Organisation of the Islamic Conference

Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC)
On the occasion of the 25th Anniversary of the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC), the COMCEC Economic Summit was held in Istanbul on 9 November 2009 under the chairmanship of H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the COMCEC. The Summit was attended by the representatives of 41 OIC Member Countries; including Heads of States of many Member Countries. In this respect, I have the honour to inform the august audience of the Review that, at the inaugural session of the COMCEC Economic Summit, SESRIC has made a presentation on the Vocational Education and Training Programme (OIC-VET); a comprehensive programme which has been initiated, developed and designed by SESRIC to address one of the most salient developmental challenges of the OIC Member Countries, i.e. vocational education and training. The OIC-VET Programme was, then, officially launched by H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the COMCEC. The OIC-VET programme aims at improving the quality of vocational education and training (VET) in the public and private sectors with a view to supporting and enhancing the opportunities for individuals in the Member Countries to develop their knowledge and skills and thus to contribute significantly to the development and competitiveness of their economies. The Programme focuses on increasing accessibility and raising the quality of VET and provides an opportunity for organisations involved in VET to build OIC partnerships, exchange best practices, increase the expertise of their staff and develop the skills and competencies of the participants.

In this connection, I would like to dwell briefly on some other recent activities and initiatives of our Centre. SESRIC has organised, in collaboration with the Turkish International Cooperation and Development Agency (TIKA), e-Government Centre of the Public Administration Institute for Turkey and the Middle East (TODAIE eDEM) and the United Nations Development Program (UNDP), the "International Conference on e-Government: Sharing Experiences" (eGOVsharE2009). The Conference, which was held on 8-11 December 2009 in Antalya, Turkey, brought together leaders, public managers and professionals, ICT representatives and academics from the Member Countries and elsewhere. The main objective of the Conference was to exchange practical experiences and explore ways and means of cooperation in various issues related to e-government applications. The Conference opened new channels for cooperation among the OIC Member Countries in this important area through establishing a platform (portal/network) to facilitate and increase cooperation and collaboration among the OIC Member Countries with an interest in e-government applications and services with the aim of exchanging knowledge and enhancing technical cooperation on e-government related issues between public, private and municipal bodies of OIC Member Countries.
On the other hand our Centre has organised the Meeting of the National Statistical Organisations (NSOs) of the OIC Member Countries in collaboration with the Islamic Development Bank (IDB). The Meeting, which was held in Istanbul on 22-23 March 2010, discussed various issues related to the coordination of the statistical activities among the OIC institutions and the NSOs of the Member Countries to ensure consistency in statistical practices. The Meeting adopted Istanbul Declaration, in which the Heads of the NSOs agreed to organise the meeting of OIC-NSOs under the title “OIC Statistical Commission (OIC-SC)” annually, and to designate SESRIC as the secretariat of the OIC-SC. This Meeting was also instrumental in enhancing the cooperation between the NSOs of the OIC Member Countries and the users of the statistical data with the aim of producing high quality, accurate, reliable and consistent data for better policy making and strategy development.

In the area of cooperation among the Development Cooperation Institutions of the OIC Member Countries with a view to coordinating the efforts of these institutions towards poverty alleviation in the Member Countries, SESRIC will organise, in collaboration with the OIC General Secretariat and Abu Dhabi Fund for Development (ADFD), the 2nd Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries. The Meeting will be hosted by ADFD and held on 3-4 May 2010 in Abu Dhabi, United Arab Emirates. The Meeting will mainly discuss and approve the “Draft Operational Framework for the OIC Development Assistance Committee (OIC-DAC)”, which has been prepared by the Experts Group Meeting organised by SESRIC in Ankara in December 2009. The delegations will discuss and deliberate on other issues such as enhancing the visibility of the development assistance of the DCIs of the OIC Member Countries and the potential areas and projects for cooperation and collaboration towards higher positive impact in the recipient countries.

Our Centre will also organise, in collaboration with the Central Bank of the Republic of Turkey, the 2nd Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries. The Meeting will be held on 26-27 September 2010 in Istanbul. During the Meeting, the Governors and representatives of the Central Banks and Monetary Authorities of the OIC Member Countries will discuss and deliberate on ways of cooperation among the Central Banks of the Member Countries with a view to strengthening the economies of the Member Countries in the face of the global financial crises. They will also follow up and discuss the decisions included in the Final Communiqué adopted at the 1st Meeting. The 1st Meeting was jointly organised by SESRIC, the Central Bank of the Republic of Turkey and the COMCEC Coordination Office and held in Istanbul on 3 October 2009. At the end of the Meeting, the Governors of the Central Banks and Monetary Authorities of the OIC Member Countries adopted a Final Communiqué in which they decided to convene the Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries on an annual basis and to establish a Troika system to perform the secretariat of the Meeting. SESRIC is also a member of the secretariat and will organize coordination with the COMCEC.

The fourth issue of the Economic Cooperation and Development Review includes an interview with H.E. Maitre Abdoulaye Wade, President of the Republic of Senegal and Chairman of the Eleventh Islamic Summit Conference. Among other issues of concern to the OIC Member Countries and Islamic world as a whole, the interview focused on President Wade’s views on the changes in the agenda and
strategies of the OIC as well as the actions that are needed to be undertaken by the OIC and its Member Countries towards achieving more active role as partner in promoting international peace, security and development at both the Islamic world and the international levels.

This issue also includes two articles by eminent personalities on issues of immediate concern to the developing countries, including the OIC members. The Secretary-General of the International Telecommunication Union (ITU), Dr Hamadoun Touré, presents his views on tackling the challenge of climate change and the crucial role of the ITU in this regard. The Governor of the Central Bank of Malaysia (Bank Negara Malaysia), Dr. Zeti Akhtar Aziz, shares her very valuable views on the global financial crisis and policy recommendations in her article titled “Looking Beyond the Global Financial Crisis: Emerging Trends”.

We will continue to introduce more new innovative approaches in the activities of our Centre in order to enhance our services and contribution for more benefit to our Member Countries in the areas of the mandate of our Centre. I am confident that, with the continuous contributions of eminent personalities, economists, policy-makers, government officials, academicians and researchers in the OIC community and elsewhere, and the continuous and encouraging positive feedback, particularly from the highest levels of the governments of the OIC Member Countries, including Heads of States and Ministers, the Economic Cooperation and Development Review will continue to contribute significantly to the developmental efforts of the developing countries in general and the OIC Members in particular. At the end, I would like to express my deep thanks and appreciation to all the contributors to the fourth issue of the Review.

Dr. Savaş Alpay Director General SESRIC
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24-25 April 2010 Meeting of Experts on the Ranking of Universities in Islamic World, Antalya - Turkey

03-04 May 2010 Second Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries, Abu Dhabi - United Arab Emirates

10-12 May 2010 26th Meeting of the Follow-up Committee of COMCEC, Antalya - Turkey

11-12 May 2010 Second Meeting of the Monitoring and Advisory Committee (MAC) of the Vocational Education and Training Programme for OIC Member Countries (OIC-VET), Antalya - Turkey

18-20 May 2010 6th World Islamic Economic Forum, Kuala Lumpur - Malaysia

18-20 May 2010 The 37th Session of the Council of Foreign Ministers (CFM), Dushanbe - Tajikistan


23-24 June 2010 35th Board of Governors Meeting of IDB, Baku - Azerbaijan

29 June-01 July 2010 OIC-UN Biennial General Cooperation Meeting, Istanbul - Turkey

26-27 September 2010 Meeting of the Central Banks and Monetary Authorities of the Member Countries of the Organization of the Islamic Conference (OIC), Istanbul - Turkey

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26-27 September 2010 Meeting of the Central Banks and Monetary Authorities of the Member Countries of the Organization of the Islamic Conference (OIC), Istanbul - Turkey
President Maitre Abdoulaye Wade was born in Saint-Louis, Senegal, in 1926. He pursued his higher education in France, starting with Mathematics at the Lycée Condorcet, Paris. He received B.A. in Law from Faculty of Law of Dijon in 1955 and two doctorates in law and economics, first in 1959 from the University of Grenoble and then in 1970 from Paris Sorbonne University. President Wade worked as a law professor and lawyer in France before returning to Senegal to practice law and teach it at the University of Dakar, where he was also the dean of the Faculty of Law and Economics. Within his academic career, he authored several works, including books, analytical studies and various other papers.

In his professional life, President Wade was a lawyer at the Court of Appeal of Dakar, Senegal; a member of the International Academy of Compared Law, Stockholm, Sweden; and a member of International Academy of Trial Lawyers. He also chaired the Group of African Experts of the Organization of the African Unity (OAU) and the African Development Bank in the International Monetary Negotiations and Financing of the Development and the Intra-African Co-operation (1972). He wrote the Charter for the Co-operation, the Economic Independence and the Development, adopted by the Summit of the African Heads of State in Addis-Ababa in 1973.

President Wade also has a long history in politics. In 1974, he founded the liberal Senegalese Democratic Party (PDS) –the first legal opposition party in Africa– and was elected to parliament in 1978. He served as minister of state during 1991-92 and 1995-98. He ran for president four times, first in 1978, before he won in 2000 to become the 3rd President of Senegal. In 2007, he was re-elected for the second term. President Wade was awarded the Commander of Merit, Senegal, and Grand Officer of the Legion of Honour, France.

SESRIC- After 40 years of its establishment, how do you view the performance of the Organisation of the Islamic Conference (OIC) as the collective voice of the Muslim world? And considering the current geopolitical and economic challenges, how do you project the OIC as an effective partner in promoting international peace, security and development?

H.E. MAITRE ABDOULAYE WADE – As you know, the Organisation of the Islamic Conference was established on September 25, 1969 following the case of arson of the Al Aqsa Mosque. The defence of the Palestinian cause thus remains in the middle of its concerns and its mission.

In fact the same historical circumstances of the birth of the organization are the ones to fulfil this assumption of responsibility of the Palestinian people’s legitimate claims until their satisfaction.

But since its establishment, the Organisation has evolved much.

The manpower of the Member States was strengthened even without taking into account the States and Organisations benefiting from the...
statute of observer to the Organisation of Islamic Conference.

Today, the OIC, its Specialized Institutions and its subsidiary organs cover a very broad spectrum of activities ranging from finance with the Islamic Development Bank (IDB) to Education, Science and Culture with the ISESCO, moreover, of course, issues of peace and safety, in particular through the contribution of the Organisation to the pacific settlement of disagreements in conflicts, which affect the Member Countries. It is, in particular, the case of the OIC participation in international Groups of contact for such and such country in crisis.

This historical evolution of the Organisation drives me to believe that it has real prospects for progress in its mission at the service of the Islamic Ummah, provided that its structures and its methods of operation are constantly adapted to the changing realities of the world.

SESRIC - With 57 Member Countries, the OIC is now the second largest inter-governmental organisation after the United Nations. Recently, many political, social and economic initiatives and programmes of action, including the new Charter of the Organisation, have been introduced and adopted, particularly since 2005 when Prof. Ekmeleddin Ihsanoglu was the first Secretary General in the history of the Organisation to be elected through actual voting by the Member Countries. How do you view these changes and their reflections in the future operations and the overall functioning of the OIC?

H.E. MAITRE ABDOUNAYE WADE - This question is related to the previous one. But first of all let me specify that Professor Ihsanoglu was elected by consensus, therefore without vote because its candidacy got the adhesion of Member Countries. Moreover, it is upon Senegal’s proposal, supported by Saudi Arabia, that Prof. Ihsanoglu was also re-elected by acclamation, at the 11th Islamic Summit in 2008 in Dakar. You are right to state that because of the number of its Member Countries, the OIC is the largest intergovernmental Organisation – outside the UN System in terms of manpower.

Moreover, we represent today nearly a billion and half of individuals throughout the world, let alone the economic weight which the geographical region of the Ummah represents.

All this is to say that the OIC has an important potential to weigh on the pace of the world and to influence the course of events.
geographical regions of the Ummah by supporting organs such as the General Council of Islamic Banks and Financial Institutions and the Islamic Chamber of Commerce and Industry to which seven hundred chambers of commerce and more than fifty million contractors of the OIC Member Countries are affiliated.

Moreover, trade fairs should also constitute occasions to tighten business relations not only between our States but also and especially between our respective private sectors. In short, we must be able to know what we produce in the geographical regions of the Ummah to better develop commerce between our countries.

**SESRIC** - Over the last four decades, the Republic of Senegal has been playing an active role and sparing no effort to strengthen the solidarity and cooperation among the OIC Member Countries, particularly in Africa. Given this state of affairs and considering the current global geopolitical and economic challenges, how do you, as the current Chairman of the OIC Summit Conference, view the role of the Republic of Senegal, as one of the 30 founding Member Countries of the OIC, in promoting peace, security and development at the OIC community level?

**H.E. MAITRE ABDOULAYE WADE** - The Senegal has always maintained privileged friendship and co-operation relations with the Member Countries of the Ummah, based on reciprocal confidence and respect. These relations are old and some of them go the way back to the time of the arrival of Islam in Senegal, well before the independence of our country.

Thus it is quite obvious that Senegal was a participant in the September 1969 Meeting as a founding member of the OIC then held the position of Secretary General in the person of Mr. Karim GAYE, and hosted twice the Summit of the Organisation, respectively in 1991 and 2008.

As the OIC President-in-Office, I am to some extent agent of this entire historical heritage. My responsibility is to make the voice of the Organisation heard on issues subject to a consensus within Member Countries and to take initiatives directed in the collective interest of the Ummah on all issues in the competency of the Organisation, the promotion of peace and the peaceful resolutions of conflicts within the Muslim world.

This is the meaning of the mediation I had undertaken between Sudan and Chad in margin of the 11th Islamic Summit which led to the Dakar Agreement between Presidents Omar EL BECHIR and Idriss DEBY ITNO in March 2008. It is also what I meant with the initiative I undertook in June 2008 when I had received, in Dakar, a delegation of Hamas and Fatah to help with the Palestinian national reconciliation. Moreover, Senegal also runs the Presidency of the Committee for the exercise of inalienable rights of the Palestinian people since its establishment more than thirty years ago.

In addition to this diplomatic action for the peaceful resolution of conflicts there is the regular participation of Senegalese soldiers to peace keeping operations including of course in OIC member Countries.
The 11th Session of the Islamic Summit Conference, “Session of the Muslim Ummah in the 21st Century”, which was held in Dakar in March 2008, recognized the need for special efforts to tackle poverty in many OIC Least Developed Member Countries, particularly in Africa, and to address issues related to food security, water and sanitation, basic health, and education, as well as infrastructure and clean environment. As the current Chairman of the OIC Summit Conference, how do you evaluate the efforts and progress that have been so far done in these areas under the umbrella of the OIC? And how do you view the role of OIC economic cooperation in enhancing the economic wellbeing of the Member Countries, particularly in Africa.

**H.E. MAITRE ABD OULAYE WADE** - The phenomenon of poverty in the Muslim world stems from a true paradox, considering that the Ummah has the entire means of eradicating today poverty at the roots, through its well endowed natural and financial resources. It is precisely in order to fight this phenomenon that the OIC Extraordinary Summit of Makka Al Mukkarramah in December 2005 decided to create a 10 billion dollars Islamic Solidarity to eradicate poverty.

