

**REPORT OF THE TENTH SESSION OF THE COMMISSION
TO THE FIFTH SESSION OF THE COUNCIL OF MINISTERS**

(Cairo, 22-23 February 2001)

1. The Tenth Session of the Commission was held in Cairo, Egypt on 22-23 February 2001. All the member countries attended the meeting which was convened to prepare Third D-8 Summit.

2. At the beginning of the meeting, H.E. Ambassador Dr. Toufiq Ali, the Commissioner of Bangladesh, handed over the Chairmanship to H.E. Ambassador Dr. Magda Shahin, the Commissioner of Egypt. In his statement, Ambassador Toufiq Ali shared his experience during their Chairmanship with his colleagues and made a short evaluation of D-8 cooperation. The Commissioners paid tribute to him for his stewardship as the Chairman of the Commission during the past two years.

3. In her opening statement, H.E. Ambassador Dr. Magda Shahin, the Chairperson of the Commission, highlighted the significant progress so far achieved in D-8 cooperation although only four years passed since the creation of the Grouping. She said that the D-8 Grouping had a unique character by focusing on specific projects which were economically feasible and workable. She added that the Grouping should maintain this practical and action-oriented approach in its future work. Ambassador Shahin while reviewing the activities of the Grouping underlined the importance of the expansion of D-8 intra-trade and referred in this context to the IMTC project and other trade related issues.

4. The Commission considered the draft provisional agenda and adopted it with the amendments as will be seen in the attachment.

5. In his brief statement, the Executive Director while referring to few activities during the period of about one month since the Ninth Session, drew particular attention to the decision taken by the Nigerian Authorities to convene the First Meeting of the Working Group on Energy in early April. He said that this was a welcome step as a renewed commitment by this country to D-8 cooperation. He added that there were two major items in the agenda, namely the consideration of the report of the Fourth Expert Group on Trade and the Draft Cairo Declaration which require particular attention by the Commission.

Agenda Item 4. Presentation by the Chairman of IV. Expert Group Meeting on Trade on the work of the Group and consideration of its Report

6. The Commission first heard the statement of the Chairman of the Fourth Expert Group Meeting on Trade on its work. Thereafter, the Chairman of the Business Forum which was convened simultaneously with the Commission meeting reported the discussions which took place in the Forum on the IMTC project and other trade related issues. The texts are attached herewith.

7. The Commissioners, having deeply appreciated the work done by the Expert Group on Trade as well as the Business Forum, held extensive discussions on the IMTC project in the light of the conclusions of the two reports mentioned above. There emerged a broad agreement that the feasibility of the project should be explored in the following lines:

- The Company should be private sector driven.
- It should be in the form of joint stock company operating in export free zone.
- It is preferable that each country should have equal share to reflect benefits, responsibilities and representation. Unfilled subscriptions by a member should be covered by the rest, if need be, to maintain the principle of equal share.
- The company should have three functions namely, trade promotion including the dissemination of trade information, marketing and trade support, direct and indirect trade.
- These activities should proceed in a timely and phased manner. At the initial stage, it should engage in trade promotion.

8. It is important that the governments should encourage the private sector to take the necessary steps for the establishment of the company and to utilize its services when established.

9. The Commissioners agreed that FINBI should prepare a revised version of the feasibility study in the light of the comments made at the IV. Expert Group Meeting, including revised financial implications for the initial stage at which only trade promotion activity will be conducted.

10. It was also suggested that in the meantime, the services of the Egyptian Trade Information Center could also be utilized by D-8 businessmen, as in the case of Malaysian companies having already established links with this center.

11. The Commission also considered various trade related issues such as the setting up of a Shipping Business Forum, elimination of customs barriers, extension of credit lines, establishing direct banking links between D-8 countries and simplification of banking procedures etc., in all of which the private sector is expecting action from

the D-8 governments as detailed in the report of the Business Forum. The Commissioners having reviewed the issues mentioned above decided to continue its work on them.

Agenda Item 5. Human Resources Development and Poverty Alleviation

12. The Egyptian expert made a presentation on behalf of the Managing Director of Social Fund for Development (SFD) on possible areas of cooperation among the D-8 countries in the field of poverty alleviation (the text is attached herewith). She made the following four concrete proposals:

- Best practices in poverty alleviation on the D-8 web-page, designed to share the successful experiences of the member countries in alleviating poverty, by focusing on mechanisms and processes that are conducive to combating poverty and marginalisation.
- Micro-finance initiative for D-8 countries, which is aimed at exchanging experience among micro-finance experts in order to examine the obstacles to micro-finance and the means to strengthen micro-finance infrastructure.
- Assistance among D-8 countries for development and utilization of information and communication technologies for poverty alleviation to promote effective strategies to this end.
- Publication on trends on human development and poverty alleviation in the member countries in order to provide policy makers with relevant, timely and accurate information as well as to strengthen the link between the data producers and data consumers, the researchers and the policy makers.

