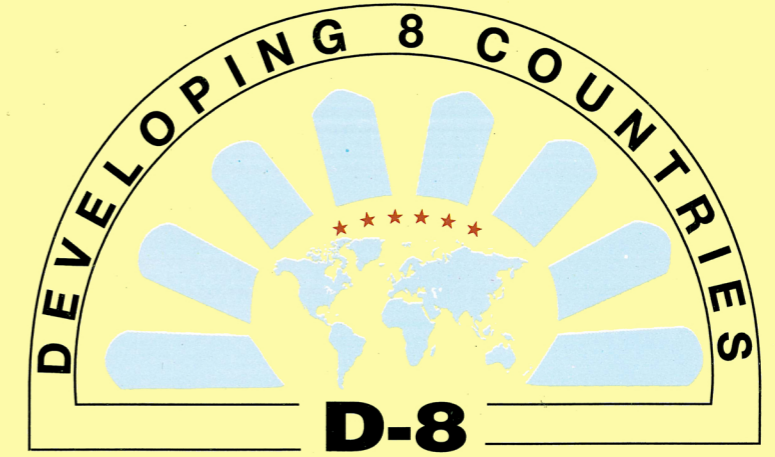


A GLOBAL ECONOMIC GROUP 1999-2001 VOLUME III



A GLOBAL ECONOMIC GROUP

MEETINGS
BETWEEN
THE SECOND AND THE THIRD SUMMITS

1999-2001

VOLUME III

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**MEETINGS
BETWEEN
THE SECOND AND THE THIRD SUMMITS**

1999-2001

VOLUME III

**OFFICE OF THE EXECUTIVE DIRECTOR
Istanbul, May 2001**

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(*) : Continuation of Volume II

MEETINGS AT TECHNICAL LEVEL

**Report of the
Second D-8 Workshop on Establishment of
Industrial and Technological Data Bank Network**

Tehran, Islamic Republic of Iran

1-2 December 1999

In the Name of God the most Compassionate and the Merciful

Report of the Second D-8 Workshop on
" Establishment of Industrial & Technological
Data Bank Network"
Tehran - December 1-2 1999

A-Inaugural of the Workshop

1. In compliance with the decision of the second Summit of D-8 countries held in Dhaka in March 1998, (Para-20 of the Dhaka Declaration), the second Workshop on the establishment of "Industrial & Technological Data Bank Network" (ITDB) was held on December 1-2, 1999 in Tehran. Experts and officials from member countries, i.e., Bangladesh, Egypt, Indonesia, Iran, Malaysia, Pakistan and Turkey attended the Workshop. The Secretary General of the Economic Cooperation Organization (ECO) was also invited to attend the inaugural session. The list of participants is attached as Annex-1.
2. The Workshop was inaugurated by H.E. Dr. Seyed Mohammad Hossein Adeli, Deputy Foreign Minister for Economic Affairs and D-8 Commissioner of the Islamic Republic of Iran. In his opening remarks, Dr. Adeli reiterated that the cooperation amongst D-8 countries in area of establishment of ITDB was of very vital importance. This initiative will provide an opportunity to member countries to embark upon the new partnerships in areas of trade, investment, industry and technology. He further emphasized that the Islamic Republic of Iran attached special importance to the D-8 member countries and was keen to further strengthen the cooperation.
3. Making special reference to the mandate given by the D-8 decision making bodies to his country with regard to the establishment of ITDB,

he informed the Workshop that as a first step, Web Site of the D-8 had already been completed. This Site contains information on organizations, companies, expertise and regulation of member countries for promotion of business opportunities. Beside promoting efficient and speedy and exchange of information amongst the member countries, the Web Site will also connect it to the world industrial, technological and information centers as well as other regional and international organizations. This Web Site would act as the sole international link besides interconnecting its member countries of this economic grouping. Dr. Adeli, further mentioned that the launch of this Web Site was a first step in this direction. Mr. Adeli also officially announced the registered Web address for the D-8 Countries which is "WWW.D-8Net.org".

4. The D-8 commissioner of the Islamic Republic of Iran while concluding his statement informed the participants that the most important part of the project was the development of necessary infrastructure for the Data Communication in the member countries. Therefore, the participants should follow-up the recommendation with respective authorities and properly plan and coordinate their activities for proper implementation of this project. He further stated that the successful completion of this project would greatly contribute to the well being of the peoples of the D-8 nations and enhancement of economic cooperation among them.
5. The Workshop thanked and appreciated the valuable suggestions contained in the important statement made by H.E. Dr. Adeli and decided to attach it to the report of the meeting. (Annex-II)
6. After the inaugural address by the chief guest, the election of the Chairman was made in accordance with the D-8 accepted procedures. H.E. Dr. Nasrollah Kamyab, Director- General of Multilateral Economic Cooperation of Foreign Ministry and head of delegation of the Islamic

Republic of Iran(Host Country) was unanimously elected as the Chairman. After his election as Chairman Dr. Kamyab, welcomed all the delegates to the Workshop and wished them successful deliberations and a very pleasant stay in Iran.

7. The Workshop adopted the agenda presented by the host country as contained in document, ITDB-2/Dco.1.(Annex-III)

B- Follow-up to the Recommendations of the First Workshop
on establishment of ITDB

1. The representative of the host country introduced a short list of the actions taken by all member countries especially Islamic Republic of Iran as the coordinator of the ITDB Network¹. A status report on implementation of the conclusions/ recommendations made by the First Workshop, was presented to the forum (ITDB-2/Doc.3). The participants of the Second Workshop took note of the statement including the information that most of the recommendations of the First Workshop which were later approved by the 6th Commission meeting, have already been taken into consideration in the design of the ITDB-Net.
2. The Workshop urged those member states who have not yet nominated their national focal points for ITDB or not yet introduced e-mail addresses to the coordinating country, to do so expeditiously.

C- Demonstration of the ITDB Web Site and Briefing on the
Definition and Framework of the Data

¹ From now on, D-8 Industrial and Technological Data Bank and it's website will be referred as " ITDB-Net".

1. A comprehensive visual presentation of the designed D-8 Web Site was made by the ITDB-net project manager. A copy of the presentation and the material contained on the Web Site was presented to all participants. The Workshop expressed its profound thanks and gratitude to the Government of the Islamic Republic of Iran for the preparation of the Web Site and also for preparing the final detailed design of the ITDB Network, with the objective to provide convenient and efficient access to information/minimal costs. The participants also appreciated the efforts made in this regard by the ITDB Network Coordinator and welcomed the utilization of the new technology in this regard especially for development of a special Web Site in the Internet, as recommended by the First Workshop as well as by the Second Summit meeting. The Workshop also recommended future course of action and necessary practical steps to be taken by the participants, as reflected in item "D" of this report(Conclusions and Recommendations).

2. On the second day of the Workshop, participants were invited to visit two major Information Technology Centers in Tehran. First a visit was made to the "IS Iran Co." the major computer/hardware and software company to acquaint the participants with the capabilities of Islamic Republic of Iran in this area. A briefing was organized to familiarize participants on the existing Data Communication/Internet facilities of Islamic Republic of Iran. An opportunity for hands-on practical session for browsing and maintenance of the Web Site of D-8 group was also arranged.

D- Conclusions and Recommendations:

After thorough discussions on various agenda items and useful discourse among the delegates, the Workshop came to the following conclusions and recommendations:

1. The Workshop considered with appreciation, the report prepared by the Islamic Republic of Iran, concerning the implementation/follow-up of the

decisions taken at the First ITDB Workshop. Appreciating the efforts made by the host country in this regard, It was requested that the member states who have not yet provided the information on their national focal points/local administrators, to announce their names and E-mail addresses at the earliest.

2. The Workshop expressed its sincere appreciation to the government of the Islamic Republic of Iran for preparing the D-8 Web Site and also for presenting the final design of ITDB Network, keeping in view the fact that the web-site has been designed based on the TCP/IP protocols for information exchange, in order to minimize the costs.
3. The Workshop took note of the organizational aspects of the project, such as management, rules and regulations and security issues, etc. It was decided to settle these issues during the implementation period prior to the completion of the project.
4. The host country will make necessary facilities available for the establishment of ITDB Network. Availing facilities to be established under the OIC-Net could also be considered.
5. The Workshop made the following recommendations as a step-by- step plan of action for the gradual implementation of the project:
 - a) The Workshop recommended that all member states should provide information for the static section of the Web Site, in a unique and harmonized manner and submit it to the ITDB Coordinator before the next session of the Commission.
 - b) As for the dynamic part of the Web Site is concerned, the member countries shall insert wherever appropriate, the new

and updated data in their designated country pages and introduce their recommended sites. The member countries should enter the necessary data on industrial and commercial activities, so that sufficient national information will be available on the D-8 Web Site, before the next session of the commission.

- c) The Workshop strongly recommended that the Web Site should be hosted immediately on trial basis in order to provide the member countries an opportunity to have access to it. After reviewing the Web Site, member countries are recommended to present their views and comments. The Web Site will officially be inaugurated on the Internet, by the government of the Islamic Republic of Iran, one month after the seventh Commission meeting. Member countries shall complete and update their relevant information on their respective home pages as soon as possible.
- d) The government of the Islamic Republic of Iran, shall prepare a project indicating estimated cost for the operationalization, maintenance and upgrading/expansion of the ITDB Net. A well-prepared practical proposal alongwith the mode of financing of the project, will be submitted to the next meeting of the Commission in February 2000. The proposal shall be circulated to the relevant authorities of member states well in advance of the meeting for any comment.
- e) Considering the significance of the ITDB Net, the Workshop recommended that the technical administrator of the coordinating country should demonstrate the web-site during the next session of the Commission.