This highly commendable initiative was reaffirmed by the 11th Islamic Summit of Dakar in March 2008. In my capacity as President-in-Office, I dispatched several missions to certain Member Countries to help with the mobilization of resources. To date, pledges for contributions are for only 2 billion 629 million dollars including 1 billion from the IDB. On this entire amount, only 725 million 800 thousand dollars was effectively contributed. We are, thus, far from making it.

This is the reason why, last October I took the initiative of rekindling the file by inviting Member Countries, able to do so, to either deposit a financial contribution directly to the fund or otherwise provide assistance to countries beneficiaries of the fund through direct intervention by financing projects in priority areas such as education, health, drinking water supply, sanitation and housing.

To implement this new strategy, I proposed to the Secretary General that he presents an overview of poverty in the world from data collected in Member Countries I have also contacted to facilitate data collection for the Secretary General.

Beyond the necessary Islamic solidarity, it is important to encourage commerce and investment within the Ummah. It is probably the most sustainable solution to the problem of poverty which challenges our countries.

**SESRIC** - The 11th Islamic Summit Conference welcomed the setting up of a Special Program for the Development of Africa (SPDA) as yet another fundamental step in implementing the mandates of the OIC Ten-Year Programme of Action. In this regard, the Conference thanked the Government of the Republic of Senegal for hosting the Ministerial Meeting on the SPDA, held in Dakar in January 2008, and invited the Chairman of Summit, in collaboration with the OIC General Secretariat, the IDB, and
representatives of African OIC Member Countries to ensure coordination with a view to achieving effective implementation of the IDB (SPDA), and to adopt appropriate measures to drum up maximum support and mobilize more funds for the Islamic Solidarity Fund for Development. How do you view these efforts and their expected contribution to the national efforts of the African OIC Member Countries, particularly in the area of poverty eradication?

H.E. MAITRE ABDOULAYE WADE – First of all, I would like to specify how I perceive the concept of poverty. The classical definition, generally used in the international community, considers any person living with less than one dollar per day as poor. Personally, I think it is simplifying too much the problem. I plead for a redefinition of the notion of poverty.

To my way of thinking, poverty is not expressed in terms of incomes but of living conditions.

There is whole set of factors upon which it is necessary to act to improve these conditions durably.

In my mind Poverty is a cumulating deficits; non-access to decent housing, drinking water, decent food, health care, education and a healthy environment.

The expected contribution of the Islamic Solidarity Fund is precisely to help overcome the setbacks I have just enumerated. Obviously, taking into account the wide scope of the needs, even if the goal of ten billion were achieved, there would always remain needs that are not satisfied. But we should not give up for that matter. With the support of the Islamic Development Bank which is doing a wonderful job as it is and the support of the Secretary General, a man committed to serving Member Countries, we must continue the plea in favour of resource mobilization, given that each country is responsible at first for its own economic and social development; Islamic solidarity being only a complementary action the national efforts.

SESRIC- As Your Excellency knows, the world economy is still suffering the negative impacts of the 2008 global financial crisis, including the OIC Member Countries. Towards mitigating the negative impacts on our member countries, the SESRIC organised the First Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries in Istanbul in May 2009 as well as the Meeting of the Governors of the Central Banks and Monetary Authorities of the OIC Member Countries in Istanbul in October 2009. Additionally, the Vocational Education and Training Programme for OIC Member Countries (OIC-VET), which is a programme initiated and designed by SESRIC, has been officially launched by H.E. Abdullah Gul, Chairman of the COMCEC and President of the Republic of Turkey, at the COMCEC Economic Summit, which was held on 9 November 2009 in Istanbul. How do you view these activities and their impacts on fostering economic cooperation/integration among the OIC Member Countries, especially in these times when we face with such unprecedented global challenges? And how do you envisage the expected future role of our Centre in this regard?
H.E. MAITRE ABDOULAYE WADE - As a Head of State and an economist, I am concerned two folds by the crisis that affected world economy, I had the opportunity to say on several occasions that in a certain way, the current crisis reflects an inefficiency of world economic thinking and governance.

Now, it is a matter of rethinking the system inherited from Breton Woods. Therefore there is a thorough reflection effort to carry out with regard to the global society project we want to setup in the future. That is what indicated in October 2008 in Evian, in France, when I was invited by the French Institute of International Relations (IFRI) to the first edition of World Policy Conference (WPC) which hosted some Heads of State and Government, Business representatives, and scholars My position, in principle, is that nobody has the monopoly of intelligence, reflection on the crisis and on new governance should not only be a concern of the North. We must get involved in the debate on solutions to the world-wide crisis because it is thinking that guides over well thought actions.

That is the reason why in my capacity as the Chairman of the OIC Summit, I congratulate the SESRIC for having organized the first Meeting of Development Cooperation Institutions (DCIs) of the OIC Member Countries. It is necessary to continue thinking about the great current issues such as, for example, the banking system, Islamic finance and the use of Zakat to fight poverty sustainably. I also welcome the Vocational Education and Training Program for OIC Member Countries (OIC-VET), an initiative of the SESRIC, which has been officially launched by H.E. President Abdullah Gül during the COMCEC Economic Summit, held in Istanbul on 9 November 2009, an action on the right track.

To educate and train our young people to have quality human resources is an intelligent investment and a precondition for economic and social development. I am more pleased as Senegal devotes 40% of its national budget to education and training.

SESRIC- Thank you very much, Your Excellency.
The 2\textsuperscript{nd} Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries

3-4 May 2010, Abu Dhabi, United Arab Emirates

The 2\textsuperscript{nd} Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries will be organised by SESRIC, in collaboration with the OIC General Secretariat and Abu Dhabi Fund for Development (ADFD), and hosted by ADFD on 3-4 May 2010 in Abu Dhabi, United Arab Emirates. The Meeting will mainly discuss the “Draft Operational Framework for the OIC Development Assistance Committee (OIC-DAC)”, which has been prepared by the Experts Group Meeting organised by SESRIC and held in Ankara in December 2009. The Delegations will also deliberate on other issues such as enhancing the visibility of the development assistance of the DCIs of the OIC Member Countries and the potential areas and projects for cooperation and collaboration.
Looking Beyond the Global Financial Crisis: Emerging Trends

Dr. Zeti Akhtar Aziz
Governor, Bank Negara Malaysia

Dr. Zeti Akhtar Aziz was appointed Governor of Bank Negara Malaysia in May 2000. She has been with the Central Bank since 1985, in a career spanning several positions in the Bank in the areas of monetary and financial Policy and reserve management.

During the height of the Asian financial crisis, Dr. Zeti was appointed as Acting Governor on September 1, 1998, and led the Bank Negara Malaysia team to successfully introduce and implement the selective exchange controls to restore stability and promote economic recovery in Malaysia.

Before joining the Bank, Dr. Zeti was attached to the South East Asian Research and Training Centre (SEACEN) from 1979-1984 and conducted research in the area of financial policies and reform in the South-East Asian region. She has written extensively in the areas of monetary and financial economics, capital flows, macroeconomic management, financial reform and restructuring. Dr. Zeti received her B.Sc in Economics from the University of Malaya and her Ph.D from the University of Pennsylvania. As part of her dissertation, Dr. Zeti did pioneering work on capital flows and its implications for monetary policy.

As Governor, Dr. Zeti has presided over the successful consolidation programme of the domestic banking institutions as well as, the preparation of the Financial Sector Master Plan, which outlined the road map for the development of the Malaysian financial system over a ten-year period. In the area of Islamic finance, Dr. Zeti has been actively involved in its development. She chaired the Inauguration Committee for the establishment of the Islamic Financial Services Board (IFSB) and played a major role in its creation. At the regional level, Dr. Zeti has also worked closely with the other Central Banks in the East Asian region to strengthen regional financial cooperation, and has been involved in a number of regional initiatives.

Dr. Zeti is currently a member of the United Nations General Assembly Commission of Experts on Reform of the International Monetary and Financial System, a high-level task force established to examine possible reform of the global financial system.

As the international financial markets and the global economy recover from the repercussions of the financial disruptions and dislocations that have occurred in the major financial systems, there have been wide ranging proposals to strengthen the foundations for financial stability, and reviews of the existing institutional arrangements in the international financial system with the aim of attaining a path of stability and sustainable growth.

In relation to this, there are three trends that are gaining significance in the global economy and the international financial system and their implications in this post financial crisis era. The first, is the increasing significance of Asia in the global economy; second, the extensive international regulatory reforms that is being envisaged by the international community; and third, the rapid growth of Islamic finance and its integration into the international financial system. These trends are set to become significantly more pronounced in the aftermath of this global financial crisis.
Growing Significance of Emerging Economies

After one of the worst economic crises in modern history, the global economy is now on the path of recovery but with a pace that is set to be uneven. There is now a global shift taking place arising from an increasing growth divergence between the advanced and emerging economies resulting in a change in the configuration of the global economy. This is not only a consequence of the crisis related factors but also due to structural factors prevailing prior to the crisis.

We have seen extraordinary and unprecedented measures being taken by the advanced economies to restore stability and the functioning of the financial systems, and to contain the effects of the financial crisis on the economy. While a catastrophe has been averted, the recovery in the advanced world continues to be reliant on policy support, with structural factors yet to be addressed. The IMF’s projection is for growth in the advanced economies for the period 2009 and 2014 to be 1.3% per annum, which is half of what was registered during the period 2000 to 2008.

The emerging economies, in general, and the Asian region in particular, have emerged with stronger growth. Several key factors have enabled this faster and stronger rebound. Firstly, is the policy flexibility to implement the monetary and fiscal stimulus? Strong fiscal positions and relatively low public debt levels have allowed many Asian governments to implement larger fiscal stimulus measures. Second, the financial sector in the region is in good shape, avoiding any disruption of credit flows to the private sector. The region has benefited from a decade of financial reforms and development of the domestic financial infrastructure. The financial systems in Asia have remained resilient throughout this global financial turmoil. This will be an important factor in sustaining the economic recovery to support domestic private sector economic activity when the fiscal measures are gradually withdrawn.

Third, households and the corporate sectors are not over-leveraged, and thus better positioned to sustain consumption and investment activity. Fourth, increased intra-regional trade in Asia has supported the recovery in regional trade activity. This has been reinforced by the strengthening of the domestic demand in the region.

While domestic sources of growth have gained significance, trade will continue to be important but with a distinct change in the pattern of trade. Trade among the emerging economies has already increased, with this trend being most evident among the emerging economies in Asia. Intra-regional trade in Asia has already risen from 32% of total exports in 1995 to an average of 50% in 2008. Rapid trade liberalisation across Asia has improved market access. Rising incomes in the Asian region where more than half of the world population resides has generated a huge cumulative market. This increase in consumption demand has led to the development of an extensive modern retail sector across the region.

Supported by stronger economic fundamentals, emerging economies are expected to grow at higher rates over the next five years compared to the period prior to the crisis in 2000 to 2008. The IMF projects that emerging economies in Latin America, the Middle East, Africa and Asia will, on the average, grow by 6.1% in the period 2010-2014, higher than compared to the period 2000-
2009. Asia’s prospects during this period will be sustained by several structural factors. First, Asia has a favourable demographic structure with a relatively young population with a higher propensity to consume. The high savings rate in Asia also allows for higher consumption demand with more than adequate surplus to finance the required investments activity. In addition, financial intermediation in Asia is progressively deepening to meet the new financing needs of households and businesses.

In this more recent decade, greater financial integration is taking place. This financial integration will result in a more efficient recycling of Asian savings into investments within Asia. It has been estimated that Asia needs to invest about USD 8 trillion in infrastructure development over the next ten years. The effective channelling of Asia’s large pool of savings into such productive investment activity in the region will certainly support more rapid growth and development in Asia. Economic and financial linkages are also being established with other emerging economies in other parts of the world thereby mutually reinforcing the prospects for growth in the global economy. This will in turn contribute towards the rebalancing of global growth. The concentration of economic power in the global economy will become more dispersed.

**International Regulatory Reforms**

The enormous scale, scope and costs of the global financial crisis have led governments, and regulatory and supervisory authorities from around the world to mount one of the most aggressive agendas of reform to financial regulation seen in recent times. The extent of these reforms has been almost as dramatic as the events that led to their creation. In particular, the potential impact that these reforms will have in re-defining the financial landscape in the future are significant, with broader implications for competition, innovation and ultimately, on the overall economic activity.

Certainly, strengthening financial regulation is an important goal. And the need to improve the design of financial regulation is not a point of contention. For many emerging economies - certainly in Asia - strengthening financial regulation and supervision and the development of the financial system has been an important priority, particularly in this recent decade and well before the onset of this crisis.

This crisis has focused attention on some important issues that calls for wide ranging regulatory responses. The degree of consensus on the spectrum of recommended reforms by the international community has however been mixed. Nevertheless, on some areas there has been a clear consensus. There is agreement that the regulatory framework needs to be more responsive to risk. Equally, there is agreement on the need to materially improve risk management in financial institutions, and to strengthen the role of supervisors in the oversight of financial
institutions. The need to enhance safety nets, in particular, in the liquidity support arrangements and deposit insurance, has also been widely acknowledged, as is the need for greater disclosure and transparency, particularly on off-balance sheet exposures. These have also been the areas of focus of most of the authorities in emerging Asia post the Asian financial crisis.

In other areas, there has been substantial debate by the international community. The first concerns the degree of balance of regulation. This crisis has shown that market discipline needs to be complemented by regulation. The question however has centred on how far the pendulum should swing towards greater regulation. Should regulatory constraints be imposed on size, leverage and activities of financial institutions? This would have significant implications on the role of the financial sector in the overall economy. The main reservation with such reforms has been whether they will in fact deliver greater financial stability beyond more basic and well designed changes to the regulatory architecture. It also raises the question as to whether it would significantly raise the cost of financial intermediation.

A central piece of the ongoing international debate on the regulatory reform agenda is the proposal on limiting the size of institutions. Whether this in itself will effectively reduce systemic risks has yet to be demonstrated. The experiences of Australia and Canada which have highly concentrated banking systems suggest that the control of systemic risk has less to do with size, and more to do with the effectiveness of risk management and supervision of the large institutions.

Malaysia shares this view. Following the Asian financial crisis, measures were taken to prompt the consolidation of our banking sector, thus creating larger institutions with enhanced capabilities not only to operate effectively in the domestic financial system but also beyond domestic borders. The focus is to emphasise on the investment in the risk management capabilities of not only management but also the board of the institutions. It is plausible that artificial restrictions on size or scope could result in a shift of systemic risks to closely interconnected networks of smaller institutions which collectively pose a similar degree of systemic risk.

Emerging economies have great interest in the direction of these reforms. For the emerging economies in Asia, the banking system remains the largest component of the financial system. Regulatory, supervisory and legal reforms have generally focussed on effective governance and commensurate risk management capabilities. In Malaysia, the banking system leverage ratio is less than 11 times while the banking system risk-weighted capital ratio is 14.1% with tier-1 capital at 13.6%.

Equally important is the incentive structure in place for such financial institutions, the level of transparency and disclosure, effective surveillance and forward looking oversight by the authorities and the institutional arrangement for effective resolution of problem institutions that will facilitate the orderly exit of such institutions.

