NEWS LETTER

D-8
D-8 Organization for Economic Cooperation

D-8 hand in hand with the UN

Partnership and cooperation have always been the mindset of the D8 Organization as a purpose per se and as a tool to realize its utmost goals; crystalized in improving its member states' position in the global economy and realizing the welfare of their citizens. In pursuit of these goals, the D-8 Secretariat is joining hands with the UN in a partnership between the two organizations. This partnership aims at helping the D8 member states in their efforts to achieve the sustainable Development Goals (UN-SDGs).

During his participation in the opening of the UN General Assembly 74th session in New York, the D-8 Secretary General Ambassador Ku Jaafar held a meeting with H.E Amina Mohamed the deputy secretary General of the UN. They discussed the opportunities for establishing a partnership between the two organizations. Listening to Ambassador Ku Jaafar's briefing on the D-8 recent activities, Mrs. Amina highly appreciated the D-8 efforts to streamline its activi-

ties with the UNSDGs. She assured her support to the D-8's aspiration to establish partnership with the UN, especially that the D-8 encompasses the most important developing countries and emerging economies of the global south, and it covers an expanded geographical area with countries in various stages of development. She expressed her interest to work with the D-8 towards realizing the UNSDGs with focus on peace, education, women economic empowerment, digital financial technology, poverty reduction and climate change. It was agreed to prepare a detailed plan of action highlighting future cooperation projects, in areas of mutual interests to both organizations.

In This Issue:

Establishing a framework of cooperation with the UN Secretariat comes along a path that the D-8 secretariat has initiated in the last two years to streamline its activities and projects with the UNSDGs and to establish a framework of cooperation and joint activities with relevant UN bodies. In this respect, the D-8 Organization sought further cooperation and joint activities with the World Custom Organization, the UNCTAD, the Food and Agriculture Organization FAO, and the World Tourism Organization UNWTO. This approach aims at getting access to the UN bodies' expertise and knowledge and resources, and to provide tailored training programs in cooperation with relevant UN bodies in order to satisfy the specific needs of the D-8 member states.

Recomendations of the Workshop

D-8 and UNCTAD taming the BITs ..

**It is said that the " bilateral investment treaties (BITs) bites" ,
so the D-8 joined UNCTAD in taming them.**

Believing in the importance of the Investment legislation reform in improving the D-8 member states in global economy, the D-8 in cooperation with the UNCTAD and under the generous sponsorship of the Islamic Development Bank Group and the Turkish Cooperation Agency-TİKA, organized a workshop on "investment international agreements' reform". It took place in the secrteariat of the D-8 in Istanbul from 12-13 September. Along the two days workshops, experts from UNCTAD and D-8 member states as well as lawyers and academics were discussing the challenges imposed by the old bilateral investment treaties BITs and the necessity of speeding up the investment legislation reforms, the participants exchanged views about the best practices of their countries and third parties and they pointed out the difficulties they meet during the negotiations for new IIAS and the need for training and capacity building in this regard. The Workshop concluded into a number of recommendations that constitute the guidelines for the reform in investments legislations and agreements. It was agreed that this workshop will be held annually. The four partners (D-8, UNCTAD, ISDB and TIKA agreed to launch a series of workshops to address current issues in the fields of trade and investments with the aim of providing capacity building to experts of member states as well as providing the opportunity to exchange views and best practices among member states. The proposed workshops could be held in the D-8 premises in Istanbul as well as in any other member state.

Government officials dealing with investment policies in D-8 member states discussed key challenges arising from international investment agreements (IIAs) and participating experts at the workshop

- Recognized that the existing stock of IIAs of D-8 countries presents several challenges, notably in terms of increased risk of investor-State disputes.
- Highlighted the need to reform outdated IIAs with a view of making them more conducive to the sustainable development objectives of D-8 countries. Reiterated the central role of UNCTAD's Investment Policy Framework in assisting D-8 countries formulate more balanced and sustainable development-oriented investment policies.
- Called on the D-8, UNCTAD and the IsDB to strengthen cooperation on IIA related issues from a development perspective.
- Called for capacity building workshops on investment policy between UNCTAD and D-8 on an annual basis.

D-8 explores the D-8-TTEN

The D-8 Secretary-General, Ambassador Ku Jaafar met with the representatives of the D-8 Technology Transfer and Exchange Network (D-8 TTEN) on 18th August, 2019 in Pardis Technology Park, in Tehran,. He explored the capacity and activities of the Technology Park, and he discussed ways to boost cooperation in a wide spectrum of areas. He informed the D8TTEN representatives about the initiatives and activities of the D-8 Secretariat and he highlighted the importance of D-8 TTEN Secretariat to play active role in some important initiatives which the D-8 Secretariat introduced such as D-8 International University.