- f) The workshop recognised the need for expansion of cooperation among the D-8 countries in the fields of science, technology and communications, including satellite and hardware issues, and recommended that the Commission may consider the proposal in view of its strategic need and availability of resources. Regarding the establishment of ITDB Network, the Workshop recommended the possibility of having private Network with a backbone, provided that it would be an efficient and cost effective solution.
- g) The workshop emphasized the importance of public awareness and easy access of the potential users to the ITDB Network and recommended, in this connection, to the Executive Director to publicize the ITDB-Net once it is officially implemented.

E) Consideration and Adoption of the Report

The participants considered and adopted the report of the Workshop. The adopted report is contained in document ITDB-2/RPT.

F) Vote of Thank and Closing of the Meeting

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.

(940-5E)

**Report of the
Training Seminar for ITDB Website Administrators**

Tehran, Islamic Republic of Iran

24 April 2000

**Report of The Training Seminar
for ITDB Website Administrators**

Tehran, April 24, 2000

In line with Para. 54 of the decisions of the 7th Commissioners Meeting in Dhaka (February 22-23, 2000), a one day training seminar was held by the Iranian ITDB Website Managing Contractor on April 24, 2000, in Tehran, Islamic Republic of Iran. The website administrators of Egypt, Islamic Republic of Iran, as well as the representatives from the embassies of member states (Bangladesh, Indonesia, Malaysia, Nigeria, Pakistan and Turkey) participated in this seminar. The main subjects discussed in this seminar are summarized as the following;

1. The Meeting was inaugurated by a welcoming address by Mr. Mohammad Javad Rezayat, Deputy Director for Multilateral Economic Affairs of the Ministry of Foreign Affairs of the Islamic Republic of Iran. Referring to the unsatisfactory participation of the member states administrators in this meeting, he requested all the member states to increase their cooperation by completing the relevant information in their relevant home pages so that the website will be launched at the internet on agreed time.

2. A detailed introduction on different aspects of structure, designing, implementation and the future improvements of the website, was made by Dr. Fereidoun Ghasemzadeh, General Manager of Afranet and the ITDB Managing Contractor. He underlined that in the designing of this website the experience and function of some outstanding websites such as, UN, UNIDO, UNDP, ESCAP and OECD had been used. In the course of the Seminar, the main characteristics of the website, such as: prototyping,

ease of use, low retrieval time, consistency, decentralized administration, use of world standards, portal site concept, salability and the prospects for its future expansion were thoroughly discussed. Being accompanied by Afra-Net experts, the participants had the chance to visit the Afranet satellite installations followed by a technical tour to their relevant home pages in the website.

3. As recommended in para. 82 of the Report of the 7th Commissioners Meeting, the Managing Contractor briefed the gathering on two newly created sections in the website entitled " ED Office", which includes the latest information on D-8 Meetings as well as its external relations, and "Documentation Section ", which includes all D-8 documents approved in different working group meetings and workshops. These will be appeared in the country page of the member state acting as coordinating country on the subject.

4. The Egyptian representative informed the workshop that his country has designed a special trade section for the website and it will soon be announced through official channels. Further coordinations were made with the Egyptian Website Administrator in order to facilitate the compilation, classification of the trade related information and statistics. Egypt, as the coordinator of the D-8 Trade Group, will utilize the website for its trade information dissemination. The meeting appreciated the Egyptian efforts in preparation of this special section, which will be included in the website in near future.

5. Since most member states have not yet inserted their country data in the relevant pages, the workshop urged the member states to take proper actions in this regard, so that the website will be officially

operationalized on the due date.

6. Emphasizing the necessity for further speedy actions by the national focal points during the remaining short period, the meeting appreciated the well organized conducting of the project by the Iranian Managing Contractor Company (Afra Net).

(940-5E)

Summary Reports of the
International Workshop on Retakaful (Islamic Insurance)
for D-8 and OIC Member Countries
31 May- 1 June 1999

Seminar on Islamic Banking and Finance for D-8 and OIC
Member Countries
2-4 June 1999

International Conference on Takaful/Islamic Insurance
2-3 June 1999

Kuala Lumpur, Malaysia

Introduction

In tandem with the D-8 Commission meeting in January 1999 at Istanbul, Turkey and the Dhaka Declaration made in March 1999 which welcomed Malaysia's offer to convene a workshop to formulate strategies to promote takaful and retakaful and conduct training programmes in takaful and Islamic banking and finance, Malaysia has successfully organised the following forum in Kuala Lumpur:

- (i) **The International Workshop on Retakaful (Islamic Reinsurance) for D-8 and OIC Member Countries (31 May - 1 June 1999);**
- (ii) **Seminar on Islamic Banking and Finance for D-8 and OIC Member Countries (2 - 4 June 1999); and**
- (iii) **The International Conference on Takaful/Islamic Insurance (2 - 3 June 1999).**

2. **The Workshop and Seminar were organised by BIMB Institute of Research and Training Sdn. Bhd. (BIRT) while the Conference was organised by the Malaysian Insurance Institute (MII). These events which were sponsored by the Government of Malaysia and other local organisations were organised in collaboration with Bank Negara Malaysia (the Central Bank of Malaysia) and the Ministry of Foreign Affairs. This report has been prepared in consultation with and based on reports submitted by BIRT and MII.**

Opening Ceremony

3. **The forum were officiated by the Deputy Prime Minister of Malaysia, His Excellency Dato' Seri Abdullah Ahmad Badawi with welcoming address by Tan Sri Dato' Seri Ali Abul Hassan bin Sulaiman, Governor of Bank Negara Malaysia. About 250 guests including forum participants attended the opening ceremony.**

Participants

4. The **Workshop** was attended by 43 participants from 16 OIC countries (including Malaysia), Hong Kong, Singapore and the United Kingdom. Four D-8 member countries, namely Bangladesh, Egypt, Malaysia and Nigeria were represented at the **Workshop**. The **Seminar** was attended by 41 participants from 15 OIC countries (including Malaysia). The **Conference** was attended by 135 participants from Bangladesh, Bahrain, Brunei, Egypt, Indonesia, Luxembourg, Malaysia, Pakistan, Singapore and the United States of America.

Topics Covered

5. A total of 11 papers were presented at the **Workshop**, culminating in a session to discuss the draft resolution of the **Workshop**. The speakers touched on various aspects of retakaful business ranging from operational aspects to global retakaful and reinsurance. At the **Seminar** a total of 14 papers were presented over the three-day period, covering various aspects of Islamic banking and finance. At the **Conference**, a total of 12 papers were presented covering various aspects of the takaful and retakaful business including syariah, technical, operational and business development.

Evaluation

6. The **Workshop** met its objectives as embodied in the **Workshop** resolutions attached as Appendix I. The **Workshop** agreed to adopt four resolutions, including the implementation of specific retakaful arrangements among takaful operators and ASEAN Retakaful International (L) Ltd. (ARIL) and enhancement of ARIL's paid-up capital to USD50 million over the next five years.

7. Overall, the **Seminar** was a success judging from the positive response and feedback received from the participants. The **Seminar** was an elementary discourse for some of the participants and had provided them the opportunities to have a first-hand look at the Malaysian Islamic banking system. The participants had the opportunities to discuss and analyse some aspects of Islamic

banking and finance in terms of concepts, principles and procedures that would give insights into the activities of the Islamic banking and finance.

8. The Conference succeeded in bringing together takaful practitioners and scholars worldwide where the sharing and comparing of experiences among the takaful practitioners have significantly improved understanding and cooperation among them. Participants requested for more takaful programmes to be organised and that an international level takaful conference be held again next year.

Reports by Organisers

9. A detail report on the Workshop and Seminar is attached as Appendix II and the report on the Conference as Appendix III.

Next Steps/Follow up Actions

10. Malaysia seeks the support from the Governments of D-8 to endorse and adopt the Workshop resolutions and take necessary actions to realise the resolutions in line with the spirit of cooperation among member countries. On its part, ARIL will conduct periodical visits to D-8 and OIC member countries to establish business links and draw up a five-year business plan to enhance its capital size and enlarge its treaty capacity.

11. Malaysia is willing to share its knowledge and experience in takaful and retakaful business through technical assistance programs and training to interested D-8 and OIC member countries.

12. Based on the feedback from participants of the Conference, the following are recommended:

- More international conferences on Takaful/ Islamic insurance are to be held annually. The conferences are recommended to be held in Malaysia and later rotated among D-8 and OIC member countries.

Apart from the conference, seminars and workshops are to be organised where case studies are discussed and deliberated.

- Selected conference papers will be made available on the internet. Papers for several conferences will be compiled in a CD ROM if necessary.

13. Following the **Conference**, the meeting among the takaful operators, speakers and academicians interested in the development of takaful was held. The meeting agreed to set-up the Federation of International Takaful and Retakaful (FITRA). FITRA is a professional association with membership open to Muslims/non-Muslims, corporations and individuals. Its main objective is to promote knowledge and expertise in Islamic insurance and takaful. A pro-tem committee has been set-up with MII as the secretariat. FITRA can be the basis for a more concrete cooperation among members of D-8 and the OIC. MII, being the secretariat of FITRA, together with interested parties in the takaful industry, can assist in the implementation of the above recommendations and Malaysia offers to undertake efforts to become the educational centre for takaful worldwide.

