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A GLOBAL ECONOMIC GROUP MEETINGS BETWEEN 2001-2004 VOLUME II



MEETINGS
BETWEEN
THE THIRD AND THE FOURTH SUMMITS

2001-2004

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VOLUME II

OFFICE OF THE EXECUTIVE DIRECTOR
Istanbul, March 2004

MEETINGS AT TECHNICAL LEVEL

**Report of the
Expert Group Meeting on Energy**

Abuja, Nigeria

3-5 April 2001

REPORT ON THE
EXPERT MEETING OF D-8 HELD AT ABUJA 3 – 5 APRIL 2001

1. INTRODUCTION

In compliance with the decision of the D-8 member states that Nigeria should coordinate the energy sub group activities of the group, a meeting of the D-8 expert working group on energy was held on 3rd to 5th April, 2001 at Abuja, Nigeria. The meeting was coordinated by the Federal Ministry of Science and Technology. The following countries participated at the meeting, namely Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

2. OPENING CEREMONY

Eleven experts from seven of the eight member countries attended the meeting. The opening ceremony was chaired by the Honourable Minister of Science and Technology, Professor Turner T. Isoun. Other dignitaries who attended include:

- (i) The President, Commander-in-Chief of the
Federal Republic of Nigeria

(Represented by Prof. Turner Isoun,
Honourable Minister of Science and Technology)
- (ii) Alhaji Sule Lamido
Honourable Minister of Foreign Affairs.
- (iii) Engr. Abba Gana,
Honourable Minister of Federal Capital Territory

(Represented By Dr. Francis Ayodele)
- (iv) Alhaji Musilu Smith
Inspector-General of Police

(Represented by AIG Harrisu Issa)
- (v) Chief Anyim Pius Anyim
Senate President

(Represented by Senator (Dr) Wahab Dosunmu)
- (vi) Ambassador of the United States of America
(Represented By John Brodman)

(vii) Mark Tomlinson
Country Representative for Nigeria of the World bank)

(viii) D-8 Executive Secretary

(Represented by Engr. Ayse Nigar Oransay of Turkey)

(ix) UNESCO Representative in Nigeria

(Represented by Dr. Anthony Madueke.

The Executive Director of D-8 was represented by the Turkish representative, Engr. Ayse N. Oransay, who read his address. Goodwill messages were delivered by representatives from the Senate President, Speaker of the House of Representatives, American Ambassador, and Country Director (Nigeria) of the World Bank.

Two theme papers were delivered namely:

- (i) Renewable Energy in Rural Development – Global Perspective
by Mark Tomlinson of the World Bank;
- (ii) Renewable Energy in Rural Development – Nigerian Perspective
by Professor A. S. Sambo, Vice Chancellor ATBU, Bauchi

The Keynote address was presented by the President, Commander-in-Chief of the Federal Republic of Nigeria, Chief Olusegun Obasanjo, represented by the Honourable Minister of Science and Technology, Prof. Turner Isoun. In the address, he reaffirmed Nigeria's commitment to the objectives of D-8 and called for greater cooperation among member states. He subsequently declared open the Expert Working Group Meeting.

3. TECHNICAL SESSION

The technical session was chaired by Prof. A. S. Sambo. Country papers were presented by each of the participating countries on the energy situation and developments in their respective countries. The presentations were very informative and were actively discussed.

4. ENERGY EXPERT MEETING

The Energy Expert Meeting was chaired by the Permanent Secretary, Federal Ministry of Science and Technology, Nigeria, Dr. C.J.A. Orjioko. The meeting agreed on the following objectives for the activities of the Energy Sub-group

- (i) To cooperate on the development of energy data bank, information exchange and networking;
- (ii) To promote bilateral and multilateral energy trade.
- (iii) To promote cooperation in research and development, and human resource development in the energy sector.
- (iv) To place special focus on increasing access to energy for rural areas using both commercial and non-commercial energy.
- (v) To cooperate in the promotion of manufacturing activities in the energy sector.
- (vi) To promote commercial activities in energy products and services
- (vii) To promote environmentally sound and energy efficient policies and practices.

5. PROJECTS IDENTIFICATION

Project proposals were received from member states. After deliberation, and in view of the above objectives, the following projects were agreed upon.

- (i) Small and mini hydro power plant projects.
- (ii) Cooperation in improving production, transmission, distribution and utilization technologies of energy.
- (iii) Cooperation in the establishment of a central and country based data banks.
- (iv) Cooperation in the utilization of energy products and services which exist in member states such as household gas metres and billing softwares from Pakistan; petroleum upstream and downstream services from Nigeria; Natural gas planning software from Iran, etc.
- (v) Cooperation in the establishment of international energy institutions for manpower development, research development, and market creation starting with renewable energy and gas utilization.
- (vi) Promotion of energy trade, technology transfer and investment among member countries.

- (vii) Cooperation in promoting environmentally sound and efficient policies and practices in energy supply and consumption.

6. MODALITIES FOR IMPLEMENTATION

It was agreed that the modalities for project implementation should follow the following phases, as applicable:

- Feasibility study phase;
- Design phase;
- Manufacturing phase;
- Installation phase;
- Operation and maintenance phase;
- Monitoring and Evaluation phase.

7. FUNDING ISSUES

It was recommended, for the consideration of the D-8 Council of Ministers, that:

- (i) the D-8 energy programmes should be funded with grants from multilateral banks provided the conditional ties are suitable; and
- (ii) efforts be made to establish a D-8 Bank.

8. CONCLUDING REMARKS

The delegates from member countries expressed their gratitude and appreciation to the Nigerian government for holding the first Energy Group Meeting, and for extending their excellent hospitality to the delegates.

**COMMUNIQUE
OF
THE ABUJA MEETING OF THE D-8 ENERGY EXPERTS
WORKING GROUP HELD ON APRIL 3 – 5, 2001**

The first set of meetings of the Energy Experts Working Group was held in Abuja, Nigeria from April 3 – 5, 2001. Goodwill messages from the National Assembly of the Federal Republic of Nigeria, and some International Donor Agencies, as well as from member countries were received.

2. The President of the Federal Republic of Nigeria, Chief Olusegun Obasanjo, represented by the Honourable Minister of Science and Technology Professor Turner T. Isoun declared the meeting open. The President reaffirmed Nigeria's commitment to the objectives of the D-8 and called for greater cooperation among the member states. He also emphasized the significance of energy to the development and growth of member nations. He further commended the D-8 for selecting Nigeria as the focal point for Energy matters.

3. Country as well as Technical papers were presented and fully deliberated upon by the participants. The following highlights were recommended for adoption by the Council of Ministers:

- The need to strengthen the existing cooperation among experts on energy in member states
- The need to establish small and mini hydro plant projects in member states.
- Cooperation amongst member countries to improve production, transmission, distribution and utilization of energy technologies.
- Establishment of energy information systems, which will be integrated with the existing D-8 database.
- Cooperation in the utilization of energy related products and services, which exist in member states.

- Establishment of International Energy Institute for Manpower Development, Research and Development as well as market creating programmes and activities.
 - Promoting energy trade, investment and technology transfer amongst member countries.
 - Promotion of environmentally friendly and energy efficient technologies and practices in energy supply and demand.
4. Member country experts recommend the establishment of an energy development fund.
 5. The D-8 Expert group thanked Nigeria for hosting the meeting.

Report of the
Workshop on Alternate/Organic Fertiliser/Integrated Plant
Nutrition System

Islamabad, Pakistan

19-20 June 2001

**RECOMMENDATIONS OF WORKSHOP ON
"ALTERNATE/ORGANIC FERTILIZERS PROMOTION" HELD IN
ISLAMABAD 19-20 JUNE, 2001**

1. Pursuant of the commitment made by the Chief Executive of Pakistan in D-8 Countries Summit held at Cairo on 25th February 2001, a workshop on "Alternate/Organic Fertilizers Promotion" was held at Islamabad from June 19-20, 2001. During this workshop 15 papers were presented and there were 120 delegates representing D-8 countries and local participants were policy makers, researchers, extensionists and farmers.
2. Ministry of Food, Agriculture and Livestock constituted a "Recommendations Committee" to formulate recommendations based on deliberations and discussions held during the workshop under the auspices of D-8 countries, sponsored by Ministry of Foreign Affairs on "Alternate/Organic Fertilizers". The committee consisted of following members.

(i)	Dr. Nisar Ahmad	Chairman
(ii)	Dr. M. A. H. Nofal, Egypt	Member
(iii)	Dr. Kenan Cagatay Turkey	Member
(iv)	Dr. Omer Faruk Noyan, Turkey	Member
(v)	Mr. M. Mohsin Iqbal	Member
(vi)	Dr. Kazi Suleman Memon	Member
(vii)	Dr. Tahir Hussain	Member
(viii)	Dr. M. Sharif Zia	Member
(ix)	Dr. M. Rashid	Member
(x)	Dr. Amanullah Bhatti	Member
(xi)	Mr. Muhammad Idris	Member

3. The committee was of the consensus that agriculture plays a pivotal role and will continue to do so in future to meet the food requirements of D-8 countries and their economic development. However, it was noted that depletion of nutrient stocks in the soil, which is occurring in some D-8

countries, is not only a major but often hidden form of land degradation and is thus hampering crop productivity. On the other hand, excessive applications of chemical fertilizers and in some cases organics, and their inefficient management, can cause environmental problems especially if large quantities of nutrients are lost from the soil-crop system into water or the air.

4. The food security status, population growth, shrinking land and water resources and limited availability of organic sources show that D-8 countries can not completely substitute inorganics with organics. The exclusive and excessive use of chemical fertilizers is not desirable in view of environmental concerns and sustainable food production. It was therefore recommended to pursue integrated plant nutrition system (IPNS). This includes combined use of inorganic, organics and bio-fertilizers in a systematic and scientific manner.
5. Pakistan has a vast experience with a trained manpower in the field of 'Plant Nutrition Management' using both inorganic and organic sources to sustain crop productivity. Lot of work is being done on use of FYM, composting, green manuring and bio-fertilizers. Member countries were offered to benefit from expertise of Pakistan. It was recommended that marketing of organic and biofertilizers among D-8 countries should be encouraged to benefit with each other's experience and transfer of technology.

Policies and Strategies

6. It is recommended that each country should develop an inventory of land and water resources alongwith inorganic, organic and bio-sources available in the respective countries and their use as plant nutrients as well as fuel or fodder. This information should be placed on a web-site and shared by member countries. A support fund should be established among the D-8 countries for joint activities on research and development and information

dissemination. Periodic meetings among the D-8 countries should be encouraged. National Fertilizer Development Centre (NFDC), Planning and Development Division, in Pakistan should coordinate these activities.

7. Farm yard manure has been used by farmers for centuries but its use has been limited since the introduction of chemical fertilizers. In the present economic scenario its role in enhancing and maintaining the fertility of the soil for sustainable agriculture needs emphasis. Full benefit of the FYM is not derived by the farmers because of its improper management, handling and storage. Farmers should be trained to prepare compost scientifically at their farms utilizing animal manure, farm wastes and house refuse to serve as an organic source of nutrients. The nutritional value can be enriched through mixing with phosphatic fertilizer and local rock phosphate. The compost technology is simple and practical for farm utilization of organic sources in IPNM system.
8. Legumes for grains, as well as green manure are an important source of nitrogen and organic matter. It is estimated that about 20% economy in N use can be achieved through this practice. The information already available on the value of legumes in cropping systems should be disseminated among farming community to their specific farming conditions.
9. Biofertilizers are newer on the scene and there is a range of them. The rhizobium inoculants are already established for legumes and should be promoted. Other microbial products have claims for improving crop productivity; however, they need further evaluation for wider adoption and careful approach need to be taken in respect of them. National standards for all biological products need to be established and implemented to serve the

interest of the farmers. Similar standards relating to quality control should apply to mineral fertilizers.

10. The nutrient losses of farm yard manure through improper storage must be quantified and the monetary value of these losses should be disseminated among the farming community. Similarly awareness about the quantitative value of the nitrogen added through bio-fertilizers, recycled crop residues and legumes should be worked out. IPNS package, therefore, must collectively aim to deliver these optimum application rates.
11. Huge quantities of city wastes are available and not being properly utilized. A study on their availability be initiated to quantify them for their proper utilization both as sources of nutrients, soil conditions and environmental health. Experience is available from many countries of composting municipal wastes. Likewise agro-industrial wastes, including sugar industry, need be assessed for their proper utilizations
12. Long-term trials be established and strengthened in different agro-ecological zones including all important soils and cropping systems in order to monitor the effects of major NPK nutrients alone and in combination with organic sources. This will help in the long run to clarify ambiguities now enshrouding some of the aspects of nutrients depletion and build up aspects besides developing balance sheet of nutrients and studying synergic effects of nutrients and ultimately help refine the fertilizer recommendations.
13. Adequate price incentives are essential to increase agriculture output. Farmers throughout the world have shown themselves sensitive to changes in relevant input: output price relationships particularly with regard to fertilizer, which constitutes the main purchase input for most small scale

farmers in developing countries. There are, however, some non price factors which contribute to price incentives as under:

Availability of right product at right time at affordable prices.

Marketing strategy and policy in addition to physical availability should also focus on farmers awareness, credit availability and economics of fertilizer and organic sources use.

Public and private sector partnership-particularly on promotion of organic and inorganic sources, retailship, research and extension should be strengthened for the benefit of the farmers.

14. As a substitute for fuel, agro-forestry and bio-gas approaches need be encouraged and pursued. Cropping system need to be considered for formulating fertilizer recommendations including inorganic and organic sources of nutrients.
15. The balanced application of the major nutrients, nitrogen, phosphate and potash (N, P_2O_5 and K_2O) plus secondary and micronutrients is extremely important. The crop yields in most of countries are seriously impacted by this imbalance and strong promotional activities are needed for a optimal mix at farm level.
16. A National Action Plan (NAP) on the promotion of IPNM need be developed by all D-8 countries for major crop production regions involving all related expertise and institutions in order to facilitate the transfer of available technology on IPNM. Action plan of all these countries should be linked in accordance with the recommendations proposed at Sr. No.6. Based on the technology identified in NAP pilot demonstration projects in different crop zones should be taken up initially for farmer acceptance. Also devise appropriate extension means for the grass root dissemination of IPNM approach to the farmers.

**Report of the
Managing Privatisation Course**

Kuala Lumpur, Malaysia

20-25 August 2001

Report of the Managing Privatization Course for D-8 Countries

The course was held from 20 to 25 August 2001 at the Institute of Public Administration (INTAN), Malaysia. It was attended by 13 participants of D-8 member countries namely 3 from Iran, 2 from Egypt, 1 from Pakistan, 1 from Bangladesh, 1 from Turkey and 5 from Malaysia.

2. The objectives of the course were:-
 - i) To enhance the participants knowledge and experience in the various approaches and techniques in the management of Privatization Programmes in Malaysia
 - ii) To review the concept, philosophy, process and implementation of privatization programmes
 - iii) To provide an avenue for participants to exchange and share Malaysia's experience and the experience of other D-8 countries in the area of privatization
 - iv) To strengthen relations among D-8 member countries in the spirit of South-South Cooperation
3. Among the topics discussed were:-
 - Structure and System of Government in Malaysia
 - Malaysian Development Policies
 - Perspective on Development Planning in Malaysia
 - Privatization Policy and the Malaysian Experience
 - Preparing Proposal for Corporatisation/Privatization
 - Financial Considerations in Corporatisation/Privatization
 - Valuation Methods for Landed Asset
 - Privatization: Legal Aspects
 - Privatization of the Energy Sector
 - Understanding Financial Statements and Financial Valuation Methods
 - Privatization and Personnel Matters
4. Resource persons came from the following organizations, namely:
 - National Institute of Public Administration (INTAN) Malaysia
 - Economic Planning Unit
 - Ministry of Finance
 - Attorney - General Office
 - Valuation Department
 - Public Service Department
5. Visits were also organised to the following entities:-
 - Economic Planning Unit
 - PUTRAJAYA
 - Malaysia Airport Bhd.
 - West Port
 - Sprint Company

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**Report of the
Workshop on Small and Medium Sized Enterprises**

Istanbul, Turkey

2-4 October 2001

REPORT OF THE WORKSHOP ON SME's

The "Workshop on Small and Medium Sized Enterprises" was held on 2-4 October 2001 in Istanbul. The workshop has been organized by Istanbul Chamber of Commerce in cooperation with the Small and Medium Industry Development Organization (KOSGEB). The meeting started with the opening statement made by Dr.Cengiz Ersun, the Deputy Secretary General of the Istanbul Chamber of Commerce and followed by the reading of a message from Ambassador Ayhan Kamel, the Executive Director of D-8 Grouping. Delegates from the D-8 Countries, namely, Bangladesh, Egypt, Indonesia, I.R. of Iran, Nigeria, Pakistan and Turkey took part in the workshop. The work programme and the topic of the presentations in the meeting are enclosed herewith.

The participants have evaluated and discussed the papers presented during the workshop. They have reached an understanding on the matters mentioned below:

- 1- The workshop was successful as a forum for expressing the member countries' national experiences and sharing information accumulated.
- 2 - Developing a process of continuous information exchange is of vital importance and to this end, the Small and Medium Enterprise Development Authority (SMEDA) of Pakistan agreed to set up a forum on internet under its web site. The operational guidelines and modalities of IT (Information Technology) shall be coordinated by the SMEDA.

