

REPORT OF THE XIX SESSION OF THE COMMISSION

(13-14 March 2006, Tehran)

- 1. The XIX Session of the Commission was convened in Tehran on 13-14 March 2006 with the participation of all the member countries.**
- 2. In his opening statement, H.E. Ambassador Ali Reza Sheikh Attar, Deputy Foreign Minister for Economic Affairs and the Chairman of the Commission, underlined the vital role of regional groupings such as D-8, ECO, ASEAN and others in the economic development of developing countries. In the context of D-8 cooperation, he emphasized the importance of better use of potentials and resources of the member countries for the well being of the D-8 community. He also added that the member countries should take the necessary steps to strengthen the Secretariat in terms of human resources and financial means in order to achieve D-8 objectives.**
- 3. The Commission then adopted the Agenda.**
- 4. The Executive Director H.E. Ambassador Kamel while briefly presenting his report highlighted a few salient points. The Commissioners expressed their appreciation of the work of the Secretariat. In their general remarks, several Commissioners said that the member countries should take concrete steps for enhancing D-8 cooperation rather than being rhetorical.**
- 5. In the consideration of the report of the V. Session of HLTO, the Pakistan Commissioner presented its report. All the Commissioners underlined the importance of the Preferential Trade Agreement for the expansion of D-8 intra-trade and expressed their earnest hope that this agreement together with the Multilateral Agreement on Administrative Assistance on Customs Matters would be signed during the forthcoming Summit as it would constitute a great step to push cooperation in other fields as well.**

Concerning the observation by Bangladesh as reflected in the report of the V. Session, the Ambassador of Bangladesh said that this matter was under inter-ministerial discussion and that they would make their final position known at the forthcoming meeting of HLTO in Bali. By the same token, the Turkish Commissioner stated that his authorities would be able to give their final decision on their observations referred in the report at the next HLTO Meeting.

6. The Iranian Delegate introduced the Report of the II. Meeting of Working Group on Industry. In the course of the lengthy discussions, the Commissioners stated that the project proposals reflected in the report were defined in too broad terms and that the member countries had to prioritize and concretize their ideas which would be supported by concept papers in the lines as proposed by Malaysia in their Paper of Terms of Reference. In this context, Turkey recounted the experience of the OIC in identifying the projects and added that they utilized 'Project Profile Forms' to this end. The Commissioners stated that these specific and concrete ideas of common interest to the member countries could then be discussed in workshops, preferably with the involvement of the private sector as industrial activities were rather run by the private sectors in the member countries. In this vein, H.E. Ambassador Tabatabaee put forward some specific ideas for joint projects in the industrial field, namely Digital Microscope, DNA Typing, Finger Printing Technology, Compressed Natural Gas (CNG). He also expressed their readiness to organize workshops on these subjects. Moreover, the Iranian expert made a presentation on the optimization of energy consumption. On the other hand, the Ambassador of Egypt suggested the inclusion of high technology projects for consideration within D-8 cooperation. The Commission concluded that all the member countries might come forward in the same way with specific project proposals to be first considered at the workshops.

7. Indonesia presented the Report of the Central Bank Officials convened in Bali in 1-2 September 2005 and referred to the

recommendations of the Meeting. He also stated that similar meetings may be organized in the future alongside with the meetings of international financial institutions.

8 The Commissioner of Pakistan informed that her authorities were ready to organize the Seminar on Data Collection, Classification System and Management of SMEs in the coming weeks, in any case before the month of July 2006. Several Commissioners emphasized the important role of the SMEs in the overall development of the member countries.

9. The Commissioner of Pakistan informed that her Government was actively working on setting up the necessary infrastructure for the Shipping Business Forum and suggested in this context the creation of an Advisory Council to seek the views of the member countries on this matter. She also added that pending the establishment of the Forum referred to above, her authorities would soon activate the dedicated desk as an interim step for exchange of information in the field of shipping. Taking into account the importance of shipping in the expansion of trade in view of the wide geography of D-8, the Commissioners underlined the need for exchange of information on the capacity of their ports, cargo requirements and services, etc. The Commissioner of Turkey informed that his authorities have already provided extensive information on this score.

10. The Commission emphasized the need to put into force without delay the Agreement on Easing Visa Procedures for Businessmen which had been signed about five years ago at the Cairo Summit. Turkey and the I.R. of Iran having already ratified it, the Commissioners of Bangladesh, Egypt and Pakistan have stated that their authorities would do their best to expedite their ratification process. In this way, it is hoped that the requirement of ratification at least by four members would soon be met for the entry into force of the agreement.

11.H.E. Mr. Tabatabaee clarifying their position on the planned Expert Meeting on VAT (Value Added Tax) stated that they decided to forego

convening this meeting in order to avoid a duplication since they organized an OIC meeting on the same subject more or less in those days.

12. The representative of the Iranian Chamber of Commerce and Mines briefed the Commission about their efforts to organize a D-8 Trade Fair in Tehran but added that they could not achieve it because of inadequate interest from the member countries. Instead, they invited the members to participate in the International Trade Fair organized in Kish Island. In response to this offer, Bangladesh and Indonesia together with the host country took part in the Fair. The Commissioner of Indonesia informed that as the host of the forthcoming Summit, they would organize a trade fair alongside with the Summit between the dates 10-13 May 2006 and that they would provide hospitality, space in the fair area and temporary customs and tax exemption for the goods which would be on display. He invited the member countries to participate in this fair.

