted, they contemplate to organize the Summit some time in spring. Meanwhile, he added that they were however prepared to accommodate certain special circumstances and to advance the date of the Summit to the second half of February 2004. He also stated that the usual hospitality would be extended to the member countries.

38. The Commissioner of Iran also underlined the need to convene a meeting of the Council for the preparation of the Summit. He added that this meeting could be organized on the sidelines of the UN General Assembly (UNGA) late September or early October (VI. Session) and should be preceded by a short session of the Commission (XIII. Session). He also drew attention to the need to have yet another meeting of the Commission just 4-5 weeks before the Summit to review the outcome of the planned meetings in the coming months as well as to consider the draft summit declaration (XIV. Session), it being understood that both the Commission (XV. Session) and the Council (VII. Session) will also hold very brief meetings just before the Summit.

c. Convening the Second D-8 Business Forum.

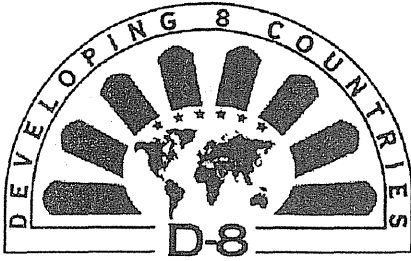
39. Underlining the importance of the Business Forum in involving the private sector in D-8 cooperation, the Commissioner of Iran informed that their Chamber of Commerce and Industry have already contacted the Chambers/Federations of the member countries concerning the convening of the Second Business Forum alongside the Summit. He also said that they were considering to invite D-8 Ministers of Commerce to this occasion.

Item 17. Adoption of the Decisions and the Report of the Commission

40. The Commission approved the decisions adopted by the Drafting Committee and its report.

41. All the Commissioners expressed their gratitude and thanks to the Government of the Arab Republic of Egypt for the excellent arrangements and the warm hospitality extended and congratulated as well Ambassador Abdel Latif for his very able chairmanship to conduct the discussions of the Commission in the most effective manner.

DECISIONS ADOPTED



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12 August 2003

DECISIONS OF THE XII SESSION OF THE COMMISSION (11-12 AUGUST 2003, CAIRO)

The Commission having met in Cairo on 11-12 August 2003, adopted the following decisions and recommendations:

TRADE

1. Underlining the importance of launching the IMTC project as soon as possible, calls upon member states to do their utmost to impress upon their national chambers of commerce and business associations to stimulate a genuine interest among their business community for subscribing to this project, as a necessary step for the enhancement of intra-trade activities among the D8 member states.
2. Welcomes the offer of the Egyptian Federation of Chambers of Commerce for the promotion of the IMTC on the margin of the Tenth Meeting of the private sectors of the Islamic states to be held in Tehran, 4-5 October 2003.
3. Requests member states who have not yet done so, as a matter of urgency, to communicate in writing by the end of September 2003, their final decision on their financial contributions for the IMTC, and to encourage their respective private sector to participate in the IMTC project.
4. Welcomes the offer of Egypt to hold a meeting in Cairo in December 2003 with the view of reaching a final decision on the future arrangements for the IMTC.
5. Calls upon member states to urge their focal points to regularly feed and update the trade database with trade information, including trade exhibitions, and to provide hyperlinks facilities to their export promotion authorities.

6. Emphasizing the importance of shipping services for the expansion of D-8 intra-trade welcomes the intention of Bangladesh to convene the Working Group Meeting for the Establishment of a Shipping Framework for a constructive dialogue among business circles, shipping companies and shipowners' associations in Dhaka, at their earliest convenience.
7. Appreciates the convening by Egypt of the first Meeting of Officials of Central Banks/Ministries of Finance in Cairo on 29 January 2003. While endorsing the recommendations made by the experts, encourages D-8 Central Banks to exchange banking-financial-economic information by publishing it in their website as well as by utilizing ITDB website (trade database).
8. Also encourages banking associations to convene regular meetings to exchange expertise and experience and to address problems and obstacles impeding the enhancement of D-8 intra-banking relations as well as to jointly organize training programs and seminars on a regular basis.
9. Recommends D-8 Central Banks and other relevant institutions to ensure compliance of the banks with the internationally recognized prudential rules and adherence by them to the international standards and practices in banking operations.
10. Welcomes the proposal of I.R. of Iran to host the Second Meeting of Officials of Central Banks/Ministries of Finance in Tehran.
11. Appreciates the convening by the I. R. of Iran of the Second Expert Group Meeting on Trade Preferences- Custom Procedures- Elimination of Trade Barriers on 11- 13 January 2003 in Tehran, and takes note of the two proposals made by the I.R. of Iran, the first related to the conclusion of a multilateral agreement on administrative assistance on customs matter, and the second concerning the conclusion of a preferential tariff agreement.
12. Welcomes the initiative taken by Turkey to convene the Third Expert Group Meeting in October 2003 to continue to consider Trade Preferences - Custom Procedures- Elimination of Trade Barriers, and invites member states to give their written comments on the draft texts of the agreements mentioned above in advance of the Third Expert Group Meeting.
13. Calls upon those member states, that have not yet done so, to expedite their domestic procedures for the ratification of the Agreement on Simplification of Visa Procedures for D-8 Businessmen so that the agreement will enter into force as soon as possible, and stressed that expediting visas for businessmen is crucial for promoting inter D-8 trade.
14. Welcomes the intention of Pakistan to organize a workshop on data collection, classification systems and management of SMEs, and urges member states to confirm their participation in this workshop
15. Encourages member states to exchange information in the field of SMEs by utilizing both by SMEDA's website of Pakistan, and SMIDEC's of Malaysia.
16. Welcomes the offer of Pakistan to hold a seminar on WTO issues in Islamabad.

INDUSTRY

17. While appreciating the manufacture of the prototype of the agricultural aircraft and its successful testing flights by the Turkish Aerospace Industries (TAI), decides to delay under the present circumstances its serial production till such time when the market potential expands enough to make the project commercially feasible as well as the financial requirements are met.
18. Takes note of the offer made by the I. R. of Iran to convene a senior officials meeting to consider various proposals of industrial cooperation prospects, including civil aviation industry.

TELECOMMUNICATION AND INFORMATION

19. Reiterates its call to member states to regularly feed and update their national home pages in the ITDB website and periodically inform the host country every six months after they complete the process.
20. Welcomes the initiative of the I.R. of Iran to conduct a feasibility study for setting up an e-commerce cyber mall in cooperation with the ITU.
21. Welcomes the proposal of Pakistan to provide - through the internet - articles/news items published in international and Pakistani Periodicals/Journals, of relevance to the D-8 Trade and Economic Activities.

AGRICULTURE

22. Appreciates the Workshop convened by Pakistan on the Conservation of Farm Animal Genetic Resources (AnGR) on 1-3 August 2002 in Islamabad, and while endorsing the recommendations of the Working Group, invites member states to take initiative to implement them, including the establishment of a working group on a functioning network of stakeholders of farm ANGR.
23. Welcomes the proposal of Egypt to host a second workshop on the conservation of farm animal genetic resources before the end of 2003, subject to financial and technical support from the FAO.
24. Invites Pakistan, as the coordinator of the agricultural sector, to set up a virtual experts network, for exchange of information in this field and to follow up the recommendations of the Workshop on Food Security with Special Emphasis on Food Safety (Tehran 16-20 October 2000), for which the I.R. of Iran will act as a focal point in coordination with Pakistan.
25. Welcomes the offer by Pakistan to host a seminar on water conservation and drip irrigation.

FINANCE BANKING AND PRIVATIZATION

26. Appreciates the convening by Malaysia of the Convention on the Emergence of Takaful in the Wake of Globalisation in Kuala Lumpur on 1-2 November 2002 as well

as organizing two Training Courses on Insurance Supervision and Regulating Solvency and Insolvency on 23-26 September 2002. Further welcomes the Malaysian offer to organize another training program on privatization on 8-13 December 2003.

27. Welcomes the offer of Malaysia to organize a meeting in 2004 of supervisory and regulatory authorities of insurance and Takaful, to work out the modalities of establishing a mechanism of cooperation in this field.
28. Also welcomes the offer of Egypt to host a workshop in Cairo during the first half of 2004, in order to extend cooperation in the field of conventional insurance and reinsurance in addition to the concept of Takaful.
29. Takes note of Malaysia's invitation to the governments and private sector of the D-8 members to take up equity participation in the capital of ASEAN RETAKAFUL LABUAN Limited, and to inform their competent authorities.