**RESOLUTIONS OF "THE INTERNATIONAL WORKSHOP ON RETAKAFUL
(ISLAMIC REINSURANCE) FOR D-8 AND OIC MEMBER COUNTRIES"**

31 May - 1 June 1999

This International Workshop on Retakaful (Islamic Reinsurance) for D-8 and OIC Member Countries held in Kuala Lumpur, Malaysia on 31 May - 1 June 1999 following the D-8 Commission Meeting in Istanbul, Turkey in January 1999 and in accordance with paragraph 29 of the Dhaka Declaration made on 2 March 1999, unanimously agreed to adopt the following resolutions:

Resolution 1 - The Establishment of More Takaful Operators

Recognising that retakaful can thrive and be enriched through the support of takaful operators, it is agreed that new takaful companies need to be established in all member countries.

Resolution 2 - Malaysia to Share Its Technical Experience

Acknowledging the technical knowledge and experience of Malaysia in takaful, it is agreed that Malaysia will share its experience in the form of technical assistance, research, training, joint venture and human resource development to ensure the success of this endeavour.

Resolution 3 - Retakaful Programme

Recognising the need to optimise the capacity of the retakaful market, it is agreed that ARIL take the lead role in implementing the following retakaful arrangements:

Voluntary cession

To establish a voluntary cession arrangement whereby the takaful operators will cede to ARIL a certain percentage of their business over and above their own net retention up to the limits specified for the different classes of takaful business.

Priority surplus

In excess of their voluntary cessions, takaful operators to enter into priority surplus treaty arrangement with ARIL on specific classes and up to specific limits.

Priority facultative placements

In excess of a takaful operator's treaty limits, any remaining risks to be ceded to ARIL facultatively.

Priority retrotakaful (retrocession) arrangements

To establish priority retrotakaful arrangements whereby ARIL will retrotakaful risks from its pool of business to takaful operators.

Pooling arrangements

To establish retakaful pools for certain classes of risks whereby a certain number of takaful operators form a collective capacity to accept certain classes of risk, each operator being liable for its share of the pool.

Cotakaful

To establish an arrangement for sharing of risks among takaful operators whereby each takaful operator takes a share of the risk on a direct basis.

Resolution 4 - Transformation of ARIL

Recognising that the equity of ARIL needs to be increased to enhance its retakaful capacity, it is agreed that ARIL be transformed into a well capitalised retakaful operator for D-8 member countries and for this purpose the paid-up capital of ARIL be enhanced to USD50 million within the next five years. Priority will be given to takaful operators in the respective D-8 member countries to hold equity interest in the enlarged capital of ARIL.

**REPORT ON
THE INTERNATIONAL CONFERENCE ON TAKAFUL/ISLAMIC INSURANCE
KUALA LUMPUR
2 - 3 JUNE 1999**

Introduction

This brief report covers the International Conference on Takaful/ Islamic Insurance was organised by the Malaysian Insurance Institute (MII) on 2 -3 June 1999 in Kuala Lumpur, Malaysia. This conference was organised in response to the need for an international forum for discussing strategies to speed the development of takaful/ Islamic Insurance worldwide.

Objectives of the Conference

The conference was focussed on the Syariah, technical aspects of takaful and retakaful operations and the development of the markets for takaful/ Islamic Insurance products and services. Another key objective is for the conference to spark the interest for a close international network of takaful practitioners and scholars to engage in a continuing exchange of views and experiences.

Evaluation

The conference has succeeded in bringing together takaful practitioners and scholars worldwide where the sharing and comparing the experiences of the takaful practitioners has significantly improved understanding and cooperation among them. Similarly, the exchange of views and inputs among scholars on Syariah issues affecting the takaful industry has led to a better understanding of the concept and operations of takaful business.

Conference participants

The conference was attended by 135 participants from various parts of the world i.e. 115 from Malaysia; seven from Singapore; four from Indonesia; two each from Bangladesh, Brunei and Egypt; and one each from Bahrain, Luxembourg, Pakistan and the United States of America. A total of 12 papers were presented of which four were Syariah papers. Of these four, two were by world-renowned scholars to provide the philosophical foundations to the other topics. The other eight papers cover the technical, operational and business development. Based on feedback, the participants are generally satisfied with the program content and presentation by the speakers and panellist.

Additional Benefit

Following the International Conference on Takaful/ Islamic Insurance, a meeting was held at MII on 4 June 1999 for takaful operators, speakers and academicians interested in the development of takaful. This meeting was a follow up to the meeting that was held in Bahrain on 8 December 1998, which was attended by representatives from MII, Takaful USA, Takaful International Bahrain and Takaful SA Luxembourg.

Representatives from MII, Takaful USA, Takaful SA Luxembourg, Takaful Nasional Sdn. Berhad, Takaful TAIB Brunei, Best Re Tunisia and Qatar Islamic Insurance Company attended the meeting at MII. It was also attended by academicians from the International Islamic University and by a Syariah board member of the Dow Jones Islamic Index. The meeting agreed to adopt a constitution for the grouping drafted by MII with some amendments. The temporary name for this grouping is the Federation of International Takaful and Retakaful (FITRA) of which MII has been nominated the secretariat. The name FITRA and the second draft of the constitution will be deliberated at the next meeting. BIMB Institute of Research and Training Sdn. Bhd. (BIRT) and ASEAN Retakaful International (L) Ltd. (ARIL) have also agreed to become members of FITRA.

Among the objectives of FITRA are: -

- To encourage and promote Islamic insurance and takaful education in the world through conferences, seminars and workshops and other certified courses.
- To encourage and support the writing of articles, monographs, books, CD ROMs and other training and educational materials on takaful and allied or related subjects that are especially relevant for training and educating takaful personnel.

Recommendations

Based on the feedback from participants of the conference and the subsequent meeting at MII, the following recommendations are made: -

- More international conferences on Takaful/ Islamic insurance are to be held annually. It is recommended that initially, these conferences be held in Malaysia and later rotated among D-8 and OIC member countries. MII is willing to organise future conferences together with other interested parties.
- A wider range of topics covering every aspects of the takaful business are to be discussed. Future conferences can either discuss a particular area of specialisation or all areas of specialisation together.
- Apart from the conference, seminars and workshops are to be organised where case studies are discussed and deliberated. The seminars and workshops can be targeted to insurers, takaful operators as well as students taking the Diploma MII (DMII) and Associate MII (DMII) courses conducted by MII.
- Selected conference papers will be made available by MII and FITRA on the internet. Papers for several conferences will be compiled in a CD ROM if necessary.
- MII welcomes questions, suggestions and comments on takaful in general and the takaful conferences in particular through its internet pages. MII is also in the process of developing a consumer guide on takaful on the internet.

- FITRA can be the basis for a more concrete cooperation among members of D-8 and the OIC.
- MII, being the secretariat of FITRA, together with interested parties in the takaful industry, can assist in the implementation of the above recommendations and Malaysia will undertake measures to develop into the educational centre for takaful worldwide.

**Report of the Training Programme in Banking for
D-8 Member Countries**

Kuala Lumpur, Malaysia

13-24 September 1999

INTRODUCTION

Following Malaysia' offers to provide training assistance over a 3-year period (1999 - 2001) in the areas of banking, finance and privatisation to member countries at the D8 Summit Meeting in Dhaka in March 1999, Bank Negara Malaysia was entrusted with the responsibility to organise the first part of this training programme, in the area of banking. Accordingly, Bank Negara Malaysia had successfully hosted a 2-week programme in the area of banking for participants from 5 member countries from 13 - 24 September 1999. The programme was financially sponsored by the Malaysian Government, with the member countries bearing the costs of air passage for their respective participants.

PARTICIPANTS

Five out of the seven member countries of the D8 Group sent participants for the training programme. The five participating member countries are Bangladesh, Indonesia, Iran, Pakistan and Turkey (Egypt and Nigeria did not send any participants). Of the five participants, three (from Bangladesh, Indonesia and Pakistan) are from the central banks of their respective countries while the participant from Turkey is from the supervisory authority of banking institutions, a role of the central bank in Malaysia's case. The participant from Iran is from a state bank, i.e. one of the commercial banks owned by the Iranian Government.

PROGRAMME COVERAGE

The programme coverage was drawn up based on the results of a questionnaire survey conducted by Bank Negara Malaysia amongst the D8 member countries. (Of the seven member countries surveyed, only Egypt, Indonesia, Iran, Pakistan and Turkey responded). The 2-week programme

covers the broad areas of interest indicated by the survey respondents, including monetary policy-making, banking supervision policy-making, payments systems, commercial banking, Islamic banking, insurance and takaful operations. (The full 2-week programme is given as Appendix).

Given that the programme is part of the technical assistance to be provided by Malaysia, it was designed with the following objectives in mind:

- To provide participants with an insight into the Malaysian experience in policy formulation and implementation in the area of monetary policy and banking supervision;
- To provide participants with an insight into conventional and Islamic banking and insurance business in the Malaysian context; and
- To provide participants with an opportunity to share and learn from one another's country experiences in the relevant areas.