13. In considering the Paper presented by the Executive Director on the Secretariat, all the Commissioners agreed on the need to upgrade its status in order to better project the image of D-8 and to strengthen its structure in view of the additional tasks which will be conferred upon the Secretariat especially by the PTA and new project proposals. However, some commissioners pointed to the financial problems which could be posed by the increase of contributions. Hence, in order to reduce the additional cost of the change in the structure of the Secretariat, the Iranian delegation proposed that the Secretary General should be seconded by the outgoing chair country and the economist by a member country on a rotational basis at their own expense. The Iranian delegation circulated a paper to this effect while making it clear that their proposal is of complementary nature to the Secretariat paper. The Commissioners solicited some clarifications on various points in the Iranian paper. It was made clear that the Deputy Secretary General would in permanence be from Turkey in order to ensure the continuity as well as to sort out the issues which have to be settled with the Turkish Government, including tax and social security matters, immunities and privileges etc... It was also suggested that the yearly contributions under the new arrangements should be based inter alia on the

OIC criteria on the basis of capacity to pay. In conclusion, the Commissioners requested the Executive Director to combine the Secretariat paper with the Iranian proposal in consultation with the Iranian Authorities, taking into account the remarks made in the course of discussions, and circulate it to all the member countries to seek their comments on it.

It was decided that the final decision on this matter be taken at the next Commission Meeting which would precede the Bali Summit.

14. The Chairman stated that there was no way to strengthen the Secretariat unless financial problems faced by the Secretariat due to unpaid contributions were resolved. In response, the delegations of Bangladesh, Malaysia and Nigeria have assured that their Governments would take the necessary steps to settle their accounts shortly.

15. The Commission agreed to organize the following activities as part of the events of the current year and 2007:

- a. A series of HLTO Meeting to finalize the PTA as well as the Draft Rules of Origin,
- b. Third Working Group Meeting on Energy (by Indonesia),
- c. Seminar on Olive and Saffron Cultivation (by Pakistan),
- d. Capacity Building on Micro Financing (by Indonesia),
- e. The Commission Meeting some time after the Summit (by Indonesia),
- f. Working Group Meeting on Industry (by Malaysia),
- g. Workshop on Data Collection and Classification Systems and Management of SMEs (by Pakistan),
- h. Expert Meeting on environmental questions including Nature-Based Tourism (by the I.R. of Iran),

- i. Workshops on new specific projects in the field of industry such as Digital Microscope, DNA Typing, Finger Printing Technology, Compressed Natural Gas (by the I.R.of Iran and other member countries),**
 - j. A meeting to initiate cooperation between D-8 scientific institutions, research institutes and universities. As the above list is not exhaustive, the Commission invited all the member countries to come up with new result-oriented and feasible projects and to inform the Secretariat accordingly for circulation to one and another.**
- 16. The Commissioner of Indonesia briefed the Commission about the timetable of the Summit, organizational arrangements including hospitality of 1+7 including the Foreign Minister and the Commissioner for each delegation and of the staff of the Secretariat. He added that they were sending special envoys to the member countries to hand over official letters of invitation and that so far they received positive responses for participation at the level of Head of State and Government. In the course of the Meeting, he circulated the first part of the Draft Bali Declaration covering international issues. The Executive Director informed the Commission that the second part addressing the D-8 activities would be prepared by the Secretariat in the light of the discussions at the Commission and would also be circulated shortly. The Commission requested the member countries to give their comments on the whole draft at an early date for circulation to the other members. The Indonesian Delegation proposed to convene another meeting of the Commission on 16-17 April to merely consider the Draft Declaration. The Commissioners responded that it would be better for practical reasons to address the Draft Declaration at the meeting of the Commission which would just precede the Summit. On this point, it was suggested that this meeting of the Commission could be prolonged by adding one more day to start on 9th May to give sufficient time for the**

consideration of the Draft. The Commissioner of Indonesia went alone with this suggestion.

17. Under any other business, Mr. Hadi Soleimanpour, from the Department of Environment of the I. R. of Iran briefed the Commission on their proposal of Nature-Based Tourism (NBT). In this vein, underlining the importance of tourism in the development of the member countries, he explained the characteristics of NBT, its socio-economic and political dimensions. He also referred to international events related to NBT and international instruments governing it. In conclusion, he proposed to harmonize NBT activities within D-8 to enhance intergovernmental cooperation among the member countries and to establish a working group to examine ways and means of achieving such goals. He also proposed that their authorities were prepared to convene this working group at an early date. The Commissioner of Turkey responded that they already transmitted this proposal to their relevant authorities and would attend the meeting of the working group. The Commissioner of Pakistan stated that they attach great importance to this subject and would carefully study the Iranian proposal.

18. The Commissioners expressed their thanks and gratitude to the Government of the I. R. of Iran for the excellent arrangements of the Meeting of the Commission and for its generous hospitality. They also expressed their deep appreciation to H.E. Ambassador Attar, the Chairman of the Commission, for conducting the work of the Commission in a very efficient and diligent way, thus ensuring its success.