Ultimately, the consideration of appropriate reforms should not overlook the main goal of regulation. It needs to be recognised that achieving financial stability is a means to an end. The ultimate objective is sustainable growth and a shared prosperity. High regulatory costs and the
increased burden on the intermediation process would materially affect economic activity while doing little to alter the risk taking behaviours which was a major factor causing the crisis. There needs to be an understanding of the impact of the proposed measures from the many dimensions including how they ultimately influence institutional behaviours. The challenges of carrying out such an assessment on a global scale is daunting, but the policy response must rise to the challenge in order to avoid unintended consequences that will be difficult to roll back without adding further burdens on the financial system.

The second key area of debate concerns the design of the institutional framework for financial stability. The main issues have tended to centre on the role of the central bank in financial stability and as to whether there should be a single or multiple supervisory authorities. Given that the central bank is the lender-of-last-resort in a crisis, the central bank is invariably in the frontline of action to restore stability. While there is no general agreement on the optimal structure for the supervision function, it is recognised that financial systems have become increasingly complex and interconnected and whether a country adopts an integrated model or a model that is organized along sectoral lines, effective coordination is critical to support assessments of the overall risk exposures in the financial system. Moreover, the potential for regulatory arbitrage should be avoided.

A further case made for central banks to assume the banking supervision function is the informational efficiencies particularly for effective crisis management. The insights gained from the economic analysis and market operations performed by central banks for monetary policy objectives also contributes significantly towards more informed financial supervision. This includes providing a better understanding of the potential for macro-prudential measures as part of the supervisory responses. The chosen supervisory structure needs to credibly demonstrate that it is able to respond and adapt effectively to the fast-changing environment. Additionally, the capacity and capability of the authority in terms of the calibre, skills and expertise needs to be continuously reinvented to keep pace with the new and more complex developments. For most emerging economies, the largest concentration of talent generally resides in the central bank.

Malaysia has adopted an institutional arrangement in which the Central Bank is responsible for banking and insurance supervision. This arrangement has significantly benefited Malaysia, both during normal times and in crises, as demonstrated during the Asian financial crisis and during the recent market turbulence. During the episodes of crises, this arrangement has enabled the Bank to quickly harness the diverse set of critical skills, experience and information that resides in the Bank and allowed for prompt decisions and actions. The Bank has also been able to leverage on the established internal processes, structures and relationships that are already in place during normal times as part of performing our integrated surveillance function.

**Islamic Finance, Global Growth and Stability**

While these issues continue to be decided by the international community, the sustained and largely uninterrupted expansion of global growth...
in Islamic finance has drawn significant interest. Today, Islamic finance has evolved to become a viable and competitive component of the international financial system. Following the global financial crisis, discussions have increasingly turned to the prospects of the potential role and relevance of Islamic finance in contributing to global financial stability and in support of overall economic growth.

Islamic finance is predicated on Shariah, the Islamic law which requires that an Islamic financial transaction be supported by an underlying economic activity, thus ensuring that there is a close link between financial and productive flows. This fundamental principle is all about the basic banking function of providing financial services that adds value to the real economy. Financial flows in Islamic finance are therefore accompanied by the expansion of genuine productive activity. Under this arrangement it also avoids over-exposure to risks associated with excessive leverage. Secondly, Islamic finance is based on profit-sharing and therefore risk sharing. Islamic financial transactions, clearly defines the arrangements at the onset, and provides the incentive for the Islamic financial institutions to undertake appropriate due diligence to ensure that the profits are commensurate with the risks being assumed. Aspects of governance and risk management are therefore strongly emphasised in the arrangements. In particular, such contracts demand higher standards of disclosure and transparency to be observed which, in turn, act to strengthen market discipline and minimise informational asymmetries. There are also clear value propositions in Islamic finance for both investors and issuers. For investors, Islamic financial products offer portfolio diversification and new investment opportunities as they avail themselves to this new asset class. For issuers, Islamic finance allows access to a new source of funds and liquidity in addition to providing new risk management options.

As part of ongoing measures to further strengthen the resilience of Islamic finance, the Islamic Development Bank (IDB) in collaboration with the Islamic Financial Services Board (IFSBI) has formed a Task Force on Islamic Finance and Global Financial Stability in 2008 to analyse and propose specific recommendations on the role and contribution of Islamic finance in promoting global financial stability and to outline the areas for strengthening the Islamic financial infrastructure including for putting in place the building blocks for liquidity and crisis management in the Islamic financial system.

In this recent decade, the increasing internationalisation of Islamic finance is being accompanied by new emerging global patterns of financial and economic interlinkages. This can be observed in the strengthening of ties in recent years between Asia and the Middle East in trade and investments in a wide range of areas. Both Asia and the Middle East are increasingly recognised as dynamic growth regions in the global economy. The two regions have a history of strong trade ties that flourished on the old Silk Road, which served as a major global conduit between the ancient civilisations in the East and West until about the 14th century. Islamic finance today has revitalised these economic ties with the strengthening of the financial linkages between Asia and the Middle East, a trend that will generate mutually reinforcing growth prospects.
The emergence of these new financial centres in Asia and the Middle East and their increased integration has paved the foundations for a New Silk Road. It has also opened up the prospects for developed economies to forge stronger financial linkages with these dynamic growth regions of Asia and the Middle East.

Islamic finance is well positioned to be a vehicle on the New Silk Road as the enabling supporting infrastructure is already in place. The required regulatory and legal frameworks for Islamic finance have also been established, not only growing in a number of countries in Asia and the Middle East, but also at the international level. It was with the establishment of the prudential standard-setting body, the IFSB in 2002 based in Malaysia that efforts to enforce common prudential standards have significantly progressed. Efforts towards the harmonisation of Shariah interpretations and issues concerning mutual recognition are also at an advanced stage.

**Conclusion**

The growing significance of emerging economies, the international regulatory reform agenda and the development and expansion of Islamic finance is likely to have a growing influence on the global economy and financial system going forward. In this rapidly evolving environment, these new trends need to be taken into account in creating a global economic and financial order that is profoundly better than the one the world is experiencing today.
The 2nd Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries
26-27 September 2010, Istanbul, Republic of Turkey

The 2nd Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries will be organised by the Central Bank of the Republic of Turkey and SESRIC, and held in Istanbul on 26-27 September 2010. During the Meeting, the Governors and representatives of the Central Banks and Monetary Authorities of the OIC Member Countries will discuss and deliberate on ways of cooperation among the Central Banks of the Member Countries with a view to strengthening the economies of the Member Countries in the face of the global financial crisis. They will also follow up and discuss the decisions included in the Final Communiqué adopted at the 1st Meeting.
Tackling Climate Change: The Crucial Role of ITU

Dr. Hamadoun Touré
Secretary-General, International Telecommunication Union (ITU)

Dr Hamadoun Touré was elected Secretary-General at the ITU Plenipotentiary Conference in Antalya, Turkey, in November 2006 and took office on 1 January 2007.

He worked at the International Switching Centre in Bamako in 1980 and at the PANAFTEL microwave terminal from October 1979. From 1981 to 1984, he was Engineer in charge of operation and maintenance of the International Satellite earth station in Bamako, Mali. On the national scene, he was Manager of the Sulymanbougou II earth station in Bamako, Mali, where he coordinated activities between the country’s national Office des postes et télécommunications (OPT) and TELEMALI in 1985. Later that year, he headed OPT’s Satellite Communications Section. He joined the International Telecommunications Satellite Organization (INTELSAT) in December 1985 where he occupied several important positions. From 1986 to 1990, he was Telecommunications Officer of INTELSAT Assistance and Development Programme (IADP). From 1990 to 1994, he was INTELSAT’s Director for the Africa Region and later served as the Group Director for Africa and the Middle East from 1994 to 1996. During this time, he took an active part in the continental initiative launched by the Regional African Satellite Communications Organization (RASCOM) to pool transponders on the INTELSAT system. Dr Hamadoun Touré was Africa’s Regional General Manager for ICO Global Communications (1996–1998). He spearheaded the company’s activities from its Africa Regional Office in South Africa, where he laid the foundation to ensure the successful introduction and operation of ICO’s regional operations: marketing and network distribution, coordination with service partners, regulators and operators of fixed, mobile and special services. He served as Director BDT from 1998 until 2006. As Director BDT from 1999 until 2006, he played a significant role in the WSIS process by launching numerous projects based on partnership building with International Organizations, Governments, Civil Society and the Private Sector.

Dr Touré is committed to make ITU an innovative, forward looking organization adapted to meeting the challenges created by the new ICT environment and to spearhead the Union towards implementing the resolutions of the World Summit on the Information Society (WSIS) and achieving the Millennium Development Goals (MDGs).

Tackling Climate Change: The Crucial Role of ITU

Climate change is a critical issue on the global agenda. United Nations Secretary-General Ban Ki-Moon observed that it is “the moral challenge of our generation.” And during a visit to the International Telecommunication Union (ITU) headquarters in Geneva, he also underlined that ITU is one of the most important stakeholders in terms of combating climate change and adapting to its effects.
For his part, ITU Secretary-General Hamadoun I. Touré has stated that “climate change is a global challenge that the world cannot lose”, and that “ITU is committed to achieving climate neutrality and to working with our membership to promote the use of information and communication technologies (ICTs) to combat climate change.”

ITU is the UN specialized agency for ICT and the global focal point for governments and the private sector in developing ICT networks and services. Its membership consists of 191 Member States and over 700 private-sector companies. Via the ITU’s Council session in 2009, ITU was tasked to bring to the attention of the UN Climate Change Conference (held in Copenhagen, Denmark in December 2009) the need to recognize in any future agreement, the important role of ICT in mitigating and adapting to climate change. Bringing the benefits of the information society to all citizens in a sustainable way is one of ITU’s fundamental priorities.

The Challenge

There are several natural causes of climate change, such as variations in solar radiation and volcanic activity. However, it is the man-made causes of climate change that are of major concern because these are widely considered to be accelerating the warming of our planet by releasing greenhouse gases (GHG), primarily carbon-based emissions. Apart from emissions associated with deforestation, some of the largest contributions to man-made GHG emissions come from power generation and using fuel for transport.

Some climate change experts say that if left unchecked, the world’s average temperature could rise by as much as six degrees Celsius by the end of the 21st century. This would cause serious harm to our economies, our societies and to ecosystems worldwide. Rising sea levels, warming of the oceans, glaciers melting, sea ice retreating and diminished snow cover are all signs of global warming.

The Link with Information and Communication Technologies

But what is the link between climate change and ICTs? And what has ITU got to do with climate change? A lot — is the simple answer. It is nearly impossible to imagine life without ICTs. From television to mobile phones and the Internet, these technologies have transformed the way we live, work, learn and play.

According to ITU data, there are now more than 4 billion mobile phone subscriptions and around 1.7 billion Internet users (or almost a quarter of the global population). More than 400 million of these Internet users have high-speed broadband access. All these devices, and the networks they ride on, use energy and radiate heat. And as the deployment of ICT continues, and more and more people across the world “get connected”, the ICT sector faces the challenge of limiting its own carbon footprint. The good news is that ICT can be a major part of the solution to climate change. Studies have shown that the application of ICT can reduce total greenhouse gas emissions across all industrial sectors by up to five times more than the sector itself contributes.

Cutting the Carbon Footprint through Standardization

As the pre-eminent global body for standardization, ITU is working to promote the adoption of standards for the use of more energy-efficient devices and networks. ITU recognizes that energy consumption should be an important component of all technical standards within the ICT sector itself. Indeed all new standards are authored with this in mind. But it is necessary to develop standardized measurement methods for the entire lifecycle of
products and services, in order to understand how much greenhouse gas is emitted at each stage and encourage efficiency.

In response to this need, ITU established a Focus Group on ICT and Climate Change, which produced an internationally agreed methodology for estimating the impact of ICT — both in terms of direct greenhouse-gas emissions and how ICT can help reduce the emissions in other sectors. The next step is to convert this methodology into formal ITU standards. This work is under way in ITU Study Group 5: “Environment and Climate Change”, which will help establish the business case to “go green”. (See Box below)

ITU is also raising awareness among its Member States, and particularly among developing countries, of the diverse applications that ICT have for environmental protection and the sustainable use of natural resources. The ITU report “ICT for e-Environment: Guidelines for Developing Countries, with a Focus on Climate Change” provides an overview of key ICT applications, stakeholders and issues in the areas of environmental observation, analysis, planning, management, protection and capacity building. Following up on this work, ITU is currently developing an e-Environment Toolkit that will identify key ICT, policy, human capacity and environmental indicators that can be used by countries to assess their level of e-environment readiness.

**Measuring the Impact of ICT**

Together with more than 20 organizations and major ICT companies, ITU is developing a common methodology to measure the lifecycle impact of the ICT sector on GHG emissions, upon its own carbon footprint and with regard to the savings created through ICT applications in other industrial sectors.

A commonly-agreed, standard methodology is needed to measure the lifecycle impact of ICT in containing GHG emissions in the ICT sector, as well as the reduction of GHG emissions of other sectors.

ITU-T Study Group 5, "Environment and Climate Change is building on the work of the Focus Group on ICT & Climate Change, which produced recommended methodologies in March 2009. These cover the following aspects: (1) Goods and services, (2) Project level, (3) Organization level, and (4) Country level.

The ITU membership has also adopted three major policy statements emphasizing the critical role of ICT in addressing climate change. Resolution 73 on “Information and Communication Technologies and Climate change”, which was adopted by the World Telecommunication Standardization Assembly that took place in Johannesburg, South Africa, in October 2008; “Opinion 3” on “ICT and the Environment”, which was adopted by the World Telecommunication Policy Forum, that was held in Lisbon, Portugal, in April 2009, which calls on ITU to study environmentally safe disposal and recycling of discarded ICT equipment and facilities and 2009 ITU Council Resolution 1307 “Information and communication technologies (ICT) and climate change”. In Resolution 1307, ITU was asked by its Member States to significantly enhance efforts to raise public and policymaker awareness of the critical role of ICT in addressing climate change.
This is a big issue. It is estimated, for example, that 100 million Europeans replace their mobile phones every year and personal computers are replaced every few years. Not only does this create considerable waste but it also means that equipment that could be reconditioned and used by people who cannot afford to buy new ones is being dumped in landfills.

In this regard, Study Group 5 also agreed upon a new ITU-T Recommendation L.1000: "Universal power adapter and charger solution for mobile terminals and other ICT devices". The universal charger facilitates re-use of power adapters, thus reducing waste and providing improved convenience to users.

This Recommendation gives the general requirement for a universal power adapter/charging solution for mobile ICT devices. By some estimates, the new standard can lead to a 50% reduction in standby energy consumption, elimination of up to 82,000 tonnes of redundant chargers, and a subsequent reduction of 13.6 million tonnes in GHG emissions each year.

ITU organized Symposia on ICT and Climate Change, in Kyoto, Japan, and in London, United Kingdom, in 2008. The third such Symposium, held in Quito, Ecuador in July 2009, stressed that bridging the digital divide and bringing the benefits of ICT to all citizens is fundamental to tackling climate change. In the Conclusions endorsed by the Symposium, it was agreed that global efforts to combat climate change should not impede the economic and social growth of developing countries. Participants of the Symposium took note of the advantages of expanding broadband wireless networks that are more energy efficient.