- 3 - All participating delegates agreed that organizing a workshop on data collection and classification system for SMEs is very important for information exchange and IT. The Pakistani delegate proposed that respective experts for data collection and management on SMEs are advised to have a seminar in two separate sessions, The first being for the respective officers for collecting data on SMEs, and the IT officers for managing data, and the second being for the review and exchange of results achieved. Turkey and Egypt stated their wish to share their experiences on this topic. Time and place of that workshop will be decided through usual communication procedures by the parties concerned.
- 4 - With reference to the Joint D-8 Venture Programme submitted in the course of the D-8 Summit in Cairo (Feb. 2001), it is recommended that an expert meeting would be held to explain ways and means of successfully implementing this program. The workshop proposed in para 4. is a prerequisite for implementing SMEs support schemes, including the Turkish SMEs Development proposal.
- 5 - The presentation on the "Activities of the Subcontracting Exchange Office" operating under the Istanbul Chamber of Commerce was greatly appreciated by the participants. The Manager of Subcontracting Exchange Department expressed that Istanbul Chamber of Commerce is ready to share their experience with member countries. It was mutually agreed that each representative would contact UNIDO in their respective countries through proper channels for assistance in development of such agencies. Since UNIDO has initiated such exchanges in many countries, their guidance and assistance would ensure uniformity of structures, which could then be coordinated between D-8 countries to promote SMEs.

6- In addition, pointing out the level of development achieved by Turkey in the field of supporting SMEs in general and KOSGEB in particular, the SMEDA of Pakistan expressed its interest to send its respective officers to KOSGEB and banks in Turkey in order to enhance the knowledge base of their personnel. KOSGEB of Turkey welcomed this request in principle, stating that it is ready to share its knowledge and experience within the possibilities of this institution.

The organization of the workshop and the hospitality extended by the Istanbul Chamber of Commerce is highly appreciated by the participants.

Report of the
Workshop on the Empowerment of Rural Community
Through the Use of Appropriate Technology for
Poverty Alleviation

Jakarta, Indonesia

5-9 November 2001

**REPORT OF THE WORKSHOP
ON EMPOWERMENT OF RURAL COMMUNITY
THROUGH THE USE OF APPROPRIATE TECHNOLOGY
FOR POVERTY ALLEVIATION**

**OF THE DEVELOPING-8 COUNTRIES (D-8)
Jakarta, 5-9 November 2001**

INTRODUCTION

1. In accordance with the decision adopted at the Third Summit of the D-8 in Cairo on February 2001, the Government of Indonesia convened a Workshop on Empowerment of Rural Community through the Use of Appropriate Technology for Poverty Alleviation in Jakarta, on 5-9 November 2001. Experts and decision-makers from Developing-8 countries: Bangladesh, Arab Republic of Egypt, Republic of Indonesia, Islamic Republic of Iran, Islamic Republic of Pakistan, Federal Republic of Nigeria and Republic of Turkey participated in the workshop. Representatives from local government of Indonesia namely provinces of South Kalimantan and West Java, various Indonesian Departments as well as representatives from Indonesian Non Governmental Organizations also participated in the meeting.
2. At the opening session, Ms. Tri Murtiningrum of the Ministry of Home Affairs of Indonesia delivered the report of the Workshop Organizing Committee followed by the speech of Mr. Pitono Purnomo, Director for Economic Relations among Developing Countries of the Department of Foreign Affairs on behalf of Dr. Makarim Wibisono, Indonesian Commissioner to the D-8. Minister of Home Affairs, H.E. Mr. Hari Sabarno, who is represented by Mr. B. Ahmadi, Director for Community's Economic Efforts, Ministry of Home Affairs on his behalf, officially opened the meeting.
3. In the report, the Chairman of the Organizing Committee underscored the main objectives and expected output of the workshop. In short, she stressed that through the workshop will be an opportunity for exchange of experience to empower rural community in terms of productivity, sufficiency and effectiveness by using appropriate technology. In this regard, she asked the participants to focus on policies, strategies and programs currently or have been implemented in the respective countries so that other participants can share with.
4. Mr. Pitono Purnomo presented the welcoming remark of Dr. Makarim Wibisono, Indonesian Commissioner to the D-8. He underscored that the

Asian economic crisis has severely affected vulnerable level of societies, and if not properly managed, could lead to deterioration of the society in many forms, such as crimes, malnutrition, environmental degradation, and severe poverty. The D-8 workshop thus provides an opportunity for sharing and exchanging best practices in the planning and implementation of programs in empowering the rural community to eradicate poverty through the use of appropriate technology. Since every country has its own characteristics and comparative advantage, the further exploration of the "appropriateness" of the technology depends entirely on the policy of participating countries. Nevertheless, the workshop attempts to provide ample opportunities to have a frank exchange of views on the experience of member countries in developing efficient and effective technologies in poverty alleviation.

5. He further stressed that in achieving the desired result of poverty eradication the government alone will not be sufficient enough to do the task of poverty eradication. Other stakeholders in the development process such as NGO's and the private sectors should be involved. All the stakeholders need to work together with every layer of the society in order to enhance the welfare of the people, particularly people in the rural areas.
6. In a comprehensive yet concise opening remark, the keynote address of the Minister for Home Affairs stressed that the multidimensional impact of poverty requires serious attention and coordinated solution from all concerned parties. The workshop thus signifies D-8 commitment in strengthening collaboration in order to alleviate poverty by promoting the South-South co-operation through various projects undertakings. He underlined the workshop's attempt to highlight the importance of empowering people's economy, share experiences on enhancing national capacities, explore feasible and concrete co-operation among countries and find ways and means to benefit from available international initiatives.
7. Moreover, it was described that although Indonesia has successfully decreased a substantial number of the poor, the economic crisis has skyrocketed the number of people below the poverty line. The crisis has prompted the Government of Indonesia to find innovative ways and means to address the problems of poverty, among others, by applying and developing appropriate technologies in the rural areas. The efforts were carried out with two objectives in minds, namely, to support small and medium scale enterprises (SMEs) and to alleviate poverty as well as increase the community income and welfare on equal basis.
8. The keynote address of the Minister further elaborated Indonesia's experience in developing the appropriate technology using the solar energy and the use of worm as a processing tool for making fertilizer by using raw materials from household, market and plantation waste. In the implementation

process, the rural community groups have been successful in managing various works with capital granted by the government. On human resources development, the government has attempted to improve community's knowledge and skills, particularly with regard to managerial or technical skills, to enable the community to manage or promote their own business activities and getting access to both national and international market. In this context, the appropriate and effective role of suitable technology provides the means for the community's production to meet the standard of quality accepted by all parties.

9. In order to enrich the discussions and obtain factual and first-hand information on activities related to empowering rural community in Indonesia, a field visit was undertaken on 7 and 8 November 2001 to observe closely project site of empowering rural community programs namely technological project on waste management utilizing worm in Bandung West Java that has been successfully developed by the Waskita Dian Persada Foundation. Moreover, the participants visited the Ketapang Village in West Java, which is noted for its successful achievement in empowerment of rural community in poverty alleviation. The participants also had the opportunity to compare countries' experiences in processing food by visiting a food company that has a special program for distributing processed food to the poor.

DISCUSSION

Session I : Conceptual constructions, Policy issues, Strategy and Key Issues on Rural Community Empowerment

10. Mr. Agung Mulyana, Acting Chairman of the Sub Regional Office of CIRDAP in Southeast Asia (SOCSEA) made a presentation to commence the discussion on the topic of *Regional Strategy on Community Empowerment for Rural Development and Poverty Alleviation*, followed by Mr. Putu Santika on behalf of Mr. Tamrin A. Tamagola, Deputy Minister for Societal Dynamics of the Office of State Minister for Research and Technology which gave a presentation entitled *National Policy for Appropriate Technology Dissemination*. Mr. B. Ahmadi, Director for Community's Economic Efforts, Ministry of Home Affairs, acted as the Moderator for the Discussion.
11. Mr. Mulyana began with the facts that since its inception in 1979, the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) has continued to assist the Asia and Pacific member countries to achieve the development of rural communities in an integrated approach facing formidable challenges and constraint of political and economic realities. CIRDAP has been advocating unique approaches and strategies of community empowerment for rural development aside from modern development thinking and eurocentric concept of economic development.

12. He explained that bearing in mind the perpetuity of poverty and the disadvantages of liberalisation and globalisation impact upon the poor and rural community, CIRDAP focuses its approach on enhancing prosperity of the rural community by rejuvenating the rural economy, making the villages into attractive places to live with conservation of existing advantages, harnessing new potentials and creating new opportunities. In order to achieve those objectives, CIRDAP emphasizes on the direct participation of the community in the process of planning, and executing rural development programmes that simultaneously can mean empowering rural community. Projects are undertaken through Community Information and Planning System (CIPS), Model Villages in Rural Development (MVRD) and a recently evolved CIRDAP Approach to Rural Development (CARD) methodology. He further elaborated on the recent activities of the CIRDAP, namely in developing an information network on rural development and poverty, developing models for various aspects of rural development, development expert exchange program etc. In conclusion, he stressed the need to uplift the rural poor.
13. Mr. Putu Santika of the Office of State Minister for Research and Technology, made a presentation on behalf of Mr. Tamagola, Deputy Minister for Societal Dynamics of the Office of State Minister for Research and Technology on *The National Policy for Appropriate Technology Dissemination*. In his presentation, he elaborated on the vision and strategic policy of the national science and technology, 2001-2004. He also outlined the Indonesian national priority in research, development and engineering. To promote the development of science and technology based-SMEs and to accelerate the science and technology based-community, the Office has already established incentive program.
14. The representative of Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) , Mr Mark Hayton delivered a presentation entitled *Policy Options and Strategies for Energy Conservation and Cleaner Production in Small and Medium Scale Industries*. Mr. Putu Santika of the Office of the State Minister for Research and Technology acted as the moderator for the discussion.
15. Mr Hayton explained that the goal of Mini Hydro Power (MHP) Project undertaken by GTZ is to improve the welfare of rural communities through economic development, social empowerment and environmental preservation. These issues were addressed through the application of a renewable energy source that has 4 expected results/components namely policy changes that support rural social transformation; capacity building for institution managing and operating MHPs; technology transfer, and productive end-use development for MHP schemes. He stressed the need to have synergy between all the components in order to support the rural transformation process. In this case, the environmental preservation cross cuts the results/components of the project.

16. He further explained that MHP uses a "two-sided sword" strategy to implement program, namely hardware and software elements that are integrated into project activities to accelerate the rural transformation process. The hardware element consists of MHP technology and other appropriate technology to support the development of productive end-uses. This element is an integral part of the technology transfer component. The ability of local technical counterparts to provide good, robust and appropriate technology is essential to ensure the sustainability of the projects in the future.
17. Good technology combined with good management and productive end-uses becomes the software component of the project. Good management and optimal power utilization are pre-requisite for long-term sustainability of schemes. Through a sustainable operation and management of MHP's, improving welfare of the people can be achieved. The combination of the hardware and software element becomes the basis for making the environment conducive to achieve rural transformation and subsequently improve the life of the beneficiaries.
18. With regard to the presentations on Mini Hydro Power Technology, the participants inquired on the usage of local contents in the production/manufacturing of the MHP as well as the issue of transfer of technology and sustainability of the project. In this regard, it was elaborated that the manufacturing of the MHP equipment is entirely using local content. While for the more sophisticated control system there are some imported content since it would not be economically feasible to invest in the production of the control system. On the issue of sustainability of the project, it was explained that to achieve sustainable transfer of technology, does not necessarily need full time expert. However, it is essential to have a consistent commitment for technical support for a long period of time. The presenter further underlined the need to have a sufficient knowledge of basic civil engineering technology, and in this regard, Indonesia culturally has rich knowledge of irrigation technologies that are closely related to the technology of the MHP. He further recommended that the community should play a major role in developing the appropriate technology and has to have a solid commitment to ensure the continuity of the project. The technology should be as simple as possible in order for the rural people to adapt and manage the equipment as well as undertake proper maintenance.
19. The participants also inquired on the issue of rates for the electricity produced by the Mini Hydro Power Plant and the profitability of such an endeavor. The presenter remarked that it would be difficult to expect a full return on investment, noting the low- income condition of the rural community. Therefore, grants are needed to ensure that the project is established. Nevertheless, the management as well as the distribution of the electricity should be conducted by the rural community.

**Session II : The appropriateness of the Use of Technology:
Policy, Strategy and Key Issue for Poverty Alleviation in
D-8 member countries**

20. Ms. Herliyani Suharta and Mr. Dian Triansyah Djani, acted as the moderators for the discussions. The moderators called on the member countries to deliver their national policy and experiences on Rural Community empowerment. Concise yet comprehensive, presentations were made by representatives of Pakistan, Iran, Turkey and Egypt. Presentation of Indonesia was delivered by provinces of South Kalimantan and West Java.
21. Mr. Farooq Hussain of the Islamic Republic of Pakistan presented a country paper entitled "*Poverty Reduction Program in Pakistan*". It was, then followed by Mr. Seyed Jafar Sadjadieh, delegation of the Islamic Republic of Iran who gave a presentation entitled "*empowerment of the poor: appropriate technology for rural poverty reduction*". On the next day, Mr Ilhami Sahin of Turkey delivered his presentation on the agricultural strategy and policy in Turkey. The representatives of the provinces of South Kalimantan and West Java also presented their paper.
22. Mr. Farooq Hussain of the Islamic Republic of Pakistan presented a paper entitled "*Poverty Reduction Program in Pakistan*". To combat poverty, the Pakistan Government has implemented Poverty Reduction Strategy 2001-2004. The strategy comprises of several major elements, namely (i) economic reforms; (ii) physical assets creation for the poor, (iii) social assets creation for the poor, (iv) social safety net; and (v) governance. Those elements are expected to make a rapid economic growth, utilization of assets by the poor, labor market mobility, poverty elimination and rule of law for society. Subsequently, it will lead to creation of employment and increased income for the poor and finally reduced poverty in the country.
23. He explained the salient features of the Social Action Program of Pakistan and highlighted the achievements in education, health and rural water supply and sanitation sectors. Specifically, he elaborated various programs for poverty alleviation in the country. He said that "Khushal" Pakistan covering for two years time (January 2000-December 2001) has the aim of increasing employment and providing infrastructure in rural and low-income urban areas. The project is administered and implemented in cooperation with the rural communities. He informed that land allocation to the poor, regularization of the temporary settlements (Katchi Abadis), micro credit schemes and vast network of Zakat System are playing vital role in reducing the poverty in Pakistan.
24. Mr. Seyed Jafar Sadjadieh, delegation of the Islamic Republic of Iran gave a presentation entitled "*empowerment of the poor: appropriate technology for rural poverty reduction*". In the presentation, he stressed that empowerment is

the unavoidable choice of developing countries to combat poverty, therefore there is a need to upgrade human capital and enhance multilateral cooperation, including amongst D-8 countries.

25. He further outlined the experience of Iran in poverty reduction through its National Development Plan, which resulted in remarkable achievements. According to the data presented, social indicators particularly by gender and by area are desirable. In this regard, he briefed the achievements as well as the policies in rural development. However, there have been challenges hindering the desired pace of poverty reduction in rural areas.
26. Mr. Sadjadieh, then, mentioned poverty incidence in Iran and briefed the major strategies in the Iranian Combating Poverty Scheme recently developed. Empowerment of the poor heads the list, and followed by developing income generation activities, extension of job opportunities, rural development, vocational training and SMEs development it. This is a supplement to the national development plan, which focuses on equitable growth, social justice, establishment of a comprehensive social security system and lowering inflation.
27. On behalf of the Republic of Turkey, Mr. Ilhami Sahin described the excellent agricultural condition in Turkey, the substantial number of productivity, the contribution of the agricultural sector to GDP. He also referred to some of food insecurity and micro nutrient deficiency among some groups of the community, and the constraint experienced by the agricultural sector due to inflation, climate and inadequate marketing facilities. Therefore, it is necessary to search for new approaches.
28. He further explained that the policy in order to alleviate the poverty is to remove the problems in the agricultural sector while upgrading the welfare of the farmers, providing food security and at the same time preserving the ecology and natural resources. The groups that need to be targeted for support are households which have insufficient capacity to acquire food due to inadequate income, such as villagers without land, poor farmers and animal breeders, among others. The strategy that has been undertaken is to decrease agricultural marketing and price supports, replace its use for public services on agriculture, and create a suitable political environment. In order to alleviate poverty in the rural community and achieve the determined goals it is also necessary to make reforms in agriculture through the use of data base, supervision, utilisation of production planning and the formation of a healthy and sustainable environment.
29. Mr. M. Sam'ani, Head of Research and Development, Province of South Kalimantan, Indonesia, gave a presentation of specific programs that have

been undertaken in his province with regard to efforts to alleviate poverty, such as: self sufficiency in local species of fish; development of mining based industries; and micro irrigation programs. He further elaborated that the program on self-sufficiency in local species of fish have been successfully conducted. While the irrigation program has resulted in surplus of rice and vegetables. Nevertheless, although well intended, the project have encountered difficulties in practice since the surplus of vegetables have evolved into difficulties in marketing the product, and thus have not contributed significantly in reducing poverty. The presenter also explained that the cultural issue has posed difficulties in efforts to alleviate poverty.

30. Mr. H. Dodo Perdata, Head of Research and Development, Province of West Java, Indonesia, presented a paper entitled "Policy and Program of Involving Society in Solving the Poverty in West Java through Effective Technology". In this regard, a specific program called DAKABALAREA has been implemented by empowering society as a core in development. The program is aimed at increasing community's capacity through improving access to natural resources, technology, market information and capital. The targets of the program are poor society, SMEs and cooperatives. He also mentioned that effective technology application has been able to improve society's economy. Nevertheless, the inventors of the relevant technology are not fully aware of the importance of IPRs protection.

31. The presenter, subsequently, underlined the importance of continuous improvement of effective technology application and development as well as the DAKABALAREA program itself. In this case, further research and development including IPRs protection should be conducted.