The programme comprised classroom and briefing sessions. For classroom sessions, the 5 participants joined relevant sessions of the Central Banking Course concurrently conducted by Bank Negara Malaysia. For briefing sessions, the participants visited the Banking Supervision and Payment Systems Departments of Bank Negara Malaysia as well as bank Islam, a commercial bank and an insurance company and were briefed on the operations of the respective departments/institutions.

PARTICIPANTS' EVALUATION

In general, the participants felt that this programme had been a beneficial experience for them.

In terms of the objectives mentioned earlier, the participants' feedback indicated that they had been given extensive exposure to Malaysia's experience in the formulation and implementation of our economic policies, particularly in the context of resolving the recent economic crisis. The briefing sessions had been particularly useful as they were enlightened on Islamic banking and takaful operations, as well as on banking supervision policies. However, they also indicated that there was limited opportunity for them to share the experience of their respective countries. They would have preferred if there were specific sessions for them to do so. Also, they felt that perhaps the inclusion of a Malaysian participant in the programme would facilitate a better exchange of experience and ideas.

REMARKS/RECOMMENDATIONS

At present, this training programme is supposed to be the first part of a once-off 3-year technical training programme offered by Malaysia for the D8 member countries in the area of banking, finance and privatisation. This programme could be repeated if there is a request made by member countries. [The second and third parts would be handled by the Securities Commission (finance) in 2000 and Economic Planning Unit (privatisation) in 2001 respectively].

**Report of the Programme of the
Malaysian Capital Market Development and Regulation**

Kuala Lumpur, Malaysia

9-13 October 2000

Report on SIDC's D-8 Programme

The Malaysian Capital Market Development and Regulation Kuala Lumpur, 9-13 October 2000

The 5-day programme entitled "The Malaysian Capital Market Development and Regulation" was held in the Securities Commission in Kuala Lumpur between 9-13 October 2000. The programme was specially designed for the D-8 countries and covered the overview of the Malaysian Capital Market, with special focus on the regulatory and supervisory framework, market development efforts, trends, challenges and opportunities of globalisation, including the influence of e-commerce.

Malaysia also shared its experiences on training and education initiatives, a key component of efforts to raise standards of competency, skills and professionalism of regulators, market intermediaries and investors. Delegates had the opportunity to visit the different exchanges, clearing-house and central depository.

During the five-day sessions the participants shared their experiences and discussed a wide range of issues and concerns in their jurisdictions. Briefly the comments and suggestions raised by the participants are listed below

Egypt

- The need for more specific training programmes to develop a regulatory system that could avoid or minimise negative elements of Capital Markets
- Possibility of exchange of expertise between D-8 regulators
- The need to discuss issues relating to the protection of minority shareholders
- Future training could include discussion of case studies with respect to policy issues relating to D-8 members
- D-8 could discuss financial disclosure and raising the standards of disclosure
- Discussion could include fraud in trade eg. proprietary trade and individual trades that affect D-8 economies
- The secretariat could maintain a database and mailing list of experts available to D-8 members

Indonesia

- D-8 should be interested in the rationale and development of Universal Brokers in Malaysia
- D-8 should see the need for training and education not only for the players in the capital market but also for other professionals e.g. parliament members, judges etc.
- D-8 could plan courses on privatisation and export/import issues
- D-8 should organise training courses on more focused issues and topics
- Future discussion could include the possibility of a single currency for the D-8 and the challenges it poses

Turkey

- The need to close gap between the D8 countries in capital market development
- The need for a specific action plan to better position the D8 countries in the international environment
- Communication and networking amongst the D-8 regulators should be better developed and its frequency increased. Problems are normally caused by lack of communication and education.
- Islamic products are now in demand and are used to raise capital in the West, D-8 should be more aware of this and seize the opportunity.
- The need for more MoUs, especially with regard to information and experience sharing amongst D-8
- The emphasis for D-8 should be on more investor education programs
- There is a need to develop director accreditation programmes for D-8 members
- D-8 should consider the mobility of professionals amongst its member countries
- Joint training programs between the D-8 membership should be encouraged
- In the long term D-8 should consider a single trading platform
- D-8 should consider cross listings amongst Islamic counters of its membership

Pakistan

- D-8 could discuss the problem of trading frauds and illegal trading in D-8 nations
- Spot commodity trading concerns
- The need for information awareness booklets on the economy of the D8 countries for the general public
- The need for a training fund by the D8 countries (based on GDP)
- Need for greater international cooperation and links eg. between the airlines of D-8 nations
- D-8 should consider a 'research competition' as a means of encouraging greater research and idea generation for the betterment of D-8 capital market growth

Attendees

Mohamed Shehata Abdel Sayed
(Vice President, Capital Market Authority of Egypt)

Mohamed Sherif Mahmoud El Gharhy
(General Manager, Capital Market Authority of Egypt)

Yuni Budiastuti
(Capital Market and Financial Authority of Indonesia)

Munir Ahmed
(Deputy Secretary, Government of Pakistan)

Absentee

Koorosh Taherfar

(Economic and Financial Expert, Ministry of Economic Affairs of Iran)

The accommodation, airport transfers and daily allowance of RM 60/day each were sponsored by the Malaysian Technical Cooperation Programme (MTCP) of the Economic Planning Unit (EPU). Each participating country paid for their flight. The delegates were accommodated at the Eastin Hotel.

The programme

(as attached)

Programme

MALAYSIAN CAPITAL MARKET DEVELOPMENT AND REGULATION

9-13 October 2000 @ Securities Commission

This programme is designed for the participants of the D8* countries on a study visit to Malaysia. The programme has been designed based on information researched on the various member countries of the group. The depth of discussion for the various topics identified for the 5-day programme would be at an introductory level. However, this might be further fine tuned after the Commission has received appropriate response on a pre-programme survey questionnaire on the background of the participants from the participating countries.

*D8 Countries - Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, Turkey

**Report of the
International Course in Islamic Banking**

Tehran, Islamic Republic of Iran

8-18 October 2000

Introduction

11th International Course in Islamic Banking was held by the Training and Human Resource Studies Department of the Central Bank of the Islamic Republic of Iran as of the other 10 International Courses in Islamic Banking which was held by the same office in the previous 10 years.

The invitation letters had already been sent to the central and Islamic banks and institutions of the Asian, African and European countries including D-8 member countries. However, based on the suggestion of Dr. Mohammad Hossein Adeli, Deputy Foreign Minister for Economic Affairs and Commissioner of the Islamic Republic of Iran, at the VII. Commissioners Meeting in Dhaka, the number of available seats was increased so that we can accommodate more participants from D-8 member states.

Participants

Six out of seven member countries of D-8 Group sent 14 participants to the course. Of the 14 participants six (from Bangladesh, Egypt, Indonesia, Malaysia, Pakistan, and Turkey) were from the Central Banks of their respective countries. One was from Prime Ministry (Turkey). One was from Ministry of Finance (Pakistan), and the other six participants were from the Islamic and commercial banks. The total number of participants in the course was 32 including 8 from Iran and 24 from foreign countries.

Course Specifications

The course was two-week long which was held from 8:30 in the morning till 4:00 in the afternoon from October 8-18, 2000. The course outlines were drawn up based on the decisions which were made by the Course Planning and Organizing Committee. They were as follows :

- . Islamic Approach to Economics*
- . Theoretical Basis of Islamic Banking*
- . Practical Aspects of Islamic Banking*
- . Monetary Policy in Islamic Banking*
- . History and Evolution of Islamic Banking*
- . Comparative Studies in Islamic Banking*
- . Islamic Banking from an International Perspective*

The course was fully residential. The cost of accomodation and food was borne by the Central Bank of the I.R. of Iran. A trip to Isfahan (one of the attractive cities of Iran) and visits from Iranian National Jewerly Museum and some traditional places of Tehran was also arranged by the Training and Human Resource Studies Dept. for the participants.

Participants Evaluation

In general, the participants felt that this course had been a beneficial experience for them.

**Report of the D-8
Joint Meeting of Experts and Decision Makers
on Social Safety Nets**

Jakarta, Indonesia

13-17 August 1999

**REPORT OF THE JOINT MEETING OF EXPERTS AND DECISION MAKERS
ON SOCIAL SAFETY NETS
THE DEVELOPING - 8 COUNTRIES (D-8)
JAKARTA, 13-17 AUGUST 1999**

INTRODUCTION

1. In pursuance to the decision taken at the Second Summit of the D-8 in Dhaka in March 1999, the Government of Indonesia convened a Joint Meeting of Experts and Decision Makers on Social Safety Nets in Jakarta on 13 to 17 August 1999. Experts and decision makers from Developing 8 countries : **Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, and Turkey** participated in the Joint Meeting. The Meeting was chaired by Mr. Herman Haeruman, Deputy Chairman of the Indonesian National Development Planning Agency. A list of participants appears as **Annex A**.
2. At the opening session, Mr. Ida Bagus Putu Djendra, Acting Director General for Foreign Economic Relations of the Department of Foreign Affairs, on behalf of H.E. Dr. Johan S. Syahperi, Indonesian Commissioner to the D-8, addressed the Joint Meeting followed by a keynote speech given by H.E. Prof. Dr. Haryono Suyono, State Coordinating Minister for People's Welfare and Poverty Alleviation of the Republic of Indonesia.
3. In his opening remarks, the Chairman underscored that the objective of the Joint Meeting is to share and exchange experiences on social safety net programs and their implementation among D-8 member countries, and to discuss current developments and relevant policy faced in their respective programs.
4. Mr. Ida Bagus Putu Djendra read the welcoming remarks of H.E. Dr. Johan Syahperi, which underscored that the attendance of experts and decision makers from D-8 member countries in the joint meeting provides a clear evidence of their strong commitment to the ideals and objectives of the D-8. He stated that the theme of the Joint Meeting: "*Empowering People and Institutions to Fend for the Disadvantaged and the Vulnerable in a Crisis-Prone Global Economy*", rightly points out a concept needed to justify reliable social safety net programs in order to protect and help the disadvantaged and vulnerable groups against the recurrence of future crisis. He went on to point that the Joint Meeting provides a good opportunity for the participants to share and discuss their respective national program on social safety nets, and subsequently to formulate recommendations to contribute to fostering cooperation among D-8 Countries. The full text of H.E. Dr. Johan S. Syahperi's statement appears in **Annex B**.