Leading by example, ITU held a Virtual International Symposium on ICT and Climate Change in September 2009, based in Seoul, Republic of Korea. All speakers and moderators took part via videoconference, instead of travelling to the venue. One of the objectives was to show the world that videoconferencing is a viable option for such conferences and other events.

Standardization also benefits specific areas of technology that can do much to help combat climate change. ITU standards for digital wireless devices, for instance, mean that their power consumption can be cut by a factor of ten. Another example is that of next-generation networks (NGN). ITU is developing the technical standards that are needed to make sure that deployment of NGN proceeds smoothly. It is estimated that NGNs could reduce energy requirements by up to 40 per cent, compared with today’s networks.

**Monitoring Climate Change**

The science of climate change has benefited greatly from the parallel development of radio technologies. Our planet’s land and oceans can
be monitored by sensors placed directly on the surface, or remotely by satellite. The condition of the atmosphere can be checked for GHG emissions, or for the wind currents that show a hurricane is on the way. The height of the ocean surfaces can be measured to give an indication of how far sea levels are rising. ICT can also be used to keep an eye on shrinking freshwater supplies, deforestation and threats to ecosystems. And without radio systems collecting and processing meteorological data, weather forecasts would be much less accurate.

This is why ITU continuously looks at ways in which it can contribute towards better climate monitoring. Its involvement in this area goes back a long way — to the International Radio Conference of Atlantic City in 1947, when ITU Member States included the Meteorological Aids Service (MetAids) in the Radio Regulations and allocated the necessary radio-frequency spectrum for MetAids applications.

For more than 50 years, ITU has enjoyed excellent cooperation with the World Meteorological Organization (WMO), and subsequently, with space agencies in providing radio-frequency spectrum and satellite orbit resources for radio-based remote sensing that is the main tool for global monitoring of the environment and climate. The most recent example of this collaboration is the seminar which ITU organized jointly with WMO in Geneva on 16-18 September 2009 on the “Use of Radio Spectrum for Meteorology: Weather, Water and Climate Monitoring and Prediction”.

The seminar highlighted, once again, that climate change monitoring and disaster prediction mechanisms are vital for our personal safety and economic well-being. Between 1980 and 2005, over 7000 natural disasters worldwide killed more than 2 million people and caused damage estimated at over USD 1.2 trillion. Ninety per cent of these disasters were caused by weather, climate and water-related hazards, such as droughts, floods, severe storms and tropical cyclones.

**Mitigation**

ICTs themselves are contributing to the problem of climate change because of the proliferation of wired and wireless devices (such as televisions, computers, transmitters and mobile phones), all of which need power and radiate heat.

However, radio communications, like other forms of ICT, can also do a great deal to help. A good example of the mitigation of GHG emissions from radio systems can be seen in the switchover from analogue to digital broadcasting. The use of digital modulation means that transmitters need almost ten times less power. Considering that there are hundreds of thousands of transmitters around the world, the results of the switchover will be quite significant. ITU standards were used for development of the ITU digital broadcasting plan (GE06) 120 countries. “Digital switchover” will occur in most countries by 2015.

ITU has already taken concrete steps to reduce GHG emissions by assisting ITU Member States with the implementation of the above-mentioned GE06 Plan by analyzing compatibility between new, planned and existing broadcasting networks in order to provide their effective operation. In this regard, ITU is also implementing two projects, one for Africa, and one for CIS countries. Another project for the Asia-Pacific region is in the development process.

Another example of how ICT can help to mitigate the effects of climate change is through NGN, which, as previously mentioned, can minimize power consumption of networks by up to 40 per cent, while simultaneously providing a significant increase in network performance and flexibility.
Adaptation

Adapting to the adverse effects of climate change is a key issue everywhere, but especially for developing countries, which are often the most vulnerable and the least equipped to protect their populations.

ITU assists Member States to design resilient National Climate Change Adaptation Plans that are complimentary to Multistakeholder National Emergency Telecommunications Plans. Such plans optimize the use of ICT networks, services and applications resulting in better adaptation. ITU also implements ICT projects, and produces telecommunication standards, guidelines, and toolkits that support awareness raising campaigns, improve policy-making and the implementation of concrete actions resulting in improved climate change adaptation.

ITU develops standards for development and non-interference operation of environment observation systems providing information for climate change prediction. This information is used for preparation of international programs and National Adaptation/Mitigation Plans.

Dealing with Natural Disasters

ICT in general and satellite systems, in particular, play an important role in disaster prediction and detection, damage assessment and planning disaster relief operations. Earth exploration-satellite systems provide data to emergency telecommunication systems for distribution of early warning messages to authorities and to the general public. For example, remote sensing by satellite is used to monitor one of the most dangerous consequences of climate change - rising sea levels (with precision of 2-3 cm), that may flood coasts worldwide, with some small island States facing complete inundation.

Early-warning systems are in place in areas of the world's oceans that are vulnerable to tsunami. Others are being developed, spurred by the terrible consequences of the Indian Ocean tsunami in December 2004. The tsunami warning systems use a number of remote sensor systems developed for ocean observation (ocean buoys) and earthquake detection (seismic sensors).

Satellite communications can make a real difference during the first crucial hours and days after a disaster. They are employed to assess the extent of damage, help locate survivors, measure the potential danger for rescue teams and ensure that humanitarian response crews can communicate effectively with their team members, other agencies, local hospitals and paramedics. They also give victims a chance to contact loved ones, and to receive and give information and reassurance.

A standard that allows a warning message to be consistently disseminated simultaneously over different systems and applications was approved by ITU in 2007. The Common Alerting Protocol provides a general-purpose format for the exchange of emergency alerts for safety, security, fire, health, earthquake and other events over any network. CAP associates emergency event data (such as public warning statements, photographs or sensor data) with basic metadata such as time, source and level of urgency, and with geographic locations. CAP is
successfully in use by a number of public emergency services and land management agencies today, and works with a wide variety of devices and messaging methods.

In addition ITU has assigned country code 888 to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) for the purpose of facilitating the provision of an international system of naming and addressing for terminals involved in disaster relief activities in an area of a country that has been cut off from the national telecommunications system of that country. Such a, separate, system can continue in operation until such time as normal telecommunications can be restored and the disaster location is once more part of the national telecommunications infrastructure.

In addition to developing regulatory and technical standards for disaster prediction and detection, early warning and emergency telecommunication systems, ITU has provided equipment and facilities for emergency communications following floods, earthquakes and other natural disasters to affected countries. For example, in May 2008 satellite terminals were sent to help relief operations in two areas: Myanmar, hit by a devastating cyclone, and Sichuan Province in China, which experienced a major earthquake.

A pilot project is being implemented in Catanduanes in the Philippines to enhance early warning systems for cyclones. The project will allow relief workers to communicate, wherever they are, through access to radio-receivers, mobile phones and the Internet.

**ITU Achieving Climate Neutrality**

In the autumn of 2007, the UN Chief Executives Board (CEB) which committed the UN to move towards achieving climate neutrality. Each UN agency is working to ensure that this commitment is realized.

ITU is continuing its efforts towards climate neutrality, and is proceeding through the process of achieving this in close coordination with other UN agencies, funds and programmes. For each year since 2007, ITU has established its GHG Inventory for operations during 2007 and 2008, and this process will be repeated, with a consolidated report being published according to the standard UN format. ITU has already taken a number of continues to take practical steps to improve energy efficiency and to reduce heat loss, which have been included in the design of the Montbrillant Building. Future projects are dependent on the availability of financing.

The Union has already taken measures to encourage conducts paperless meetings, facilitating remote participation and virtual meetings via the use of video- and tele conferencing. In 2010, ITU expects to install several high-performance Telepresence conferencing and collaboration suites. The Union is reducing the use of paper in offices; for instance, salary slips and personnel movement notifications are no longer printed and mailed, but are available on-line via a secure delivery system. ITU is also contributing its expertise in ICT to enable other organizations to use technology to become more energy-efficient. For all missions, ground-based travel is proposed where feasible.

ITU’s purchased electricity for Headquarters’ use is from 100% renewable resources. Wet heating is taken from a communal facility
powered by gas. ITU HQ is negotiating with the local utilities supplier to join an innovative building cooling project using water from the local Lac Leman.

The Union continues to reduce its use of paper in office administration: salary slips and personnel movement notifications are supplied on-line via a secure delivery system; service orders, office memoranda, information notes and the internal phonebook are issued in electronic format.

ITU’s volunteer “Green Group” (green@itu.int) of motivated staff members is empowered to encourage ITU staff to become more aware of their environment and to propose eco-friendly habits for the workspace. The group has conducted awareness activities for the staff to promote the use of bicycles, to reduce the use of electricity and to further cut paper wastage.

The Union recycles consumables such as paper, plastics, toner cartridges, batteries, light-bulbs and waste food from its cafeterias. We have constructed a large covered bicycle shelter for staff use and are currently evaluating further possible options for encouraging sustainable commuting by ITU Staff.

Acting as One

Within the UN system, ITU is the specialized agency for the ICT sector, making its work relevant to nearly all aspects of developing a system-wide ("ONE UN") approach to this issue. In this regard, ITU is actively involved in the UN process of “Delivering as One” on the challenge of climate change.

ITU has been actively participating in the work of the UN Chief Executives Board (CEB) and its subsidiary bodies on developing a unified and collaborative UN strategy to combat climate change, including a matrix on activities of each agency and programme.

ITU is actively participating in the UNFCCC process toward a new global agreement on climate change. In November 2009, ITU sent a written contribution to the UNFCCC on the importance of ICT for the mitigation of, and adaptation, to climate change, in response to a request for input from UN agencies.

At COP-15 Parties agreed to adopt a COP decision whereby the COP “takes note” of the Copenhagen Accord, which was attached to the decision as an unofficial document. COP decided to continue the negotiations on a legally binding agreement.

ITU is making every effort to convey the message to global leaders of the importance of recognizing the role of ICT in any future agreements, such as the one expected in Mexico City (COP-16) in October 2010.

It is also supporting the United Nations “Seal the Deal” campaign to encourage governments to agree to a fair, balanced and effective climate agreement when they meet in Mexico City.

Call to Action: Greening the Digital Divide

One of ITU’s major goals is to bring the benefits of the information society to all citizens of the world. Including reference to ICT in the UNFCCC negotiating text, recognizing the need for adoption of a methodology for the ICT sector as well as its inclusion in the National Adaptation/Mitigation Plans, would provide an incentive to the ICT industry to invest in
developing countries, help bridge the digital divide, at the same time help fight climate change – a win-win scenario.

Conclusion

Forward-thinking leaders already recognize the powerful role of ICT play in helping address climate change issues across the board. The importance of ICT now needs to be recognized globally – and the vital role of ICT as we move forward in dealing with climate change issues be further promoted.

In this regard, ITU will continue to enhance efforts to raise public and policymaker awareness of the critical role of ICT in addressing climate change in the run up to COP-16 which will be held in Mexico City in 2010.
The 37th Session of the OIC Council of Foreign Ministers
(Shared Vision of a More Secure and Prosperous Islamic World)
Dushanbe, the Republic of Tajikistan, 18-20 May 2010

The 37th Session of the OIC Council of Foreign Ministers will be held on 18-20 May 2010 in Dushanbe, the Republic of Tajikistan under the motto “Shared Vision of a More Secure and Prosperous Islamic World”. The Foreign Ministers and Heads of Delegation of the OIC Member States will discuss and deliberate on a wide range of political, economic, cultural and other issues of interest to the Member States. They will adopt a set of resolutions on these issues, including the Cause of Palestine and the Middle East; Political Affairs; Ten-Year Program of Action (TYPOA); Statutory, Organic and General Matters; Legal Affairs; Conditions of Muslim Minorities and Communities in Non-OIC Member States; Information Affairs; Administrative and Financial Affairs; and Humanitarian Affairs.
Agricultural Development in the OIC Countries: Challenges and Opportunities for Cooperation

Nabil Dabour, SESRIC

Introduction

While agriculture is widely known to be a primary economic activity and is assumed to play a major role in the economies of most developing countries, this feature does not stand firm in the case of many OIC countries as well as in the case of OIC countries as a group. On average, the share of agriculture in the total GDP of the OIC countries amounted to only 11.5% in 2007, gradually declining from 17.6% in 1990. In fact, in many OIC countries, agriculture has been slightly replacing over time by services and, to a lesser extent, by industry. This is due to a combination of policy, structural, climatic and geographical factors. These factors include economic transformation and structural diversification efforts in some countries, the increasing migration of agriculture labour force from rural to urban areas seeking higher wages in other sectors, mainly in the services sector, inadequate agricultural investment and infrastructure, low level of agricultural machinery and technology utilization, the fluctuations in world agricultural commodity prices and trade difficulties that many of these countries are still facing in the international commodity markets, and the scarcity of water resources in many OIC countries, which are located in arid and semi-arid sub-regions of West Asia and North-eastern Africa.

However, employing 37.4% of the total population of the OIC countries in 2008, agriculture is still considered as an important economic activity with high potential to play a significant role in the economic development of many OIC countries. This is particularly true for the 22 OIC least-developed countries (OIC-LDCs), where the agriculture sector accounts, on average, for 25% of their total GDP in 2008, and reaches more than 30% of the GDP in half of them. Moreover, 18 OIC member countries from different climatic regions figure among the top 20 producers of major agricultural commodities worldwide. These commodities vary from cereals such as wheat, rice and maize to tropical/temperate zone commodities such as cocoa, coffee, rubber and sugar. In this respect, the development of a modern agriculture sector in these countries would, therefore, help reduce poverty, secure food sufficiency, provide additional job opportunities for millions, and promote other sectors in the economy that are related to agricultural production.

Given this state of affairs, the present report highlights the recent state as well as the constraints and challenges of agricultural development in the OIC member countries. It tackles major related issues such as agricultural population and land use in agriculture, water resources and their use in agriculture, agriculture production and productivity and trade in
agriculture commodities. It also sheds light on the importance of promoting intra-OIC investment in the agriculture sector and proposes some policy recommendations for enhancing OIC cooperation in this important area.

### Agricultural Population and Land Use in Agriculture

With a total land area of 3.2 billion hectares and a total population of 1.5 billion in 2008, the 57 OIC member countries account for almost one-fourth of the world’s total land area and slightly over one-fifth of its population (24.6% and 22.7%, respectively). They spread over a large geographical area in different climatic regions over four continents. In 2008, rural population in the OIC countries accounted for 53.5% of their total population, compared to 54.9% in the developing countries and 50.2% world average (Figure 1).

![Figure 1: Population, 2008 (% of Total)](image)

During the period 2000-2008, the total population of the OIC countries increased by an average annual rate of 1.9% against 1.3% of the developing countries and 1.2% of the world total.

In 2008, the agricultural population in the OIC countries accounted for 37.4% of the total population compared to 42.2% in 2000 (Figure 1). This ratio remained below that of the developing countries (44.9%) and the world average (38.8%). Yet, agricultural population is still accounting for more than 50% of the total population in 18 OIC countries, most of them are least-developed countries in Sub-Saharan Africa, and even reached more than 70% in some of these countries like Burkina Faso, Guinea, Guinea Bissau, Gambia, Niger, Djibouti, Uganda, Comoros and Senegal (Figure 2).