Session III : Case Study, Social Fund and Policy Responses on Empowerment of Rural Community

32. Mr Budi Listyawan, founder of Waskita Dian Persada Foundation presented a paper on the topic of *Worm Technology*. The discussion was moderated by Mr. Dian Triansyah Djani. Mr. Listyawan explained that waste problem that derives from the impact of modernity and the growth of the population is a serious matter to be solved. A substantial amount of unmanaged wastes will create pollution of water, soil, and air which would breed various diseases and degradation of the environment. Moreover, the development of horticulture production to meet the increasing demand for food has led to the degradation of fertile soil and increased pollution caused by the use of intensive chemical usage.

33. He further elaborated that "Vermicomposting" is a good alternative to manage organic solid waste. "Vermicomposting" also can supply nutrients to improve the structure and function of soil so as to make flora and fauna life healthy. Vermicomposting is a process of organic decomposition by inoculating earthworms. Earthworms consume organic litter in the soil surface by pulling down materials into soil using its prostomium. The objective of this process is to create a better organic fertilizer and a soil conditioner that can improve the structure and function of the soil. Activity of "vermicomposting" is an alternative as well as solution for the both solid waste and agricultural problem aforementioned. Beside the benefits that can be taken, "vermicomposting" is a simple and easy-to-implement biotechnology even for the smallest unit of the community like the household.
34. Ms. Amal Salama, of the Egyptian Embassy, on behalf of Dr Hussein El-Gammal, Managing Director of Egypt Social Fund for Development, read the paper entitled *The Experience of Social Fund for Development (SFD) in Poverty Alleviation*. Mr. Dian Triansyah Djani of the Ministry of Foreign Affairs of the Republic of Indonesia acted as the moderator. On the paper, Mr Gammal put forward four proposals intended to enhance D-8 cooperation, namely: a) Best practices in poverty alleviation on the D-8 web-page; b) Micro finance initiative for D-8 countries; c) Assistance among D-8 countries for Development and utilization of information and communication technologies (ICT) for poverty alleviation; and d) Publication on trends in human development and poverty alleviation in D-8 countries.
35. In the first proposal, he recommended the D-8 national focal points together with Indonesia as a coordinating country to work on designing the best practices website as well as identifying, compiling, and disseminating information on projects/programs. The second proposal is aimed at exchanging experience among micro finance experts as well as strengthening micro finance infrastructure in D-8 countries. As for the third proposal, he viewed the importance of cooperation in bringing together a pro-Science and Technology agenda and a pro-poor agenda. Finally, the publication of report on human development and poverty trends is expected to provide policy makers with relevant, timely and accurate information.
36. Ms. Herliyani Suharta of the Indonesian Energy Technology Laboratory, Agency for the Assessment and Application of Technology made a presentation entitled *Sun Stove Technology*. Mr Putu Santika acted as the moderator. Ms Suharta explained the design, use and social acceptance of solar cookers that are constructed by the users, using local materials in its manufacturing and cost-conscious. She described the benefit of the solar cooking technology applied in the rural areas in its comparison with oil brazier, fuel-wood stove and coal briquette stove. She remarked that the sun

stove technology looks promising and that the Indonesian society has begun accepting the method since there are evidences that the solar oven cooks effectively.

37. She further explained that solar cooker program is environmentally benign, cost-conscious, place-conscious and the technology offers solution on the problem of clean energy. Solar energy also can cope with the growing fuelwood demand caused by the growing number of population. Therefore, the benefit of this technology should be disseminated to the society through the families as the root users. The dissemination of knowledge and information on this new technology is undertaken through various educational approaches.
38. On the discussion of Session III, the participants inquired on the involvement of the government in various projects that have been undertaken by individuals such as the Indonesian solar cooking project and the worm technology project. The presenters remarked that in one way or another the government has supported and encouraged the development of appropriate technology.
39. The participants also exchanged their views and experiences on efforts that have been undertaken to alleviate poverty through various programs and schemes. Noting the need to have continued collaboration and exchange of experiences, the participants requested the delegation of Egypt to submit its country experience in combating poverty for other members to benefit from the Egyptian experience.
40. On the closing of Session III, the participants appreciated efforts by each member that have presented their countries viewpoint and experiences, and have remarked that, whenever possible, D-8 members will replicate strategies and experiences gathered in this workshop.

Session IV : Practices and Lessons learnt in Empowerment of Rural Community

41. The participants expressed their satisfaction on the arrangement made during the field trips to Bandung, West Java. They obtained valuable inputs on the local government efforts to alleviate poverty through the establishment of community groups in each villages, grant for the preliminary capital to begin proposed works that has the benefit for increasing the community's income as well as the assistance to market their products. These programs are implemented through a partnership with community-based organizations and the beneficiaries. The participants were of the view that the visits are beneficial for comparative purposes on the implementation of poverty alleviation in their respective countries.

42. The participants particularly underlined the importance of identifying specific program to help people increasing their income through the visit of fertilizer processing utilizing household, market and plantation waste with the worm as the machine (vermicomposting). Participants emphasized the importance of the assistance from the local authorities to allocate the household waste, intensive training, income generating activities of the labor-intensive work as well as sustainability of the projects through win-win partnership with related private sectors.
43. In field visit to Indofood Sukses Makmur Company, participants stressed the benefit of the opportunity to compare their country experience with Indonesia on processing food. The participants particularly expressed their interest and appreciation for the policy of the company management on the routine distribution of the processed food produced by the company to the need and the poor in Indonesia.

Session V : Consideration and Adoption of the Report

RECOMMENDATIONS

44. Having considered the various presentations and extensive deliberations by all participating experts, the Workshop noted the necessity of taking concrete actions and decisions to transform theory into reality. In this regard, the workshop agreed to recommend to the next meeting of the D-8 Commissioners, the following:
- a. The Workshop stressed the necessity of having an integrated approach in addressing the issue of poverty alleviation and the need to address the issue of poverty alleviation in all fronts.
 - b. The Workshop reiterated the importance of D-8 member countries to continue to work together in order to find ways and means to develop appropriate technologies in addressing the issue of poverty alleviation. It is essential to translate theory into concrete efforts which would be beneficial to the well-being of the people, by among others, exchanging experiences and best practices among D-8 members. In this regard, the workshop recommended that national focal points for poverty alleviation be active in providing their experiences and best practices to other members through the D-8 website.
 - c. The workshop recommended adoption of concrete programs to promote best practices of the D-8 members by undertaking field visit/study tour to member countries in order to explore the possibility of replicating successful experiences.

- d. Although cognizant of the fact that there is no single standard or solution that can be applied uniformly, the D-8 member countries deemed it necessary to continue exchanging experiences on appropriate technology related to the alleviation of poverty and explore the possibility of using it in D-8 member countries. The Workshop stressed the need to utilize community-based technologies that are simple, low cost, understandable, easy to utilize and sustainable.
- e. The Workshop underlined the importance of finding appropriate modalities to support the development and marketing of appropriate technology, including financing of the programs. The workshop also recommended exchange of best practices in micro-financing in D-8 countries in order to strengthen micro finance infrastructure in D-8 countries. The Workshop further encouraged the D-8 countries to explore the possibility of creating a funding mechanism to support development of innovative technology that would alleviate poverty.
- f. The Workshop underlined the importance of finding new approaches that would raise income from the agriculture sector, by among others, raising the value added on land under cultivation. Moreover, the Workshop saw the need to alleviate poverty through the integration of the agriculture sector and the industrial sector.
- g. The Workshop underlined the need to empower the rural community to take part in the planning, designing and implementation of schemes or programs to alleviate poverty. In this regard, it is important to ensure that the rural community has a stake in every stage of the development of appropriate technologies in order to have a feeling of ownership as well as to ensure a long-lasting commitment to utilize the said technology. The Workshop urged the development of appropriate technology that would ensure food security for the rural poor and vulnerable groups of the society.
- h. The Workshop recommended that member countries encourage their private sector to partake in the development of appropriate technology and involve themselves in efforts to empower the rural community to address poverty alleviation. Noting that the civil society also plays an important role in efforts to eradicate poverty at the grass root level, it would be pertinent for government to collaborate closely with the civil society in supporting innovation and development of appropriate technology.
- i. The workshop recommended increased cooperation between D-8 member countries in information and communication technologies (ICT) which is related to poverty alleviation. The Workshop encouraged the utilization of ICT to combat poverty. In this regard, the Workshop recommended closer coordination among D-8 coordinators, particularly between the poverty

alleviation coordinator and the D-8 Communication and Technology coordinator.

- j. The workshop recommended governments of D-8 member countries, particularly local authorities, to enhance awareness of the public on the benefit of new technology that would improve the livelihood and welfare of the people and encouraged the adoption of sustainable practices in the rural community that would boost development of technology.

CLOSING SESSION

45. The participants adopted the Report of the Workshop of the D-8 on the empowerment of rural community through the use of appropriate technology for poverty alleviation, which was held in Jakarta on 5 – 9 November 2001.
46. The participants placed on record their deep appreciation to the Government of the Republic of Indonesia for organizing the Workshop and for the warm hospitality extended to them by the Government and people of Indonesia.

**Report of the
Working Group Meeting on Technical Aspects of
Environmental Cooperation**

Tehran, Islamic Republic of Iran

14-15 November 2001

*Report of the
Working Group Meeting on
Technical Aspects of Environmental Cooperation in D-8 Countries
Tehran, 14-15 November 2001*

Inauguration of the meeting

The second D-8 Working Group Meeting on Environment was held in Tehran on 14-15 November 2001, in accordance with the decision of the D-8 Commissioners in their Seventh Session in Dhaka on 22-23 Feb. 2000 and reiterated by Cairo Declaration.

The purpose of this Meeting was to look into the technical aspects of environmental cooperation in D-8 countries. Experts and representatives from Bangladesh, Egypt, Indonesia, the Islamic Republic of Iran, Nigeria, Pakistan and Turkey attended the Meeting. The Representative of UNDP Bureau in Tehran also delivered a brief speech to the Meeting and actively involved in the technical discussions of the Session. The list of participants is attached as Annex I.

The meeting was inaugurated by H.E. Dr.Y. Hojjat, the Deputy Head of I.R. of Iran DoE for Human Environment. This was followed by an address of H.E. Mr. Jabbari, Director of Multilateral Economic Cooperation Department, Ministry of Foreign Affairs and keynote speech by Dr. Ahmad Reza

Ashraioiognaiiae, Senior Expert of International Cooperation Bureau, State Management & Planning Organization.

In his opening statement, H.E Dr. Hojjat considering the fact that 2001 was the year of " Dialogue Among Civilizations," called the Working Group Meeting on Environment as timely. He said, "It is a pity to have the knowledge, technology and resources available, and yet, the poverty has not been eradicated, but the gap between poor and rich, and developed and developing countries are still widening. Thus, globalization has deviated our commitment for sustainable development from its original purpose. The sustainable development process should not be hampered by poverty and illiteracy in developing countries. I think it is time for all countries to come together and launch initiatives at national and international levels to achieve their common goal". (The text of the statement is attached as Annex 2).

H.E. Mr. Jabbari referred to the environmental degradation as a global concern which requires global solutions. Stressing the importance of environmental issues, he also highlighted the fact that environment is an important area and opportunity for cooperation among Islamic Countries in general, and D-8 countries in particular. (Annex 3)

Afterwards, Mr. Ahmad Reza Ashrafologalae was unanimously elected as the chairman of the Meeting and formally started the session.

As the keynote speaker, Mr. Ashrafologalae pointing to major global environmental issues like unsustainable exploration of natural resources, profound alienation between man and nature, prevailing egoistic attitudes and

lifestyles, global warming, air and other types of pollution. He emphasized the Meeting to endeavor to address these main subjects:

- To increase Islamic Countries' understanding of environmental issues to share experiences and opinions,*
- To intensify efforts to encounter the challenges: Poverty, Trade and Finance on the basis of the discussions in the Third Summit, through creating environmental friendly job opportunities and protecting environment,*
- To achieve the best guidelines, on the basis of the national reports, to face the challenges of sustainable development,*
- To inspire D-8 Countries to think globally and act locally. (Annex 4)*

Technical discussions

The delegates adopted the agenda presented by the host country. (Annex 5)

The representatives from Bangladesh, Egypt, Indonesia, the I.R. of Iran, Pakistan and Turkey presented their national reports which reviewed the technical aspects of environmental issues of their country. (Annex 6)

During the two-days Meeting, fruitful discussions made on various environmental subjects, such as air pollution, energy consumption and its kinds, mechanism for environmental data exchange, municipal and in particular agricultural solid waste management, marine environment and the role of NGOs in promotion of environmental quality, etc.

Recommendations

After presentation of national reports by the delegations and extensive discussions on various agenda items and taking note of the Istanbul Meeting which accounted as a good basis for further discussions in this respect, the following recommendations were made by the member states. They also agreed these recommendations to be forwarded to the next Commissioners Meeting.

- 1- Organizing Workshops on identification of existing environmentally sound technologies in member countries and developing mechanisms for their transfer upon the request of the interested member countries;*
- 2- Recognizing potential areas for further cooperation in environmental issues including, : capacity building, exchange of information, expertise and experiences, access to know-how, facilitating the transfer of technologies and removal of the existing barriers and obstacles, etc.;*
- 3- Surveying and evaluating the sea pollutants, industries, urban sewerage systems and sharing of the member states findings in this respect;*
- 4- Designing, funding and implementing joint projects on relevant environmental issues including combating desertification, air and noise pollution, water and soil pollution, renewable energy resources, increasing energy efficiency, resource management, solid waste management, promotion of environment management systems, developing common vision and strategy in the International arena, etc.*

- 5-Organizing training courses especially in five areas of cooperation adopted by the First D-8 Meeting on Environment in Istanbul;
- 6-Arranging workshops and seminars on energy generated from agricultural solid wastes;
- 7-Establishing an Environmental Network through the D-8 Industrial and Technological Data bank (ITDB) website and developing a Monitoring System to determine and manage the environment pollution under the coordination of Iran's Department of the Environment (DoE);
- 8-Directing the efforts towards further regional cooperation on marine environment, especially stabilizing Coastal Zone Management (CZM);
- 9- Inviting the interested member countries to make appropriate proposals and take necessary measures for the implementation of the above- mentioned recommendations, as soon as possible.
- 10-The group recommended that Egypt will host the next D-8 Working Group Meeting on Environment in Cairo.
- 11-The Egyptian delegation agreed to organize a seminar on "Agricultural Solid Waste Management ".

Vote of Thanks

The participants expressed their thanks and appreciation to the Government of the Islamic Republic of Iran for the excellent arrangements and warm hospitality extended to them during their stay in Tehran.

Report of the
Workshop on Sharing Experience and Formulation of
Future Strategy for Rural Development

Dhaka, Bangladesh

5-7 March 2002

Recommendations of the Workshop on Rural Development

The delegates of D-8 member countries participating in the Workshop on "Sharing Experience and Formulation of Future Strategy for Rural Development" during the period from March 5-7, 2002 presented their experiences on rural development and poverty alleviation on their respective countries. During the three days' of deliberations, delegates exchanged their views, ideas and experiences, related programmes, policies and strategies followed by them during the working sessions. Various approaches to rural development and poverty alleviation in the members countries were explained. The delegates observed that the member countries' objectives and goals in this field were similar but the approach and methodology differ from country to country which are due to differing stages of economic development, geographical variation, demographic distribution, literacy rate, etc. However, based on the experiences narrated by the delegates and in view of the challenges posed by globalization and ultimate marginalization of the rural poor and in the context of the need for information, communication, technology, certain common areas for cooperation among the member countries have been identified. The delegates of member countries agreed that there exists among the member countries a common bond and a strong feeling of fraternity and friendship, which help us in taking programmes of mutual cooperation to the benefit of the member countries.

In the spirit of formation of D-8, certain definitive action programmes on rural development have been agreed upon and recommended by the delegates

for consideration by the D-8 secretariat. These recommendations are as follows:

1. The delegates reemphasized the decision of D-8 Summit for designating Bangladesh as coordinating country for Rural Development and Micro-credit sector in view of her long and outstanding accomplishment in the field. The workshop also noted the view of Bangladesh to designate Bangladesh Rural Development Board as the focal point.
2. The member countries can exchange technologies, ideas and experiences through organizing study visit programmes, seminars, workshop and training programme on a regular basis.
3. The D-8 countries may give publicity to each other's success stories in their respective print and electronic media.
4. Scholarships can be mutually offered to obtain degrees, diplomas and training in the broad fields of poverty alleviation and rural development in the member countries.
5. The D-8 Headquarter may consider establishment of an Information Network to generate and disseminate rural development information. Publication of a Newsletter in this respect may prove to be very useful. A Web-site on D-8 rural products may be established so that the member countries could benefit from it. Any of the member countries may volunteer to do it.

6. Delegates also feel that there should be linkages among Training Organizations in D-8 Countries in the rural development sector, such as Bangladesh Academy for Rural Development, INFRA of Malaysia, Rural Development Cadre Training Centers of Indonesia, Organization for Rural Co-operatives of Iran, Rural Development Academy, Pakistan etc.
7. Appropriate mechanisms should be developed for exchanges of experts and consultants amongst the D-8 member countries in all aspects of rural development including micro-credit, rural infrastructure development, Eco-tourism, information technology, health and nutrition etc.
8. The Workshop urges upon the member countries to promote a sense of commonality in the production and marketing of rural products (on-farm and off-farm) to enhance the status of rural poor.
9. A Common Development Fund should be established among the member countries for investment in priority areas involving rural development.
10. The Egyptian project proposal on "Promoting Rural Industrialization through Comprehensive Approach" should be implemented on priority basis and strenuous efforts be made to explore the possibilities of getting funds from other development partners if UNIDO does not come up immediately. The D-8 Secretariat may approach the said agencies on a priority basis. In an effort to expedite the process, officials from the member countries should sit together either in Dhaka

or in Cairo to finalize the project document on the basis of comments received from the member countries.