5. In a very comprehensive statement, the State Coordinating Minister for People's Welfare and Poverty Alleviation provided the Meeting with a fully elaborated account on the Indonesian social safety net programs. The Indonesian social safety net programs are categorized into four types: food security, social services, public health and education, employment creation and income generation, and an improvement of access for small and medium enterprises. The Minister pointed out that social safety net programs which were created in an attempt to help the disadvantaged and vulnerable groups to survive in this difficult crisis, has its ground and rationale. Firstly, Indonesia could not afford to have its human resource development program weakened seriously in the face of globalization and liberalization. Secondly, with the scarce food items as the result of the poor crops caused by the long drought, the government must step in, otherwise many people would starve. Thirdly, Indonesia needs to recompense laid off workers through alternative source of income during the process of economic restructuring, if not their fate would be worsening and more damages will occur. Fourthly, those impoverished who were skilled, able bodied, or succeeded in accumulating capital need to be provided opportunity to start a recovery process through productive enterprising.
6. The Minister elaborated further that in order to achieve the desired objectives, it is necessary that monitoring and evaluation of the implementation of the programs should be managed and kept on the right track to ensure that the programs really achieve the target groups. Coordination among mandatory institutions should be well managed. Those coordinators in the implementation of programs from local government, and non-government organizations (NGOs), the private sectors and the people themselves, should work closely together in order to be able to achieve the intended objectives. The full text of the keynote speech of H.E. Prof Dr. Haryono Suyono appears in **Annex C**.
7. In order to enrich the discussions and obtain factual and first-hand information on activities related to social safety net programs in Indonesia, field visit was undertaken on August 14 to 15, 1999 to observe closely three project sites of social safety net programs, namely Kalibaru, Kamal Muara in North Jakarta and Bojong Pondok Terong, Depok in West Java.

DISCUSSION

Session I: Conceptual Framework, Policy Issues, Strategy and Key Issues on Social Safety Nets

8. On the topic of conceptual framework, policy issues, strategy and key issues on social safety nets, Mr. Herman Haeruman, Deputy Chairman of National Development Planning Agency, made a presentation to lead the discussion. Mr.

Emmanuel Hariyadi, Director of Development Program of Bina Swadaya Foundation of Indonesia, acted as the Moderator for the discussion. Mr. Herman Haeruman presented Indonesian general policy and strategy for social safety net programs. He stated that the economic crisis experienced by Indonesia has dramatically changed the remarkable achievement of the Indonesian development within a span of one year. While the crisis is economic in nature, political and social factors have an important role in complicating the difficulties faced by the people and hamper the success of the rescue and recovery programs. He further explained the general policy and strategy of the Indonesian social safety net programs. He also outlined the problems faced in implementing the program, most of which result from the very short time available to carry out the programs, the lack of time for socialization, the limited geographic coverage of the socialization campaign, the lack of data on target groups, the unpreparedness of institutions, and the various different views of the social safety net programs themselves. Such problems affect beneficiaries, implementers of the program, and program managers.

9. Based on experiences in the implementation of the Government's social safety net programs, coupled with the domestic political reform, he suggested improvements in program information dissemination, complaints resolution mechanism, performance in indicators-based reporting, independent verification, and civil society monitoring. In order to cushion the impact of the economic crisis, social safety net programs should be directly and accurately targeted to the intended beneficiaries. The swift implementation and fund disbursement should be transparently managed, accountable and high-level of community participation and potentially sustainable.
10. For discussions on conceptual framework, policies, issues, strategy and key issues, the Moderator called on all participants of D-8 member countries to make a brief presentation of their national policy and experience on social safety nets. Concise, yet comprehensive, presentations were made by representatives of Bangladesh, Egypt, Indonesia, Iran, Malaysia and Turkey, some of which were based on papers circulated prior to and at the Joint Meeting. A full set of papers presented at the Joint Meeting appears under Annex D
11. In the light of the presentations on experiences of the D-8 member countries, the Moderator noted that those countries consider social safety nets as important component in poverty alleviation program. He also noted the similarity of the programs of member countries, in which they utilize the components of fund and in the form of food for work program in empowering the poorest of the poor. There is, however, different focus on strategy in achieving the respective objective of their social safety net programs. One of the reasons is that crisis situation facing the D-8 member countries originates from different causes such as regional currency depreciation, natural disasters, wars and other calamities. The

discussion focused on the approach, scheme, coverage and implementation of the social safety net programs.

12. The participants recognized that social safety net programs are temporary in nature, and cover three components of rescue, recovery and empowerment. Some countries adopt the social security system as ways to protect the basic needs of the disadvantaged and vulnerable groups.
13. Malaysia, however, do not subscribe to the social safety nets because of its short-term, welfare-oriented approach which is not consistent with the overall development programs having focused and specific target groups.”
14. The participants were of the view that although it is the responsibility of individual government to alleviate poverty, cooperation with the developed countries is important due to the globalized world. Another rationale is the factor that the developing countries lack the financial resources to finance the program, hence the need for development aid and investment to create job opportunities.
15. On the approach of the social safety net programs, the participants recognized the importance of community participation in planning, implementing and monitoring of the programs. They were of the view that it will empower the poor to fend similar crisis in a globalized world, and in the longer term, to sustain their capacity in generating income of their own.
16. They agreed in the importance of defining the target beneficiaries of the programs to determine the right policy and strategy to ensure the desired result. They also agreed that women and children are the most adversely affected by the crisis. To reach these target groups, they agreed that the social safety net programs cover food security, social services, public health and education, employment creation and income generation and improvement of access of small and medium enterprises.
17. The participants recognized that various mechanisms are used in the social safety net programs involving both informal and community based-arrangements to reach the target groups. Some participants informed that their social safety net programs are integrated into wider social development program which include the provision of basic necessities, the right to work, and social security. They also underlined the need for coordination of the concerned institutions, NGOs and community-based organizations.
18. The participants recognized that participation and partnership are essential in giving legitimacy to the objective and mechanism of poverty alleviation program.

They also underlined the need to strengthen civil society particularly local community organizations to meet the increasing demand for sustainable development.

19. The participants recognized the importance of micro-credit in the empowerment of the poor and the community-based organizations. This requires access to financial resources to enable them to enhance their productive capacity and to build upon their own capacity against negative impact of crisis.
20. The participants considered that it is necessary to monitor and assess the social safety net programs through evaluation of implementation, outcome and target effectiveness. They agreed that the programs should also assess how well targets and objectives are met and the allocated fund is used. They were of the view that monitoring and assessment should cover all aspects of the actual implementation of project, funds, and the impact of the program to the beneficiaries. They also agreed that monitoring and assessment should be continuously carried out.
21. The participants recognized the challenges faced in the implementation of the programs particularly in the slow implementation of project due to, among others, the red-tape, inaccurate group-targeting as well as shortage and misuse of funds. The participants also recognized that there is a need to avoid overlapping projects.

Session II: Social Impact of Financial and Economic Crisis and Policy Responses

22. Mr. Sri Pamoedjo Rahardjo, Executive Director of the Community Recovery Program (CRP), a consortium of 27 leading Indonesian NGOs, led the discussion on Session II as Moderator. He invited Prof. Dr. Emil Salim, Chairman of the CRP, to present his paper. Prof. Dr. Emil Salim gave an overview on the NGOs' response in coping with the crisis. He stated that the CRP is charged with the task to respond to the most severely affected segment of the population and to help strengthen the coping capacities of the vulnerable segments of population to face the crisis. The CRP organizes the channeling of resources to support local community-based organizations in extending timely assistance. Its program covers rescue and recovery activities ranging from food security, provision of basic social services to income generation and job creation activities which are in line with the Government development program. He explained that social safety net is a short-term rescue mechanism to help those severely hit by the crisis.
23. He also stated that current political transformation in Indonesia delays social and economic adjustments required for recovery which will, in turn, increase the number of people living below the poverty line. He underlined therefore that the

challenge for the next millenium will still be to address the widening gap between the rich and the poor. Considering the challenge, social safety nets should be managed by the civil society in the provinces across the country through decentralization and partnership with the existing local community organizations. In this context, the development of a civil society in Indonesia that is just, respectful, and transparent is no longer necessary but a necessity. The text of the presentation of Prof. Dr. Emil Salim appears in Annex E.

24. On the discussion of Session II, the participants exchanged their views and experiences on the role of NGOs in the social safety net programs.
25. The participants recognized that the crisis has increased unemployment, lack of food and nutritional intakes, which forced women to be the backbone of the family, and the children to be dropped out of school. They also recognized the need for poverty mapping to find out the group hit hardest.
26. The participants were of the view that monitoring and evaluation of the implementation of the social safety net programs should involve not only Government, but also the NGOs and community-based organizations. They recognized that NGOs and community-based organizations could contribute more to the effectiveness of the implementation of the programs.