13. The Commissioners having deeply appreciated the presentation made by the Egyptian expert from SFD, emphasized that poverty alleviation should be one of the priority objectives in D-8 cooperation. Thereafter they have had extensive discussions on the subject and made the following points:

- Several member countries already have successful poverty alleviation programs which could be of benefit to others. Moreover, under the D-8 cooperation, some workshops and seminars were in the past organized by the members. Future cooperation should be built on what has already been achieved.
- The four proposals made by Egypt should be taken up in a future meeting. In this connection, it was suggested that the workshop which would be organized in July by Indonesia on the empowerment of rural community through the use of appropriate technology for poverty alleviation would provide a suitable opportunity to discuss

them. The Indonesian Commissioner stated that this workshop might be prolonged for an additional day to this end.

- Without an effective mechanism which could promote collective action and approach, it is not easy to seek financial assistance from international organizations in this field.
- Indonesia as a coordinating country on Human Resources Development and Poverty Alleviation presented and circulated a progress report on D-8 cooperation in this field and kindly requested those member countries that have not yet done to respond to the questionnaires circulated for this purpose.
- Concerning the utilization of the existing web-site, the attention was drawn to the UNESCO's MOST web-site.
- Pointing to the different criteria in defining poverty such as the "least calorie" or "average cost of living", the need was stressed to develop a common understanding (standardization) in the definition of this concept.

Agenda Item 6: Telecommunication and Information & Science and Technology

14. The Commissioner of Iran stated that the ITDB web-site was gradually expanding and the number of visitors to the web-site was increasing. Taking into account the wish expressed by the members at the Ninth Session of the Commission for the use of the servers which may be existing in the member countries instead of that of the American company which was at present being used in the ITDB web-site, he circulated a study on the cost requirement of a dedicated server for the D-8 ITDB web-site. He expressed the hope that the member countries might come up with alternative proposals including their estimated cost.

15. Referring to the cyber mall system, he stated that their authorities had more contacts with the ITU on this subject and the organization was conducting a preliminary study which would also address the cost of the system.

Agenda Item 7: Agricultural Aircraft

16. The Turkish Commissioner, referring to his letter circulated before the Ninth Session of the Commission to seek the response from the member countries to the questions raised therein, said that so far only Pakistan gave its reply. He requested the other members to kindly do the same as soon as possible so that a final decision could be taken on the future course of action in this project.

17. The Commissioner of Iran said that a valuable work has been done by TAI to manufacture the prototype. Several members have either set up their own facilities

already or are in the process of setting up. However, these individual facilities in the member countries do not have sufficient market to start the commercial production. Therefore, it is necessary to combine the markets of the member countries for a single D-8 project. He proposed that a consortium or holding could be established under which interested member countries might either develop aircraft jointly by producing certain parts or they might share the investments to divide the benefits. He promised to circulate their proposal in writing.

18. The Turkish representative said that their authorities would consider this proposal carefully, adding that there still was a need to find out beforehand the potential market for such an aircraft.

19. Some Commissioners referred to certain problems related to the implementation of the project, especially its financing. In this connection, it was said that the financing from the OIC or other international institutions might be sought under the D-8 Governments' collective guarantee.

20. On the other hand, Egypt suggested that the cooperation in the field of industry be expanded by initiating new projects besides the agricultural aircraft and proposed Turkey to consider organizing a workshop or a meeting to discuss the possibilities in this respect. The Turkish Commissioner stated that they had in the past planned to organize a meeting of the Ministers of Industry on the occasion of the inaugural flight of the prototype of the agricultural aircraft to review the progress on the agricultural aircraft as well as to discuss new industrial projects and that this meeting was however postponed due to the lack of interest at that time. He added that he could now suggest to his authorities to reconsider the convening of this meeting.

Agenda Item 8. Consideration of the draft Cairo Declaration.

21. The Commissioners considered the Draft Cairo Declaration and recommended the final text to the Council of Ministers.

Agenda Item 9. Joint Meeting with the Business Forum and Evaluation of the Outcome of the First Meeting of the Business Forum

22. The Commission welcomed the holding of the First Business Forum. The Commissioners had a joint meeting with the representatives of the Business Forum and listened to the presentation of its report. They expressed their deep appreciation of the work done by the Forum and had a useful discussion on the various proposals made in the report. Emphasizing the importance of the participation of the private

sector in D-8 activities, the Commission agreed to study and further pursue the recommendations made by the Forum.

Agenda Item 10. Consideration of the Draft Agendas for the Ministerial and Summit Meetings

23. The Commission having considered the draft agendas recommended them as proposed by the host country, to the Council and the Summit.

Agenda Item 11: Any Other Business

24. The Commissioner of Malaysia informed the Commission that they would organize the Course on the Management of Privatization on 20-25 August 2001.

25. The Commissioners recommended the final text of the “Agreement on the Simplification of Visa Procedures” to be signed at the Meeting of the Council of Ministers.

26. The Delegation of Pakistan circulated their proposals to organize the workshop on “biotechnology initiative for increasing agricultural productivity”, the seminar on “alternate/organic fertilizer” and the seminar on “conservation of farm animal genetic resources”.

27. The Delegation of the I. R. of Iran also circulated their proposals to share technology in DNA typing and as well as in HIV.

Agenda Item 12. Closure of the Meeting

28. The Commissioners having adopted the Report of the Commission expressed their appreciation to the Chairperson for conducting the meeting of the Commission in an efficient and competent manner. They expressed their profound thanks to the Government of Egypt for the excellent organizational arrangement for the Summit and its hospitality.