HUMAN RESOURCES DEVELOPMENT AND POVERTY ALLEVIATION

30. Encourages member states to develop appropriate technologies for poverty alleviation and share them with the other member states, and recommends member states to insert information on their poverty alleviation experience and best practices in the ITDB.
31. Invites member states to confirm their participation in the Workshop on "Poverty Alleviation: Reforms and Development Measures" to be held by the I.R. of Iran.
32. Takes note of the intention of Indonesia to convene a workshop on food safety for poverty alleviation in Jakarta.

RURAL DEVELOPMENT

33. Decides to delay in the light of the response received from UNIDO, the implementation of the Project Promoting Rural Industrialization by Comprehensive Approach until such time when the necessary funds would be available.
34. Decides to establish a data base on rural development which will be administered by Bangladesh under the ITDB, for exchange of ideas and best practices in the field of rural industrialization.
35. Requests the Government of Turkey to consider the rescheduling of the Seminar on Comprehensive Community Development.

ENERGY

36. Recommends that a D-8 website be established under the ITDB which will be administered by Nigeria for exchange of information on the members' expertise in the form of a catalogue of experts and institutions specialized in various forms of energy.
37. Welcomes the offer of the I.R. of Iran to host the Second Working Group Meeting on Energy in winter 2004.

38. Reiterates its call to the member states to give their views on the establishment of an international energy institute for manpower development as recommended by the Working Group on Energy, before its second meeting.

ENVIRONMENT

39. Appreciates the convening by Egypt of the Expert Group Meeting on Environment and the Seminar on Agricultural Solid Waste Management.
40. Endorses the recommendations of the above Expert Group Meeting, and urges member states to respond to the questionnaire prepared by Egypt on the potential cooperation among D-8 states in agricultural solid waste management in order to facilitate the finalization of the pilot project proposal to be funded by the IDP, UNDP and/or FAO.
41. Invites member states to organize training courses and the seminars in the field of environment as recommended by the Expert Group.
42. Takes note of the proposal by the Working Group on Environment for Malaysia to organize its next session.
43. Encourages member states to coordinate their positions on international conventions and instruments in the field of environment and to promote joint projects in collaboration with the relevant international organizations.

LIAISON WITH OTHER REGIONAL/INTERNATIONAL ORGANIZATIONS

44. Appreciates the steps taken by the Executive Director to establish liaison with UNIDO and welcomes the Joint Communique signed between the two bodies to this effect.
45. Invites member states to come forward with new ideas of cooperation in the fields enumerated in the Joint Communique in order to develop joint projects in collaboration with UNIDO, which would then be submitted to the next Summit for approval.
46. Requests the Executive Director to continue his efforts to establish liaison with FAO and other international organizations in the UN family.
47. Welcomes the initiative of the ECO Secretary General to establish liaison between D-8 and ECO and accordingly instructs the Executive Director to take the necessary steps for this purpose.
48. Taking into account the initiative of the SAARC Human Resources Development Center in Islamabad, requests the Executive Director to start cooperation with this Center in fields of mutual interest.
49. Underlines the importance of establishing a liaison with the OIC.

REVIEW OF D-8 COOPERATION

51. While appreciating the work done by the Executive Director and his staff and the competence of the Coordinating Unit, expresses the need to assess D-8 activities in order to enhance the effectiveness and efficiency of the Group.
52. Decides to hold a two-day Special Session of the Commission for this purpose, and appreciates the offer of the I. R. of Iran to host it soon after the holy month of Ramadan..
53. Urges member states to submit, well before the Special Session of the Commission, their views on issues related to this assessment, including the restructuring of the coordinating unit, its mandate, and the scale of contribution.

STATE OF FINANCIAL CONTRIBUTIONS FOR THE COORDINATING UNIT

54. Calls upon those member states which are in arrears in their contributions of 2001 and 2002 towards the expenses of the Coordinating Unit to make the necessary payments without further delay. Also invites those member states, that have not yet done so, to fulfill their contributions for the current year as soon as possible.

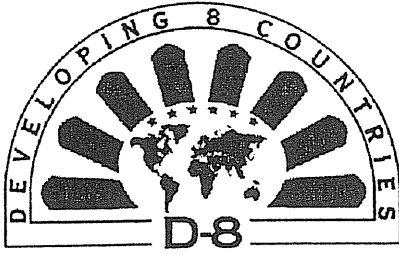
CHAIRMANSHIP AND PREPARATION FOR THE NEXT SUMMIT AND THE BUSINESS FORUM

55. Deeply appreciates the offer of the I.R. of Iran to organize the Fourth Summit, as the next Chairman of the D-8, in Tehran during the second half of February if possible or in spring of 2004..
56. While taking note of the preliminary briefing by the Iranian Delegation on the preparations of the next Summit expects to receive in due course detailed supplementary information on the Summit arrangements through the Executive Director.
57. Invites the I.R. of Iran as the next chair country to convene in collaboration with the Iranian Chamber of Commerce and Industry the Second Business Forum alongside with the Summit as well as recommends the Iranian Chamber of Commerce to organize well in advance a meeting of the Executive Committee of the Business Forum to prepare it.

DATES AND VENUES OF THE XIII and XIV SESSION

59. Decides to convene the XIII Session of the Commission alongside the United Nations General Assembly (UNGA) to prepare the Council Meeting and the XIV. Session of the Commission four to five weeks before the Tehran Summit.

REPORT OF THE EXECUTIVE DIRECTOR



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XII SESSION OF THE COMMISSION
(11-12 August 2003, Cairo)

16 July 2003

REVISED REPORT OF THE EXECUTIVE DIRECTOR

DEVELOPMENT OF D-8 INTRA-TRADE (ITEM 4)

a. International Marketing and Trading Company

1. As would be recalled, at the X. and XI. Sessions of the Commission, extensive discussions took place on the feasibility study prepared for the establishment of a International Marketing and Trading Company. As a result, the member countries agreed on the outlines of the prospective company, including its legal status, scope of activities, financing, etc. In line with the decision 2. of the XI. Session, Egypt proposed to convene the meeting for prospective partners and potential shareholders for IMTC project on 27 October 2002. But, the date was later rescheduled for 15 December 2002 due to the fact that the dates earlier proposed coincided with the meeting of the Islamic Chamber of Commerce. Nevertheless, the meeting was postponed second time to 22 February 2003 due to the lack of sufficient number of participants and in particular none from the D-8 private sectors. Yet, this meeting had to be postponed once more and third time for the very same reasons. On this last occasion, the Egyptian Federation of Chambers of Commerce suggested a poll form to be circulated to the private sectors and business communities in D-8 countries with a view to determine their subscription to the capital of IMTC so that a new date for this meeting could be fixed thereafter. So far, I have received no response from any member country in this respect. Taking into account the fact that so much effort and time was spent on this project and that the IDB made a substantial contribution to the financing of the feasibility study, the

distinguished commissioners could consider the necessary measures to encourage and ensure the participation of the private firms and businessmen in this important project.

b. Trade Related Issues

2. Trade database: As would be recalled, the Commission invited at its last session the member governments to feed and update regularly the database with trade information including trade exhibitions, and requested the Executive Director to follow up the implementation of this decision. As the trade database is administered by Egypt under ITDB website, I requested information from the Egyptian authorities about the implementation of this decision. The Commissioners may also brief the meeting on the latest steps taken by their governments to feed the database. At the last session of the Commission, Pakistan had already handed over a CD containing trade information for feeding the database.

3. The proposal by Pakistan Chamber of Commerce and Industry for the creation of a D-8 window, a chain of shopping malls: This proposal was brought to the attention of the member countries with our letter No. TR/02/164 dated 22 July 2002. Responding to this idea, Indonesia, the I. R. of Iran and Turkey informed that more emphasize should be given to the enhancement and development of existing cooperation schemes such as the trade database and the cyber mall project for e-commerce rather than initiating new ones, while the Egyptian Chamber of Commerce has expressed its approval in principle. The Commission may consider this proposal in the light of the responses .