Session III : Practices and Lessons Learnt in Social Safety Nets

27. The participants expressed their satisfaction on the arrangement made during the field trips. They obtained valuable inputs on the management and administration of the social safety net programs implemented by the government in partnership with the NGOs, community-based organizations, and the beneficiaries. They were of the view that the visits are beneficial particularly for comparative purposes on the implementation of social safety net programs in their respective countries.
28. The participants underlined the importance of identifying specific target group to be the beneficiary of the social safety net projects. They were of the view that criteria should be established to select the eligible members of the target group and group leader of the projects to ensure the transparency in the implementation process to achieve the intended results. Some participants emphasized the importance of group behavior, training, income generating activities and monitoring mechanism of the implementation of the projects to ensure the sustainability of the projects through partnership with the private sector.
29. In the context of the field visit to a fishing community, Malaysia related its experience in assisting the fishing community which was identified as one of the

poverty groups in Malaysia. A comprehensive development program that focused solely on the fishing community was developed which among others involved the relocation of the fishing community to new areas complete with housing, social amenities and good physical infrastructure.

Session IV: Consideration and Adoption of the Report

RECOMMENDATIONS

1. The Meeting pointed out that priority attention be focused on identifying specific area and target groups to be the beneficiaries of the social safety net programs. Identification of specific target group is deemed necessary to determine the right policy and strategy to be adopted and ensure that the programs reach the intended target group viz the poorest of the poor, women and children, as well as the disadvantaged and vulnerable groups
2. The Meeting also underlined the need for community participation in partnership with the Government, community-based organizations, the NGOs, and the private sectors to ensure the effectiveness of social safety net programs. The Meeting further noted the importance of the D-8 member countries to provide training and technical assistance to their respective community-based organizations and NGOs on the implementation of the social safety net programs.
3. The Meeting recognized the importance of income generating activities, job creation to empower the poor as well as creating market opportunities. In this regard, the Meeting considered that there is a necessity to improve the access of the poor to credit and technical know-how through partnership with the private sectors.
4. The Meeting recognized the need to strengthen the mechanism of coordination among implementing institutions to ensure an integrated planning and execution to easily cope up with possible recurrence of similar crisis in the future.
5. The Meeting noted that there is an increasing need for an effective dissemination of information, complaint resolutions mechanism, independent verification and civil society monitoring on the implementation of the social safety net programs in order to ensure greater transparency and accountability.
6. The Meeting noted the importance of an exchange of information on social-safety net and poverty alleviation programs among the D-8 member countries through information services including website/homepage.

CLOSING SESSION

1. The participants adopted the Report of the Joint Meeting of Experts and Decision Makers of the D-8 on Social Safety Nets which was held on 13-17 August 1999 in Jakarta, Indonesia.
2. The Chairman closed the Joint Meeting on Monday, 16 August 1999. He commended all participants for their contribution to making it a success. He emphasized the importance of the recommendations.

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

Istanbul, Turkey

20-21 September 2000

REPORT

WORKING GROUP MEETING ON ENVIRONMENTAL COOPERATION IN D-8 COUNTRIES *Istanbul-Turkey (20-21 September 2000)*

1. The Working Group Meeting on Environmental Cooperation was held in Istanbul on 20-21 September 2000. The experts from Egypt, Indonesia, the I. R. of Iran, Nigeria, Pakistan and Turkey attended the meeting. The list of participants is attached. (Annex I)

2. The Session commenced with the opening statement of the Chairman, Mr. Okan Üçer, Deputy Undersecretary of the Ministry of Environment. The Chairman having welcomed the participants stated that by including this subject amongst the areas of cooperation, the Heads of State and Government underlined in the Istanbul Declaration the significance attached to the questions of environment. He continued by saying that "I don't think that we have started the new century with a clean record in this field although environmental questions received during the last twenty years greater attention from the world community." He added that its importance amongst several other questions faced with by the mankind was gradually being recognised. Mr. Üçer pointed out that new environmental problems came to the fore today, also requiring special and urgent attention from the international community for their solution. In this context, he cited the relationship between poverty and sound environmental management, desertification with alarming proportions and changes in the earth's atmosphere creating risks for human life. Mr. Üçer enumerated environmental economics, cost of pollution prevention, sustainable management of renewable and non-renewable national resources, eradication of poverty as the major themes in the agenda of the World Bank and International Monetary Fund in the coming years. In addition, the Chairman emphasised that the D-8 countries should first identify their own problems in order to contribute to bilateral, regional and multilateral efforts and policies. Mr. Üçer concluded his words by saying that collective efforts should be made to meet the shortcomings and to have the D-8 voice heard in industrialised world and international platforms by developing common vision and strategies and that this would be the best way to contribute to D-8 cooperation.

3. The participants considered the draft agenda and adopted it with some amendments (Annex II).

4. The delegates from Egypt, Indonesia, the I.R. of Iran, Pakistan and Turkey presented their national reports on general environmental problems of their countries (Annex III).

5. The Working Group reviewed environmental issues of priority for developing cooperation among the D-8 countries. The Egyptian delegation proposed four main topics of cooperation, namely, international conventions and their implementation, solid waste management, natural resources management and improvement of institutional and technical capacities.

On the first topic, the participants emphasised the importance of sharing their experience as regards the implementation of Basel Convention, UN Framework Convention on Climate Change (UN FCCC), UN Convention to Combat Desertification. Concerning the Basel Convention, it was proposed to exchange information on the transport of hazardous waste through the focal points amongst governments, non governmental organisations and R&D centers. As for the UN FCCC, environment friendly (clean) production technologies and non-greenhouse gas emitting technologies were mentioned as the two areas of cooperation.

On the second topic, that is solid waste management, the necessity was underlined to have exchange of information on the best practices of national and international institutions. In this connection, it was said that the member countries could share information on the national and international firms which are in a position to undertake suitable projects geared to their needs with lower cost.

As for the third topic, the Working Group discussed the modalities of cooperation in the fields of gene banks and animal quarantine measures. It was stated that D-8 countries already having gene banks could utilise their reservoirs for the preservation of some endangered species. It was added that by way of special agreements, quarantine measures could be taken for the prevention of epidemic infections which are still common in some D-8 countries. They can also share their knowledge, experience and common practices for the prevention of such infections originating from the outside the D-8 area.

Mr. Chairman said that the question of genetically modified organisms is gaining ground nowadays and suggested that if agreeable, this matter could be placed under this topic. Participants approved this suggestion.

Concerning the fourth topic, that is, the improvement of institutional and technical capacities; taking into account strong and weak points in the management systems practised in D-8 countries, it was advised that they could take advantage of the success cases in each member and could thus learn from each other. To this end, yearly training programs could be organised on the subjects of priority for the member countries and a mechanism could, in addition, be set up for exchange of information on environmental management techniques.

In conclusion, the participants agreed on the vital importance of cooperation in the fields of improvement of institutional and technical capacities, solid waste management, natural resources management in the context of biosafety, the relationship between trade and environment, and implementation of international

conventions, in particular Basel Convention, UN FCCC, UN Convention to Combat Desertification. Accordingly the Working Group adopted the recommendations attached herewith (Annex IV).

6. The delegate of the I.R. of Iran proposed to convene the next meeting of the Working Group in Tehran.

7. As part of the program, the participants visited in the second day the three Waste Water Treatment Plants in Pasaköy, Ömerli and Tuzla as well as Beykoz TEMA Nature and Culture Park.

8. The delegates expressed their profound thanks to the Ministry of Environment of the Republic of Turkey for its warm hospitality and for the excellent arrangements for this meeting which constituted the first step to initiate D-8 cooperation in the field of environment.

RECOMMENDATIONS

- 1 For developing cooperation in the field of environment among D-8 countries, the participants are requested to nominate their National Focal Points before the end of November 2000.
2. The participants have discussed and identified potential areas of cooperation of common relevance and interest to their respective countries. The group reached consensus on the following topics:
 - a) Improvement of institutional and technical capabilities
 - i. Training programmes
 - ii. Exchange of information and lessons learnt
 - b) Solid waste management
 - i. Exchange of information
 - ii. Exchange of environmental expertise
 - c) Natural resources management in the context of biosafety
 - i. Gene banks
 - ii. Agricultural and animal quarantine measures
 - iii. Genetically modified organisms
 - d) Trade and Environment
 - i. Promotion of Environmental Management Systems
 - ii. Developing common vision and strategy in the international arena
 - e) International conventions
 - i. Basel Convention
 - ii. UNFCCC
 - iii. UN Convention to Combat Desertification
3. For further and easy communication among the D-8 countries, the following web site can be used: www.d8net.org
- 4 The delegate of Iran proposed to hold the next meeting of the D-8 environmental group in Teheran, Iran. The objective of the meeting is to look at the **Technical Aspects of Environmental Cooperation among D-8 Countries**. The date will be announced in due course of time.