![Figure 2: Agricultural Population, 2008 (% of Total)](image)

In addition to the agriculture labour force, the effective and productive use of land in agriculture is an essential element in the process of agricultural development. In this connection, the 57 OIC member countries had a total agricultural area of 1.4 billion hectares, corresponding to 36.4% of the total agricultural area of the developing countries and 28.4% of that of the world and accounted for 43.7% of their total land area compared to 38.7% and 37.9% in the case of the developing countries and world average, respectively (Table 1).
However, the arable land area of the OIC countries amounted to only 290 million hectares, corresponding to 20.7% of their agricultural area, and accounted for 27.1% of the arable land of the developing countries and 20.6% of that of the world. Thus, the percentage of the arable land of the OIC countries in their total agricultural area was lower than that of the developing countries (27.9%) and the world average (28.6%).

In contrast, the permanent crops land of the OIC countries (49 million hectares) accounted for 34.3% of the total permanent crops land in the world and 40.5% of that of the developing countries. Although the permanent crops land of the OIC countries accounted for only 3.4% of their total agricultural area, this ratio was slightly higher than that of the developing countries (3.1%) and the world average (2.9%). As shown in Figure 3, the bulk of the agricultural area in the OIC countries (76.8% or 1.1 billion hectares) is permanent pastureland used for grazing of livestock.

![Figure 3: Structure of Agriculture Area (% of Total), 2007](image)

### Table 1: Land Use in Agriculture, 2007

<table>
<thead>
<tr>
<th></th>
<th>Agricultural Area</th>
<th>Cultivated Area</th>
<th>Permanent Pasture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Hectares</td>
<td>% (1)</td>
<td>Million Hectares</td>
</tr>
<tr>
<td>OIC Countries</td>
<td>1401</td>
<td>43.7</td>
<td>290</td>
</tr>
<tr>
<td>Developing Countries</td>
<td>3846</td>
<td>38.7</td>
<td>1071</td>
</tr>
<tr>
<td>World</td>
<td>4932</td>
<td>37.9</td>
<td>1411</td>
</tr>
<tr>
<td>OIC as % of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>28.4</td>
<td></td>
<td>20.6</td>
</tr>
<tr>
<td>Developing Countries</td>
<td>36.4</td>
<td></td>
<td>27.1</td>
</tr>
</tbody>
</table>

_Agricultural area_ is the sum of arable, permanent crops and permanent pastures land areas.  
_Arable land_ is the land under temporary crops, temporary meadows for mowing or pasture, land under market and kitchen gardens, and land temporarily fallow.  
_Permanent crops land_ is the area cultivated with crops that occupy the land for long periods and that do not need to be replanted after each harvest. This does not include woodland and forests.

Land use in agriculture in the OIC countries reflects large differences at both the individual country and sub-regional levels. With large agricultural area relative to their total land area, some OIC countries, like Saudi Arabia (80.8%), Kazakhstan (77%), Djibouti (73.4%), Somalia (70.2%) and Turkmenistan (69.4%), have very small arable land areas (less than 10% of their agricultural areas) and even negligible permanent crops land areas. This is due to the fact that the bulk of the agricultural area in these countries is permanent pastureland (more than 90%) used for the grazing of livestock. In contrast, with small agricultural area relative to their total land area,
some OIC countries like Egypt, Indonesia, Malaysia, Guyana, Suriname, Cameroon, Jordan, UAE, Qatar and Palestine, have relatively large arable and permanent crops land areas in terms of the percentage of these areas in their agricultural areas.

The share of arable land area in agricultural area was over 50% in 11 OIC countries, namely Bangladesh (88.1%), Egypt (85.3%), Pakistan (78.8%), Benin (76.7%), Suriname (69.9%), Togo (67.8%), Cameroon (65.1%), Turkey (55.6%), Iraq (55%), Comoros (53.3%) and Albania (51.7%). This ratio was less than 10% in 11 OIC countries. In contrast the share of permanent crops land in agricultural area was higher than 30% in only 8 OIC countries, namely Malaysia (73.5%), Maldives (61.5%), Brunei (43.9%), Bahrain (40%), UAE (37%), Comoros (36.7%), Indonesia (32%) and Palestine (30.6%). Moreover, it is observed that permanent crops land is negligible (less than 1%) in 16 OIC countries.

All in all, while the percentage of agricultural area in total land area of the OIC countries is quite higher than that of the developing countries and the world average, the percentage of their arable land area in total agricultural area is still significantly below the average levels of the world and the developing countries. Among other factors, this is due to the unsatisfactory use of land in agriculture, particularly due to the scarcity of water resources and the use of insufficient irrigation systems and techniques.

Water Resources and their Use in Agriculture

Considering that the bulk of the world's water resources is used in agriculture and that the global demand for food is increasing rapidly, the role of water resources management, through efficient irrigation systems and techniques, has recently assumed greater importance in agricultural development and food security. Water is a scarce resource in arid and semi-arid regions where many OIC countries are located, particularly in West Asia and North-eastern Africa where most of the OIC countries in these regions are facing severe pressures due to limited opportunities for the exploitation of new water resources. These pressures are expected to increase in the face of expanding populations and the increased per capita water use associated with economic development, as well as due to the expected negative climate change impacts in the future. Therefore, the efficient use of water resources in agriculture, through improving irrigation systems and techniques, is one of the most urgent needs and prerequisites for sustainable agricultural development and food security in these countries, particularly those in water-scarce regions.

In the light of these challenges, this part of the report briefly highlights the state of water resources and their use in agriculture in the OIC countries with emphasis on the importance of irrigation systems. In this report, a distinction has been made between renewable and non-renewable water resources. Renewable water resources (RWR) are that part of the water resources generated from endogenous precipitation. They are computed on the basis of
the water cycle by adding up the long-term average annual flow of rivers and lakes (surface water) and recharge groundwater reservoirs. Total renewable water resources (TRWR) are the total amount of a country’s water resources and defined as the sum of internal renewable water resources (IRWR) and external renewable water resources (ERWR), i.e. the incoming flow originating outside the countries’ borders.

Non-renewable water resources are groundwater bodies (deep aquifers) that have a negligible rate of recharge on the human time-scale and thus can be considered non-renewable. Although non-renewable water resources are not considered in this report, some OIC countries have a high potential of fossil groundwater reserves such as the Continental Sahara, Murzuk, the Nubian Basin, the Senegal-Mauritania Basin, the Lullemeneden Basin in Niger, and the Chad Basin. Also some OIC countries in Middle East and North Africa, such as Jordan, Libya, Saudi Arabia and Bahrain, have very important fossil aquifers, and rely heavily on these resources due to their limited renewable water resources. Therefore, the increasing depletion of these resources risks the long-term sustainable use of these resources since they cannot be renewed.

Water scarcity is defined as the imbalance of supply and demand of water. The minimum level of TRWR required for basic domestic, agricultural, and industrial activities is estimated at a threshold of 1700 m\(^3\)/year per capita. Countries or regions with TRWR/year per capita below this level are considered suffering water stress and those with TRWR/year per capita less than 1000 m\(^3\)/year are considered suffering water scarcity. When TRWR/year per capita of a country or a region falls below 500 m\(^3\), this country or region is considered suffering absolute water scarcity (FAO, UN-Water, FAO, 2007).

The distribution of water resources within the OIC region is far from being uniform. Land relief, location with respect to the sea, latitude and resulting hydro-climatic conditions, diversity in hydrographical and geological structures are all factors which lead to extremely different water situations in the OIC countries. At the individual country level, while TRWR per capita is higher than the world average of 8224 m\(^3\)/year in 12 OIC countries, 23 OIC Countries are suffering water stress with TRWR per capita less than 1700 m\(^3\)/year (Figure 4 and 5).

<table>
<thead>
<tr>
<th></th>
<th>Average Precipitation in Depth (mm/yr)</th>
<th>IRWR (km(^3)/yr)</th>
<th>ERWR (km(^3)/yr)</th>
<th>TRWR (km(^3)/yr)</th>
<th>TRWR per Capita (m(^3)/yr)</th>
<th>Dependency Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIC Countries</td>
<td>47209</td>
<td>6126.64</td>
<td>2270.42</td>
<td>8397.06</td>
<td>5587</td>
<td>27.04</td>
</tr>
<tr>
<td>World</td>
<td>211159</td>
<td>43042.69</td>
<td>11919.86</td>
<td>54864.25</td>
<td>8224</td>
<td>21.73</td>
</tr>
<tr>
<td>OIC as % of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>22.4</td>
<td>14.2</td>
<td>19.0</td>
<td>15.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
With TRWR per capita less than 1000 m$^3$/year, 18 of these countries are suffering water scarcity. Moreover, with TRWR per capita less than 500 m$^3$/year, 13 of them are suffering absolute water scarcity and are among the poorest countries in the world in terms of water resources (Figure 5). With the highest level of 315.9 km$^3$/year recorded in Guyana and the lowest level of almost 7 m$^3$/year in Kuwait, the figures on TRWR per capita in OIC countries reflect an extreme heterogeneity in the state of water resources in these countries.

Furthermore, many OIC countries depend to a large extent for their RWR on water flows originating outside their borders (i.e. ERWR). In fact, some large and networks of minor rivers as well as groundwater aquifers play significant role in water resources in many OIC countries. There are eight main international river basins in the OIC region. The Nile, Niger, Senegal, Lake Chad, and Limpopo River Basins in African Region; Euphrates and Tigris River Basin, Aral Sea Basin (Amu Darya and Syr Darya Rivers), and Ganges River Basin in Asian Region.

This situation reflects an average water dependency ratio of 27% in the group of OIC countries as a whole compared to the world average of 21.7% (Table 1). This ratio reached over 50% in 18 OIC countries (see Figure 6).

In particular, the OIC countries in the Middle East and North-eastern Africa recorded the highest water resources dependency ratios. For example, water dependency ratio reached 100% in Kuwait and 96.6% in Bahrain, where they depend heavily on groundwater aquifer flows from Saudi Arabia. Egypt (96.9%) depends on the Nile River from Ethiopia, and Mauritania (96.5%) on Senegal River. Sudan (76.9%) also depends on the Nile River from Ethiopia, and Syria (72.4%) depends on Euphrates from Turkey. To a lesser extent, but still over 50%,
Somalia (59.2%) depends on Shebelli and Juba rivers, and Iraq (53.5%) depends on Euphrates and Tigris rivers. Some central and south Asian countries like Turkmenistan (97.1%), Uzbekistan (77.4%) and Azerbaijan (76.6%) depend on external water resources, especially from Amu Darya and Syr Darya Rivers, Bangladesh (91.3%) and Pakistan (75.6%) depend on Ganges River from India.

On the other hand, considering the rapid growth of their population, many OIC countries are still facing serious challenges in meeting the increasing demand for water for domestic use, particularly in agricultural activities. In this respect, water withdrawal\(^1\), expressed as a percentage of IRWR, is an indicator on the capacity of the country to rely on its own water sources (i.e. the pressure on the water resources). Roughly speaking, pressure on water resources is considered high when this percentage is above 25%. In this respect, total water withdrawal in the OIC countries accounts for 24.5% of the world total water withdrawal. It makes up 15.3% their IRWR and 11.1.7% of their TRWR, compared to the world average of only 8.9% and 7%, respectively (Table 3). Therefore, as a group, it seems that the OIC countries do not have a pressure on their water resources since their average water withdrawal as percentage of their IRWR is below the threshold of the pressure on water resources of 25%. However, at the individual country level, 28 OIC countries were suffering pressure on their water resources, where water withdrawal as percentage of their IRWR exceeded 25%.

In this respect, it should be mentioned that the countries which have values of water withdrawal as percentage of their IRWR above 100% are depending, in addition to their IRWR, on external renewable water resources (ERWR) flowing from outside the country and/or on non-conventional water resources (desalinated water and treated wastewater). These countries may also mine their groundwater resources. In this context, it is worth mentioning that non-renewable groundwater, desalinated water and treated wastewater are used extensively as supplemental water resources in most of these countries, particularly in the Gulf countries, which convert a significant amount of saline water from the sea into drinking-water.

According to the World Bank, three of these countries, namely Saudi Arabia, United Arab Emirates and Kuwait are by far the largest users of desalinated water in the Middle East and North Africa (MENA), where they accounted for 77% of the total desalinated water and

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\(^1\) Total water withdrawal is the annual quantity of water withdrawn for agricultural, industrial, and domestic purposes. The use of desalinated and treated wastewater is thus included.
treated wastewater in the region (WB, 2007). It is also worth mentioning that, due to the scarcity of IRWR in these countries, particularly for the use in agricultural activities, the use of treated wastewater in irrigation is becoming a common practice.

As everywhere else, the bulk of total water withdrawal in OIC countries is used in agriculture activities. In 2007, agricultural water withdrawal in the OIC countries accounted for 89.6% of their total water withdrawal compared to the world average of 70%, and for 10% of their TRWR compared to the world average of only 4.9% (Table 3). Yet, the distribution of agricultural water withdrawal within the OIC region is far from being uniform. In absolute terms, 16 countries accounted for 91.3% of the total agricultural water withdrawals in all the OIC countries, and only 5 of them, namely Pakistan, Iran, Bangladesh, Indonesia and Egypt accounted for almost 55% (Figure 7).

On the other hand, the bulk of agricultural water withdrawal is used in irrigation. In this respect, the terms “area equipped for irrigation”, “irrigation area” and “area under irrigation” are all refer to the area of land equipped to provide water, other than direct rainfall, to the crops. According to this definition, the total area equipped for irrigation in the OIC countries covers 77.3 million hectares or 27% of that of the world, and accounts for only 5.5% of their total agricultural area compared to the world average of 5.8%. Yet, the total area equipped for irrigation in the OIC countries accounts for 26.7% of their arable land, a level which is quite higher than the world average of 20.3% (Table 4).

However, the distribution of the irrigation area in the OIC region is far from being uniform, where, to a large extent, it reflects the variation in TRWR in these countries. In this respect, it should be mentioned that irrigation plays a crucial role in agricultural production in the countries located in arid and semi-arid regions with low average levels of precipitation like the OIC countries in the Middle East and North Africa.

Table 4: Area Equipped for Irrigation and Irrigation Techniques, 2007

<table>
<thead>
<tr>
<th></th>
<th>Total Area Equipped for Irrigation</th>
<th>Irrigation Techniques</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As % of Total Area Equipped for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hectares</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agriculture Area</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Arable Area</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surface Irrigation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sprinkler Irrigation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Localized Irrigation</td>
<td></td>
</tr>
<tr>
<td>OIC Countries</td>
<td>77316</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>26.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>81.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>286794</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>20.3</td>
<td></td>
</tr>
</tbody>
</table>

2 Including irrigation and livestock watering.
At the individual country level, the bulk of the total irrigation area of the OIC countries is concentrated in 17 countries (Figure 8), which are almost the same top OIC countries in terms of agricultural water withdrawal. Together, these countries accounted for 92.6% of the total irrigation area in all the OIC countries, and only 5 of them, namely Pakistan, Iran, Turkey, Bangladesh and Indonesia accounted for 55.3%.