11. Member countries may initiate and encourage research studies for identification of impacts of globalization on rural population and exchange the findings and evolve mechanism to strengthen the capacity of rural people to utilize the benefits of globalization.
12. The member countries may consider for exhibition of their rural products in the local fairs for improvement and exchange of rural technology among D-8 countries.

Discussed and accepted unanimously.

Dhiraj Kumar Nath
Secretary
Rural Development & Co-operatives Division
Ministry of Local Government, Rural Development & Co-operatives
Government of the People's Republic of Bangladesh

Report of the
Seminar on the Development of Residue Monitoring Systems
&
Hygiene Rules and Quality Control Procedures

Bodrum, Turkey

26-28 March 2002

28 March 2002

**REPORT OF THE SEMINAR ON DEVELOPMENT OF RESIDUE MONITORING SYSTEMS
AND HYGIENE RULES AND QUALITY CONTROL PROCEDURES RELATED TO FISH
PACKAGING FACILITIES**

(Bodrum/Muğla, 26-28 March 2002)

The Seminar took place at the premises of the Bodrum Fisheries Institute in Bodrum/Muğla on 26-28 March 2002. Bangladesh, Egypt, the I.R. of Iran and Pakistan sent their experts to the Seminar. Turkey was represented with a large number of experts from the Turkish Ministry of Agriculture and Rural Affairs, the Agricultural Directorate of the province of Muğla as well as from the private sector.

26 March 2002

Associate Prof. Ramazan Çevik, Director of the Institute, made a welcoming speech. Thereafter, Mr. H. Dede, the Section Director, General Directorate of Protection and Control, Ministry of Agriculture and Rural Affairs, made the opening statement. He briefed the participants about the activities of his ministry in the field of aquaculture and underlined the importance Turkey attached to the D-8 cooperation in this area.

Mr. Erkan Gözgözoğlu, the Section Director, General Directorate of Agricultural Production and Development, presented a general overview of aquaculture and cage culture development in Turkey. A video film was also shown on the breeding and farming of sea bream, sea bass and rainbow trout in Turkey.

In the afternoon session, another presentation was given by Mr. H. Dede on the application of national residue monitoring programme for aquaculture and technical and hygiene rules for packaging facilities, quality control & application and inspections. In his presentation, Mr. H. Dede also informed the participants of the fishery legislation of Turkey and of the European Union.

This was followed by national presentations of the experts from Bangladesh, Egypt, I.R. of Iran and Pakistan.

27 March 2002

In the morning session, the participants paid a visit to the hatchery of the Bodrum Fisheries Research Institute. The D-8 experts were briefed about the activities of the hatchery. Thereafter, they visited the packaging and processing facilities of a private sector company dealing with the trade of aquaculture products, KılıçDeniz Ürünleri Üretim İhracat, İthalat & Ticaret A.Ş. The officials of the company explained their packaging system and process.

In the afternoon session, the participants also visited the hatchery of the same company in the town of Milas. The manager briefed them about the hatchery and its production cycle. The Egyptian participant referring to the work done in his country in the field of sea bream and sea bass observed that useful cooperation could be undertaken between the two countries. Moreover, Dr. Mohammed Hayat, Pakistani Expert, explained his views on possible collaboration between his country and Turkey in this field. In this context, he stated that his country was particularly interested in cooperating with Turkey in the breeding of sea bass and sea bream as well as production of pellet feed for rainbow trout. The Turkish side expressed its readiness to exchange know-how and experience.

Finally, the experts also toured aquaculture facilities of three more Turkish companies (Gümüşdoğa, Aegean and Noordzee) in the same town during which they had the opportunity to see the application of the relevant Turkish legislation by private sector companies.

28 March 2002

In the final day of the seminar, the experts visited fish farms of the two private sector companies, Kılıç Deniz Ürünleri and the Aegean, where they were briefed about cage culture and offshore breeding. Moreover, the experts had the chance to study their documentation systems.

Conclusion

All the participants found the seminar very useful and therefore expressed their thanks to the Turkish Authorities for organising it. The experts appreciated the level of aquaculture technology and infrastructure developed in Turkey. In this connection, Turkey offered its willingness to share know-how and experience with the D-8 member countries. It was also observed that the private sector companies in the member countries could collaborate in the trade of sea products in order to avoid profit losses due to the competition in the world market.

Report of the
First Expert Group Meeting on Trade Preferences,
Customs Procedures and Trade Barriers

Kuala Lumpur, Malaysia

21-23 May 2002

**The 1st D - 8 Customs Expert Group Meeting
On Trade Preferences,
Customs Procedures and Trade Barriers
21 – 23 May 2002
Kuala Lumpur, Malaysia**

1. The 1st D-8 Customs Expert Group Meeting on Trade Preferences, Customs Procedures and Trade Barriers was held in Pearl International Hotel, Kuala Lumpur on the 21 – 23 May 2002. The meeting was attended by six members of D-8 nations namely Bangladesh, Egypt, Indonesia, Islamic Republic of Iran, Pakistan and Malaysia. However, Nigeria and Turkey were not represented at the meeting.

2. The opening of the meeting was officiated by Mr. Abdul Rahman Abdul Hamid, the Deputy Director General of Customs (Operations), Malaysia. In his speech the Deputy Director General welcomed the participants of the D-8 countries and extended his appreciation to the participants for taking the time to attend this meeting. He further emphasised that the D-8 is an arrangement for developing cooperation with objectives to improve developing countries economic well-being in the world, to diversify and create new opportunities in trade relations, to enhance participation in decision-making at the international level and to provide better standards of living among the D-8. With the vast experience of each participant, they can share their knowledge, information and experience to complement each other.

3. In the context of cooperation, the Malaysian Customs has wide experience with the Association of South-East Asian Nations (ASEAN) countries as seen in the establishment of a Green Lane for ASEAN goods, an ASEAN Harmonised Tariff Nomenclature (AHTN), Common Effective Preferential Tariff (CEPT) and the ASEAN Industrial Cooperation Scheme (AICO). Similarly, Malaysia would like to extend such cooperation to the D-8.

4. As Malaysia is the training coordinator for the ASEAN countries, such cooperation in training could also be extended to the D-8.

5. The Deputy Director General hoped that the meeting would achieve its objectives and initiate practical and innovative plans on which future work of the Expert Group could be formulated.

AGENDA ITEM 1: Opening Remarks

6. The organising chairman, Mr. Hassan Arshad welcomed the delegates and the observer to the 1st D-8 Customs Expert Group Meeting. The chairman hoped that with the contribution and cooperation of the delegates, the meeting would be able to cover the work set out in the agenda.

AGENDA ITEM 2: Election of Chairman

7. Malaysia called nominations for the chairman of the D-8 Customs Expert Group Meeting and the delegates unanimously agreed for Mr. Hassan bin Arshad to chair the meeting. Mr. Hassan assumed the chairmanship and thanked the delegates for their confidence shown.

AGENDA ITEM 3: Adoption of Agenda

8. The chairman invited the delegates to consider the draft and annotated agenda. The agenda was adopted with minor modification whereby a proposal on the setting-up of the Association of D-8 Customs Administrations (ADCA) by the delegate from Iran will be included as Agenda Item 7.

AGENDA ITEM 4: Business Arrangements

AGENDA ITEM 5: Overview of Individual Customs Administration

10. The delegate from Iran briefed the meeting on the current 4-year development plan of Islamic Republic of Iran Customs Administration (IRICA) for the period 2001-2005 which was drawn up to ensure the optimum contribution of customs to the national economic development of Iran. The major objectives of the plan include the contribution to the adoption of durable and transparent rules and regulations, enhancement of the national taxation system to optimise revenue collection, upgrading the Human Resource Management (HRM) & Human Resource Planning (HRP) to ensure a viable and dynamic customs administration, automation of the customs operation to meet the current technological advances and facilitation, simplification and harmonisation of customs procedures and practices observed at the national and international level.

11. The delegate from Pakistan outlined the structure of the Central Board of Revenue, which is responsible for the collection of customs duties, excise duties, sales tax and income tax. Only few types of goods come within the purview of the Central Excise Duties. The major contribution to revenue collection comes from sales tax. Pakistan also maintains border stations with Iran, India, Afghanistan and China.

12. The delegate from Indonesia presented a paper on the task and functions of the Directorate General of Customs and Excise. The Indonesian customs administration is headed by the Director General, assisted by the Executive Secretary and eight Directors. There are about 11,000 Customs officials working at the headquarters, 13 Customs and Excise Regional offices and 126 Customs and Excise Service offices throughout Indonesia. He also elaborated on the customs procedures and practices.

13. The delegate from Egypt briefed the meeting on trade preferences, customs procedures and issues of trade barriers encountered by the Egyptian Customs Administration. The Administration has taken various measures to simplify customs

procedures such as adoption of WTO Valuation Agreement, staff re-profiling and training and applying further transparency to the existing tariff table. With regard to trade barriers, Egypt has bound 98% of its tariff under the Uruguay Round and reduced the number of products requiring prior import approvals from 400 to zero, removed all import and export quotas and eliminated most outright import bans.

14. The delegate from Bangladesh presented a paper on the organisation structure of the Bangladesh Customs. The National Board of Revenue (NBR), through its subordinate offices, collects the direct and the indirect taxes of the government under the supervision of the Internal Resource Division of the Ministry of Finance. The delegate also highlighted the simplified methods of assessing imported cargo using the First and Second Appraisal Systems. Physical examination of imported cargo is based on three principles namely Green, Yellow or Red Channel.

15. The Bangladesh Customs, in order to simplify its customs procedures, has introduced Preshipment Inspection (PSI) system, implemented the GATT valuation method, automated its assessment and clearance procedures as well as simplified its tariff structure.

16. The delegate of Malaysia concluded the morning session by briefing the meeting on the current restructured Malaysian Customs organisation. He mentioned the four main activities underlying the functions namely operations, preventive, management and corporate planning & development. The operations activity covers customs, technical services and internal taxes while the preventive activity is responsible for prevention of tax evasion. The management activity covers the financial management and procurement, Human Resource Planning (HRP) & organisational development, services and Human Resource Management (HRM), and performance and disciplinary management. Corporate planning and development activity includes information technology management, training and international affairs.

AGENDA ITEM 6: Country Paper on Issues of Trade Barriers and Customs Procedures

17. The delegate from Bangladesh resumed the afternoon session with issues of trade barriers and customs procedures. He identified trade protectionism as trade barrier, which hinders the flow of trade. He cited some regional arrangements such as ASEAN, European Community (EC), and North America Free Trade Area (NAFTA), which have successfully eliminated protectionist barriers among their members. Another trade barrier that was mentioned is the differing taxation policy among countries. He proposed a uniform tax policy for the D-8 nations as an initiative for facilitating greater economic cooperation. This reform can be done in a piecemeal manner. He suggested dissemination of information among the D-8 countries regarding customs provisions, regulations and procedures. Among the measures taken by Bangladesh to simplify and modernise customs procedures are simplification of the administrative and organisational structure, simplification of clearance process, introduction of GATT (General Agreement on Trade and Tariffs) valuation method, introduction of PSI System and introduction of ASYCUDA++ (Automated System For Customs Data Interchange) to minimise clearance time.

18. The delegate from Pakistan briefed on three issues namely trade preferences, customs procedures and trade barriers. Pakistan is a member of the Global System of Tariff Preferences between Developing Countries (GSTP) and had maintained preferential tariff treatment under this system. To simplify customs procedures, Pakistan has taken several measures such as introduction of simplified baggage rules and automation on the filing of Import General Manifests.

19. Pakistan is examining the possibility of accepting the Revised Kyoto Convention and Istanbul Convention. Pakistan has liberalised trade through reduction of import tariffs, simplification and rationalisation of tariff structures and deregulation of administrative controls on imports.

20. Pakistan proposed agreements for mutual assistance and cooperation besides establishing focal points in each country and D-8 Secretariat for easy access on trade and

customs matters. Member countries should identify the barriers due to which amongst ECO (Economic Cooperation Organisation) and D-8 countries is still limited and urged for taking steps to increase the trade.

21. The delegate from Iran said that trade facilitation depends not only on customs administration but various other factors and agencies within the country. In his paper on the issues of trade barriers and customs procedures of IRICA, the delegate from Iran shared their initiatives in the elimination of the non-tariff barriers. Among the initiatives taken is the introduction of a single-rate system of foreign currencies, replacement of licenses for the importation of goods with reasonable tariff rates, increasing greater transparency in the tariff tables thereby eliminating grounds for disputes.

22. The major changes in the area of customs procedures include the assimilation of the Revised Kyoto Convention into the Iranian Customs Law, adoption of WTO Valuation Agreement, adherence to the Safe TIR (Customs Convention on the International Transport of Goods) standards, automation based on the ASYCUDA ++ System and the introduction of selectivity criteria for the examination of goods.

23. The delegate from Malaysia, in his paper, identified the trade barriers which include the imposition of tariffs, customs procedures, valuation, quotas, quantitative restrictions, "Buy Local" policy, domestic preferences, arbitrary standards, licensing arrangements, administrative delays, restriction on services, technical barriers, Voluntary Export Restraint (VER) Agreements, variable levies, lack of transparency and health & safety standards.

24. The Malaysian delegate shared that many countries justify the imposition of trade barriers on grounds such as employment protection, import substitution, nurturing infant industry, enhancing government revenues, preserving home market, encouraging local and foreign direct investment, reducing balance of payments, promoting export activity, preventing foreign firms from dumping and promote political objectives.

25. Some of the facilities provided under simplification and harmonisation are Pre-Clearance System, Direct Release System, Selective Release System, mobile examination unit, Export-in-Situ, Express Handling Unit, ATA (*Admission Temporaire / Temporary Admission*) Carnet, UN (United Nations) Layout Key format for customs declaration form, preferential treatment for ASEAN goods, harmonised coding system (HS 2002), automated declaration, Electronic Fund Transfer (EFT) and the WTO Valuation.

AGENDA ITEM 7: Presentation On Association of the D-8 Customs Administration

26. The delegate from Iran presented a paper on the proposal of the Association of the D-8 Customs Administrations (ADCA). The constructive idea of forming a core forum aimed at accelerating economic integration amongst the D-8 member countries is very vital and critical at this juncture in line with the objectives of the meeting.

AGENDA ITEM 8: Presentation on ASEAN and AFTA

27. A guest speaker from the Ministry of International Trade and Industry, Malaysia presented a paper on ASEAN and AFTA (ASEAN Free Trade Area) to give an understanding of the experience of ASEAN countries in regional cooperation so as to formulate ideas on plans and actions that could be adopted at D-8 level. She elaborated on the product coverage of the CEPT Scheme and highlighted the positive effects of AFTA through the increase of intra-ASEAN trade. Besides mentioning the various opportunities created by AFTA she also informed the meeting on the challenges faced by introducing the CEPT scheme, such as, the increasing intra-ASEAN competition from lower cost producers, declined competitiveness of traditional export industries and removal of protection through import permit, quota and monopoly status.

AGENDA ITEM 9: Presentation on the CEPT Concept

28. The delegate from Malaysia briefed the Meeting on the concept of CEPT scheme as an insight to the scheme for the benefit of the D-8 members to consider if a similar concept is to be adopted by the D-8 members.

29. The main concept of the CEPT is to strengthen cooperation among ASEAN countries and eliminate quantitative restrictions and non-tariff barriers and is an instrument to achieve AFTA. He further elaborated on the scope of products under the scheme, the rules of origin criteria, procedures under the scheme and customs co-operation towards ASEAN-AFTA.

AGENDA ITEM 10: Presentation on Training Facilities Offered by AKMAL

30. The delegate from Malaysia presented a paper on the facilities available in AKMAL (Royal Customs Academy, Malaysia) and offered AKMAL's international training programmes for D-8 members.

31. The delegates exchanged information on their countries training facilities and expressed their interest to participate in AKMAL's training programmes.

AGENDA ITEM 11: Discussion on Trade Preferences, Customs Procedures and Issues on Trade Barriers

32. The delegates were divided into two sub-groups to discuss and identify issues related to trade preferences and trade barriers. After much deliberation the meeting agreed

on the most significant issues concerning the trade barriers and trade preferences among the D-8 countries and resolved with the following proposals:

32A Trade Barriers

32A.1 Tariff

Measures proposed to reduce tariff barriers:

32.1.1 Identify the commonly traded goods among the D-8 countries

32.1.2 Identify the currently imposed tariff

32.1.3 Introduce mechanism for tariff reduction

32.1.4 Harmonisation of tariff nomenclature through procedures, documentation and legislation applicable to the main task

32A.2 Trade formalities

32.2.1 Simplify procedures

32.2.2 Enhance transparency

32.2.3 Adopt WCO and WTO guidelines

32.2.4 Encourage accession to the Revised Kyoto Convention

32.2.5 Consider bilateral/multilateral trade information dissemination to involve both D-8 Customs administration and the private sector.

32A.3 Restrictions / Prohibitions

32.3.1 Consider possible simplification of the existing procedures for granting import / export licences

32.3.2 Consider possibility of gradual elimination of trade licences / permits

32.3.3 To consider the possibility of harmonising standards in safety, health etc.

32A.4 Two main measures agreed by the meeting to promote cross border trade transactions between and among the D-8 countries are:-

32.4.1 The establishment of an association comprising the Customs administrations of the D-8 (ADCA)

32.4.2 The promotion of barter trade between and among the D-8 with the objective of avoiding the harmful repercussion of the sudden fluctuation in global currency market.