Knocking at the door of global scientific research

Science and technology play a critical role in addressing contemporary challenges of development including poverty alleviation, health, environmental preservation, and ensuring security of food, water and energy. The D-8 is aware of this reality and in this context, connections are established with some international and regional organizations, primarily among the D-8 Member States, and efforts are being made to create common working areas with these institutions. The Islamic World Science Citation Center (ISC) is one of these important institutions.

Cooperation between the D-8 and ISC started in 2013 and it was activated by signing a MoU for cooperation in 2018. In August 2019, This cooperation gained momentum through the official meeting between the two organizations in Shiraz. The ISC proposed a cooperation project.

The Project "D-8 Map of Scientific Excellence and Collaboration (D-8 MSEC)" aims at promoting research quantity and quality and calls for collaboration among D-8 Member States through the establishment of D-8 Science and Technology Performance Observatory, and setting up an appropriate mechanism to present scientific and research potential of D-8 Member States, universities and researchers to the world, introducing strategies to boost D-8 universities' ranking in Global Ranking System.

The D-8 MSEC platform is planned to provide access to the collection of D-8 journals and conducted research through a single search engine. This multidisciplinary research platform allows users to search numerous databases simultaneously via one interface. This provides access to objective content and powerful tools to search, track, and measure and collaborate in various fields including science, social sciences, arts, and humanities. This will lead to assessment of the research performance of scientists, universities, institutions and scientific journals of D-8 countries and will provide necessary grounds for enhancing the quality of research and establishing an efficient scientific network within D-8.

D-8 and ISDB to strengthen existing cooperation

D-8 Secretary-General, Ambassador Ku Jaafar met with the Vice President of the Islamic Development Bank (IsDB), in Jeddah on August 2019 .

Ambassador Ku Jaafar highlighted the sectoral tracks of cooperation and opportunities for future cooperation. An addendum to the existing MoU between the two organizations was signed to incorporate the D-8 Health and Social Protection Programme.

Enhancing Blockchain scalability via a network of micropayment channels
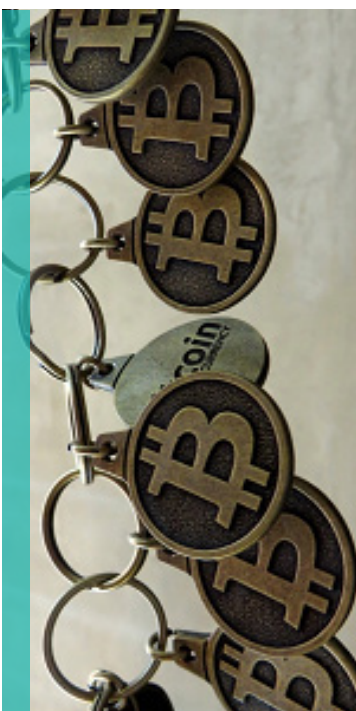
By: Sheikh Mohammad Moinuddin

A blockchain is essentially a distributed database of records or public ledger of all transactions or digital events that have been executed and shared among participating parties. Each transaction in the public ledger is verified by consensus of a majority of the participants in the system. And, once entered, information can never be erased. The blockchain contains a certain and verifiable record of every single transaction ever made.

Blockchain technology emerged first to support cryptocurrencies such as Bitcoin but it is getting popular day by day in all industrial sectors for their purposes such as democracy and governance, agriculture, energy, climate and environment, land right as smart contracts, financial transactions and health care. Blockchain's most popular primary benefits are being able to reduce risk and fraud and increase efficiency. The key characteristics of the Blockchain technology which make the technology more popular and trustworthy are the following: .

1. Decentralization: In conventional centralized transaction systems, each transaction needs to be validated through the central trusted agency (e.g. a Bank) inevitably resulting the cost and the performance bottlenecks at the central servers. Differently, a transaction in the blockchain network can be conducted between any two peers (P2P) without the authentication by the central agency. In this manner, blockchain can significantly reduce the server costs (including the development cost and the operation cost) and mitigate the performance bottlenecks at the central server.

2. Anonymity: Each user can interact with the blockchain network with a generated address. Further, a user could generate many addresses to avoid identity exposure. There is no longer any central party keeping users' private information. This mechanism preserves a certain amount of privacy on the transactions included in the blockchain.