4. Working Group Meeting for the Establishment of a Shipping Framework for a constructive dialogue among the business circles, shipping companies and shipowners' associations: As the sponsor of the idea, Bangladesh first planned to convene this meeting in the second half of January 2003. Majority of the member states was agreeable to the timeframe proposed. However, the Bangladesh authorities thereafter informed that arrangements for the meeting could not, to their regret, be completed in time due to the reasons beyond their control and decided to postpone it. Later, they rescheduled this meeting to take place on 11-12 June 2003. Nevertheless, the meeting was second time postponed by the host country, this time due to some unavoidable circumstances related to the forthcoming budget session of the Parliament. Recently, I have solicited from the host country new dates. The Bangladesh Delegation may announce these dates at the forthcoming Commission meeting so that the project, which had originally been proposed about three years ago at the VII. Session, could soon be implemented.

5. The Meeting of Officials of D-8 Central Banks and Ministries of Finance : At its last session, the Commission recommended that “to convene this meeting, advantage could be taken of the presence of the Central Bank Governors of the member countries in Washington D.C. attending the World Bank /IMF meetings”. The host country organized it at the expert level in Cairo on 29 January 2003. As will be seen in the report of the meeting which was circulated in the attachment of our letter No. TR/03/79 dated 24 February 2003, the experts adopted a number of recommendations concerning:

- exchange of banking-financial and economic information among the central banks by publishing it in their website and by also utilizing D-8 website;
- the application of international standards and rules relevant to the banks' capital adequacy and soundness of banking sector;
- the role of central banks in the area of simplifying commercial aspects of banking procedures;
- enhancing the role of bank associations to exchange expertise and to address problems and obstacles impeding the development of D-8 intra-banking relations.

The experts also agreed in principle to holding regular meetings as will be proposed by the member states.

6. The Second Expert Group Meeting on Trade Preferences-Custom Procedures-Elimination of Trade Barriers: As would be recalled, the First Expert Group Meeting was convened in Kuala Lumpur on 21-23 May 2002 “to intensify the work in the field of customs procedures as well as to study trade preferences and the issue of trade barriers within D-8 as a regional arrangement consistent with the international obligations of the member states”. The experts had at that time put forward several ideas to be considered at the next meeting.

7. At the Second Expert Group Meeting held this time in Tehran on 11-13 January 2003, the participants building upon these ideas explained the views and the practices of their governments on various topics such as removal of trade barriers, implementation of automated systems for customs data, customs reforms and customs facilitation, trade liberalization etc. Moreover, the I.R. of Iran made at the meeting two concrete proposals, one related to the conclusion of a multilateral agreement on administrative assistance on customs matters, and the second concerned the conclusion of a preferential tariff agreement. The

draft text for the first proposal was circulated in the course of the meeting. Responding to this proposal, the participants stated that the draft needed a careful study by their relevant authorities and could then be discussed at the next meeting of the working group. In this connection, I would like to remind that the I. R. of Iran had proposed at VII. Session an idea somewhat similar to this one to establish a customs association, which was at the time welcomed by the Commission (Dec. 33/VII).

8. As regards the second proposal, the experts were of the view that a step-by-step approach should be adopted on this matter and negotiations be conducted on a commodity-by-commodity basis. As agreed at the meeting, the draft text of the preferential tariff agreement was also circulated thereafter by the I.R. of Iran through Iranian diplomatic missions in D-8 capitals. I have solicited the comments of the member countries on both draft texts. So far I have not received any response. The Commissioners may wish to pronounce their preliminary views on them to give guidance to the experts. On the other hand, Turkey is at present considering to convene the third session of this meeting,

9. Agreement on Simplification of Visa Procedures for the Businessmen: So far only The I.R. of Iran and Turkey ratified this agreement. For its entry into force, the agreement has to be ratified by at least more than three (four) member countries. As you would realize, the speedy ratification of this agreement, which was concluded more than two years ago at the Cairo Summit, is crucial to facilitate the contacts between D-8 businessmen and thus to encourage them to get involved in D-8 cooperation.

10. SMEs: At its last session, the Commission evaluating the report of the Workshop on SMEs which was held on 2-4 October 2001 in Istanbul, endorsed several proposals such as to organize a workshop on data collection, classification system and management of SMEs as well as to convene an expert group meeting on joint D-8 venture programmes and setting up sub-contracting exchange offices through the assistance of UNIDO. The member countries are yet to take initiatives on these proposals.

11. On the other hand, commenting on the same report, the Commissioner of Pakistan informed that their relevant organization SMEDA launched a website as a discussion forum for exchange of information. The website address of the forum was thereafter circulated with our letter No. TR/02/143 dated 11 June 2002. We checked the website this time and came to know that several non-member countries, China being in the forefront, entered the names of

their firms and businessmen in this website. The Commissioners may brief the meeting about the steps their authorities might have taken to utilise SMEDA's website for exchange of information.

INDUSTRY (ITEM 5)

a. Final evaluation of the Agricultural Aircraft Project

12. As would be recalled, the agricultural aircraft was among the six priority projects decided upon by the Heads of State and Government at the Istanbul Summit. In a period of three years, the Turkish Aerospace Industries (TAI) manufactured the prototype of the aircraft and also conducted its testing flights successfully. During this process, TAI organized seven study group meetings and one management committee meeting with participation of experts from the member countries to discuss modalities of cooperation including work-sharing principles and technical aspects of the project. Total spending on the project amounted to USD eight millions which was entirely covered by TAI's own resources.

13. At that stage, TAI informed the member countries that a sum of an additional USD six millions was required to meet the expenses of some design changes and certification of the aircraft, having made clear that this amount could not anymore be born solely by TAI but had to be shared by the member countries. Moreover, TAI also underlined that market potential within D-8 must be large enough to start commercial production of the aircraft as Turkey alone could not ensure it. To the inquiry made with the member countries on both questions, the responses did not seem to be favourable. In this vein, the member country, which was initially most interested in this project and inclined to purchase a considerable number, have later made it clear that they were not in a position to make financial contribution to the project and was only prepared to participate in it through sharing information and expertise as they in the meantime developed their own sprayer aircraft, while another member proposed cooperation in the development of N-250 programme (passenger aircraft). TAI did not find this last proposal feasible as it required a total change in the initial concept of the agricultural aircraft and therefore needed much larger extra spending.

14. In the light of the above, the Commission could decide to delay the commercial production of the aircraft until such time when the D-8 market could expand large enough to justify it. Meanwhile, the Turkish authorities are also conducting inquiries about the market potential in the countries in the neighbourhood of D-8 region.

b. New projects in industrial sector

15. In response to the decision by the Commission at its last session, Egypt put forward new ideas in this respect such as manufacturing of agricultural machinery, grain mills and containers, sweeping trucks for streets and airports, desalination stations, industrial and physio-sanitary treatment stations, factories for conversion of wastes into organic fertilisers (our letter No. IND/02/187 dated 15 August 2002). Responding to these proposals, Indonesia indicated that they have limited capacity in human resources and facilities to implement the projects proposed while Turkey informed that she has technology and production capacity in these fields and is ready to cooperate with the D-8 countries. Turkey also added that prior to launching a new project, it would be appropriate to know technical and production capacity within D-8 region. In its turn, Pakistan proposed some other projects in industrial sector as circulated with our letter No. IND/03/68 dated 18 February 2003 such as technology partnership among the D-8 members in the field of modern agriculture machinery through joint ventures or equity participation to manufacture agriculture and fruit processing machinery i.a. small tractors, combined harvesters, seed processing plants, food and vegetable grading and processing plants and vegetable fruit dehydration plants; also manufacturing water and sewage treatment plants; collaboration between ITDB and SMEDA to offer effective web-based business solutions for developing countries. These ideas could also be considered by the Commission together with the Egyptian proposals and the comments made thereupon. However, in the light of the costly experience of the agricultural aircraft project, the Commission could, as a matter of principle, first ascertain their commercial and technical feasibility and clarify likely participation of the member states in the cost sharing before sanctioning them.

TELECOMMUNICATION AND INFORMATION (ITEM 6)

a. ITDB Network

16. In line with the decision taken by the Commission to follow up the implementation of the network, I have recently inquired from the I. R. of Iran, the administrator of the ITDB, about the performance of the member countries in feeding and updating their national homepages. In response, the I.R. of Iran has informed that there has not been any considerable progress in feeding and updating the national home pages in the ITDB network. The member countries may also brief the Commission on this matter.

b. Feasibility study by ITU for setting up a cyber mall e-commerce including the need for a dedicated server

17. The Iranian Authorities have recently informed that a draft text of technical cooperation agreement was prepared by ITU for signature between the Union and the Iranian Ministry of Post-Telegraph-Telephone to conduct this feasibility study. The draft agreement could be signed as soon as possible so that the work on the study may start at an early date.

c. Proposal by Pakistan to initiate a project to monitor and report articles and news items.