The share of irrigation area in agricultural land area varies considerably in the OIC countries. It reached more than 30% in only 10 countries (Figure 9) and lower than 1% in 20 countries.

In contrast, while the area under irrigation accounted for more than 50% of the arable land in 22 OIC countries, this ratio was lower than 5% in 18 countries. In fact, the part of the arable land area under irrigation has a crucial role in agricultural production in many OIC countries, particularly those suffering water scarcity in arid and semi-arid regions of the Middle East and North Africa. Therefore, irrigated agriculture and the use of efficient irrigation systems and techniques have a very important and greater role in agricultural development and food production in these countries.

In this respect, the available data on the irrigation techniques used in the OIC countries indicate that surface irrigation, which is the most traditional and least water-saving technique, is by far the most widely used technique, practised on 81.8% of the total area equipped for irrigation (Figure 10). This ratio reached more than 50% in 29 OIC countries. Consequently, huge amounts of the water diverted for irrigation in these countries are wasted at the farm level through either deep percolation or surface runoff.

In contrast, sprinkler irrigation is practised on 7.8% of the total area equipped for irrigation in 3 countries. It is a method of irrigation by applying water under pressure when the water is sprinkled in the form of artificial rain through lines carrying distribution components: rotary sprinklers, diffusers with permanent water streams and perforated pipes.
the OIC countries. This technique, which is more water-saving than surface irrigation, is practised on more than 30% of the irrigation area in only 3 OIC countries. On the other hand, localized irrigation\(^4\), which is the most water-saving one, is practised on only 3.3% of the total area equipped for irrigation in the OIC countries. It is practised on more than 30% of the irrigation area in only 2 OIC countries. In Saudi Arabia, sprinkler irrigation technique is by far the most predominant (59.5%), while in Uganda and Jordan, localized irrigation is the most widely used technique; being practised on over half of their irrigation areas (86% and 79%, respectively).

In particular, the countries in arid regions, without large rivers, choose to develop the localized and sprinkler irrigation techniques more intensively to save water.

### Agriculture Production and Productivity

Agriculture is widely known to be the primary economic activity and is assumed to play a major role in the economies of most developing countries. However, this feature does not stand firm in the case of many OIC countries. In part, this is due to the inefficient use of land in agriculture in many of these countries due to scarcity of water resources and the use of insufficient irrigation systems. It is also due to other factors such as the increasing migration of agricultural population from rural to urban areas seeking higher incomes, particularly in the services sector. On average, the share of agriculture in the total GDP of the OIC countries amounted to only 11.5% in 2007, gradually declining from 17.6% in 1990 (Figure 11).

At the individual country level, the share of agriculture in GDP varies quite a lot among the OIC countries. As of 2007, the agriculture sector dominates in only 7 countries, namely Afghanistan, Comoros, Guinea Bissau, Niger, Sierra Leone, Somalia, and Togo, all of which are least-developed countries (LDCs). The highest share of 60.1% recorded by Somalia and the lowest share of only 0.1% recorded by Qatar.

In terms of 2007 agricultural production index of the FAO, although the OIC countries, as a group, were, on average, performing a slightly better than the group of the developing countries and the world average during the period 2000-2007 (Figure 12), as of 2007, there were 25 OIC countries which recorded a lower agriculture production index than that of the

\(^4\) It is a method of irrigation (with different techniques) when water is applied to and causing wetting of only part of the soil in the field at the base of the plant (plant root zone) in small but frequent quantities, i.e. drop by drop. It includes the following terms or systems: trickle irrigation, drip irrigation, daily flow irrigation, drop irrigation and sip irrigation.
world average. Moreover, according to this index, the agriculture production decreased, during the period under consideration, by 50% in Maldives, 39% in Uganda, 31% in Gambia, 25% in Senegal and 21% in Qatar.

Figure 12: Agriculture Production Index (base year 1999-2001)

However, when per capita agriculture production index is considered during the same period, it is observed that the average per capita agriculture production for the OIC countries was slightly increasing and following similar trends of both the world average and the average of the group of the developing countries until 2006. Yet, in 2007, the index for the OIC countries declined significantly (back to 2001 level), falling quite below the averages of both the world and the developing countries. At the individual country level, as of 2007, there were 35 OIC countries which recorded a lower per capita agriculture production index than that of the world average, and 29 countries of them recorded a decrease in their per capita production index.

In terms of the volume of agriculture production, as for 2008, the OIC countries accounted for 14.2% of the world total cereals production and 20.2% of that of the developing countries, with a very slight increase compared to their level in 2000 of 13.5% and 20.1%, respectively. In the same year, their share in the world vegetables production recorded at 14.8%, decreasing slightly from 15% in 2000, and their share in the developing countries recorded at 17.1%, decreasing slightly from 18.1% in 2000. The share of the OIC countries in the total production of fruits in the developing countries decreased slightly from 24.8% in 2000 to 23.7% in 2008. In contrast, their shares in the total production of meat of the world and the developing countries increased slightly from 7.7% and 12.3%, respectively in 2000 to 8.2% and 12.6%, respectively in 2008 (Figure 13).
It is also observed that the total OIC agricultural production concentrated in a few member countries, where only 10 countries, namely Indonesia, Turkey, Bangladesh, Nigeria, Pakistan, Iran, Egypt, Kazakhstan, Uzbekistan and Morocco produced 76.2% of the total volume of OIC agriculture production of cereals, vegetables, fruits and meat (Figure 14).

Moreover, although the average production per capita of these agricultural products in the OIC countries, as a group, increased slightly in 2008 compared 2000, the averages of the OIC group were still below the levels achieved by the developing countries and the world average (Figure 15).

This means that the OIC countries, as a group, do not have the capacity to produce enough agricultural products to meet the demand for food of their growing populations and, thus, rely heavily on agricultural imports, particularly of food products. As pointed out above, since many OIC countries are located in the world’s most arid regions, drought causes sharp annual fluctuations in crop and livestock production, which in turn, leads to shortages in food security in many of these countries. On the other hand, the inefficient irrigation systems and use of land in agriculture together with other factors such as the inadequate agricultural investments and technologies led to low levels of agricultural productivity in many OIC countries and in these countries as a group.

With more than half of their population living in rural areas and most of them depend on agriculture for their income and survival, enhancing agricultural productivity in the OIC countries is very crucial for growth and development, particularly through empowering the rural population with higher levels of income and, thus, reducing the incidence of poverty and food insecurity in these countries. In this respect, as the productivity of any other economic sector, agricultural productivity measures the output obtained per unit of input. As such, agricultural productivity depends on both the quantity and the quality of many inputs such as land, labour, water, machinery, fertilizers and pesticides, etc. However, since measuring the total agriculture factor productivity is beyond the scope of this report, only labour, land, fertilizers and tractors use are investigated.
As for labour productivity\(^5\) in the OIC countries, Figure 16 shows that, during the period 2000-2008, the average agricultural labour productivity in the OIC countries as a group followed in general a similar trend of that of the developing countries and the world average. However, although the levels achieved by the group of OIC countries were higher than those of the developing countries, they remained below the levels of the world average. As for land productivity\(^6\) in the OIC countries, Figure 16 shows that, during the period 2000-2008, the average land productivity in the OIC countries as a group followed in general a similar trend of the developing countries and the world average. However, although the levels achieved by the group of OIC countries were increasing very slightly, they remained below those of the developing countries and the world average.

On the other hand, Figure 17 shows the relatively insufficient use of fertilizers where the average levels of fertilizers use per hectare of the arable land in the OIC countries were below the levels of the developing countries and the world average during the period 2000-2007. On average, only 76 kilograms of fertilizers were used per hectare of arable land in the OIC countries in 2007 compared to 116 kilograms in the developing countries and the world average of 124 kilograms. Moreover, it seems that the use of agricultural machinery in the OIC countries is still insufficient. This is clear in Figure 17 where, on average, one tractor is still used in more than 100 hectares of arable land in the OIC countries in 2007 compared to 73 hectares in the developing countries and significantly higher than the world average of 48 hectares.

Notwithstanding this state of affairs in the agriculture sector in the OIC countries, a significant number of these countries from different climatic regions figure among the top 20 producers of major agricultural commodities worldwide (Table 5). These commodities vary from cereals such as wheat, rice and maize to

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\(^5\) Calculated by dividing agriculture value added at constant USD by the agricultural population.

\(^6\) Calculated by dividing the volume of agricultural production in tons by the arable land in hectares.
tropical/temperate zone commodities such as palm oil, cocoa, coffee, rubber and sugar. However, for many of these countries, particularly those in which the bulk of their exports concentrate on a few of such agricultural commodities, price fluctuations in the international commodity markets may translate into additional risks and challenges. In addition, exporting these primary commodities without or with low value added due to inappropriate processing facilities is also another challenge related to the competitiveness of their commodities in the international markets. In this respect, investments in agriculture processing facilities can be another focal point in addressing agricultural development as well as protecting farmers and creating additional jobs. Together, these factors have significantly influenced trade in agricultural commodities in the OIC countries.

Table 5: OIC Countries among Top-20 World Producers of Major Agriculture Commodities, 2007

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Cocoa</th>
<th>Coffee</th>
<th>Cotton</th>
<th>Maize</th>
<th>Natural Rubber</th>
<th>Palm Oil</th>
<th>Rice</th>
<th>Soybean</th>
<th>Sugar Beet</th>
<th>Tea</th>
<th>Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Bangladesh</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Burkina Faso</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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In terms of current US dollar, the total cereal exports of the OIC countries amounted to $4.5 billion in 2007, accounting for only 5.7% of the world total cereal exports with a slight increase by 0.6 percentage points compared to their share in 2000. However, in the same year, the share of OIC countries in the total cereal exports of the developing countries decreased to 14% from 17.1% in 2000. In contrast, although the share of the OIC countries in total exports
of dairy products of the world increased from 1.8% in 2000 to 3.1% in 2007, their share in the exports of dairy products of the developing countries decreased slightly in the same period from 19.9% to 19.3%. The total exports of fruits and vegetables of the OIC countries accounted for 17.7% and 7.7% of that of the developing countries and world, respectively, decreasing slightly from 19.6% and 7.8%, respectively, in 2000. With the lowest share in the total exports of both the developing countries and the world, the total exports of meat of the OIC countries accounted for only 1.5% and 0.4% of that of the developing countries and the world, respectively in 2007 (Figure 18).

As in the case of agriculture production, it is also observed that the total exports of agriculture products of the OIC countries concentrated in a few member countries, where only 10 countries, namely Turkey, Kazakhstan, Pakistan, Syria, Morocco, Saudi Arabia, Egypt, Iran, Indonesia and Malaysia accounted for 79.5% of the total OIC agriculture products exports of cereals, dairy products, fruits & vegetables and meat (Figure 19).
35.6% in 2000. The total imports of dairy products in the OIC countries accounted for 46.2% of that of the developing countries in 2007 compared to 45.5% in 2000, and their share in the world total also increased from 14.1% in 2000 to 15.4% in 2007. In contrast, while their share in total imports of fruits and vegetables of the developing countries decreased to 27.3% in 2007 compared to 33.9% in 2000, their share in world total imports increased slightly from 6.1% to 6.4% in the same period. Similar situation was observed in case of imports of meat, where while their share in total imports of meat of the developing countries decreased from 26.1% to 24%, their share in world total increased from 4.8% to 6.1% in the same period.

As in the case of exports of agriculture products, the total imports of agriculture products of the OIC countries concentrated in a few member countries, where only 10 countries, namely Saudi Arabia, Indonesia, UAE, Egypt, Algeria, Malaysia, Morocco, Iraq, Nigeria and Turkey accounted for 61.6% of the total OIC agriculture products imports of cereals, dairy products, fruits & vegetables and meat (Figure 21).

As a result of the high dependence of many OIC countries on imports of agricultural products, the OIC countries as a group recorded significant trade balance deficits in most of these products (Figure 22). In terms of current US dollar in 2007, cereal trade deficit in the OIC countries was significantly higher than the deficit recorded by the developing countries. It increased from $12.7 billion in 2000 to $22.9 billion 2007. In the same year, the OIC countries trade deficit in dairy products amounted to $7.1 billion compared to $3.3 billion in 2000 and accounted for 71% of the deficit of the developing countries. In contrast, the OIC countries, as a group, recorded a relatively small trade balance surplus in fruits and vegetables compared to the surplus recorded by the developing countries. While the developing countries recorded a trade balance surplus in meat in 2007, the OIC countries recorded a trade balance deficit in the same year amounted to $4.8 billion compared to their deficit of $1.9 billion in 2000.

To sum up, when the trade balance of agricultural products (cereals, dairy, fruits, vegetables and meat) of the OIC countries is
calculated, it was observed that the OIC countries, as a group, recorded a trade deficit in 2007, which is almost twice the deficit they recorded in 2000. In contrast, a trade surplus has been recorded in the group of the developing countries in the same year. At the individual country level, it was observed that only 6 OIC countries, namely Guinea Bissau, Guyana, Kazakhstan, Pakistan, Turkey and Uzbekistan, recorded a trade balance surplus in the mentioned agricultural products.

This means that the supply of agricultural products, mainly food products, in most OIC countries does not keep pace with the rapidly increasing demand for food due to the rapid increase in their populations, leading to a widening food gap to be filled by imports. Moreover, food shortages due to inadequate rainfall and other adverse climatic conditions continued to affect some OIC countries, which faced food emergencies and were classified as food-deficit countries at the world scale. This, in turn, makes these countries highly vulnerable to any sharp rise in the international food prices in terms of increasing the food import bills and trade deficits, posing serious negative impacts on health and education, and consequently worsening the state of food security through increasing the number of undernourished people.

Promoting Intra-OIC Investment in Agriculture Sector

In general, agricultural development and food security in a country can be improved by increasing agriculture output, particularly food products, through either increasing agricultural productivity or extension of the arable land area (i.e. bringing more land under cultivation). This, of course, necessitates the availability of appropriate investments in agriculture sector at the national level and/or in terms of foreign direct investments (FDI). However, while investment in agriculture is a well-established economic activity in the developed countries, it is still lagging behind in many developing countries, particularly in the least-developed and low-income countries.

Investment in agriculture-oriented projects in these countries is often regarded as a high-risk investment. In general, this is due to factors related to the weak business and investment climate in most of these countries. These factors include, among others, conflict and political instability, inadequate physical infrastructures such as transportation, telecommunication, agricultural machinery and technologies, and inappropriate financial and banking systems. Accordingly, though they may well-endowed with high potential in agricultural resources such agricultural labour force, arable land and water resources, it is very difficult for many of these countries to gain access to appropriate financing for their agricultural development projects.

This is true in the case of many OIC least-developed and low-income countries where, due to limited financial resources, both domestically and in terms of FDI, the inherent agricultural potential of these countries does not manifest itself in the form of reasonable levels of agricultural development and food security,
where most of them are still classified as LIFDCs with high levels of undernourished people. Therefore, intra-OIC investment in agricultural projects should be encouraged, particularly in the member countries which are well-endowed with high potential in agricultural resources. Intra-OIC FDI should be directed to these countries to increase agricultural productivity and/or extension of arable land through the supply of improved seeds, fertilizers, agricultural machinery and modern irrigation systems as well as through the development of agriculture-related infrastructures and processing of agricultural raw commodities, particularly food products with the aim of establishing agro-based industries to improve the state of food security at the OIC regional level.