3. Auditability: Since each of the transactions on the blockchain is validated and recorded with a timestamp, users can easily verify and trace the previous records through accessing any node in the distributed network. In Bitcoin blockchain, each transaction could be traced to previous transactions iteratively. It improves the traceability and the transparency of the data stored in the blockchain.

Blockchain in D-8 Region

Blockchain technology is new in D-8 region. However, because of its' huge potentials this technology is getting popular in D-8 Member States day by day. D-8 Member States take necessary initiatives such as organizing workshops to grasp the technology. Among the D-8 Member States, Malaysia is advanced in this area. Blockchain technology ecosystem in Malaysia is so broad and accessible that it became one of the main spots in the whole world for blockchain-based projects. First of all, the Malaysian government is positive about the progress of blockchain and its contribution to the country's economy and growth. Second of all, Malaysia has an ideal infrastructure to develop projects and distribute them around the whole region.

Although Blockchain technology has numerous advantages and great potential for the future online financial systems particularly in crypto currencies like Bitcoin, it comes across a number of technical challenges. First and foremost, scalability is a huge concern. Because of the limited block size which is 1 MB currently and a block is mined about every 10 min. Secondly, the present Bitcoin network has the restriction of transaction per seconds which 7 transactions per second. As day by day, the crypto currency is getting popular, so that it will be not be able to deal with high-frequency trading in future. However, if the block size will increase in future, it will need larger storage space and slower propagation in the network. This will drag to centralization gradually as users would like to maintain such a large blockchain. Therefore, the tradeoff between block size and security has become a challenge. Furthermore, consensus algorithms like proof of work (PoW) or proof of stake (PoS) are currently being used in Bitcoin Blockchain network have some limitations as well. It is obvious that current Bitcoin network is not able to achieve the capacity like Visa network. Because nodes are at home in the world cannot operate with that kind of bandwidth and storage. Thus, in future when all the financial transaction will be held through the Bitcoin Blockchain network, it would result in outright collapse of the Bitcoin network. These challenges need to be addressed in the blockchain technology development. Although, there are a number of efforts proposed to address the scalability problem of the blockchain which could be categorized into two types which are Storage optimization of blockchain and Redesigning blockchain. Yet, challenges are there. A network of micropayment channels could be a possible option to solve both scalability and speed. This network provides a way to track money transfers between two entities off blockchain with smart contracts. It also keeps most of the transactions off the Blockchain. So that Blockchain can manage larger number of users and transaction volumes.

References:

1. Satoshi Nakamoto, "Bitcoin: A Peer-to-Peer Electronic Cash System".

2. Dipankar, John , Kishor, " A survey of blockchain from security perspective".

3. Zibin, Hong-Ning, Xiangping, Huaimin, "Blockchain challenges and opportunities: a survey".

4. J.D. Bruce, "The Mini-Blockchain Scheme"

5. Eyal, Gencer, Sirer and Van. "Bitcoin-ng: a scalable blockchain protocol"

Apart from Malaysia, there is really not much of an impact of this technology in other D-8 Member States. The greatest hurdles are lack of regulation and lack of familiarity. The regulatory bodies in D-8 Member States, are studying Blockchain Technology, but it will likely take time before a regulatory infrastructure emerges.

Malaysia can share its' experience with the other D-8 Member States through organizing a workshop on Blockchain technology and can discuss the challenges and come up with solutions.

D-8 Commission convened in Istanbul

The 42 nd Session of the D-8 Commission was held in Istanbul from 9-10 October 2019 . A special session on the expansion of the organization was held on the 11th of October. The commissioners discussed plans for future cooperation as emphasized in the road map. They adopted the secretariat's 2019 budget and discussed the enlargement of the organizatrion. as well.

Nigeria News Agency to cooperate with D-8 .

D- 8 Secretary General signed a cooperation protocoll with News Agency of Nigeria on 14th January 2019, . Accordingly, NAN will be the voice of the D-8 in Nigeria . The D-8 also declared NAN as the global media partner of D-8 for promoting its visibility and image around the world. Furthermore, NAN will follow the activities of D-8 and produce news related to such activities. Additionally, D-8 and NAN will carry out joint activities to increase existing capacity in media.

Editor in Chief: Rasha Hamdy .
Editor : Ilham Uludag
Editor : Sheikh Mohammad Moinuddin

Seba Center, Darüşşafaka Cd. Istinye, Sariyer

Phone: +9 0212 356 18-23
Fax: +9 0212 356 18 29

Email: info@developing8.org
www.developing8.org