18. This proposal was circulated to the member countries with our letters No: TCI/02/399 and 401 dated 30 December 2002. The Commissioner of Pakistan suggested that their proposal could be put into motion immediately as it did not entail financial implications for any other member but Pakistan. However, in their response, Egypt, Iran and Turkey intimated that this matter should be inscribed into the agenda of the forthcoming session of the Commission. The Commissioners may pronounce their views on this matter.

AGRICULTURE (ITEM 7)

a. Workshop on the Conservation of Farm Animal Genetic Resources

19. All the member countries plus FAO Representative attended the Workshop organized in Islamabad on 1-3 August 2002, three members (Bangladesh, Nigeria and Turkey) having been represented by their missions in Islamabad. The participants adopted a number of recommendations such as research cooperation including exchange of researchers, animal genetic resources (AnGR) data and farm animal genetic materials among the member countries; establishment of a working group and a functioning network of stakeholders of farm AnGR in the member states which may function as a reference network for FAO global program; joint approach to FAO for seeking technical assistance to facilitate for the member states to develop strategic plans for the best utilization of their farm AnGR; holding a meeting of national coordinators within six months in Cairo in order to review the progress on the State of the World's AnGR country report preparation in D-8 countries. The Commission may evaluate these recommendations for appropriate action.

b. Workshop on Biotechnology Initiative for Increasing Agricultural Productivity

20. At the last session of the Commission, the Pakistani Delegation informed that their

authorities planned to organize before the end of the year 2002 the Workshop on Biotechnology Initiative for Increasing Agricultural Productivity, the last one in a series of three meetings. Although the Pakistani authorities later informed that they planned to convene this workshop in June/July 2003, I believe, the date of this meeting has now to be rescheduled.

c. Implementation of the recommendations of the Workshop on Food Security with Special Emphasis on Food Safety, held in Iran on 16-20 October 2000.

21. As will be seen in its report, the Workshop adopted a number of important recommendations including exchange of information between the member countries through the ITDB network. The I.R. of Iran proposed at that time the setting up of a committee of coordination as a focal point to rotate every two years. The I.R. of Iran expressed its readiness to become the first coordinator and focal point of this committee. The distinguished commissioners may wish to review the implementation of the recommendations of this Workshop.

FINANCE BANKING AND PRIVATIZATION (ITEM 8)

a. Convention on the Emergence of Takaful in the Wake of Globalisation

22. The Convention was held in Kuala Lumpur on 1-2 November 2002 and attended by takaful operators from several members of the OIC including three D-8 member countries namely Bangladesh, Indonesia and Pakistan plus Malaysia as the host. The seminar adopted a series of decisions as will be seen in the report.

b. Training Courses on Insurance Supervision and Regulating Solvency and Insolvency

23. Except Nigeria, all the member countries attended the Training Programs held in Kuala Lumpur on 23-26 September 2002. The Programs covered a variety of topics. The participants, while appreciating these programs, were of the view that the pace of these programs was too fast to cover all the topics and that the future programs should therefore be extended to three or four days.

c. Second Training Program on Privatization

24. At its last session, the Commission welcomed the offer of Malaysia to convene

another training program on privatization during this year. So, the Malaysian Delegation may give precise dates for this training program.

POVERTY ALLEVIATION AND HUMAN RESOURCES (ITEM 9)

a. Exchange of experiences and best practices for poverty alleviation

25. As would be recalled, at its last session, the Commission recommended the member countries in the light of the report of the “Workshop on the Empowerment of Rural Community through the Use of Appropriate Technology” to continue to work together to find ways and means in order to develop appropriate technologies and to this end to exchange experiences and best practices through a D-8 website for poverty alleviation (para. 26 of the report of the XI. Session). Accordingly, the Commissioners may brief the Commission on the steps their government might have taken to implement this recommendation, i.e. on the ways and means to develop appropriate technologies for poverty alleviation and on the establishment of a website for exchange of experience and best practices. On the other hand, the Indonesian Delegation may report back the response of his authorities to the suggestion made by Iran at the last session as to whether Indonesia could consider to organize a meeting of executives just before the next summit (para. 27 of the report of XI. Session).

b. Workshop on Poverty Alleviation: Reforms and Development Measures

26. This Workshop was originally scheduled to take place in Tehran on 16-19 December 2002 but thereafter twice postponed due to the lack of sufficient number of participants, first to 11-14 May 2003 and then second time to a date yet to be fixed.

c. Workshop on Food Safety for Poverty Alleviation to be held in Jakarta

27. At the last session of the Commission, the Indonesian Delegation announced their intention to convene a workshop on food safety for poverty alleviation in the year 2003. This time, they may propose specific dates for this workshop.

d. Cooperation with SAARC

28. Early this year, I received a letter from the SAARC (South Asian Association for Regional Cooperation) Human Resources Development Center based in Islamabad-Pakistan requesting information materials like journals, newsletters, annual reports, year books, directories, information brochures, videos, CDs, containing human resources related data and information. In the same letter, they expressed their readiness to reciprocate us by sending

information material on a regular basis. The Commission may consider this proposal from this Center for appropriate action.

RURAL DEVELOPMENT (ITEM 10)

a. Promoting Rural Industrialization by Comprehensive Approach

29. At its last session, the Commission invited Bangladesh and Egypt, in cooperation with interested members, to jointly initiate implementation of this project. Moreover, the Executive Director was requested to approach UNIDO and other relevant international agencies and donors to seek their assistance. In fact, soon after the meeting, I privately approached UNIDO. In response, they offered extensive comments on this project and stated that the project should be elaborated in the standard framework matrix and prior to this, a feasibility study be prepared to explain the current situation of rural industrialization in the member countries and to explore their specific needs /problems. On the other hand, as reported in the letter of the Commissioner of Egypt of 10 September 2002, his authorities have in their turn been in contact with the UNIDO's Cairo office on the same subject. The Cairo office also made clear that "a comprehensive feasibility study should be prepared with a view to attracting funds from international donors and that the Organisation could provide technical assistance for this purpose but at the expense of the Egyptian Ministry of Local Development." In view of the financial implications of conducting the feasibility study, the Egyptian Ministry "decided to delay this study until the necessary fund was available". (UNIDO's comments and the letter of the Commissioner of Egypt were circulated in the attachment of our letter No. RD/02/227 dated 11 September 2002). Under these circumstances, it may be difficult to further push this project at this stage. Nevertheless, as suggested by Malaysia in their written comments circulated at the last session of the Commission, a network may be established to exchange ideas and best practices in the field of the rural industrialization. Such a network may also be hyperlinked with the ITDB.

b. Seminar on the "Village-Turned-Town" Project

30. Turkey proposed to organize this seminar on 13-19 October 2002 to share its rather successful experience in the field of community development and prepared an extensive program which also included a study-tour. Nevertheless, Turkey was later obliged to cancel the seminar due to the fact that only two member countries (Iran and Malaysia) have shown interest in this project and nominated their participants. In my view, it might be worth to consider the revival of this multipurpose project as it is aimed to achieve

comprehensive community development in rural areas and a balanced overall economic development across the country as well as to reduce the dimension of social problems caused by mass emigration from rural areas towards metropolitan cities. In my recent visit to the headquarters of UNIDO to establish liaison with this organization, the UNIDO officials underlined the importance attached to the community development.

ENERGY (ITEM 11)

Recommendations of the Working Group on Energy

31. As would be recalled, at the First Working Group Meeting on Energy held in Abuja on 2-5 April 2001, the experts recommended that a program for exchange of information on the members' expertise in the field of energy be established in the form of a catalogue of experts and institutions specialized in various forms of energy through D-8 website with a view to enhancing their efforts for capacity building. Accordingly, at its XI. session, the Commission requested the member countries to give their views till the next session of the Commission on the recommendations of the Working Group, including the establishment of an International Energy Institution for Manpower Development. In response, Malaysia has provided a list of their experts in the energy sector. We have transmitted the list to Tehran for feeding the ITDB network with this information and requested the Iranian Authorities to inform about it after they complete the feeding process and indicate as well the relevant section of the ITDB website where this information would be posted (our letter No. ENG/02/300 dated 28 October 2002). As requested at the last session, the Commissioners may offer the views of their governments on the recommendations of the Working Group while the Iranian Delegation may brief the Commission on the action taken concerning the Malaysian list.