In this respect, it is well known that some OIC member countries, particularly the GCC member countries, have been recently seeking investment opportunities in the agriculture sector in some OIC least-developed agricultural-based countries. In order to promote and encourage such intra-OIC investment, OIC member countries with high potential in agriculture sector, particularly in terms of agricultural labour force, arable land and water resources should be identified to ascertain their potential for encouraging intra-OIC investment in agriculture sector.

Table 6: OIC Countries with High Potential for Intra-OIC Investment in Agriculture
Accordingly, Table 6 displays the OIC member countries with high potential to attract intra-OIC investment into the agricultural sector, where the top 20 OIC countries in terms of the overall availability of the three main agricultural resources (i.e. agricultural labour force, arable land and water resources) are selected. It is clear that 37 OIC countries (20 of them are least-developed countries) enjoy high potential at least in terms of one of the three-mentioned agricultural resources.

In general, this information highlights the OIC member countries that could be targeted for intra-OIC investments in the agriculture sector. In the light of such information, it could be possible to suggest to which member countries intra-OIC investments could be directed and encouraged. It could be also possible to roughly suggest the type of agricultural inputs that such of these investments should be focused on. On the other hand, in the light of this information it could be possible to suggest some broad recommendations to serve as policy guidelines to which the attention of these countries needs to be drawn in their efforts towards achieving sustainable agricultural development and attracting FDI in the agriculture sector.

In terms of the overall availability of the three main agricultural resources (labour, land and water), it seems that many OIC least-developed countries are exhibiting high potential for attracting intra-OIC investment in the agriculture sector. However, most of these countries need to improve their investment climate in order to be able to attract FDI in their agriculture sector. In particular, they have to increase the levels of their agricultural productivity through investing in the efficient use of water resources in agriculture and introducing modern irrigation systems and agricultural machinery. Thus, the challenge in these countries is to bring more land under cultivation through investing in improved seeds, fertilizers, agricultural machinery and modern irrigation systems as well as through the development of agriculture-related infrastructures and processing of agricultural raw commodities, particularly food products. As such, these countries need to focus on exploiting the unutilised potential of the existing arable land and water resources through improving the levels of agricultural productivity along with creating a reasonable business and investment environment.

Yet, there is still a need to identify specific agriculture-oriented projects and investment opportunities in these countries. This, of course, depends on the specific geographical and climatic conditions as well as on the specific features of the land and water resources in each country, and, thus, on the suitable crops to be feasibly cultivated. It should be also noted that, in general, if the other issues related to creating the favourable business and investment environment are resolved, then these countries may be among the top recipients of FDI in the agriculture sector at the OIC regional level.
Concluding Remarks and Policy Implications

In many OIC countries, agricultural development is still facing a number of serious constraints and challenges that should be carefully addressed by the relevant national authorities and policy makers as well as the representatives of the private sector in these countries. In this respect, it was observed that, over time, agriculture activity in most OIC countries has been slightly replacing by services and, to a lesser extent, by industrial activity, where the average share of agriculture in their total GDP amounted to only 11.5% in 2007, gradually declining from 17.6% in 1990. In fact, various policy, structural, climatic and geographical factors were behind this state of affairs. In the majority of the OIC countries, these factors include the negative impacts of the economic transformation and structural diversification efforts on the agriculture sector, increasing migration of agriculture labour force from rural to urban areas seeking higher wages in other sectors, mainly in the services sector, the scarcity of water resources and the inadequate agricultural investment and infrastructure, the low level of agricultural machinery and technology utilization, the fluctuations in world agricultural commodity prices and trade difficulties that many of these countries are still facing in the international commodity markets.

Together, these factors have adverse impact on the level of agricultural productivity in many OIC countries and on the average level of the group as a whole. Therefore, agriculture production and the supply of agricultural products, mainly food products, in most of the OIC countries did not keep pace with the rapidly increasing demand for food due to the rapid increase in their populations, leading to a widening food gap to be filled by imports. This makes these countries, particularly the 35 OIC LIFDCs, vulnerable to any sharp rise in the international food prices in terms of increasing the food import bills and trade deficits, posing serious negative impacts on health and education, and consequently, worsening the already deteriorated state of food security through increasing the number of undernourished people.

Moreover, the internal conflicts in some of these countries caused a great number of farmers to abandon their lands and directly or indirectly affected agriculture production and trade. Meanwhile, food shortages due to inadequate rainfall and other adverse climatic conditions continued to affect some of these countries, which faced food emergencies and were classified as countries in crisis requiring external assistance.

All in all, the major constraints and challenges facing agricultural development, and, thus, food security in the majority of the OIC countries can be summarised as follows:
- Inadequate use of land and water resources, due to the scarcity and insufficient use of water resources and agricultural machinery and technologies.

- Inadequate land tenure and water rights due to the lack of appropriate legal rules and regulations frameworks, as well as problems related to cross-border water sharing agreements.

- Low levels of agriculture productivity and poor access to production inputs and related infrastructure and services.

- Inadequate agricultural investments and limited financial resources and fluctuations in world agricultural commodity prices and other trade difficulties in the international commodity markets.

- Inadequate economic transformation and structural diversification policies and increasing migration of agriculture labour force from rural to urban areas seeking higher wages in other sectors, particularly in services sector.

- Concerns on governance, political and economic stability, weak institutional capacities and administrative bureaucracy, and inadequate agricultural planning and strategies.

However, notwithstanding these constraints and challenges, employing 37.4% of their total population, agriculture is still considered to be a very important and crucial economic sector in many OIC countries with high potential to significantly improve the state of food security in these countries as a group. This is true considering the fact that the 57 OIC countries are dispersed over a large geographical area in different climatic regions over four continents and, as a group, they are well-endowed with potential economic resources in different fields and sectors such as water and arable land, energy and mining, human resources, and a large strategic trade region. Moreover, 23 OIC countries from different climatic regions are figured among the top 20 producers of major agricultural commodities worldwide. These commodities vary from cereals such as wheat, rice and maize to tropical/temperate zone commodities such as palm oil, cocoa, coffee, rubber and sugar.

Therefore, it is commonly believed that there still is a wide scope for the development of a sustainable agriculture and food sector in the OIC countries. Overall, this requires the adoption of long-term strategies as well as medium to short-term plans and programmes at both the national and regional levels along with a process of creating a supportive OIC cooperation and coordination environment. In
this context, the following ten recommendations can be made to serve as broad policy guidelines to which the attention of these countries needs to be drawn at both the national and intra-OIC cooperation levels.

- At the national level, efforts should be made to increase agricultural productivity, particularly in food products, through the extension of the arable land area (i.e. bringing more land under cultivation) through appropriate national investments and/or through attracting foreign direct investments (FDI) in the agriculture sector.

- At the OIC cooperation level, efforts should be made to enhance and direct more intra-OIC investment in the agriculture sector, particularly in the OIC agricultural-based countries which are well-endowed with the basic agricultural resources such as arable land and water resources.

- An OIC Agricultural Investment Promotion Agency (OIC-AIPA) is recommended to be established with the aim of encouraging and promoting direct investments into the agriculture sector in the OIC countries through facilitating investment opportunities for investors from both the OIC community and outside.

- An OIC Seed and Crop Improvement Centre (OIC-SCIC) is recommended to be established with the aim of creating, sharing and utilising knowledge and technology to improve agricultural productivity and profitability of farming systems with a view to achieving sustainable food security and reduce poverty in the OIC member countries.

- An online OIC Agriculture Commodity Exchange Market (OIC-ACEM) should be established in order to facilitate trade in agricultural commodities among the OIC member countries and internationally both physically and in terms of tradable securities. This will also work as a market information exchange system on the community-wide food markets. An OIC periodical bulletin related to this endeavour should be published.

- Efforts should be made to promote and enhance investment in agriculture processing facilities to increase the value added of the agricultural commodities of the OIC top producing countries and thus increase the competitiveness of their commodities in the international markets. In this respect, efforts should be made to produce well-known global OIC food brands through providing sufficient financing to the private sector in order to compete in the global markets. To this end, efforts should be made to establish an OIC Agro-Business Fund to encourage investments in food sector and food security programmes.

- An OIC Food Security Program should be initiated and developed for rehabilitation and rebuilding of the
agriculture and food sector especially in the OIC least developed and LIFDCs in order to prevent and prepare for natural disasters in the agriculture sector. In this context, policy measures with the aim of protecting the poor from high food prices and food shortages should be considered as an immediate action by the governments of these countries. There is need to build storage facilities like grain houses to serve this need. In addition measures should be taken to put the basic framework of social security programs and safety nets in place. On the other hand, efforts should be made to help the small subsisting farmers to exploit their true potential through establishment of micro-credit facilities both at the national and intra-OIC level.

- The issues of water shortage in the context of food security, public health and sanitation, and access to safe drinking water should be addressed at both the national and OIC cooperation level. In this respect, efforts should also be made to improve the infrastructure and irrigation systems in rural areas through encouraging investment in modern and water-save irrigation system.

- Improving business and investment environment at the national level should be considered a high priority with emphasis on the promotion of OIC investors in member countries through introducing specific measures in national regulatory frameworks. In this respect, efforts should be made to promote and encourage joint investment approaches such as joint trade/investments programmes and strategies and joint entries into OIC markets led by private investment banks.

- An emergency response mechanism should be developed and adopted at both the national and OIC cooperation level to minimise the impacts of climate change and consequence natural disasters like floods, droughts and cyclones, which are causing severe damage to agriculture sector and posing sever threats to the very survival of millions of people across the OIC member countries.

Reference

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The 6th World Islamic Economic Forum (WIEF)  
18-20 May 2010, Kuala Lumpur, Malaysia

The 6th World Islamic Economic Forum (WIEF) will be held in Kuala Lumpur, Malaysia on 18-20 May 2010. Bearing the theme ‘Gearing for Economic Resurgence’, the 6th WIEF will be officially opened by the Hon. Dato’ Sri Najib Tun Abdul Razak, Prime Minister of Malaysia and Patron of the WIEF Foundation. This Forum is expected to bring together some 2000 participants comprising world leaders and members of the global business community to discuss ideas and strategies on global issues affecting trade and business and to network with each other on cross border business opportunities. The WIEF has grown in influence and prestige over the years since the 1st Forum held in Kuala Lumpur in 2005. The Forum has been instrumental in providing a platform for thought-provoking dialogue to provide synergistic solutions to key economic issues of interest to the Muslim World.
Climate Change: Impacts on Agriculture in OIC Member Countries

Mazhar Hussain, SESRIC

Introduction

Today, climate change is one of the most crucial environmental challenges with serious negative socio-economic consequences. Although, triggered both by natural and human induced reasons, climate change is underway since centuries with increasing frequency and intensity in recent decades compared to the past trends. During the last few decades, human activities related mainly to industrial production, agriculture and transportation emerged as the major contributor to the concentration of greenhouse gases (GHGs) in the atmosphere. According to the scientists the concentration of the GHGs, especially Carbon Dioxide (CO$_2$), has increased by 70 % since 1970 (EU Agriculture, 2007). Increasing concentration of GHGs emissions is causing global warming (i.e. increase in the Earth’s surface mean temperature) which is one of the most common manifestations of climate change. In addition, timing and amount of rainfall is changing, level of precipitation become highly variable and occurrence of extreme weather events like floods, draughts, cyclones and storms is more often compared to the past. Changes in these important variables have severe negative implications for human binges as they affect negatively the availability of basic necessities like food and water and deteriorate the health conditions.

Undoubtedly, agriculture sector is extremely vulnerable to the climate change mainly due to its higher dependence on climate and weather conditions. Impact of climate change on some important indicators like temperature, rainfall, soil moisture and Carbon dioxide (CO$_2$) concentration are very crucial for the agriculture sector and food production across the globe. Increasing temperatures reduces yields of many important crops and thus encourages the weed and pest proliferation. Changes in precipitation patterns increase the chances of crop failure and hence decrease in production. However, globally impacts of climate change on agriculture sector are uneven and some regions are expected to be more affected than the others. Developing countries in arid, semi-arid and dry sub humid regions are more vulnerable to climate change compared to the developed countries due, mainly, to their existing warm climate and higher variability of rainfall and precipitation.

Being a substantial part of developing world, OIC member countries are no exception and most of them are expected to experience high losses in their agriculture production due to negative impacts of climate change. The most vulnerable are the member countries in Sub-Saharan Africa as their economies are based mainly on agriculture sector. The OIC member countries in Sub-Saharan Africa are expected to suffer severe impacts of climate change due to their geographic location, higher prevalence of undernourishment and low financial capacity to adapt and mitigate the negative impacts of climate change. Given this situation, this report highlights the impacts of climate change on some important agricultural
variables in OIC member countries like water resources, soil fertility and weather patterns. It investigates how changes in these crucial indicators will affect agriculture productivity in these countries, particularly food production. It also suggests some relevant policy measures for the preparation of an efficient agriculture strategy, both at national and intra-OIC level, to adapt and mitigate the negative impacts of climate change on this important sector.

**Impacts of Climate Change on Agriculture Sector**

Climate change can affect agriculture sector through various channels among them are temperature rise, rainfall and precipitation distribution, carbon concentration, extreme weather events like floods, drought and storms, and intensification of pest growth. The level and extent of effects of these changes on agriculture production are highly uncertain and various climate models used for the estimation of these effects gave results with significant variations. However, these variations are mostly for the short to medium term periods (up to the period 2030-2050), but in long run most of the models predicted aggregate negative impact of climate change on agriculture sector at global level (UN IPCC, 2007).

According to the Fourth Assessment Report of the UN Intergovernmental Panel on Climate Change (UN IPCC 2007), the average global temperature has risen by 0.74°C since 1800s and is expected to continue to increase by 1.8°C to 4°C until 2100. Relative to a 1990 baseline under an A1B scenario3, median temperature rise in Sub-Saharan Africa is projected to be 3.2°C to 3.6°C, for Middle East and North Africa 3.5°C, for Asia 2.5°C to 3.7°C and for Latin America 2.5°C to 3.3°C (Padgham 2009). As crops are highly sensitive to the temperature and grow only in a suitable environment, for any increase in temperature above their tolerance level, crops will respond negatively and it will be a major cause of decrease in crop yields especially in semi-arid tropic and sub tropic regions. In these regions, temperature is already tend to be close to crops tolerance level. Another related impact of higher temperature on crops is known as evapotranspiration. As increasing temperature affect the ability of plants to get and use moisture while on the other hand, evaporation from the soil accelerates when temperatures rise. As a result, plants increase transpiration and lose more moisture from their leaves. This phenomenon negatively impacts the plants life cycle and production capacity.