32B Trade Preferences

32B.1. Setting up of a task force with the following functions:

32B1.1 Identify those D-8 countries who are contracting parties to the prevailing international agreements such as GATT and GATS (General Agreement on Trade and Services) and conventions, such as the Kyoto Convention and the Nairobi Convention.

32B1.2 Identify Tariff / Para Tariff / Non Tariff structures and the existing measures of D-8 member countries so as to propose a common tariff structure for D-8 member countries.

32B1.3 Identify contact persons / points of member countries, to exchange / coordinate information and enhance cooperation in Customs matters.

32B1.4 Identify the trade preferences currently practised by the member countries in order to streamline and harmonise the same among the member countries through all possible means including questionnaire.

32B1.5 Identify the Customs websites of the D-8 member countries and linkages with the existing site *www.D-8net.org* so as to enhance and exchange the customs and trade related information among member countries.

32B.2 The above tasks to be completed on the basis of a common action plan and within a specific time frame.

32B.3 The D-8 Expert Group on Customs matters to meet twice a year.

32B.4 The activities taken by the Task Force to be funded by all member countries or any other organisations / authorities identified by the D-8 Commission.

AGENDA ITEM 12: Other Business

33. Dr. Hamid Reza Tadjedini, the delegate of the Islamic Republic of Iran expressed profound appreciation, on behalf of all the delegates taking part in the meeting, to the Government of Malaysia and the Malaysian Customs for their painstaking efforts in successfully organizing the meeting.

AGENDA ITEM 13: Date and Venue of Next D-8 Customs Expert Group Meeting

34. The 2nd D-8 Customs Expert Group Meeting was proposed to be held in the Islamic Republic of Iran. The date of the meeting will be decided later.

AGENDA ITEM 14: Consideration and Adoption of Report

35. The report was officially adopted with modifications.

AGENDA ITEM 15: Closing remarks

36. The Chairman thanked all members for their kind attention, cooperation and contribution in making the meeting a success. He mentioned that their contributions have helped to reduce his burden as a Chairperson. The meeting have managed to complete 12

presentations and it was a good achievement. Besides saying thank you, he apologised for any short comings.

37. He highlighted that the discussion has taken place in a very harmonious atmosphere, which was cooperative and not combative. This proved that there exist mutual understanding between Customs administrations of the D-8 members. With such cooperation among the members, they should continually work on several areas that have been identified especially in the setting up of the task force, keeping abreast with changes.

38. Lastly, he wished a safe journey home for all delegates who were flying back and hoped they would bring back happy memories of Malaysia. He also thanked the organising committee who have functioned as protocols, transporters, rapporteurs, and secretariat for their hard work in ensuring the success of the meeting.

**Report of the
Seminar on Conservation of Farm
Animal Genetic Resources**

Islamabad, Pakistan

1-3 August 2002

GOVERNMENT OF
PAKISTAN

DEVELOPING 8
COUNTRIES
A GLOBAL ECONOMIC
GROUP

D-8 Seminar on Conservation of Farm Animal Genetic Resources

Islamabad, Pakistan
August 1-3, 2002

Under the aegis of the Ministry of Food, Agriculture and Livestock and the Ministry of Foreign Affairs of the Government of Pakistan, a Seminar was convened on the "Conservation of Farm Animal Genetic Resources in D-8 Countries", from 1-3 August 2002 in Islamabad, Pakistan.

Delegates attended from Bangladesh (High Commission, Islamabad), Egypt, Indonesia, Iran, Malaysia, Nigeria (High Commission, Islamabad), and Pakistan, while due to unforeseen circumstances, Turkey could not send delegate to the Seminar. Representatives of the Food and Agriculture Organization of the United Nations (FAO) Headquarters and the FAO Representative, Islamabad were invited to present the Organization's Global Programme for the Management of Farm Animal Genetic Resources. The list of participants is attached.

Following the recitation from Holy Quran, welcome address by Mr. Riaz Muhammad Khan, D-8 Commissioner of the Government of Pakistan, keynote address by Dr. Razaqat Hussain Raja, Animal Husbandry Commissioner of the Government of Pakistan, and the inaugural address by H.E. Mr. Khair Mohammed Junejo, Minister of Food, Agriculture and Livestock, Pakistan, the Seminar had successfully completed its three-day work programme as foreseen in the official agenda (attached). Following in-depth deliberations, the delegates unanimously agreed in:

- **expressing** thanks and gratitude to the Host Country, Pakistan, as D-8 Coordinator of Agricultural Affairs for offering excellent opportunity and providing adequate facilities to D-8 Member States' delegates to hold a successful Seminar;

- **recognizing** the existence of rich agricultural and specifically animal genetic diversity, that contributes to supply of various animal products to fast growing human population in the Member States ;
- **realizing** the importance of animal agriculture and invaluable contribution of farm animal genetic resources to food security, poverty alleviation and sustainable rural livelihood in D-8 countries; and
- **adopting** the following

recommendations:

1. Member countries should emphasize further mobilization of national efforts and resources to support research and development programmes relevant to management of farm AnGR, including adequate attention to *in-situ* and *ex-situ* conservation of endangered breeds;
2. In view of importance of buffaloes and small ruminants in D-8 Member States, the participants emphasized that respective governments should invest in coordinated breeding programmes for these species;
3. Member states are encouraged to sensitize the stakeholders to develop breed associations in order to synergize farm AnGR conservation efforts;
4. Member states examine the possibilities of strengthening research cooperation, including exchange of researchers, AnGR data and farm animal genetic materials, wherever it is relevant, among the D-8 Member Countries;
5. Establishment of a Working Group and a functioning network of stakeholders of Farm AnGR in D-8 Member States, which may function as a reference network for FAO Global Programme for the Management of Farm AnGR as well;
6. The delegates desired that the Government of Pakistan, as Coordinator of Agriculture Affairs for D-8 Countries, to contact FAO for provision of technical and financial assistance (TCP) to facilitate D-8 member states to develop strategic plans for best utilization of their farm AnGR; and
7. The participants urged those D-8 Member States, which did not respond to the invitation of the Director-General of FAO to join the Global Programme on the State of the World's Animal Genetic Resources (SoW-AnGR) process, in preparing country reports and to send their positive response to FAO at the earliest convenience and holding a meeting of Farm AnGR National Coordinators of D-8 Member States in order to review the progress of the SoW AnGR Country Report preparation in D-8 countries, within six months, in Cairo, Egypt, where the Animal Production Research Institute of Egypt expressed willingness to hold such a workshop, while FAO will consider providing financial assistance for this purpose.

Report of the
Training Course on Insurance Supervision
&
Regulating for Solvency and Insolvency

Kuala Lumpur, Malaysia

23-26 September 2002

Developing-8 Countries

Report of the Training Programmes on “Insurance Supervision and Regulating for Solvency”

The XI Session of the D-8 Commission minuted the following recommendation:

25. Invites Malaysia to organise 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 Globalisation”, as well as the Malaysian proposal on the modalities of establishing a mechanism of cooperation in the field of insurance.

[Extracted from “Decisions Adopted by the XI Session of the Commission, 6-7 June 2002, Cairo”]

2. Further to the above recommendation, Malaysia organised two training programmes for the insurance supervisors and regulators of the D-8 member countries in Kuala Lumpur in September 2002. The programmes were organised with the assistance of the ASEAN Insurance Training and Research Institute (AITRI). The two training programmes conducted are:

- (i) **Insurance Supervision: Actuarial & Investment Issues**
23 – 24 September 2002, Swiss Garden Hotel, Kuala Lumpur
- (ii) **Regulating for Solvency Workshop: Anatomy of Liquidation**
25 – 26 September 2002, Swiss Garden Hotel, Kuala Lumpur

3. These programmes were conducted by Mr. Jeremy Dunn of the Government Actuary Department of the United Kingdom. At the Insurance Supervision programme, Mr. Dunn shared his knowledge and experience on the actuarial and investment issues with respect to insurance supervision. The actuarial issues addressed included current practices on actuarial valuation on various life insurance products, adequacy of reserves, monitoring solvency and impact of derivatives instruments on insurance

companies. On the investment issues, he discussed assets management and its various related risks as well as issues relating to liquidity, cashflow mismatch, derivatives and control systems. The coverage of the **Regulating for Solvency Workshop** included the measures that insurance regulators can take to avoid the need for an insurance company to be wound up, the rights of policyholders of an insolvent insurance company, compensation schemes to the policyholders and the experiences of the insurance regulators in the UK and European Union in dealing with insolvent insurance companies.

4. The programmes were attended by 12 representatives from the insurance regulators of seven D-8 countries namely, Bangladesh, Egypt, Indonesia, Iran, Malaysia, Pakistan and Turkey. The programmes were also attended by four participants from Thailand and Cambodia.

5. General comments from the participants of both the programmes indicated that they were satisfied with the programmes and benefited from the various topics covered. However, it was commented that the pace of the programmes was fast as a significant number of topics had to be covered within the two-day duration of the programmes. The participants were of the view that the duration of similar programmes in the future should be extended to three or four days.

**Report of the
Convention on the Emergence of Takaful in the
Wake of Globalisation**

Kuala Lumpur, Malaysia

1-2 November 2002

CONVENTION ON TAKAFUL FOR D-8 & OIC MEMBER COUNTRIES –

KUALA LUMPUR 2002

“THE EMERGENCE OF TAKAFUL IN THE WAKE OF GLOBALIZATION”

1 – 2 November 2002, Renaissance Kuala Lumpur Hotel

Introduction

“Convention on Takaful for D-8 and OIC Member Countries – Kuala Lumpur 2002” was organized prior to the launching of the Islamic Financial Services Board (IFSB) by the Central Bank of Malaysia. It was jointly organized by D-8 Member Countries, Ministry of Foreign Affairs Malaysia, the Central Bank of Malaysia and Islamic Banking and Finance Institute Malaysia (IBFIM). The Convention was timely held in tandem with the D-8’s aspiration for the development of Takaful business in the wake of globalization.

Convention’s

The Convention aims at giving participants an excellent opportunity to

Aims

share and discuss current issues concerning takaful business as well as to establish international cooperation for the development of takaful especially among D-8 and OIC member countries in the wake of globalisation and financial liberalisation.

Convention’s

The Convention has attracted a cadre of regional and international

Participants

delegates from D-8 Member Countries, participating OIC member countries, ASEAN member countries and other interested individuals locally and internationally. It has brought together influential seventy delegates from countries such as Sri Lanka, Bahrain, United Arab Emirates, Brunei, Bangladesh, United Kingdom, Singapore, Indonesia and Pakistan.

Opening Ceremony and Press Conference The Convention was officiated by Y.B. Dato' Dr. Hj. Shafie Mohd Salleh, Deputy Finance Minister 1, Malaysia. The Welcoming Remarks was delivered by Y.Bhg. Dato' Ahmad Tajudin Abdul Rahman, Chairman of Islamic Banking and Finance Institute Malaysia. (Please refer to appendix II and III for the speeches). Among the honorable guests present were Y.Bhg. Datuk Zamani Abdul Ghani, Assistant Governor (Supervision), Central Bank of Malaysia; Y.Bhg. Dato' Ahmad Tajudin Abdul Rahman, Chairman, Islamic Banking and Finance Institute Malaysia (IBFIM); and Y.Bhg. Encik Ku Jaafar Ku Shaari, Undersecretary OIC, Ministry of Foreign Affairs Malaysia.

The opening ceremony assembled approximately more than 200 guests comprising of D-8 ambassadors and high commissioners, VIPs, invitees, distinguished delegates, speakers and moderators, and representatives from the media namely The New Straits Times, TV3, NTV7, Business Times, Nanyang Siang Pau, Reuters, Investors Digest, Bernama etc.

The press conference was held after the opening ceremony at Boardroom 1, Renaissance Kuala Lumpur Hotel and attended by Y.Bhg. Dato' Dr. Hj. Shafie Mohd Salleh, Deputy Minister 1 Malaysia; Y.Bhg. Datuk Zamani Abdul Ghani, Assistant Governor (Supervision), Central Bank of Malaysia; Y.Bhg. Dato' Ahmad Tajudin Abdul Rahman, Chairman, Islamic Banking and Finance Institute Malaysia; Y.Bhg. Encik Ku Jaafar Ku Shaari, Undersecretary OIC, Ministry of Foreign Affairs Malaysia; and Y.Bhg. Encik Mustafa

Hamat, Chief Executive Officer, IBFIM.

Dinner

Approximately 80 people comprising of delegates, participants, speakers, moderators and invitees have attended the dinner sponsored by Takaful Nasional Sdn. Berhad Malaysia at Restoran Seri Anglisa, KL Tower, one of Malaysia's main tourist attraction and most prominent restaurant.

Sponsors

The Convention has been conducted successfully with strong support and generous contributions made by the following establishments namely Silverlake, Syarikat Takaful Malaysia Berhad, Malaysian National Reinsurance Berhad, Takaful Nasional Sdn Berhad, Asean Retakaful International (L) Ltd, Mayban Takaful Berhad and Bank Islam (L) Ltd.

Paperwork

All eleven paperwork, except by Y.Bhg. Dato' Dr. Syed Othman Al-Habshi who was absent due to the demise of his mother, have been presented as scheduled by a panel of distinguished local and international speakers including top industry leaders, authorities and scholars.

All the eminent speakers have contributed immensely towards the goals and objectives of the Convention by way of sharing of experience and deliberated comprehensively on the contemporary issues, challenges and prospects of takaful business in the emergence of globalisation and financial liberalization, more especially among D-8 and OIC member countries. Good interaction between speakers and

the audience was evidenced in the Q&A Sessions where meaningful issues were raised and discussed.

Takaful Technical Meeting Emanating from the Resolution adopted during 'International Summit on Takaful – Dhaka 2002' at Dhaka, Bangladesh on 16-17 March 2002, a subsequent meeting was held at Function Room 5 & 6, Renaissance Kuala Lumpur Hotel on 2 November 2002 at 8.00 p.m.

The meeting was attended by more than 20 people comprising of representatives from takaful operators both local and international and also observers. Among others, the agenda of the meeting are as follows:

- 1) Confirmation of Pro Tem Committee of Establishment of 'International Association of Takaful Operators (IATO)'.
2) Confirmation of IBFIM as a secretariat for IATO.
3) IBFIM is responsible for preparing the draft constitution of IATO.
4) To promote ASEAN Retakaful International (L) Ltd. as the leading retakaful operator especially among D-8 member countries and OIC.
5) Minute of the Takaful Technical Meeting.

Closing Ceremony Closing speech for the Convention was presented by Encik Mustapha Hamat, Chief Executive Officer, Islamic Banking and Finance Institute Malaysia.

Feedback and Recommendation From the feedback received, almost all the delegates recommended that this type of Convention be held annually in D-8 and OIC member countries on rotational basis to foster the development and cooperation on every aspect of takaful business.

Resolution This Convention has provided an excellent opportunity for the delegates to share the aspiration of D-8 member countries and OIC towards the development and growth of takaful business in the wake of globalisation and financial liberalisation as well as the role of Malaysia to achieve that mission. This Convention also provided opportunities to delegates to share and learn from Malaysian takaful operators' views and experiences, and to promote ASEAN Retakaful

International (L) Ltd. Among other the resolution being adopted are as follows:

- 1) Takaful operators around the globe need to expand and strengthen their alliance and cooperation among each other in every aspect pertaining to takaful industry.
 - 2) Continuous discussions and forums with regard to takaful
-

should be encouraged to promote continuous discourse on takaful at the international level.

- 3) To develop a comprehensive regulatory framework to support the sound expansion of the efficient and effective takaful industry.
 - 4) Strengthen the institutional and operational capacities and build a viable platform to enhance efficiency and competitiveness to operate successfully in a highly competitive globalized environment.
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Report of the
Expert Group Meeting on Environment
&
The Seminar on Agricultural Solid Waste Management

Cairo, Egypt

15-17 December 2002

*Report of
The 3rd D-8 Working Group Meeting on Environmental
Cooperation In D-8 Countries
And the Seminar on Agricultural Solid Waste Management
Cairo, 15-17 December 2002*

Introduction:

1. The third D-8 Working Group Meeting on Environment was held in Cairo on 15-16 December 2003, in accordance with the decision of the D-8 Commissioners in their decision adopted by the 11th session of the D-8 Commission in Cairo on 6-7 June 2002. The Purpose of this Meeting was to discuss technical aspects of environmental cooperation in D-8 countries. Experts from Egypt and Malaysia, and representatives of other D-8 missions in Cairo attended the Meeting as well as the Representative of UNDP Bureau in Cairo.
2. The Seminar on Agricultural Solid Waste Management was held on the 17th of December in Cairo, where important and notable papers were presented.

Opening Session:

3. The meeting was inaugurated by H.E. Dr. Mamdouh Riad, Minister of State for Environmental Affairs, followed by an address of H.E. Egypt D-8 Commissioner Ambassador Nihad Abdel-Latif Assistant Foreign for International Economic Affairs.
4. In his opening statement, H.E. Dr. Riad expressed his appreciation to the fruitful cooperation among all D-8 member countries, aiming to achieving its noble objectives, namely, preservation of our natural resources for a sustainable development, environmental protection and improvement of the living standards for all D-8 peoples.

Dr. Riad expressed his gratitude towards the practical and problem-solving initiatives. He said, "It is our mandate to develop ideas addressing top priorities: capacity building, training, information, conservation of natural species and the re-use of agricultural waste for energy generation. We in Egypt have developed a National Solid Waste Management Strategy and a National Action Plan, in order to address our problems with an integrated and environmentally sound approach."