32. In my recent visit to the headquarters of UNIDO, the officials expressed the Organization's readiness to provide technical assistance in the field of energy for productive use.

ENVIRONMENT (ITEM 12)

a. Expert Group Meeting on Environment and the Seminar on Agricultural Solid Waste Management

33. The meeting was held in Cairo on 15-17 December 2002 and attended at expert

level only by Malaysia and the host country, the other members having been represented by their missions in Cairo. The participants recommended to formulate a D-8 common vision for the application of Johannesburg Declaration on Sustainable Development in five areas (health, education, agriculture, biodiversity and energy). Furthermore, the meeting endorsed certain training courses and seminars to be organized by the member countries in the areas indicated therein. On the other hand, Egypt is reported to submit to this session of the Commission a proposal on a pilot project on "agricultural waste recycling" funded by Islamic Development Bank/UNDP. Finally, the group recommended that the next meeting of the working group be convened by Malaysia.

34. While transmitting the meeting's report, the host country requested the member governments to give their comments on it before the forthcoming session of the Commission in view of the fact that only Malaysia was represented at the expert level at this meeting (our letter No. ENV/03/47 dated 27 January 2003). The Commissioners may respond to this request.

b. Joint steps to be taken for the implementation of the international conventions and instruments related to environment .

35. As is known, the current energy systems based on fossil fuels is undermining global security. It is ecologically risky to continue polluting and warming the atmosphere with oil and coal residues. At the Rio Summit, two conventions on climate change and biodiversity had been concluded and a program called "Agenda 21" adopted to eradicate environmental problems. Since then, emissions of carbon dioxide which are widely held responsible for climate change and global warming have increased by % 10 worldwide, thus further aggravating environmental problems. For this reason, at the Johannesburg Conference, these problems have been at the centre of the discussions.

36. The member countries may wish to conduct exchange of views on appropriate strategies to ensure the implementation of the international conventions on climate change and biodiversity, the provisions of Johannesburg Declaration as well as Kyoto and Montreal Protocols. In my visit to Vienna to establish liaison with UNIDO, the organization expressed its willingness to render assistance to developing countries, including the members of the D-8 Grouping in this respect.

LIAISON WITH OTHER REGIONAL/INTERNATIONAL ORGANIZATIONS (ITEM 13)

a. Outcome of the contacts of the Executive Director with UNIDO and FAO

37. As requested by the Commission at its last session in June, I approached UNIDO and FAO as a matter of priority to establish liaison between the D-8 and these two organizations. With UNIDO, I have exchanged a series of correspondence to respond to various requests of clarification from the Organization concerning D-8 activities, its nature and structure and its legal entity. Finally, UNIDO expressed its readiness to sign as a first step a joint communiqué and invited me to their Headquarters to discuss the scope and the modalities of cooperation. In my visit to Vienna on 7-8 July 2003, I met the Director General and other UNIDO officials. (Detailed information concerning this mission is given in our letter No. LSN/03/143 dated 11 July 2003). As will be seen in the joint communiqué signed between the UNIDO Director General and myself, D-8 and UNIDO stressed the necessity to develop constructive and result oriented collaboration and enumerated the areas of cooperation of mutual interest, and agreed as well to conduct joint studies and develop joint activities, including organizing workshops, seminars, expert group meetings etc. The two organizations also agreed to undertake exchange of relevant information and documents and to keep each other informed on current and planned activities of mutual interest with a view to identifying areas in which cooperation between them may prove fruitful. On this occasion, UNIDO suggested that it would be very useful to exchange views on specific subjects of cooperation well before the next summit. I also believe that the member countries could at this stage develop certain ideas of cooperation in preparation of the next summit, and seek UNIDO's technical assistance for their implementation.

38. As for our approach to FAO, in their response of 16 September 2002, they have explained the conditions and procedures to establish formal relationship with FAO and accordingly requested certain documentation detailed in their letter. With my second letter of 18 September 2002, I offered extensive documented information to this organization too, together with a draft text of a MOU. Since then, I have not heard from FAO.

b. Proposal by the ECO Secretary General for collaboration between the two bodies

39. The Secretary General of ECO invited me to attend and address as well the VII. ECO Summit Meeting held in Istanbul on 4 October 2002. At the Summit, I have delivered a brief statement summarizing D-8 activities since its inception. Thereafter, in his letter of

9 November 2002, the Secretary General of ECO, appreciating my presentation to the Summit, inquired whether the two organizations could collaborate in exchanging information as ECO was in the process of building its databank in all its sectoral priorities such as trade and investment, transport and communications, energy and environment etc.. In my response, while appreciating his initiative, I stated that I would submit this proposal to the Commission at its next session (our letter LSN/02/321 dated 11 November 2002). The distinguished Commissioners may pronounce their views on the proposal by the ECO Secretary General.

COORDINATING UNIT (ITEM 14)

a.State of the financial contributions to the budget of the Coordinating Unit

40. As is known according to the existing financial arrangements, the member countries agreed to make a yearly financial contribution to the tune of USD 100 000, excluding Turkey towards the expenses of the Coordinating Unit, Turkey being expected to meet the rest cost of the unit. The 2002 contributions made by the member countries towards the expenses of the Coordinating Unit are indicated in Table I. and the total expenditures during the same period in Table II., both attached herewith. As will be seen in Table I, two member countries (Bangladesh and Nigeria) are still in arrears in their payments for 2002, USD 14.286 for each. Moreover, Nigeria has not yet paid either its contribution for the year 2001. The deficits between the expenditures incurred and the paid contributions both in 2001 and 2002 had to be covered by the Turkish Government, subject to reimbursement.

41. As for the current year, in spite of several reminders, so far only the I.R. of Iran, Pakistan and Turkey have remitted their contributions (Table III). I am sure, all the Distinguished Commissioners would realize serious difficulties faced by the Coordinating Unit to meet its expenditures. Therefore, it would be highly appreciated if those member countries, who have not yet done so, could kindly urge their relevant authorities to execute their contributions for the current year as well as for the past two years, in compliance with the call made by the Commission at its last session.

b. Review of the arrangements made for the Coordinating Unit, including the scale of contributions

42. The Heads of State/Government at the Cairo Summit, while endorsing the arrangements for contribution towards the expenses of the Coordinating Unit, decided to review the transitional arrangements including the scale of contributions before the end of

the Chairmanship of Egypt, taking into account the relevant decisions (para. 32 of the Cairo Declaration). Accordingly, in anticipation of a decision to be taken at the next Summit, the Commission has to consider this subject and submit its recommendations. In this connection, I would like to bring to the attention of the Commission a question of principle raised at Second Expert Group Meeting on Trade Preferences- Customs Procedures-Trade Barriers, held in Tehran on 11-13 January 2003. In fact, as explained in detail in our letter TR/ADM/03/58 dated 5 February 2003, the experts wanted at that meeting to confer upon the Coordinating Unit the tasks going beyond its capacity and mandate in view of its present size and structure. This inevitably requires a review of the mandate of the Coordinating Unit and the expansion of its staff and its budget. It would, I believe, be appropriate to keep this point in mind while reviewing the transitional arrangements for the Coordinating Unit under this item.

IV. SUMMIT (ITEM 15)

a.Next Chairmanship

43. As explained in our letter No. COM/SUM/02/254 dated 30 September 2002 and its attachment, the Commissioner of Indonesia communicated that his Government, being unable to organize the next Summit due to the existing economic and financial difficulties, has approached the Government of the I.R. of Iran to explore the possibility to host the next Summit Meeting in Tehran and to take over the D-8 Chairmanship from Egypt. The I.R. of Iran was reportedly agreeable to this proposal. If necessary, the Commission may take note of this proposal and formalize it.

b.Briefing on the preparations of the Summit

44. The Commissioner of Iran may, if prepared, give a preliminary briefing to the Commission on the preparations of the next Summit, including its tentative dates.

c.Second D-8 Business Forum:

45. As would be recalled, the First Business Forum was convened alongside the Cairo Summit. In line with the general understanding in D-8 Grouping, the Second D-8 Business Forum is also expected to be organized simultaneously with the next Summit. In this connection, I would like to bring to the attention of the Commission that according to article 6/b of its Charter, the Executive Committee composed of the Chairmen of National Chambers is entrusted with the task of following up the implementation of the resolutions adopted by

the Forum, **preparing the meeting of the Business Forum** and setting plans and strategies for the Business Forum. In view of this provision, it would, I believe, be highly useful if the Executive Committee could hold a meeting well before the Business Forum to prepare it and thus to ensure maximum participation from D-8 business circles. The Commissioners, in particular the Commissioner of Iran as the host of the next Summit and the Business Forum, may pronounce their views in this respect.