**Report of the D-8
Training Programme on Solar Energy Systems
for Isolated Villages**

Yogyakarta, Indonesia

29 November- 2 December 1999

**REPORT OF THE D-8 TRAINING PROGRAM
ON SOLAR ENERGY SYSTEMS FOR ISOLATED VILLAGES
YOGYAKARTA, INDONESIA
29 NOVEMBER – 2 DECEMBER 1999**

1. Pursuant to the decision of the D-8 Second Summit held in Dhaka, 1-2 March 1999, the Government of the Republic of Indonesia convened a Training Program on Solar Energy Systems for Isolated Villages in Yogyakarta on 29 November -2 December 1999. The Training Program on Solar Energy Systems for Isolated Villages which was officially opened by Ms. Nenny Sri Utami, Director for Energy Development, Directorate General of Electricity and Energy Development, Department of Mines and Energy, was attended by 14 experts/representatives from the D-8 member countries: Egypt, Indonesia, Iran, Nigeria and Pakistan (The list of the participants is attached as **Annex 1.**)

2. In her opening remarks, the Director for Energy Development stressed that the objectives of the training program were to promote cooperation in the field of energy among D-8 member countries; to provide an opportunity for the participants to share experiences on the development of solar energy systems and to improve the skills of the participants in the technology of solar energy systems; including establishment and operation of such systems in each country. She said that the implementation of the training program was a major step in promoting D-8 cooperation, particularly in the field of energy. (Text of the opening remarks appears as **Annex 2**).

3. The course of the training program covered solar PV technology, PV water pumping systems, PV hybrid systems, solar home systems, TV receivers and refrigeration systems, techno economic analysis, solar thermal technology, solar drying systems, solar thermal water pumping, solar cookers and solar PV manufacturing in Indonesia (The course outline is attached as **Annex 3**). So that the participants could obtain factual and first-hand information on activities related to solar energy systems in Indonesia, they went on a field trip on 2 December 1999 to observe solar energy systems in isolated villages in the Gunung Kidul area, Central Java.

4. During the session devoted to country presentations, all participants of D-8 member countries made a brief presentation of their respective programs for solar energy systems. The following were the results of the discussion :
 - . The meeting acknowledged the need to strengthen cooperation and exchanges of technical know-how among the D-8 member countries in the field of energy, particularly solar energy systems.
 - . The meeting cited the importance of an exchange of information and experience on solar energy systems, including on how it can solve problems in isolated villages, such as lack of drinking water and irrigation.
 - . The meeting suggested the setting up of a joint cooperative fund for development of the rural energy sector and the provision of more subsidies for the fabrication of solar power mechanism. The meeting also urged that ways and means be sought to persuade engineers in the D-8 countries to make use of appropriate new technologies.
 - . The meeting urged that research on energy/solar energy systems be conducted in partnership with academicians, private sector and related institutions in order to develop applicable technologies.
 - . The meeting further stressed the importance of training energy management and pollution-free production methods for villagers running small and medium scale industries.
 - . The meeting pointed out the need of the D-8 member countries to strengthen their mechanism for the implementation of projects involving solar energy systems to avert the possible failure.
 - . The meeting urged the D-8 countries to persevere in enhancing cooperation among themselves in the field of energy.

5. In this regard, the Government of Indonesia proposed that these recommendations be conveyed to the Government of the Federal Republic of Nigeria, which is the coordinator of cooperation in the field of energy.

Distinguished Participants,
Ladies and Gentlemen,

In this momentous occasion, on behalf of the Government of Indonesia, in this case the Directorate General of Electricity and Energy Development, Ministry of Mines and Energy I would like to convey a cordial welcome to you to be able to attend the D-8 Group Training Program on Solar Energy System for Isolated Villages held from November 29 up to December 2, 1999 in Yogyakarta, Indonesia.

As we would recall, the Dhaka Summit decided, in selecting projects in various sectors, to adopt a pragmatic and flexible approach that is aimed at the optimum utilization of available resources and capabilities and underlined in this regard the need of applying the new modality for implementing project of cooperation among the D-8 (Developing 8 Countries) which would allow for their execution by other member countries. The Summit expressed in this vein its appreciation of the readiness of Indonesia to organize, in coordination with Nigeria, training program on solar energy system for isolated villages.

Ladies and Gentlemen,

Currently, concerns are growing worldwide regarding the environmental consequences of heavy dependence on fossil and nuclear energy sources, particularly climate change, urban air pollution, oil spills, acid rain and nuclear risks. Probably, no other environmental problem poses as dangerous to humanity as climate change. It has been pointed out in the Agenda 21 produced at the 1992 Earth Summit in Rio and subsequent assessments of the Intergovernmental Panel on Climate Change (IPCC) that increasing use of renewable energy is one of the major options for controlling emissions of greenhouse gases and other granulated substances. Sustainable energy

scenarios developed by several international organizations suggest that the contribution of renewable energy to world energy supply will increase throughout the next 30 years and beyond. These energy scenarios are based on the assumption that appropriate public policies including the training program will be implemented for vigorously promoting the use of renewable energy.

It is well accepted that increased use of renewable energy such as solar, wind, biomass, hydro, geothermal etc, is one of the important strategies in the effort to mitigate global warming due to green house gases emissions which is now generally accepted as fact, and IPCC scientist expect major ecological changes to occur. Thus, recent developments appear an ideal opportunity for promoting renewable energy technologies in the developing countries.

Accelerated adoption of renewable energy technologies in the developing countries would require widespread dissemination of information about significant global renewable energy initiatives being undertaken.

Growing environmental concern over the use of non-renewable fossil energy has been the impetus to enhance the utilization of renewable energy. This means that industrial countries should gradually change over from fossil energy to renewable energy, whereas developing countries change from traditional renewable energy technology to modern renewable energy technology which is more sustainable, efficient and convenient.

Ladies and Gentlemen,

Some solar energy systems which have been developed both solar photovoltaic and solar thermal are utilized worldwide among others: Solar Home Systems, Solar Pumping Systems, Photovoltaic Hybrid Systems, Solar Water Heater, Solar Drying, Solar Cooking, etc.

Globally, many people of developing countries who live in remote areas, where renewable energy especially solar energy has the potential to become an important source of electrical energy.

Community facilities, schools, or water pumping stations can contribute significantly to welfare and rural development. While it is recognized that technology can only be one aspect of community development, solar energy systems have the demonstrated potential to provide some of the infrastructure needed in remote areas.

Ladies and Gentlemen,

Allow me now to talk briefly about renewable energy in Indonesia. In general, Indonesia gains benefit from its nature which is rich of both non renewable and renewable energy. It doesn't mean, however, that the country will not be lack of energy. Limited oil reserves and high oil consumption growth in the country would lead to change of Indonesia's status from an oil exporting country to an oil net-importing country.

Over the past decade, Indonesia's national energy consumption grew on the average about 7 percent per year. The growth rate according to the government planners would put further constraints on the dwindling commercial sources of energy such as oil, gas and coal. As a consequence, in 1998, the government issued a National Energy Policy calling for the optimization of energy use. The strategic component of the policy calls for : intensification, diversification, conservation, market oriented energy pricing and the protection of environment.

The policy to diversify energy sources and to protect the environment has increased the interest of many players in the renewable energy sector. As a

result, many renewable energy projects were put on stream and many more are on the pipeline while some are being prepared.

Renewable sources of energy such as biomass, hydro, geothermal, solar, wind etc. are abundant. Except, hydro and geothermal energy which are usually large scale, and biomass for direct burning in the rural areas, the contribution of new and renewable energy is still very low in the national energy consumption mix.

Renewable energy will show a greater economic importance at the turn of the twenty-first century as a result of fast changing policy on energy supply mix in Indonesia as well as the growing concern for protecting the environment.

In the short-term, renewable energy projects are directed towards the fulfillment of the basic energy needs in rural areas, while in the long-term emphasis is put on increasing significantly the role of renewable energy in the domestic energy supply mix for sustainable energy development.

The government has achieved some strides in this direction, namely : Establishment of Renewable Energy Association, Preparation of Standards for Renewable Energy Products, Renewable Energy Demonstration and semi-commercial projects in partnership with the private sector, Training, Information Dissemination, Strengthening of International Cooperation, Study on the Master Plan on Renewable Energy Development, Policy and Regulation, and Establishment of the IRES (Indonesian Renewable Energy Society).

Ladies and Gentlemen,

In pursuing the goals of the renewable energy sector the government currently established the Indonesian Renewable Energy Society (IRES). The objective of the IRES is to create a communication vehicle for consultation and cooperation

among the actors in the renewable energy sector. In consequence of this objective, the IRES will serve as a catalyst in achieving a quantum leap in research, development, promotion and commercialization of renewable energy. Therefore, the government should provide the necessary policy and business conditions including the development of viable financing scheme to attract private investment.

As a tropical country which has solar energy potential for along year, accordingly Indonesia has developed adequately many projects of solar energy particularly to fulfill the energy need in rural areas which have difficulty in accessing to commercial energy. From the experiences, the instructors of this training would give the picture of the existing solar energy technology and the developed technology on solar energy in Indonesia.

Distinguished Participants,
Ladies and Gentlemen,

The new modality as we apply it for implementing project of cooperation among the D-8 (Developing 8 Countries) would be a milestone in the economic revival of the member countries. We see this cooperation as an innovative way to bring power to millions of people in the Developing 8 Countries, so they can enjoy the benefits of electricity wherever they live.

I believe that the information exchange of solar energy technology and its development in D-8 member countries, and discussion during the training could provide the participants with not only a broad theoretical knowledge of the most innovative concept on solar energy technology but also give participants an opportunity to have direct field experience through site visit to solar energy unit.

In the meantime, I hope your stay in Yogyakarta will be an enjoyable and productive one.