5. H.E Ambassador Nihad Abdel-Latif assured that the past few years have witnessed a global heightened level of concern over environmental issues. This trend is due to both an awareness of the developmental value of natural resources, and a desire to provide for the general welfare of people. He said, “ Subsequently, in the first meeting of the working group on environmental cooperation, experts identified a number of specific areas for cooperation, including the exchange of information and environmental expertise in the field of Solid waste management. Consistent with this, Egypt proposed a scheme for promoting cooperation in the field of the utilization of agricultural solid waste in energy generation to meet rural development needs during the 9th session of the D-8 Commission in Dhaka, and the working group meeting on the technical aspects of environment cooperation held in Tehran 2001”. He requested all D-8 scientific governmental and private institutions, as well as other stakeholders to use and implement the recommendations of this meeting through joint pilot projects. He added, “This would contribute in a practical and effective manner to the common efforts for sustainable development in all its aspects, economic, social and environmental.”

Working sessions:

6. Dr. Magdy Allam Regional Cairo Branch Director, Egyptian Environmental Affairs Agency (EEAA) was elected as the chairman of the Meeting. The delegates adopted the draft agenda suggested by the host country.

7. In his introduction statement, Dr. Allam went through the D-8 proposals submitted in previous group meetings on environmental cooperation; as follows:

Bangladesh and Egypt	Proposal on rural industrialization
Egypt	Proposal on Trade and Environment, Utilization of Agricultural Solid Waste for Energy Generation
Iran	Proposal on Web Site developing for D8
Indonesia	Proposal on Poverty alleviation
Pakistan	Proposal on Training program
Malaysia	Proposal on Fisheries development and green Banking
Turkey	Proposal on Pesticides Management

8. The representatives from Egypt and Malaysia presented their national reports, which reviewed the technical aspects of environmental issues of their country.

9. During the Meeting, fruitful discussions were made on various aspects of solid wastes and environmental management, such as environmental regulations, information systems and mechanisms, funding principles, Thermal and biological processes and techniques, composting and animal feed, Rice straw management, Bioenergy, the role of NGOs, sustainable development and environmental management.

Visits:

10. On the second day, The group attended a field trip to Ismailia to observe the optimum use of treated sewage water for tree planting.

During that trip several locations have been visited:

1. Sarabium Forest, where the optimum use of treated sewage water for tree planting, and the cultivation of 1000 feddan of wooden trees that is being irrigated with treated sewage water.
2. Project laboratories.
3. Visiting recycling solid waste factory, which produces organic fertilizers.
4. Visiting the Olympic village, which is a virgin protectorate.

The Seminar on Agricultural Solid Waste Management:

11. This seminar was organized by the EEAA and was attended by more than 50 participants from Egyptian scientific research centers, universities and Ministries of Energy and Industry; the Malaysian delegation; and representatives from D-8 missions in Cairo.

12. Various studies were represented concerning agricultural solid waste management in D-8 countries. Here, it should be mentioned that the delegates expressed their high regard concerning the Egyptian experience in that field.

Recommendations:

13. After presentation of national reports by the delegations and extensive discussions on various agenda items and taking note of the Istanbul and Teheran Meetings which accounted as a good basis for further discussions in this respect, the following recommendations were adopted:

- Formulating a D-8 common vision for the application of Johannesburg declaration on sustainable development in the five areas (health, education, agriculture, bio-diversity and energy),
- Organizing the following training courses, (Egypt), on:
 1. Hazardous substances information systems.
 2. Early warning system for air pollution.
 3. Agriculture solid waste trading, using remote and local facilities,
- Organizing seminars on:
 1. Green banking systems , (Malaysia),
 2. Trade and Environment (European Partnership Pre-requisites), (Indonesia),
 3. Environmental NGOs Cooperation, (Pakistan),
- Member countries are required to send their proposals concerning the appropriate means for cooperating with NGOs on environment, to be discussed at the next Group meeting,

- Setting-up a Program for implementing the previous meetings' recommendations, to be discussed at the next Group meeting,
- To exchange points of views among member countries on different environmental aspects in particular through the D8 Internet site.
- Egypt will present to the next D-8 Commission meeting a Proposal on a pilot project on agricultural waste recycling funded by the Islamic Development Bank- UNDP.
- The group recommended that Malaysia will host the next D-8 Working Group Meeting on Environment in Kuala Lumpur.

Vote of Thanks:

14. The participants expressed their thanks and appreciation to the Government of Egypt for the excellent arrangements and warm hospitality extended to them during their stay in Cairo.

Report of the
Second Expert Group Meeting on Trade Preferences,
Customs Procedures and Trade Barriers

Tehran, Islamic Republic of Iran

11-13 January 2003

**Report of the Second D-8 Customs Expert Group
Meeting on Trade Preferences,
Customs Procedures and Trade Barriers**

12-13 January 2003

Tehran, Iran

Pursuant to the suggestion of the Islamic Republic of Iran's Customs Administration (IRICA) on holding the 2nd D-8 Customs Expert Group Meeting in Iran which was ratified by the Eleventh Session of D-8 Commission in Cairo as of 6-7 June 2002, the Second D-8 Customs Expert Group Meeting on Trade Preferences, Customs Procedures and Trade Barriers was held in Olympic Hotel, Tehran/Iran as of 12-13 Jan 2003.

The meeting was attended by five members of D-8 countries namely; Indonesia, I.R. of Iran, Malaysia, Nigeria and Turkey. However, some resident representatives from diplomatic missions of Pakistan, Egypt and Bangladesh participated at the Meeting.

Agenda Item 1: Opening Ceremony

The opening ceremony was started by recitation of the Holy Koran and subsequently Iran's national anthem.

Then, H.E. Mr. Karbassian, Deputy Minister of Economic Affairs and Finance, and President of the I.R. of Iran's Customs Administration (IRICA) welcomed the esteemed delegates of D-8 Customs Services, distinguished Ambassadors of D-8 member countries and other officials participated the meeting, and delivered his opening speech in which he expressed hope that the proposal of the host country, Iran, on the formation of a Customs Union of D-8 Customs Administration will be supported by other member countries.

Agenda Item 2: Election of chairman

Under the item 2 of the agenda, the chairman of the meeting was elected. In this connection, a distinguished delegate from Nigeria suggested that as a rule, the host country should chair the meeting. The delegate from Turkey proposed Mr. Afshar as the chairman of this meeting. Other esteemed participants from Bangladesh and Indonesia supported the suggestion of Turkey and Nigeria delegates.

As a result, on behalf of the I.R. of Iran's Customs Administration, Mr. Afshar unanimously elected as the chairman of the meeting.

Agenda Item 3: Adoption of Agenda

The chairman invited the esteemed participants to consider the draft annotated agenda to raise their suggestion and viewpoints. Since there were no comments or proposals in this connection, it was adopted without modification.

Agenda Item 4: Election of Drafting Committee

The Chairman asked for election of the drafting committee. Two delegates from Turkey and Malaysia expressed their readiness to cooperate with this committee as well as Mr. Saffari Taheri from the I.R. of Iran's Customs Administration.

The chairman thanked the delegates of Turkey and Malaysia for their cooperation and announced the work of the committee.

Agenda Item 5: Review the outcome of the 1st D-8 Customs Expert Group Meeting

Agenda Item 6: Presentation on IRICA Measures on Removing Trade Barriers

Mr. Beheshtian, from IRICA presented a paper on the latest measures done by IRICA for removing trade barriers.

In his presentation, Mr. Beheshtian reviewed and summarized recent IRICA activities on removal of trade barriers comprising, implementation of the Automated System for Customs Data (ASYCUDA), drafting new customs law incorporating International Customs Convention recommendations to prepare the legal groundwork required for the entire application of E-commerce and other features of Information Technology (IT).

Agenda Item 7: Presentation on IRICA Measures on Automation of Customs Formalities

The chairman invited Mr. Asadi Iraee, Deputy IRICA President in charge of Planning, Mr. Najafi, Technical Director of Asycuda Project, Mr. Darki, Deputy Director of Asycuda Project and Nedaei, Deputy Director General for Machinery Services and Statistics Bureau to present their reports under agenda item 7. Mr. Asadi Iraee, presented a paper on new techniques employed by IRICA for automation of clearance of goods and passengers, including Asycuda project and Safe Tir, etc.

It was followed by a comprehensive explanation on implementation of Asycuda project and use of different modules in IRICA by Mr. Darkey as well as Machinery Services and Statistics Department measures in recent years, by Mr. Nedaei, which was complemented by Mr. Najafi's explanation.

Agenda Item 8: Presentation on IRICA measures to enhance transit cooperation in the region

The Chairman invited Mr. Hanzakian, Director General for Transit Department to present the report of IRICA in this connection.

Mr. Hanzakian, presented a paper on promotion of transit cooperation regarding the sharing of capabilities of member counties in recent years.

The Chairman thanked him for the report on the activities made to speed up transit affairs, also congratulated him for the establishment of

the Transit Expedition which provides service to customs clients 24 hours.

Agenda Item 9: Presentation on IRICA Measures on Compliance & Facilitation

The chairman invited Mr. Saffari Taheri to present the report of IRICA on the measures done on combating narcotic drugs nationwide. Under this agenda item, he presented a comprehensive paper on IRICA measures on "Compliance and Facilitation in recent years", comprising drug enforcement measures, regional drug trend, Iran's approach against drug trafficking, significant seizures, enhancing technological capabilities, and IRICA measures on facilitation. He also emphasized on the necessary cooperation among D-8 member countries for exchanging and sharing information/intelligence in the region.

Agenda Item 10: Country Report of Member Countries

According to this item of agenda, the Chairman invited the other delegates to present their country reports.

- 1- The delegate from Indonesia presented a paper on Indonesian Customs Reforms in which he explained about their recent program in this connection.
- 2- A delegate from Pakistan had a short presentation on Pakistan measures on customs facilitation.
- 3- The delegate of Turkey presented a paper on the measures taken by his country on trade liberalization.
- 4- The delegate of Nigeria had a short presentation on the operations of the Nigeria Customs Services at the national level.
- 5- The delegate from Malaysia presented a paper on various facilities provided by Malaysian Customs Service under simplification and

harmonization of customs procedures, training facilities, revised Kyoto convention, etc.

Agenda Item 11: Discussion on the possibility of concluding a Multilateral Agreement on Administrative Assistance in Customs Matters

Under this agenda item, Mr. Afshar, as a delegate from the host country, presented a detailed report on the draft Multilateral Customs Agreement.

He noted that, this agreement has different chapters that cover all aspects of a cooperation between customs administrations and then he numerated different aspects of cooperation and the scope of the agreement.

The Chairman invited all participants to express their suggestions on the possibility of concluding a Multilateral Agreement on Administrative Assistance in customs Matters.

The delegate from Nigeria Customs Administration noted that, this agreement is a judicial text; so it needs careful study and consultation with respective authorities.

The delegates of Malaysia and Indonesia supported this point of view.

Finally, it was decided that this agreement should be studied carefully by their respective authorities and discussed in the next expert group meeting.

Agenda Item 12: Discussion on the possibility of the establishment of Trade Preferences Agreement

Mr. Afshar, as a delegate of the host country, gave a comprehensive presentation on Preferential Tariff Arrangement and compared it with Customs Union.

Then he explained the benefit of each one of these arrangements. He added, based on Article 24th of the General Agreement on Tariff and Trade (GATT) contracting parties can only sign with each other and any

other customs territories in respect of Agreement on Free Trade Areas (FTA) and Customs Union, but in the Tokyo Round negotiation of WTO member states, the developing countries get this authorization to make integration between each other. So, based on this clause, the D-8 countries can establish Preferential Tariff Arrangement (PTA).

Under the framework of this arrangement they can negotiate bilaterally or multilaterally and grant concessions to each other based on MFN clause. This concession will extend automatically to the other contracting parties of this agreement.

At present, 7 member of D-8 countries are WTO members. Regarding the enabling clause, this concession is excluded from the MFN clause of WTO.

Iranian delegate explained the benefits of Customs Union and suggested the D-8 countries to establish a Customs Union.

Malaysian delegate expressed his willingness for a step by step approach to achieve this goal and insisted that a Preferential Tariff Arrangement (PTA) should be signed by D-8 countries and suggested that negotiations to be administrated by the D-8 Executive Directorate Office based on commodity by commodity approach.

Then, other delegates from Nigeria, Indonesia, Turkey, Egypt & Bangladesh supported it.

Finally, it was decided that the draft Agreement of Preferential Tariff Arrangement (PTA) to be prepared by the Islamic Republic of Iran's Customs Administration and sent to the Office of D-8 Executive Director.

Agenda Item 13: IRICA Report on Training Activities

Under this item of agenda, Mr. Asadi Iraee, from IRICA explained the recent initiatives & activities undertaken by IRICA Training & Research Center on promoting its training capabilities at the regional level.

Then, he expressed IRICA's readiness to hold five training courses on customs matters (i.e. H.S., Customs Techniques and Enforcement, Customs Automated System, Transit & TIR Convention,...) in the forthcoming 6 months.

It was followed by a video film on IRICA training facilities prepared at Babolsar and Mehrabad Customs, presented by Mr. Nouhi from IRICA.

Upon request of all participants, the Chairman announced that to ensure effective promotion of customs cooperation among D-8 member countries, it was highly recommended that the Executive Directorate Office should play a more active role and participation in enhancing existing customs cooperation among member states.

Agenda Item 14: Determination of the Date and Venue of the 3rd D-8 Customs Expert Group Meeting

The Chairman invited all participants to give their viewpoints on the venue of the 3rd D-8 Customs Expert Group Meeting.

With announcement of Turkey's delegate, it was proposed that the next D-8 Customs Expert Group Meeting to be held in Turkey. Distinguished delegates from Nigeria & Malaysia supported this proposal. The date of the meeting will be decided later.

Agenda Item 15: Closing Remarks

The chairman sincerely thanked all of the esteemed participants for their kind attention and active participation in making the meeting a success.

The meeting have managed to complete 12 presentations and it was a good achievement.

Lastly, he wished a safe journey home for all delegates who were flying back and hoped they would bring back happy memories of Iran.

**Report of the
First Meeting of the Central Banks Committee of
D-8 Countries**

Cairo, Egypt

29 January 2003

Report on
**THE FIRST MEETING OF THE CENTRAL BANKS
COMMITTEE
OF THE D-8 COUNTRIES
CAIRO, JANUARY 29, 2003**

Opening Session:

Highly distinguished representatives of the D-8 central banks held their first meeting of the D-8 Central Banks Committee in Cairo, Egypt on January 29, 2003. In the opening session, H.E. the Assistant-Minister of Foreign Affairs for International Economic Relations and the D-8 Commissioner of Egypt delivered a speech, stressing the role of central banks in fostering economic relations among D-8 countries, and briefing the Egyptian experience in banking reform. In the same vein, the Assistant Sub-Governor of the Central Bank of Egypt, on behalf of the Deputy Governor, has, in his overture speech, highlighted the crucial role of the D-8 countries and the very important topics to be addressed during the meeting. The D-8 central banks' representatives adopted the proposed agenda.

The Working Session:

Central bank representatives from Bangladesh, Egypt, Iran, Indonesia, Malaysia, Nigeria, Pakistan and Turkey have attended the first meeting of the central banks. The delegation of the Central Bank of Egypt highlighted the main aspects of the topics in the adopted agenda. All delegates have participated effectively and deeply in the discussion, introducing new ideas about: using the D-8 website in disseminating the required data and information; and encouraging member countries to have bilateral memorandum of understanding in order to foster cooperation in the area of financial services, particularly for regulatory and supervisory purposes.

The Nigerian delegation proposed discussing the issue of establishing a clearing house for the D-8 countries. All delegations, however, have agreed that establishing such clearing house is still non-viable and deemed premature, given the current modest level of intra D-8 trade.

The delegation of Turkey made country presentation that reviewed the recent experience of Turkey with financial and currency crises, and the economic adjustment and structural reform programs. The presentation included, as well, the reform program currently adopted, especially in the areas of exchange rate regime and banking and financial sectors. The working session has witnessed also two more country presentations by the delegations of Malaysia and Nigeria. The first presentation briefed the experience of Malaysia in overcoming the consequences of the Asian crises and restoring economic growth and stability. The presentation also shed light on the recent indicators of the economic performance of Malaysia. The Nigerian delegation, in their presentation, concentrated on the stability of the exchange rate; the current system of monetary policy management in Nigeria; rural development; as well as the latest developments in the West African Monetary Cooperation.

The General Manager of the Federation of Egyptian Banks introduced some proposals to promote cooperation among D-8 banks through their national bank associations. In this respect, national bank associations can address any identified problems, obstacles or discrepancies impeding the enhancement of intra D-8 banking cooperation. Equally important is to exchange guidelines of the applicable regulations and rules governing banking business in member countries. The General Manager also proposed that national bank associations jointly organize training programs and seminars to allow for mutual benefits from their relevant experiences.

Recommendations:

Central banks' representatives, after deep and fruitful discussions, have reached the following recommendations:

(I) Exchange of Banking, Financial and Economic Information and Data among Central Banks in Member Countries:

Central banks in member countries should exchange adequate information and data in the areas of:

- Banking laws, regulations and practices.
- All applied prudential regulations that assure banking soundness.
- Updated economic, financial and banking data and indicators that cover: the performance of the real sector; government sector and public debt; external sector and external debt; monetary aggregates and interest rates; and inflation rate.
- Foreign exchange regulations.

In this respect, the Committee encourages member countries to place best efforts to publish adequate/available data on the websites of central banks and other relevant authorities. In the same context, the Secretariat in Istanbul may be considered as the best appropriate means to arrange for such efforts, and facilitate access to such data and information. The D-8 website could be used for achieving such purposes.