THE DATE AND VENUE OF THE NEXT SESSION OF THE COMMISSION (ITEM 16)

46. As would be recalled, according to the past practice, the Commission is used to hold a meeting one or two months before the Summit to review all the activities and outstanding issues, and particularly to consider the draft declaration of the Summit notwithstanding the fact that it again holds just before the Council and the Summit a meeting of hardly one day only to iron out certain questions left over and to refine the text of draft declaration. So, if agreeable, the Commission may hold a meeting in the fall of this year depending on the Summit dates.

TABLE I

2002 CONTRIBUTIONS BY THE MEMBER COUNTRIES

MEMBER COUNTRY	USD
BANGLADESH	Not yet received
EGYPT	14,286,00
INDONESIA	14,286,00
I.R. OF IRAN	(*) 14.271,97
MALAYSIA	14,286,00
NIGERIA	Not yet received
PAKISTAN	(*) 14.240,00
TURKEY	(*) 59.994,00
TOTAL	131.363,97

(*) The net amounts after the bank commission deducted

TABLE II

BUDGET PERFORMANCE (12 months)
(1 January –31 December 2002)

EXPENDITURE ITEMS	USD				USD	
	First Quarter (1.1 / 31.3 2002)	Second Quarter (1.4 / 30.6.2002)	Third Quarter (1.7 / 30.9. 2002)	Fourth Quarter (1.10 / 31.12. 2002)	Total 12 months	USD
Salaries (3 professional+2 auxiliary staff)	21.375,00	21.375,00	21.375,00	21.375,00	85.500,00	
Income taxes	7.440,12	7.066,17	8.783,71	10.059,75	33.349,75	
Social security premiums	2.572,67	2.649,57	2.759,62	2.895,47	10.877,33	
Tel/fax/postal/internet expenses	1.345,24	1.889,10	1.195,99	1.903,43	6.333,76	
Maintenance/insurance/gasoline expenses for the official car	443,55	478,61	605,79	840,88	2.368,83	
Heating/electricity/water (*)	-	-	-	--	-	
Stationary/services for the photocoppy machine & computers	202,64	194,36	71,98	141,21	610,19	
Representation expenses	-	-	-	-	-	
Transportation	-	-	-	-	-	
Purchases of permanent office equipment	1.997,86	-	-	-	1.997,86	
Expenses of publication	-	-	-	190,48	190,48	
Miscellaneous	63,27	305,55	67,25	74,99	511,06	
TOTAL	35.440,35	33.958,36	34.859,34	37.481,21	141.739,26	

(*) These services are provided by the Turkish Government free of charge in the new premises, in addition to its yearly contribution.

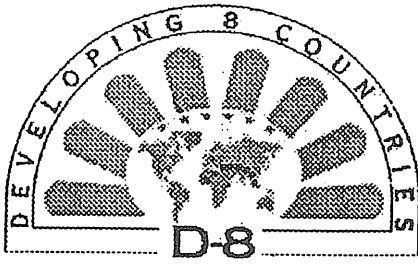
TABLE III

**2003 CONTRIBUTIONS BY THE MEMBER COUNTRIES
AS OF 15 JULY 2003**

MEMBER COUNTRY	USD
BANGLADESH	Not yet received
EGYPT	Not yet received
INDONESIA	Not yet received
I.R. OF IRAN	(*) 14.398,91
MALAYSIA	Not yet received
NIGERIA	Not yet received
PAKISTAN	(*) 14.258,87
TURKEY	(*) 59.994,00
TOTAL	88.651,78

(*) The net amounts after the bank commission deducted

**STATEMENT BY THE
EXECUTIVE DIRECTOR**



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11 August 2003

STATEMENT BY THE EXECUTIVE DIRECTOR

(XII. Session of the Commission)

Mr. Chairman,

Dear Colleagues,

The revised report is before you. I shall not be repeating what has already been written there. Nevertheless, two years and a half after the Cairo Summit and in perspective of the next summit meeting, it would, I believe, be timely to make a brief evaluation of D-8 activities.

Since the Cairo Summit, the Commission, which is to convene regularly twice a year, could however meet only once in June 2002. The planned meetings of the Commission in New York could not take place in 2001 due to the 11 September events and in 2002 due to the fact that a date suitable to all the members could not be fixed. As for the meeting planned to take place early last March, it had to be postponed at the request by some members due to the crisis of Iraq. On the other hand, the Council which normally meets once a year could not have any meeting at all for the same reasons during this period. As a consequence, it appears that there is going to be a delay of about one year in convening the next Summit, which was due to be organised last February-March. I am sure, you would realise that the meetings of the Summit, the Council and the Commission are of crucial importance not only to review and monitor past activities but also to enhance the political will, the spirit of collaboration amongst the member states and to rejuvenate D-8 cooperation.

During this period of two years and a half, fifteen meetings at technical/expert level have been organised by the member countries in various sectors, nine of them convened before the last session of the Commission and six afterwards. Yet, the implementation of several other projects had to be delayed. I shall briefly touch upon them.

Indeed, the meeting of prospective partners and shareholders for the establishment of the IMTC had to be postponed three times, first due to the clash of the dates with the meeting of the Islamic Chambers of Commerce, and the second and third times due to the lack of sufficient number of participants. Moreover, as pointed out in the letter of the Commissioner of Egypt, no participant from the private sector was forthcoming although the IMTC was conceived to become a private-sector-driven company designed to mainly serve D-8 business community.

As you would recall, this is one of the major projects endorsed by the Heads of State and Government at the Istanbul Summit. Since then, lots of effort were spent on this project. The feasibility study prepared with the financial support from the IDB was thoroughly discussed at the Cairo summit and thereafter finalised. At this stage, what is now required is to stimulate a genuine interest among D-8 business community in this project. To this end, D-8 governments could in my view intensify their efforts through their national chambers and business associations to convince and urge D-8 businessmen to embrace this idea and participate in the IMTC meeting which will be arranged anew.

The Working Group Meeting for the establishment of a shipping framework for a constructive dialogue among the business circles, shipping companies, shipowners' associations could not be convened until now although the proposal was first put forward three years ago at the VII. Session of the Commission. This meeting was planned to be organised during this year, first in the second half of January and then on 11-12 June. However, in both cases, it had to be postponed for the reasons mentioned in the report.

The Seminar on Village-Turned-Town Project was cancelled by the Turkish Authorities due to the lack of sufficient number of nominations.

The Workshop on Poverty Alleviation: Reforms and Development Measures was twice postponed again due to the insufficient number of participants.

In another case, that is, the Expert Group Meeting on Environment and Seminar on Agricultural Solid Waste Management, although three member countries had initially nominated their participants, expert from only one member was however present at the time of the meeting while the participants of the other two did not turned up.

As for the agricultural aircraft project, for the reasons well known to the distinguished commissioners, it appears that in the light of the responses from the member countries, there is no other option but to defer the serial production of the prototype to the future although lots of money and effort were spent on it.

The Agreement on the Simplification of Visa Procedures for D-8 Businessmen has so far been ratified by only two member countries although the Agreement had been signed more than two years ago. As underlined in my report, its early entry into force is of crucial importance to facilitate contacts between D-8 businessmen and to get them involved in D-8 cooperation.

As for the implementation of the ITDB project, in response to my inquiry, the Iranian Authorities communicated that there has not been any considerable progress in feeding and updating the network by the member countries, of which trade database is part. Unless properly and regularly updated, the Network will serve no useful purpose.

As regards the implementation of the recommendations made in various expert group meetings: As you would realise, most D-8 projects, be it workshops, seminars, training programs, etc. are designed to exchange information, expertise, and experience. Such an exchange can only be beneficial to the extent the member countries are receptive and display willingness to make best use of them.