Finally, I hereby declare this training officially opened.

Thank you.

Nenny Sri Utami

Director for Energy Development

Directorate General of Electricity and Energy Development

**Report of the
D-8 Training Program on
Micro-Hydro Power Plants**

Bogor-Bandung, Indonesia

22-25 February 2000

**REPORT OF THE D-8 TRAINING PROGRAM
ON MICRO-HYDRO POWER PLANTS
BOGOR - BANDUNG, INDONESIA
22-25 FEBRUARY 2000**

1. INTRODUCTION

- Following Indonesia's proposal to host training programs in the field of energy and mines which were adopted at the D-8 Second Summit held in Dhaka, 1-2 March 1999, the State Electricity Company, on behalf of the Government of Indonesia, convened a Training Program on Micro-Hydro Power Plants in Bogor and Bandung on 22-25 February 2000.
- The training program was attended by nineteen participants from member countries; Bangladesh, Indonesia, Iran, Malaysia, Pakistan and Turkey (The list of participants is attached as **Annex 1**). The participants were officially welcome by the Commissioner of Indonesia who was represented by the Director for Economic Relations among Developing Countries, Directorate General of Foreign Economic Relations, Department of Foreign Affairs.
- The Director for Energy Development, Directorate General of Electricity and Energy Development, Department of Mines and Energy, officially opened the D-8 Training Program on Micro-Hydro Power Plants. In her opening remarks, she stressed that objectives of the training program were to share experiences and improve knowledge and skills of the participants in the operation and maintenance of Micro-Hydro Power Plants. Such operation and maintenance were believed as important factors to achieve sustainability and optimum use of Micro-Hydro Power Plants. She also said that increasing use of renewable energy, including Micro-Hydro Power Plants, is one of important strategy to mitigate global warming due to green house gas emission (Text of the opening remarks appears as **Annex 2**).
- The training program covered classroom sessions and field trips. Classroom sessions which were held on 22 and 24 February 2000 encompassed agenda on country presentation, mechanical equipment, electrical equipment, civil structure, operation, maintenance and trouble shooting of Micro-Hydro Power Plants. While field trips were organized to visit the Micro-Hydro Power Plants facility in Cipayung, Bogor on 23 February 2000 and Mini-Hydro Power Plants facility in Bengkok, Bandung on 23-24 February 2000. The field trips were aimed at giving

opportunities for the participants to have a comprehensive understanding and practical guidance in the operation and maintenance of Micro-Hydro Power Plants.

2. MEMBER COUNTRIES' EXPERIENCES IN MICRO HYDRO POWER PLANTS DEVELOPMENT

- ☑ In the session of exchange of experiences, each participant shared their experiences in developing and utilizing Micro-Hydro Power Plants as well as its challenges and major problems. By sharing experiences, participants were not only expected to enrich their knowledge and skills but also to explore new opportunities and ways to enhance concrete cooperation among the D-8 member countries in the field of Micro-Hydro Power Plants.
- ☑ The participant from Bangladesh informed that due to its topographical characteristic, currently Bangladesh had only one multipurpose hydro electric power generating plant in Kaptal/Karnaful River with capacity of 230 MW rating and 242 MW maximum. However, the potential of major and medium size river in the Northeast of Bangladesh, which were estimated to have 472 unit size and 437 MW installed capacity with 161 MW annual output continuous, need to be studied further in detail to meet the increasing demand of electrical power in Bangladesh (Country paper of Bangladesh is attached as **Annex 4**).
- ☑ The participant from Indonesia highlighted that technology of micro hydro power plants had been in operation since 1922, which was still running well up to the present day. It was estimated that the potential hydro power potential in Indonesia was more than 75,000 MW which were localized mainly in Java, Kalimantan, Papua, Sumatra and Sulawesi. To bring potency into reality, it was realized to conduct more studies and consider constraints of time, cost and personnel. It was also understood that optimum use and development of Micro Hydro Power Plants depended on managerial ability, financial availability, technical skills, training and last but not least participation and coordinating people who were involved and support of the department concerned. Standardization of design was expected to be a key factor in reducing overall cost (Country papers of Indonesia are attached as **Annex 5**).
- ☑ The participant from Iran informed that from studies which were done by the Ministry of Energy and Jihad Sazandegi showed that potential small hydro power was estimated to be equal to 2000 MW, including mini & macro hydro (Country paper of Iran is attached as **Annex 6**).

- ☑ The participant from Malaysia stated that hydro energy contributes more than 90% of total renewable energy in use. Hydro electric technical potential in Malaysia is assessed at about 29,000 MW or 123,000 GWh per year. However, a large amount of these potential will not be exploited due to technical and economic factors. It was stated that the first hydroelectric project in Malaysia was 27 MW Chenderoh Power Station. He also mentioned that over the last four decades, a total of 10 major and 35 mini hydro projects were implemented by TNB giving a total capacity in excess of 12030 MW. It was also said that the strategies to enhance the usage of renewable energy, including micro hydro are by increasing local components, reducing cost, and setting-up special fund to intensify research activities to develop commercially competitive system to encourage private sector participation (Country paper of Malaysia is attached as Annex 7).
- ☑ The participants from Pakistan cited that due to one reason or the other out of total potential of more than 40.000 MW only about 10% had been exploited which includes small and large hydro power plants. The Country is, therefore, depending on the thermal power potential. The micro hydro is being developed by the government and by the NGO's along their flung area of Pakistan for i.e. Chitral, Gilgit, etc where in a number hydro power plant is in operation. These power plants are not connected with the national great system due to small sizes and economic reasons. However, local requirement is being fulfilled by these plants. However there was a greed need to more emphasizes further development of micro hydro power for local use. (Country paper of Pakistan is attached as Annex 8).
- ☑ The participant from Turkey communicated that her country has almost all types of conventional energy resources but they are not adequate in quality and amount compared to overall world resources. She also cited that the basic policy of Turkey is to ensure of cheap electrical energy on time and also for sufficient amount under qualified, reliable and competitive condition in energy market. To support the policies that were being applied for the encouragement of local and foreign private sectors aiming to improve hydraulic energy in the minimum period to realize the continuity of sustainability in social-economic developments within the frame of Built-Operate-Transfer (BOT) model that came into force in 1984. There has been also an important progress in the studies carried out by DSI with a turn key model of 100 % foreign credit for the construction of large HEPP projects within the frame of bilateral cooperation protocols made between Turkey and Austria, France, Russian, Switzerland, USA and Canada (Country paper of Turkey is attached as Annex 9).

3. RECOMMENDATIONS

At the end of the discussion, participants agreed to propose the following recommendations:

- The participants acknowledged the importance and the need of the D-8 countries to facilitate further cooperation on Micro-Hydro Power Plants.
- The participants underlined the importance of exchange of information, experience and experts on Micro-Hydro Power Plants.
- The participants pointed out that research on Micro-Hydro Power Plants in partnership with academicians, private sectors and related institutions is needed to the utilization and development of Micro-Hydro Power Plants in their respective countries.
- The participants cited the necessity to hold the program routinely at least once in 5 years with the consideration of specific topic of area and level of participants.
- The participants stressed the importance of promoting transfer of technology in the field of Micro-Hydro Power Plants among the member countries.
- The participants acknowledged the need of establishing a pilot project to promote research and development of Micro-Hydro Power Plants.

4. CONCLUSION

- The participants agreed that the Training Program on Micro-Hydro Power Plants has significantly improved their experiences, knowledge, and skills on the subject. This improvement will help them in optimizing the development and utilization of the Micro-Hydro Power Project in their respective countries. The participants appreciated the State Electricity Company of Indonesia for conducting the training program.

**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.



**STATEMENT BY THE EXECUTIVE DIRECTOR
TO THE ENERGY EXPERT GROUP MEETING
(03-05 April 2001, Abuja)**

It is an honour for me to address this important meeting on energy problems, the first organised by the Government of the Federal Republic of Nigeria.

The D-8 Economic Group was established nearly four years ago at the Istanbul Summit to promote economic cooperation amongst the member countries and to support international efforts for creating a more equitable world economic order. It is true that the globalisation has today become an irreversible process. Nevertheless, one cannot help but observe that its benefits are at present unevenly distributed while its costs unevenly shared. Therefore, it is important to strengthen and accelerate regional cooperation amongst developing countries in order to face the challenges of globalisation.

Since the creation of the D-8 Economic Group, significant progress has been achieved in various fields of cooperation. Suffice to mention that over thirty expert group meetings were held during this period. The prototype of agricultural aircraft was manufactured and flight tests successfully conducted. The Industrial and Technological Databank Network was launched. Substantial work was undertaken for the creation of an International Marketing and Trading Company (IMTC). Moreover, for sharing their knowledge, experience and expertise, the member countries also organised several workshops, seminars and training programs in the fields of aquaculture and food security, banking-insurance, rural development, poverty alleviation, environment, health, small and medium sized enterprises, etc. At the III Summit recently held in Cairo, the Heads of State and Government approved an extensive program of action for the future.

Needless to say, energy is a vital sector for every country, developing and developed as well. Therefore, the member countries are attaching particular importance to the cooperation in this field and to Nigeria's contribution to this effect. In developing their energy policies, the D-8 member states while discussing issues related to conventional energy sources have also to address alternative energy potentials in their countries.

In concluding my remarks, I congratulate the Government of Nigeria for convening this meeting and wish the participants all the success.