The Committee also encourages the members to have bilateral memorandum of understanding in order to improve the cooperation in the area of financial services, particularly for regulatory and supervisory purposes.

(II) Applying International Standards and Rules Relevant to a Bank's Capital Adequacy and the Soundness of Banking Sector.

Central banks and other relevant institutions in member countries are required to assure the compliance of banks - under their supervision - with the internationally recognized prudential rules specially in the following areas:

- Capital adequacy to be at least in line with Basle I, with further steps towards compliance with Basle II in due time.
- Applying acceptable system of asset classification and provisioning.
- Preventing asset concentration, currency-wise and client-wise, taking into account the related parties.
- Avoiding concentration in ownership.
- Enhancing good governance in banks through:

- Reliable reporting system to the supervising authority.
- Assuring a well-designed internal auditing system and well-defined authorities and responsibilities of internal auditors.
- Well-defined responsibilities of the external auditors.
- Increasing the number of the independent board members (Internal Auditing Committee) and enhancing their roles.
- Assuring the transparency of banks' activities and financial statements.
- The pre-required central bank approval before the appointment of the Chief Executive Officer and some other high officials of the bank.

(III) The Role of Central Banks in the Area of Simplifying the Commercial Aspects of Banking Procedures.

- Banks in member countries adhere to the international standards and practices in all banking operations (e.g. International Chamber of Commerce Uniform Customs and Practice for Documentary Credits).
- Central banks, in seeking to lower bank risk exposure, always insist that banks follow the internationally accepted practices and standards.
- The simplification of banking practices and procedures should be left to banks and /or to their associations and federations.
- Member countries are invited to establish and/or develop (if they exist) reliable institutions for export financing and/or export credit guarantee, while effectively use the available facilities introduced by multilateral organizations that serve fostering international trade among their member countries.

(IV) Enhancing the Role of Bank Associations Which May Address Issues of Common Interests for the D-8 Countries.

Enhancing the role of bank associations at the national level will help develop banking industry in member countries. Within this context, central banks are encouraged to establish bank associations if lacking in their countries. Such associations are expected to convene regular meetings for banks to exchange expertise and to address all the problems,

obstacles and discrepancies impeding the enhancement of intra D-8 banking relations. Equally important is to jointly organize training programs and seminars on a regular basis.

The Committee agrees -in principle- on holding regular meetings. In this respect, details are to be left to the D-8 Secretary, according to proposals sent by member countries. The first meeting highlighted the importance of presenting country position reports in coming meetings so as to avail for the exchange of experiences.

All delegations in the first meeting of the D-8 central banks committee have expressed their deep appreciation to the Government of Egypt and the Central Bank of Egypt for hosting the meeting and for the warm and sincere hospitality.

February 4, 2003.

Report of the
Third Expert Group Meeting on Trade Preferences,
Customs Procedures and Trade Barriers

Istanbul, Turkey

6-7 October 2003

Report of the Third D-8 Customs Expert Group Meeting on Trade Preferences, Customs Procedures and Trade Barriers

(Istanbul, 6-7 October 2003)

In accordance with the agreement reached among the D-8 Member Countries present in the 2nd Meeting which was held on 12 and 13 January 2003 in Tehran, the 3rd meeting of the D-8 Customs Expert Group on Trade Preferences, Customs Procedures and Trade Barriers was held in Istanbul on 6 and 7 October 2003.

Iran, Pakistan, Egypt, Nigeria and Turkey attended to the meeting. Iran, Pakistan and Turkey was represented by their experts on Customs and Trade whereas a representative from the Egyptian Consulate in Istanbul and a representative from the Nigerian Embassy in Ankara participated in the meeting on behalf of their countries.

I. Opening of the Meeting

On behalf of the Turkish Customs Administration, Mr. Sebahattin Koçaş, Director General for the EU and External Relations of Undersecretariat of Customs welcomed the delegates to the 3rd Meeting of the the D-8 Customs Expert Group Meeting on Trade Preferences, Customs Procedures and Trade Barriers.

II. General Matters

1. Election of the Chairman

Before his opening statement, Mr. Koçaş asked the delegates for their comments on the chairmanship of the host country as it has been a tradition since the first meeting of the Expert Group. Underlying the fact that the Group has not set its rules of procedures yet to determine the working methods, Mr. Koçaş requested the delegates to approve his position as the Chairman. The Group agreed.

2. Opening Statement by the Chairman

In his opening speech, Mr. Koçaş stated that the objectives of the D-8 are to improve developing countries' position in the world economy, diversify and create new opportunities in trade relations, enhance participation in-decision making at the international level and better standards of living. Giving some brief information about the D-8 activities, he emphasized that trade has a vital role in order to achieve prosperity and development of D-8 member countries.

The Chairman expressed the willingness of the Turkish Customs Administration to actively participate in the work of the D-8 Customs Expert Group. However, he underlined that the Group needed a clearer mandate and clear rules of procedure as regards its future work and working methods to obtain certain concrete results from its efforts.

Inviting the Expert Group to appreciate the initiative taken by the Malaysian Customs Administration for hosting the 1st Meeting in May 2002 in Kuala Lumpur and the Islamic Republic of Iran's Customs Administration for hosting the 2nd Meeting in January 2003 in Tehran, Mr. Koçaş expressed his sincere thought that the study to be carried out by the Group in the 3rd Meeting would definitely contribute to enhance the trade among D-8 countries. He finished his opening speech by thanking all the delegates for attending the 3rd Customs Meeting.

3. Election of the Drafting Committee

On the Chairman's proposal, Ms. Didem AKTEKİN and Mr. Öncü TEKEŞ, Assistant EU Experts from the Turkish Customs Administration, were elected as the members of the Drafting Committee.

4. Adoption of the Agenda

Mr. Koçaş requested the delegates to review the revised Draft Agenda which was circulated before the meeting had started and to give their comments on its approval. The Delegate of Pakistan stated that "the country reports" should not be on the agenda since all the member countries had already made presentations on their Customs Administration reforms during the 2nd Meeting.

Mr. Koçaş explained that the Turkish Customs Administration kept this item on the agenda as a continuation of the discussions in the 1st and 2nd Meetings. Since the Turkish Customs Administration prepared a presentation to make under this agenda item concerning its recent achievements, it was agreed to keep this item on the agenda without any objection from the delegates.

III. Other

The Executive Director of the D-8 Office, Ambassador Mr. Ayhan KAMEL, joined the meeting to welcome the delegates. He made a brief statement at the end of the morning session, the first day. In response to certain remarks pronounced in the course of the meeting concerning the coordinating unit, he said that "the coordinating unit provides full services only to the standing bodies of the D-8 Grouping, i.e. the Commission, Council and the Summit. As for the technical meetings, the coordinating unit circulates as received from the host country the dates of the meetings and seeks nominations, quite often with repeated reminders. Secretariat also circulates their reports which are prepared by the participants. However, given the limited mandate, staff and financial resources, the Secretariat is unable to attend the technical meetings and cannot therefore offer on-the-spot-services. These services in the course of the meetings are carried out by the host country. This has been the practice since the creation of D-8 in all technical meetings so far held, the number having now reached about fifty. It is the principled policy of the coordinating unit not to make any distinction and discrimination among these meetings.

As for the substance of the meeting, the Executive Director underlined the vital importance of the expansion of intra-trade in D-8 cooperation. He stated that in two years, the intra-trade increased from USD 14,5 billion in 1999 to USD 19 billion in 2001 which represents an increase of %30. Nevertheless, there is much wider scope for further expansion in view of the

fact that the overall trade of the member countries with the world is about USD 500 billion. Therefore, the work of the experts is of crucial importance. He added that there were two draft agreements before the working group which were circulated several months ago. In case they could not finalise the texts at this session, the experts might hold, he suggested, another meeting perhaps sometime in January before the Summit in February 2004 in order to submit to the Heads of State and Government concrete recommendations.

He expressed his sincere thoughts concerning the importance of this technical meeting and congratulated the delegates for undertaking such a crucial work and contributing to the future of D-8 countries on customs and trade matters. He presented his best wishes for the success of this group.

Mr. Koçaş stated that the Customs Expert Group needed certain clarifications as to its mandate and working methods and drew the participants' attention to the 10th paragraph of the Report of the 12th Session of the Commission held in Cairo in August 2003. It was underlined in the report that, while the Commissioners appreciated the two draft texts presented by the Islamic Republic of Iran with regard to the multilateral agreements on administrative assistance on customs matters and the preferential trade agreement to be concluded among D-8 countries, ~~they expressed the necessity of having more time to examine the draft texts properly.~~

Mr. Koçaş referred to the first draft text concerning the multilateral agreement on mutual administrative assistance on customs matters which was also dealt with in the said Commission Meeting. He stated that this draft agreement fell under the Nairobi Convention or the new International Convention on Mutual Administrative Assistance in Customs Matters, both of which were administered under the auspices of World Customs Organization (WCO). Concerning the second draft text, Mr. Koçaş reminded that the Organization of the Islamic Countries (OIC) had already worked out a framework of a preferential trade agreement from which the D-8 could draw upon the experience of OIC when working out the framework agreement and thus avoid duplication. He noted that the negotiations could be conducted on commodity-by-commodity basis taking into consideration the priorities of D-8 countries after the agreement has been signed. He also emphasized that this Group had to come up with a decision whether to continue its efforts for a possible agreement or to delete this subject from its agenda. Then the group also had to decide whether or not to take out "trade preferences" from its name and propose to adopt its new name as "D-8 Experts Group on Customs Procedure and Trade Barriers" to the Commission.

Mr. Koçaş put forward another issue on the necessity of defining clear rules of procedures concerning the working methods of the group. He declared that Turkish Customs Administration had prepared a draft comprising the rules of procedures to clarify questions such as the composition of the group, frequency of conducting meetings, the meeting venue, distribution of the agenda and the documents for meetings, the decision making mechanism and the procedure for submitting proposals, adoption of proposals, etc

As regards the composition of the Group, Mr. Koçaş stated that the Turkish Customs Administration was of the view that the group should consist of both trade and customs experts, since customs procedures and trade barriers were closely related issues for a group studying the possibilities of finding ways and means for facilitating and increasing trade. He,

then, asked the delegates to express their views on the proposal as to whether it should be referred to the Commission for discussion and adoption at its next session.

Referring to Article 2 of the proposal, Turkey suggested that Expert Group should convene on a yearly basis, the place of the meeting should be determined in alphabetical order of the member countries and the time of the next meeting should be scheduled in the course of the previous meeting. In Article 3, Turkey proposed that the head of delegation of the member country holding the meeting should also assume the chairmanship until the next meeting. Mr. Koçaş declared another proposal of the Turkish Customs Administration on the host country's rendering the secretarial work up until the next meeting which then be taken over by the host country of the following meeting, where the Executive Directorate of D-8 Countries would be responsible for communicating the draft agenda and the program to the member countries.

However, Mrs. Sunay Dizdar, the representative of the Office of the Executive Director (hereinafter referred to as Office), referring to Rule 4. of the Draft Rules and Procedures of the D-8 Customs and Trade Expert Group on Trade Preferences, Customs Procedures and Trade Barriers, stated that the Office of the Executive Director (Coordinating Unit) has no sufficient human and financial resources to give secretarial service for each and every technical meeting (which has been 50 in number until now) held within the framework of D-8 cooperation. Also she mentioned that including the Executive Director, there are only three professional staff working in the office.

Referring to the views expressed by the representative of the Office, the Delegate of Pakistan underlined the importance of providing sufficient resources to the secretariat in order to render its work effective and drew attention of the member countries to the issue of funding. Regarding the Turkish proposal on host countries' secretarial work, Pakistan supported the Office having a permanent location rather than rotating the work from one country to another. He stated that as the sound basis of the proposals to be submitted to Commission for adoption are formed by the efforts of technical experts, Pakistan attributed a great importance to the technical work conducted by this Group. Therefore, in order to establish an effective communication among the experts and reinforce cooperation and coordination among D-8 countries, Pakistan supported the proposal which has been forwarded by Turkey that there must be some specific rules of procedure for the conduct of the meetings.

Pakistan stated that minimum requirements had to be identified for the secretariat and determined in monetary terms to be proposed to the Commission with the recommendation by the Expert Group indicating the necessity and benefits of such a proposal. He noted that, if the member countries were serious enough to continue their efforts and cooperation in order to reach the core objectives of D-8 establishment, the minimum requirement for secretariat to function effectively should be maintained.

Iran also agreed with Pakistan and Turkey and supported to establish a permanent office for the secretariat.

Therefore, The Group agreed that its discussions about the structure, functions and basic needs of the secretariat would be summarized and reported to the Commission for its discussion and decision, with regard to rules and procedures of the group.

III - Technical Matters

1. Removing Trade Barriers

Mr. Koçaş pointed out that Turkey, while preparing the Draft Agenda, had listed some of the items related with trade facilitation under Technical Barriers. However, considering the fact that both the WCO and the WTO have been discussing these topics under the heading of "Trade Facilitation", he asked the delegates to rename agenda item III "Trade Facilitation" instead of "Trade Barriers". Pakistan stated that under the framework of the WCO, the term "Trade Facilitation" would be adequate to cover up all the issues with regard to "Trade Barriers". However, he noted that if the Expert Group intended to exclude "trade preferences" and "non-tariff barriers" from the agenda, the heading of "Trade Facilitation" would be insufficient. Having agreed with Pakistan's view, Mr. Koçaş noted that the issues of "trade preferences" and "non-tariff barriers" would be discussed under the agenda item "Other", Removing Trade Barriers. Finally, the heading of "Removing Trade Barriers" was changed as "Trade Facilitation".

(a) Customs Legislation and its Implementation

Mr. Koçaş stated that, since the establishment of the WCO in 1952, Customs officers have been working hard for the standardization, harmonization and simplification of Customs procedures. In this connection, he underlined that the Group needed to focus on "Trade Facilitation" and "Capacity Building", the areas which were identified as two of the Customs related issues in the WTO Doha meeting in 2001.

Subsequently, Mr. Koçaş noted that Turkey was one of the founding members of the WCO and, so far, a party of all international conventions sponsored or administered by the WCO, except for two, the "Revised Kyoto Convention" and "Istanbul Convention" which have been in the Turkish Parliament for adoption. In this connection, he asked the delegates to pay their attention to the table on their desks, reflecting the position of the D-8 member countries in respect to the international conventions concerned. Furthermore, he expressed his belief that it was very critical for the D-8 members to adopt WCO conventions, particularly the Revised Kyoto Convention, in order to speed up their efforts towards trade facilitation. In this connection, Mr. Koçaş requested the group to submit this table to their relevant national authorities for their consideration.

Pakistan gave information about legislative changes in order to comply with the rules of the WTO and other relevant international institutions. Iran stated that a new law has been submitted to their national parliament in order to modernize the customs procedures.

At the suggestion of Mr. Koçaş and following the remarks made by the Delegate of Pakistan, the Group agreed to propose the following conclusion to the D-8 Commission:

"Recognizing the fact that the Conventions sponsored and administered by the World Customs Organization in general, and the Revised Kyoto Convention in particular, as well as the recommendations and guidelines issued by the said Organization, are the most efficient and effective technical instruments for the facilitation of trade around the world, the Expert Group urges all D-8 member countries to adopt and ratify those Conventions and implement those recommendations and guidelines, if not already done, as soon as possible."

Noting that Iran is the only D-8 member which is not implementing the WTO Valuation Agreement because it is not a member of the WTO, the Expert Group recommends to the Commission to extend all kind of support and assistance to Iran to become a member of the WTO by requesting the WTO Secretariat an expeditious processing of the accession application by IRAN."

(b) Automation of Customs Procedures

Under this agenda item, Mr. Cahit Gökçelik, the Deputy Director General of Customs, made a presentation regarding the Turkish Customs Modernization Project. A hardcopy of this presentation was distributed to the participants in the course of the meeting.

In addition, Pakistan and Iran briefed the Group on the studies carried out in their Customs administrations with respect to "Automation of Customs Procedures".

Mr. Koçuş underlined that the information exchange regarding customs modernization was extremely beneficial for capacity building in member countries' customs administrations.

(c) Enhancing Co-operation in Transit

Mr. Koçuş stated that one of the main objectives of this Group was to study the possible ways of enhancing cooperation in transit among D-8 member countries. However, he underlined that it should be taken into account that the D-8 member countries were dispersed in three continents from Indonesia and Malaysia in South-East Asia to Nigeria in Western-Central Africa and therefore, thanks to their geographical situation, only Turkey, Iran and Pakistan had the possibility of taking advantage of border-to-border transit co-operation. He noted that even among these three countries, which had transit trade agreements under the ECO scheme, customs would have difficulties in speeding up transit procedures without adequate infrastructure and co-operation by other authorities involving in transit chain, especially the department of transportation and the trade community. Further, noting that not all of the D-8 member countries were parties to international conventions and arrangements that facilitate transit procedures, he invited the member countries to express their views as to how the cooperation in the area of transit could be enhanced.

Nigeria stated that, irrespective of the geographical diversity of member countries, the Group should find the ways and means to enhance cooperation in transit as well as other customs and trade issues. Pakistan supported Nigeria's view and stated that the cooperation in transit was a major aspect of trade facilitation.

At this point, Mr. Koçuş stressed that if the Group intended to find concrete ways and means of cooperation among D-8 countries on transit matter, it would be better to focus this agenda item by considering the geographical position of these countries. He underlined that, although countries might have legislative provisions that enable the cooperation in transit, the basic problem was to facilitate the movement of goods and the containers, particularly to improve transport infrastructure and the security of trade supply chains. In this connection, he suggested the Group to identify the technical aspects of possible cooperation in air, land and sea transportation issues and submit the conclusions to the Commission accordingly.