Moreover, certain recommendations could not simply be implemented as they require follow-up actions such as the setting up of a monitoring mechanism or the creation of standing bodies. From time to time, I endeavour to bring these recommendations to the attention of the member governments. Certainly, ultimate responsibility for their implementation rests with the governments. Here, it may be worth recalling that in para. 25 of the Cairo Declaration, the Heads of State and Government called upon the member states to follow up the implementation of the recommendations.

In conclusion, there seems to be a slowdown, a sort of slackening in D-8 cooperation in recent months. As we shall soon be starting the preparations of the next Summit, I feel duty bound to make these few candid remarks, relying on the indulgence of my colleagues.

In the coming weeks and months, we should revitalize the spirit of collaboration amongst the member countries and take concrete steps to give greater substance and impetus to D-8 cooperation. To this end, the member countries may also consider to explore the possibility of convening ministerial meetings as appropriate, a provision which has also been foreseen in para.25 of the Cairo Declaration.

AGENDA OF THE MEETING



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AGENDA

XII. Session of the Commission (Cairo, 11-12 August 2003)

1. Opening statement by the Chairman
2. Adoption of the Agenda
3. Report of the Executive Director
4. **Development of D-8 intra-trade**
 - a. **IMTC: Establishment of the International Trading and Marketing Company and the meeting for the prospective partners and potential shareholders (yet to take place)**
 - b. **Trade related issues:**
 - i. Trade data base: Feeding up and updating of trade information by the members as part of the ITDB in internet.
The proposal by Pakistan Chamber of Commerce and Industry for the creation of a D-8 window, a chain of shopping malls.
 - ii. Working Group Meeting for the Establishment of a Shipping Framework (yet to take place).
 - iii. Consideration of the report of the Meeting of Officials of Central Banks and Ministries of Finance on 29 January 2003 on trade-related banking measures.
 - iv. Consideration of the report of the Second Expert Group Meeting on Trade Preferences-Custom Procedures-Elimination of Trade Barriers, held in Tehran on 11-13 January 2003.
 - v. Agreement on Simplification of Visa Procedures for the Businessmen: Ratification process.
 - vi. Further steps to be taken for cooperation in the field of SMEs in the light of the decisions made at the XI. Session of the Commission (para. 14).
5. **Industry**
 - a. Final evaluation and decision on the agricultural aircraft project.
 - b. New projects in industrial sector

6. Telecommunication and Information

- a. ITDB network: Feeding and updating national home pages in the internet.
- b. Progress on the feasibility study by ITU for setting up a cyber mall e-commerce including the need for a dedicated server and a demonstration of the cyber mall following the finalization of the feasibility study.
- c. Proposal by Pakistan to initiate a project to monitor and report articles/ news items of importance published in various international and Pakistani newspapers.

7. Agriculture

- a. Consideration of the report of the Workshop on Conservation of Farm Animal Genetic Resources, organized in Islamabad on 1-3 August 2002.
- b. The dates of the Workshop on Biotechnology Initiative for Increasing Agricultural Productivity.
- c. Implementation of the recommendations of the Workshop on Food Security with Special Emphasis on Food Safety, held in Iran on 16-20 October 2000.

8. Finance, Banking and Privatization

- a. Consideration of the report of the Convention on the Emergence of Takaful in the Wake of Globalisation, held in Kuala Lumpur on 1-2 November 2002.
- b. Consideration of the report of the two Training Courses on Insurance Supervision and Regulating Solvency and Insolvency, held in Kuala Lumpur on 23-26 September 2002.
- c. The dates of the Second Training Program on Privatization planned to be held in Kuala Lumpur in 2003.

9. Poverty Alleviation and Human Resources Development

- a. Exchange of experiences and best practices through the D-8 website in order to find ways and means for developing appropriate technologies.
- b. The Workshop on Poverty Alleviation: Reforms and Development Measures (yet to take place).
- c. The dates of the Workshop on Food Safety for Poverty Alleviation to be held in Jakarta (Decision 28 /XI. Session).
- d. Cooperation with SAARC

10. Rural Development

- a. Project "Promoting Rural Industrialization by Comprehensive Approach" : Evaluation of the project in the light of the response given by the UNIDO's resident representative in Cairo and of the contacts of the Executive Director with the Headquarter in Vienna.
- b. Seminar on the "Village-Turned- Town" Project.

11. Energy: Steps to be taken for exchange of information in this field, including setting a catalogue of experts and institutions specialized in various forms of energy, in the light of the recommendations of the Working Group Meeting on Energy, held in Abuja on 2-5 April 2001 (para. 31 of the report of the XI. Session).

12.Environment:

- a. Consideration of the report of the Expert Group Meeting on Environment and the Seminar on Agricultural Solid Waste Management, held in Cairo on 15-17 December 2002.
- b. Joint steps to be taken for the implementation of the international conventions and instruments related to environment.

13. Liaison with other regional/international organizations.

- a. Outcome of the contacts of the Executive Director with UNIDO and FAO.
- b. Proposal by the ECO Secretary General for collaboration between the two bodies.

14.Coordinating Unit

- a. State of the financial contributions to the budget of the Coordinating Unit.
- b. Review of the arrangements made for the Coordinating Unit, including the scale of contributions, as requested at the Cairo Summit (para 32 of the Cairo Declaration)

15. IV. D-8 Summit

- a. The next Chairmanship.
- b. Preliminary briefing by the host country on the preparations of the next Summit.
- c. Convening the Second D-8 Business Forum alongside with the Summit, and prior to this, organizing a preparatory meeting of the Executive Committee of the Business Forum composed of the chairmen of the D-8 chambers of commerce and industry and business associations.

16. The date and venue of the next session of the Commission to prepare the Summit.

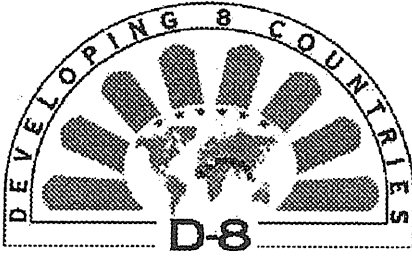
17. Adoption of the decisions and the report of the Commission

18. Any other business.

PART III

THIRTEENTH SESSION OF THE COMMISSION

REPORT OF THE COMMISSION



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CHAIRMAN'S REPORT

THIRTEEN SESSION OF THE COMMISSION

(New York, 27 September 2003)

1 Thirteen Session of the Commission was held in New York on 27 September 2003 with the participation of Egypt, Indonesia, the Islamic Republic of Iran, Malaysia and Turkey.

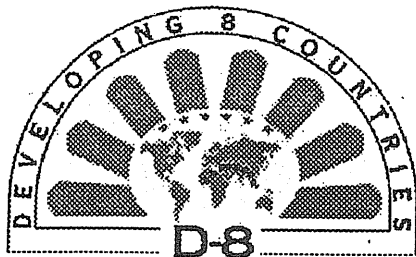
2. The Iranian Representative informed the meeting that the Special Session of the Commission was proposed to take place on the 10th December in Kish Island to discuss the revitalisation and enhancement of D-8 cooperation. The Commissioner of Turkey, referring to discussions taken place at the last session of the Commission stated that this meeting could be combined with the XIV. Session of the Commission designed to prepare the Summit. Responding to this idea, the Iranian Representative said that his authorities would consider to extend the duration of the combined meeting as proposed now and to advance the dates, taking into account the South-South Conference in Marakesh on 13-19 December 2003.

3. The Iranian Representative also informed the meeting that after consulting with the member countries, his authorities proposed to convene the Summit sometime in mid-February. He added that the following meetings are also to take place to proceed the Summit.

- XV. Session of the Commission
- Second Business Forum
- Council of Foreign Ministers

He also said that his authorities were considering to convene a meeting of D-8 Ministers of Economy and Trade alongside the Business Forum. It was agreed that this idea requires further consideration in the light of the decisions taken in the Dhaka Declaration on this matter.