(d) Other

Under this agenda item, Mr. Koçaş invited the delegates to give their views on the need for simplification of trade rules and regulations in parallel to simplification of those related to Customs. He further asked the delegates whether they had any suggestions to reach some concrete results.

Pakistan took the floor and proposed that publication of a joint booklet on taxation systems of all member countries would definitely contribute to trade facilitation. Pakistan also suggested using similar automation systems in order to exchange information effectively. At this point, Mr. Koçaş noted that the taxation systems as well as trade and customs systems of member countries could be combined in a booklet that would be distributed. He further suggested proposing the Commission the establishment of a web page in the web site of the Office on the trade and customs rules and regulations of member countries. This was agreed without any objection.

Taking into consideration the lack of information exchange in Customs valuation, Pakistan proposed to sign a protocol among D-8 Member countries. The chairman stated that the information exchange in Customs valuation would be discussed under the agenda item on "Consideration of the proposal for a Draft Multilateral Agreement Among D-8 Members on Administrative Assistance in Customs Matters". He added that the newly adopted WCO International Convention on Mutual Administrative Assistance comprised detailed and sophisticated provisions regarding valuation information exchange which could be maintained following to the ratification of this convention by all D-8 members.

2. Cooperation on Customs Enforcement

Mr. Koçaş invited Mr. Mehmet Rıza Korkmaz, the Deputy Director General of Customs Enforcement, to make a presentation regarding the studies being carried out in the Turkish Customs Administrations to prevent smuggling and other offences related to customs enforcement.

Following the presentation, Mr. Koçaş stated that the ways and means of exchanging information had to be found out and maintained. In order to achieve this objective, he noted that first of all a legal basis should be established and then the physical infrastructure should be settled. Referring to the study which was underway to establish a Customs offences data bank under the framework of ECO, Mr. Koçaş questioned whether this data bank could be extended to cover D-8 members which were not members of ECO.

Pakistan gave information on Customs enforcement activities and proposed that D-8 members could benefit from Turkish Customs Administration's experience on this issue. Mr. Koçaş stated that the Turkish Customs was ready to share its experience with other members.

3. Country reports

Under this agenda item, a presentation was made by Iran regarding the study that was being carried out to facilitate the Customs procedures as well as improving Customs enforcement

and training activities. A copy of this presentation was distributed in the course of the meeting and given as Annex 5 to this Report.

Mr. Koçaş invited Mr. Ziya Demirdüzen to make a presentation on the recent developments in Turkish Economy and Trade.

4. Consideration of the proposal for a Draft Multilateral Agreement Among D-8 Members on Administrative Assistance in Customs Matters

Mr. Koçaş noted that the Turkish Customs Administration carefully studied the draft text which had been proposed by Iran at the previous meeting and had certain comments around 10 Articles. He asked the participant countries whether:

- an agreement on Mutual Administrative assistance was desirable by member countries,
- it was feasible to sign the agreement in the near future, and
- the Group should study the draft text article by article at this meeting, or each member state should send their comments on the draft to the Office by the end of November after consulting their relevant national authorities.

The Delegate of Iran expressed its belief that signing of this agreement was feasible. He noted that although most of the D-8 countries had such agreements bilaterally, the expansion of these agreements through a multilateral framework would be more effective and beneficial for all D-8 member countries.

Pakistan stated that this multilateral agreement would provide the solid basis to share expertise and render assistance among D-8 member countries. It was underlined by the Delegate of Pakistan that there should be a strong political will for signing the agreement in the near future.

Considering the proposed agreement useful and desirable, Nigeria noted that the Expert Group should determine the reasons why this agreement is desirable and beneficial for D-8 countries and then submit these reasons to the Commission.

Mr. Koçaş stated that it was desirable and feasible for Turkey to sign such an agreement. Reminding that the Turkish Customs Administration examined the draft text carefully, he asked other countries to study the text and prepare their comments in order to be ready for discussion at the 4th Expert Group meeting which was strongly recommended by the Group to be held prior to the Commission and Council Sessions in February 2004 in order to achieve concrete results. He stressed that the work to be done for signing of the agreement was mostly up to the technicians and, therefore, if the Expert Group manage to have a proper secretariat, the work that would be done could be combined and send to all countries. He further noted that an agreement on mutual assistance in customs matters between Turkey and Iran would come into force in a few months and this agreement would be expanded amongst D-8 Countries unless political reluctance occurs.

Representative of the Office of the executive Director stated that the promotion of cooperation in customs matter and trade preferences field was instructed at the previous Summit and the Expert Group should carry out the task entrusted by the Summit irrespective of secretarial

services and added that the primary responsibility in D-8 cooperation rests with the member countries. She also explained that lack of an efficient and expeditive communication mechanisms between the offices of the Commissioners and the relevant departments is creating problems to get timely responses from the member countries. Indeed, the Coordinating Office had difficulty to get the nomination for this meeting and the written comments of the two draft agreements (proposed by Iran) which were circulated several months ago.

Pakistan noted that, if the group would not get the financial support to improve Customs cooperation among D-8 countries, it would be pointless for the Expert Group to do all the hard work to finalize the agreement.

5. Consideration of the proposal for a Draft Preferential Trade Agreement Among D-8 Member Countries

Mr. Koçuş asked the participant countries to give their comments on the desirability, feasibility and legal aspects of signing a preferential trade agreement among D-8 Countries.

Expressing the views of the Undersecretariat for Foreign Trade, the authority in Turkey to finalize Preferential Trade Agreements, Mr. Demirdüzen stated that a preferential trade agreement was about to be concluded within the OIC to which all the D-8 countries are currently members. He noted that OIC Countries reached to a stage to hold the initial negotiations with Turkey by April 2004. He stressed that the D-8 member countries which have not signed or ratified the Framework Trade Preferential System (TPS)-OIC Agreement yet, should be urged to sign or ratify this agreement. Furthermore Mr. Demirdüzen noted that Turkey, Iran and Pakistan have signed the Economic Cooperation Organization Trade Agreement (ECOTA).

In this connection, Mr. Demirdüzen proposed to wait for the initial negotiations of (TPS)-OIC Agreement in order to avoid duplication with regard to devoting efforts for signing a preferential agreement among D-8 Member Countries.

Supporting Turkish proposal, Pakistan stated that the Expert Group should wait and see the outcomes of the OIC and ECO preferential trade agreements.

The Delegate of Iran noted that she was not in the position to make any comment on the proposed preferential trade agreement.

6. Co-operation in Capacity Building Activities

Mr. Koçuş made the description of capacity building in the Customs context and underlined the fact that many of the ongoing discussions on Customs and Trade matters revealed the importance of capacity building for the effective and efficient functioning of Customs and Trade administrations. Having listed some of the areas that the D-8 countries have been in need of capacity building assistance, Mr. Koçuş emphasized the importance of cooperation among the D-8 countries' Customs administrations especially on some specific items such as development and implementation of modern legislation or modern systems and practices. He suggested that D-8 Country Customs administrations should cooperate and share experience

by arranging study visits, workshops, seminars and training courses, the idea of which was completely supported by the Turkish Customs Administration.

The Delegate of Iran said that the capacity building and assistance had already been dealt under Articles 12, 18 and 19 of the draft Mutual Administrative Assistance Agreement and emphasized the importance of this agreement with regard to capacity building and assistance.

Mr. Koçaş, underlying the necessity of the mutual administrative assistance agreement as a legal framework towards creating good cooperation amongst the D- 8 countries, proposed to study on the draft agreement carefully and ask the Commission for its political commitment.

He noted two most important items for this Expert Group to handle, one was this mutual administrative assistance and the other was the rules of procedures of the Group.

The Delegate of Iran mentioned that acknowledging the importance of training in the context of capacity building, her administration had proposed training courses to D-8 countries for their Customs officers 8 months ago, however have not received any respond from any of the countries.

Concerning the training facilities undertaken by Iranian Customs, Mr. Koçaş reminded that the Iranian Customs was planning to hold a seminar on the HS to which Turkish Customs Administration nominated two experts, and stated that Turkish Customs Administration has not been informed about the time and venue of the said seminar until now. The Delegate of Iran explained that the seminar on HS, to be held with the cooperation of the WCO, was postponed due to the lack of relevant experts in the WCO.

Mr. Koçaş requested the Delegate of Iran to distribute the delegates the list of courses available in the Iranian Customs Administration and asked her to arrange joint seminars for both D-8 and ECO countries' customs and trade officials. Supported by Pakistan, this suggestion was accepted by the Delegate of Iran.

The Delegate of Pakistan suggested that this Group should ask the Commission to determine the expenses of the training courses, the frequency of the courses and whether or not their being held on voluntary or offer basis.

Mr. Koçaş, in addition to the financial implications of such courses, noted that countries should not only send trainees but also contribute to these courses by sending trainers. However, he drew attention to the point that the D-8 countries should first of all establish their needs and make a list thereof. As the needs of the countries were determined and that list was circulated to D-8 countries, a member state which was to arrange a seminar on a specific issue could invite the other member which was in need of that specific training. It was decided that the lists to be prepared by each D-8 country should be sent to Iran for coordination since they had a training center for ECO countries in Tehran.

IV. Other:

1. Determination of the Date and Venue of the 4th Meeting

At the suggestion by the Office, the Group decided to hold the next meeting in January, before the meeting of the Council, and asked the Executive Director to inform the missing countries accordingly. The exact date was left to the Executive Director to be established later. *The exact date of the IV. Expert Group will be determined by the host country in coordination with the Executive Director (either Pakistan or Egypt) and communicated through the office of the Executive Director.*

Egypt and Pakistan accepted to consult their Administration to host the next meeting in January.

2. Other Business

Concerning the possible preferential trade agreement among the D-8 countries, the delegate from Turkey suggested the Expert Group to wait for the outcome of the talks within TIPSOEC. He also noted, as regards the concerns whether to keep "trade preferences" in the name of this expert group, that the negotiations on preferential trade agreements within the ECOTA or TIPSOEC are carried out by a separate expert group, mainly composed of trade experts. Therefore, the statement of "trade preferences" should be taken out from the name of this Group, meaning that the trade talks should also be excluded from the mandate of this Group.

The delegate from Pakistan, underlined that this Expert Group's name and mandate should be determined not by the Group itself, but by a higher political level. He reminded that the only thing this Group could do is to recommend a change in the name of the Group to the Commission.

Mr. Koçuş drew the attention of the delegates once again to the text prepared by the Turkish Customs Administration on the prospective rules of procedure of the Group and suggested the delegates to ask for Commission's approval on the text, with the intention of deleting "trade preferences" from its title.

Should the Commission accept the text and alteration of the Group's title, the discussions on the possible preferential trade agreement would be taken out from the agenda of this Group and could be carried out under a separate one, composed of trade experts.

3. Closing Remarks

Mr. Koçuş thanked and congratulated the Group for making such a good progress on many crucial items on the agenda regarding the future work of the Group. He reiterated that this Expert Group could achieve a lot of beneficiary work to facilitate trade between D-8 countries.

The delegate of Pakistan thanked the Turkish Customs Administration for its warm hospitality and the organization of the meeting. He also congratulated all the delegates for their active participation and contributions to the discussions.

Report of the
Second D-8 Seminar on Conservation of Farm Animal
Genetic Resources

Cairo, Egypt

11-13 January 2004

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**Second D-8 Seminar on
Conservation of Farm Animal Genetic Resources (AnGR)
Cairo, Egypt, 11-13 January 2004**

Under the aegis of the Ministry of Agriculture and Land Reclamation of Egypt, with financial support of FOA and in line with the recommendations of the 1st D-8 Seminar on "Conservation of Farm Animal Genetic Resources", held in Islamabad, Pakistan on 1-3 August 2002, the 2nd D-8 Seminar was convened from 11-13 January 2004 in Cairo, Egypt.

Delegates attended from Bangladesh, Egypt, Indonesia, Iran, Malaysia, Pakistan and Turkey, while the delegate of Nigeria did not arrive. Representative FAO Headquarter and Regional Animal Production and Health Officer for the Near East were present. Also attending were members of Consultative Committee for the preparation of the Egypt's Report on the State of Animal Genetic Resources (SoW), fellow researchers from the Animal Production Research Institute (APRI) and SoW Near East Facilitator.

The ultimate objectives of the D-8 Seminar was to follow-up progress made in country report preparation, to develop national capacities and international cooperation to achieve sustainable livestock production. This was to be achieved through wise use and development of locally adapted farm animals genetic resources, whilst taking into consideration the constraints and opportunities created by growing demands on the livestock sector and by changing climate, disease status and technologies in D-8 counties.

The first day was scheduled for the opening session and two technical sessions. The welcome address was delivered by the Director of APRI highlighting the animal genetic resources inventory, the importance of sustainable animal production to cope with the increasing demand on animal protein and the need to enhance the information and communication capacity to conserve and utilize animal genetic resources among the D-8 Member States and the international levels.

FAO speech was delivered by FAO Representative, Cairo highlighting the cooperation between Egypt and FAO and thanking Ministry of Foreign Affairs and Ministry of Agriculture and Land Reclamation for assisting in the organization of this meeting. The Minister's speech covered agriculture development in Egypt and the role of livestock in the development strategy and action plans.

The technical sessions started with the AnGR Officer presentation covering the state of preparation of SoW globally and in D-8 Member States and the time frame for completing and analyzing these reports and taking them through FAO official platforms. The six countries i.e. Bangladesh, Egypt, Indonesia, Malaysia, Pakistan and Turkey, presentations varied in their contents. Some summarized their respective country reports, some gave a general view on animal genetic resources in their countries and others discussed livestock issues. There were fruitful discussions and interactions following each presentation with conclusions that are hoped to lead to constructive recommendations at the end of the Seminar.

On the second day, the delegates participated in a field trip to Sakha, Kafrel-Shiekh Governorate, about 150 km north of Cairo. Upon arrival the 3rd technical session started with Iran presentation followed by APRI presentation covering an overview on APRI structure, target & goals, facilities and services provided to farmers and breeders. Researchers from six animal breeding research departments gave presentation covered the economic importance conservation and utilization of different breeds of Buffaloes, Cattle, Small Ruminants, Camel, Poultry and Rabbits, Turkey and Water Fowl. The delegates visited the International Livestock Management Training Center (ILMTC) facilities for research and training on biotechnology i.e. AI, ET, fingerprinting, DNA analysis ...etc. Following they visited Sakha Animal Production Research Station and Sakha Dairy Training Unit (SDTU).

On the 3rd day, there were long and fruitful discussions concerning the issues presented in the technical sessions, the action progress during the period between the two Seminars and the priorities for sustainable development of the livestock production. The discussions resulted in conclusions specifically:

- To share information on the state of AnGR for food and agriculture and prevailing production system in D-8 countries.
- To assess the need for human resources development in management and conservation of AnGR.
- To review the methodologies and technologies that are being employed, or available, to better understand the value of AnGR, develop and conserve these resources in a sustainable manner, taking indigenous and local knowledge into consideration.
- To facilitate formulation of appropriate national policies for the sustainable use and management of AnGR in D-8 countries.
- To promote animal recording and establishment of national AnGR database.
- To develop action plan for *in-situ* and *ex-situ* conservation in D-8 countries.
- Providing a foundation to enhance existing networking among D-8 countries with shared and /or common production system issues.
- Identifying emerging issues where these directly relate to the management of AnGR in relation to animal welfare, animal health impacts on environment, and other issues.
- Improving understanding of the status of breeds that are currently not of value to farmers, and of wild relatives of domesticated animal, and to provide the foundation of early warning and early reaction system for AnGR at risk of being lost, and to identify opportunities for the future use of these resources

At the end of the Seminar, D-8 countries adopted a series of recommendations (see Annex 1) including the need for more research and development programs relevant to management of farm AnGR and urged member states to co-operate on the development of suitable breeding strategies, in order to assist small farmers to find the best balance in conserving animal genetic resources and improving their livestock performance. In fact, so far there are no suitable breeding models for small farmers in countries concerned.

D-8 Seminar on Conservation of Farm Animal Genetic Resources

Recommendations

1. Member countries should emphasize further mobilization of national efforts and resources to support research and development programmes relevant to management of farm AnGR, including adequate attention to *in-situ* and *ex-situ* conservation of endangered breeds;
2. In view of importance of buffaloes and small ruminants in D-8 Member States, the participants emphasized that respective governments should invest in coordinated breeding programmes for these species;
3. Member states are encouraged to sensitize the stakeholders to develop breed associations in order to synergize farm AnGR conservation efforts;
4. Member states examine the possibilities of strengthening research cooperation, including exchange of researchers, AnGR data and farm animal genetic materials, wherever it is relevant, among the D-8 Member Countries;
5. Establishment of a Working Group and a functioning network of stakeholders of Farm AnGR in D-8 Member States, which may function as a reference network for FAO Global Programme for the Management of Farm AnGR as well;
6. The delegates desired that the Government of Pakistan, as Coordinator of Agriculture Affairs for D-8 Countries, to contact FAO for provision of technical and financial assistance (TCP) to facilitate D-8 Member States to develop strategic plans for best utilization of their farm AnGR; and
7. The participants urged those D-8 Member States, which did not respond to the invitation of the Director-General of FAO to join the Global Programme on the State of the World's Animal Genetic Resources (SoW-AnGR) process, in preparing country reports and to send their positive response to FAO at the earliest convenience and holding a meeting of Farm AnGR National Coordinators of D-8 Member States in order to review the progress of the SoW AnGR Country Report preparation in D-8 countries, within six months, in Cairo, Egypt, where the Animal Production Research Institute of Egypt expressed willingness to hold such a workshop, while FAO will consider providing financial assistance for this purpose.