4. The Commission discussed the provisional agenda of the Council meeting and recommended the text attached herewith.



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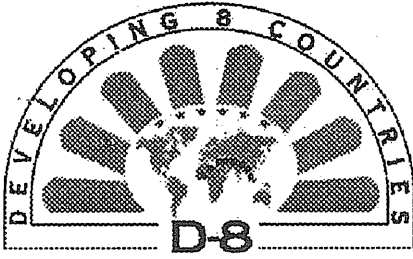
Agenda of the Council (VI. Session)

1. Opening statement by the Chairman, H.E. Foreign Minister of Egypt
2. Adoption of the agenda
3. Statement by the Executive Director on the activities of the Group since the last Council meeting.
4. Report by the Chairman on the XIII. Session of the Commission
5. Evaluation of the past progress in D-8 cooperation and consideration of the decisions of the XI and XII Sessions of the Commission
6. Consultations on the Summit preparations, including tentative dates of the Summit
7. Any other business

PART IV

SIXTH SESSION OF THE COUNCIL OF MINISTERS

REPORT OF THE COUNCIL OF MINISTERS



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REPORT OF THE MEETING OF COUNCIL OF D-8 FOREIGN MINISTERS

VI. SESSION

(New York, 28 September 2003)

1. In his opening statement, the Chairman, Foreign Minister of the Arab Republic of Egypt, after welcoming his colleagues, stated that the D-8 should do more to consolidate and enhance the cooperation among the member countries in order to achieve concrete results. Referring to the WTO Meeting in Cancun, he added that notwithstanding the resistance from the developed countries to the legitimate demands of developing countries we should maintain the dialogue with them in order to achieve our objectives.

2. The Ministers approved the agenda recommended by the Commission.

3. The Foreign Minister of Egypt presented the Report of the XIII. Session of the Commission. Then the Chairman of the Commission gave further details.

4. Executive Director presented his oral report on the activities of the Group since the last Council meeting.

5. Thereafter, the Council reviewed the progress in D-8 activities. The Foreign Minister of Egypt, underlining the importance of arriving a final decision on IMTC Project; urged the member countries to give their responses on this matter as soon as possible. He also underlined the importance of revitalisation and enhancement of D-8 cooperation and referred in this context to the Special Session of the Commission which will soon meet to take up this subject. The Council endorsed the decisions of the XI. and XII. Sessions of the Commission.

6. On the agenda item: "Preparations for the Forthcoming Summit", the Chairman summarised the discussions which took place in the Commission meeting on this matter. Then, the Iranian Foreign Minister gave the following timetable for the Summit meeting.

- 17 February 2004: Summit meeting
- 16 February 2004: The arrival of the Heads of State and Government
- 15 February 2004: Meeting of the Council of Foreign Ministers (VII. Session)
- 14 February 2004: Meeting of the Commission (XV. Session)

The Iranian Foreign Minister also informed the Council that his authorities were planning to organise the II. Business Forum and a meeting of D-8 Ministers of Trade and Economy.

7. The Foreign Ministers expressed their appreciation to the Government of the Islamic Republic of Iran for taking over the chairmanship of D-8. They agreed in principle with the timetable mentioned above, but added that they would confirm it. The member countries are expected to give their confirmation within three weeks.

8. The Foreign Ministers underlined the importance of involvement of private sectors in D-8 cooperation and stated that the Business Forum would constitute an important means to this end. They also concurred with the usefulness of a meeting of Ministers of Trade and Economy in order to push D-8 cooperation and obtain concrete results with the proviso that there should be a specific and well-prepared agenda. Such a meeting which will be linked with the Business Forum will be instrumental to encourage private sectors to participate in D-8 cooperation. Concerning the specific agenda of an eventual meeting of Ministers of Trade and Economy, it was suggested that subjects such as reductions of tariffs, elimination of trade barriers and harmonisation on WTO matters might be included in it.

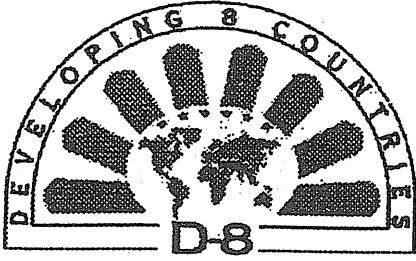
9. Under the item: "Any Other Business" the Representative of Bangladesh informed the Council that his authorities were planning to organise the expert group meeting on shipping in early 2004 and now making the necessary preparations for it.

The Foreign Ministers agreed to follow the Madrid meeting on the "Reconstruction of Iraq" bilaterally rather than as a D-8 Group.

The Foreign Minister of Pakistan brought to the attention of the Council the proposal made by H.E. President of Pervez Musharraf on the strategy of Enlightened Moderation.

10. The Foreign Ministers expressed their appreciation to the Executive Director and his staff for their efficient work.

**STATEMENT BY THE
EXECUTIVE DIRECTOR**



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**STATEMENT BY THE EXECUTIVE DIRECTOR
at the Council of Foreign Ministers
(New York, 28 September 2003)**

Mr Chairman, Honourable Minister of Foreign Affairs of Egypt
Honourable D-8 Foreign Ministers,
Excellencies,
Ladies and Gentlemen,

I would like to express my gratitude to Your Excellency, Mr. Chairman, for convening this meeting alongside the UN General Assembly under the conditions of extremely hectic work. Indeed, this is the first meeting of the D-8 Council of Ministers since the Cairo Summit. It would present an opportunity to review the progress in D-8 cooperation during this period of two and a half years. This meeting is also of particular importance in view of the forthcoming Summit meeting which has now become overdue.

Since the Cairo Summit, the D-8 Commission held two meetings, the first on 6-7 June last year and the second on 11-12 August, last month, both in Cairo. Their reports and the decisions adopted are before the Distinguished Ministers for their consideration. On the other hand, the New York meetings of the Commission which were mainly designed to prepare the meetings of the Council could not take place neither last year nor the year before since the Council meetings of New York could not be scheduled for the reasons known to Your Excellencies.

During this period since the Cairo Summit, the member countries have organised about fifteen meetings in the format of expert groups, seminars, workshops, training programs in the field of trade and trade related matters, energy, finance, agriculture, poverty alleviation and rural development, environment, etc. They proved to be beneficial to the member countries. The list of these meetings are also before Your Excellencies. In this connection, I would like to underline that the trade sector continues to retain its prominent place in D-8 cooperation. Indeed, the D-8 intra-trade increased about % 30 in two years from USD 14,5 billion in 1999 to USD 19 billion in 2001. However, taken into account of the overall trade of the member countries with the whole world, which is about USD 500 billion, there exists much wider scope for its further expansion. The Expert Group on trade preferences-customs procedures and elimination of trade barriers is at present working on various proposals to this end.

In return, certain projects could not be realised at all, and others had to be postponed, and in some cases more than once, due to the insufficient participation. Concerning the IMTC project, specific commitments from the member countries are still awaited before launching it. Serial production of the agricultural aircraft had to be postponed to an uncertain future although its prototype was manufactured about three years ago with quite an investment. Then again, visa agreement signed during the Cairo Summit still requires additional ratifications to enter into force. The feeding and updating of the ITDB Network and other related databases by the members could not meet the expectations.

As I stated at the last session of the Commission, I believe, it is high time to engage in a thorough evaluation of D-8 activities, and take the necessary steps to revitalise D-8 cooperation and to rejuvenate the spirit of collaboration and solidarity amongst the members. I am happy to state that realising this need, the Commission already agreed at its recent meeting to assess D-8 activities in order to enhance the effectiveness and efficiency of the Group, and decided to hold a special session of the Commission in Tehran soon after the holy month of Ramadan. The report of the special session will be submitted to Your Excellencies at the next meeting of the Council.

Honourable Ministers, Excellencies,

In recent years, the world economy, especially major economies of the European Union, the United States and Japan are passing through a period of deep recession and stagnation, with serious repercussions for developing countries, including D-8 member states as explained in the Economic Report on D-8 Region. Moreover, due to protectionist policies and subsidies, developing countries are facing great difficulties in exporting their products especially in the agricultural sector to the markets of major economies. At the recent WTO meeting at Cancun, it is regrettable that developed countries have again dragged their feet to meet the legitimate demands of developing countries. In order to meet the present and future challenges, it is of crucial importance for the members of the D-8 Grouping to coordinate their policies and to develop a common D-8 vision, and closely collaborate with other developing countries in international fora.

Honourable Ministers,

In the weeks and months ahead, preparations of the next D-8 Summit will be high in our agenda. The Distinguished Ministers may therefore wish to also give guidance to the Commission as regards the Summit preparations including its dates and future course of action.

I thank the Honourable Ministers for their kind attention.