At the global level, generally developing countries are expected to be more exposed to these negative impacts compared to the developed countries and, thus, their agriculture production is estimated to decline significantly. Impacts are estimated to be strongest across Africa and Western Asia where yields of the dominant regional crops may fall by 15–35% once temperatures rise by 3°C or 4°C (Stern Review, 2006). Sub-Saharan Africa is expected to be worst affected, causing the largest contraction of agricultural production and income. Being located in already dry and warm areas, most of the OIC countries will suffer negative impacts of climate change sue to increase of temperature. Their agriculture production is particularly

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3 The A1B scenario is one of the scenarios developed by the Special Report on Emissions Scenarios (SRES) used in the IPCC Fourth Assessment Report. It assumes a balanced use of fossil fuel and non-fossil fuel energy sources.
vulnerable to the increasing warming as even 1°C increase in local temperature may result in 5-10% decline in yields for major cereal crops in semi-arid and tropic areas, where most of the member countries are located.

Globally, water resources are vulnerable to the climate change due to its effects on rain fall, melting of snow and level of precipitation. The net impacts of climate change are projected to be negative on global water supply. According to the estimates of FAO (2007), climate change is expected to account for about 20% of the global increase in water scarcity and countries that currently suffer from water shortages will be hit hardest. Renewable water resources are already under stress across the globe and on average per capita renewable water resources have declined from 10180 m³ in 1992 to 8350 m³ in 2007 (FAO, AQUASTAT 2008). Semi-arid and dry regions will the most affected due to decrease in rainfall and higher rates of evapotranspiration, and runoff is projected to decrease by 10 to 30% in these regions. As a result, by the mid-century, the globally dry land will be doubled (UN IPCC, 2007).

Water is essential for the food production and globally agriculture accounts for nearly 70% of the total water consumption. In developing regions like Africa and Asia agriculture accounts for 86% and 81% of total water consumption, respectively. This ratio is much higher in the OIC countries and agriculture accounts for 90% of total consumption of renewable water in these economies (Figure 1). Rain fall is the main source of water on the Earth and nearly 55% of the gross value of our food is produced under rainfed conditions on nearly 72% of the world’s harvested cropland (IWMI, 2007). Semi-arid and dry areas are more vulnerable to climate change as their agriculture sector relies heavily on rainfall. The analysis of 20 years of rainfall data from a semi-arid maize area in the Eastern Africa, shows that occurrence of dry spells between rains were very often and caused significant maize yield reductions, in some cases up to 75% (Barron 2003). Therefore, expected increase in temperatures and seasonal rainfall variability (including longer dry spells between rains) due to the climate change will cause significant decrease in agriculture production of these areas.

Irrigation based agriculture systems are also vulnerable to the changing climate. Irrigated land currently produces 40% of the world’s food on 17% of its land and nearly half of this depends on snow and glacial melt from Himalayas. Glaciers are an important source of water for irrigation in the Central Asia, parts of the Himalayas Hindu Kush, China, India, Pakistan and parts of the Andes. Nearly 35% of the crop production in Bangladesh, Bhutan, China, India, Myanmar, Nepal and Pakistan is based on irrigation, providing food for 2.5 billion people. However, melting of glaciers due to global warming will cause significant decrease in water supply for irrigation in these areas. Given the fact that 40% of the world’s crop yields are based on irrigation and almost half of this is from the basins of rivers originating in the Himalayas alone, effects of water scarcity can be an estimated reduction of the world food production by 1.5% by 2030 and at least by 5% in 2050 (UNEP, 2009).

The majority of the OIC member countries are located in dry areas with a relatively small
portion of the world total water resources compared to their population and land area. The OIC member countries have 8397 km$^3$ of renewable water resources, which represent only 15.3% of the world total renewable water resources (TRWRs). Agriculture sector is largely based on irrigation and currently accounts for 90% of total water consumption in these countries. At the OIC regional level, agriculture accounts for over 90% of total water consumption in South Asia and Latin America and Caribbean while this ratio is 70% to 80% in the rest of OIC regions.

The average renewable water resources per capita of the OIC member countries is about 5587 m$^3$/year, which is lower than the world average and significantly below the averages of some other regions like Europe, the Americas, Australia and New Zealand (Figure 2). Many OIC member countries are suffering increasing water scarcity as their TRWRs per capita are lower than the threshold level of 1700 m$^3$/year. According to the FAO AQUASTAT (2007), 21 member states have TRWRs per capita less than 1700 m$^3$/year. Among them, Pakistan, Lebanon, and Comoros experience water stress$^4$ while 18 member countries have water scarcity$^5$. The majority of OIC countries suffering water scarcity are located in MENA region (16 countries). Over the years, OIC TRWRs per capita exhibited a declining trend and since 1992 decreased by 22.8%. MENA and SSA witnessed higher decline where TRWRs per capita decreased by 32% and 33%, respectively (SESRIC, 2009). Given the fact that water resources are already under great stress in the member countries and climate change will further exacerbate water availability in these areas, more member countries will face increasing water scarcity and subsequent decline in agriculture production.

Most of the OIC member countries have average precipitation depth less than 500 m per year which shows high prevalence of aridity in these countries. Provided the fact that, precipitation provides soil moisture which is a crucial factor for the productivity of the crops, agriculture production will decline in majority of the member countries. Therefore, changing scenarios of precipitation level due to climate change will intensify the water scarcity in some OIC regions. These changes in precipitation will affect the levels of water storage in lakes and reservoirs, due to their higher sensitive to climate change. This could cause major problems for lakes, such as Lake Chad, which has already decreased in size by about 50% in the last 40 years. For the Niger River basin there is a predicted 10% change in precipitation, potential evaporation and runoff. In MENA, the average annual runoff will decline by as much as 27% by 2050. While with continuing increases in temperatures, water flow in the Euphrates may decrease by 30% and that of the Jordan River by 80% before the turn of the century. This will aggravate the water shortage problem and lead to more dependency on desalinated and treated wastewater (AFED, 2009).

Climate change induced variations in precipitation patterns will not only cause fresh water stress but will also trigger extremes weather events like floods, droughts, and land

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1 when TRWRs per capita per year is less than 1700 m$^3$.
2 when TRWRs per capita per year is less than 1000 m$^3$.

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Figure 2: Total Renewable Water Resources per Capita, 2007 (m$^3$/year)
sliding. This will impact the fresh water supply as well as agricultural production. Sudan and Nigeria are highly vulnerable to climate change mainly due to persistent moisture deficit and widespread drought. While, the semi-arid rangelands in the Maghreb region countries Algeria, Morocco, and Tunisia are at high risk of desertification caused by increased aridity and widespread land degradation (Puigdefábregas and Mendizabal 1998).

According to the UN IPCC estimates (2007), increase in temperature could lead to the warming of ocean waters which may cause the sea level rise up to 59 cm by 2100 and even up to 5 meters if the melting of the glaciers and ice sheet Antarctica is taken into consideration. Sea level rise can seriously affect a number of OIC member countries especially in the MENA region where economic activities and agriculture sector are concentrated in the coastal areas which are highly vulnerable to sea level rise. As a result, in these areas sea water will damage the agriculture sector by increasing salinity of soil and contaminating the freshwater resources. Agriculture sector in Egypt will be highly vulnerable to the rising sea level and only one meter rise would put 12% of its agricultural land at risk. An elevated sea level will also exacerbate the flood impacts of the large rivers, especially the Niger and Nile. Some of the most vulnerable regions are the Nile delta in Egypt, the Ganges-Brahmaputra delta in Bangladesh, and the island of Maldives and Bahrain (AFED, 2009).

Climate change can also have a negative impact on agricultural land productivity by increasing the salinization of soil, nutrient depletion and erosion. According to the recent estimates of United Nation Environmental Program (UNEP, 2009), some 950 million hectares of salt-affected lands occur in arid and semi-arid regions, corresponding to nearly 33% of the potentially arable land area of the world. Globally, some 20% of irrigated land (450,000 km²) is salt-affected, with 2,500–5,000 km² of lost production every year as a result of salinity (UNEP, 2009).

According to the UN IPCC (2007), projected changes in the frequency and severity of extreme weather events are predicted to have more serious consequences for the agriculture sector and food production than changes in projected mean temperatures and precipitation. There will be potentially large negative impacts in developing regions compared to the developed countries mainly due to their higher reliance on agriculture, poor infrastructure and minimal capacity for the disaster management (Tubiello and Fischer, 2006). This will further aggravate already alarming food insecurity situation across the developing world.

Another major impact of climate change on the crops will come from intensification of pests like weeds, insects, and pathogens. Climate and weather conditions play an important role in the distribution and proliferation of pests. In addition, climate change also affects the efficiency of pesticides often used to control these pests by changing the conditions on the ground. For example, one of the most important factors which play a significant role in pesticide effectiveness, persistence, and transport is timing and volume of rainfall which induced by climate change will become highly uncertain in future.

According to the FAO report (2008), there is clear evidence that climate change is altering the distribution, incidence and intensity of animal
and plant pests and diseases. Under the climate scenarios with more winter rain in the Sahel may provide better breeding conditions for migratory plant pests such as desert locust that are totally dependent on rain, temperature and vegetation, with catastrophic impacts on crop and livestock production. Pests and pathogens have had particularly severe effects on crop yields in the world’s poorest and most food insecure region of Sub-Saharan Africa. They have been estimated to cause an annual loss of US$12.8 billion in yield of eight of Africa’s principal crops, and may reduce yields in developing countries overall by around 50%.

Level of concentration of CO$_2$ in the atmosphere is another important variable which affect agriculture productivity through photosynthetic mechanism, where plant species vary in their response to CO$_2$, in part, because of differing photosynthetic mechanisms. Therefore, concentration of CO$_2$ in the atmosphere due to GHG emissions will certainly affect the crops and their productivity.

However, so far the aggregate impacts of CO$_2$ concentration on agriculture sector are highly ambiguous as different crops show different response to this phenomenon. Generally scientists are unanimous that an increase of atmospheric CO$_2$ levels can help to increase crop productivity in C3 crops like wheat, rice, and soybeans. However, the extent of the increase in productivity depends on many other factors like crop species and soil fertility conditions. On the other hand, productivity of the C4 crops such as sugar-cane and maize, which account for about one-fourth of all crops by value, will certainly decline (Cline, 2007). The positive impacts of elevated CO$_2$ on the crops are highly uncertain and depend largely on the associated impacts of high temperatures, changed patterns of precipitation, and possible increased frequency of extreme events such as droughts and floods, on the crop yields. Therefore, it’s not very much clear that how much certain will be the beneficial effects of Carbon fertilization on global food production.

Projected Changes in Agricultural Productivity

Keeping in view the negative impacts of climate change on agriculture sector, efforts have been made by many scholars to gauge the loss of productivity in this sector. Different climate models have been investigated and shown considerable variations in their findings, especially in short to medium term period (2030-2050). However, for the period after 2050, most of the models predicted substantial decrease in the agriculture productivity across the globe (UN IPCC, 2007).

Based on estimates of six climate models and two crop models, Cline (2007) investigated the country level impacts of climate change on agriculture production up to the end of this century using two important variables i.e. temperature and precipitation. As shown in Figure 3, by 2080, assuming a 4.4° C increase in temperature and a 2.9% increase in precipitation, the average agriculture productivity of the world (output per hectare) is expected to decrease by 16% without Carbon fertilization$^6$ and 3% with Carbon fertilization$^7$.

Although agriculture production is expected to decline globally, the impacts of climate change on agriculture productivity are projected to be unevenly distributed across the globe. In this respect, developing countries are expected to suffer more negative climate change impacts in terms of agricultural production losses than the developed countries. As shown in Figure 3, by 2080, the average agriculture productivity of the developing countries will decline by 9% with

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$^6$ If there are no beneficial effects of increased Carbon Dioxide (CO$_2$) on the production of crops.

$^7$ If some crops benefit from the increased Carbon Dioxide (CO$_2$).
carbon fertilization and by 21% without carbon fertilization. In contrast, the average agriculture productivity of the developed countries is expected to experience a loss of 6% without carbon fertilization. Yet, if the elevated level of CO₂ in the atmosphere benefited the crops then agriculture productivity of the developed countries is expected to increase by 8%.

Figure 3: Projected Changes in Global Agricultural Productivity by 2080

![Figure 3](image)

Source: Adapted from Cline, 2007.

The impacts of climate change on agriculture sector in developing countries are also expected to be widely varied among different sub-regions, where the highest loss is expected to take place in Africa, both with or without Carbon fertilization. In contrast, expected losses in Asian region are lower than all other developing regions. As shown in Figure 4, Average agriculture productivity in Africa is expected to decline by 28% without considering carbon fertilization and by 17% if carbon fertilization is considered. Africa will be followed by Latin America with 24% and 13% loss with and without carbon fertilization, respectively, MENA by 21% and 9% and Asia by 19% and 7%. If there are no benefits of Carbon fertilization, then the most severely affected countries are expected to be in Africa, Latin America and Asia.

Figure 4: Projected Changes in Agricultural Productivity in Developing Regions by 2080

![Figure 4](image)

Source: Adapted from Cline, 2007.

In this analysis, 25 OIC member countries are included⁹. On average, agriculture productivity losses in these 25 OIC member countries are estimated at 25% without considering Carbon fertilization and 14% if Carbon fertilization is considered. At the individual country level, the highest decline is projected in the countries located in Sub Saharan Africa. Among these countries, Sudan and Senegal are estimated to record over 50% decline in agriculture productivity without carbon fertilization and over 45% with Carbon fertilization. In contrast, agriculture productivity of some OIC member countries in other regions is estimated to increase. For example, agriculture productivity in each of Kazakhstan and Egypt is estimated to increase by 11% without Carbon fertilization and 28% with carbon fertilization.

Assuming that Carbon fertilization will have positive impacts on crops, OIC member countries in Central Asia & Europe like Uzbekistan, Tajikistan, Turkmenistan, Kyrgyzstan, Azerbaijan and Albania are expected to gain 1% to 10% increase in their agriculture productivity. Yet, OIC member

⁹ These member countries are Afghanistan, Algeria, Bangladesh, Burkina Faso, Cameroon, Egypt, Indonesia, Iran, Iraq, Kazakhstan, Malaysia, Mali, Morocco, Mozambique, Niger, Nigeria, Pakistan, Saudi Arabia, Senegal, Sudan, Syria, Turkey, Uganda, Uzbekistan and Yemen.
countries in other regions are expected to suffer agriculture productivity losses despite the positive impacts of elevated carbon in atmosphere (Figure 5). For example, in South Asia, Pakistan is expected to experience a decline in agriculture productivity by 20%. The other OIC member countries in this region are expected to suffer lose of agriculture productivity by 1% to 15%. Similarly, agriculture productivity losses in OIC countries in East Asia & Pacific region is estimated to decline by 1% to 15%.

In Middle East, Iran, Syria and Yemen are expected to suffer 18%, 16% and 17% loss respectively while for Saudi Arabia agriculture productivity loss is estimated at 10%. In this region, Iraq will be hard hit with agriculture productivity loss of 32%. In North Africa, agriculture productivity loss in Morocco and Algeria is estimated at 30% and 26% respectively (see Figure 6). In contrast, Egypt is expected to have agriculture productivity increase by 28%. Member countries in Sub-Saharan Africa will also experience negative impacts on agriculture productivity due to changes in climatic conditions. In this region Sudan, Senegal, Gabon and Mali are expected to suffer agriculture productivity loss by 50%, 45%, 39% and 26% respectively. Niger, Guinea, Guinea-Bissau and Sierra Leon could are expected to suffer agriculture productivity loss by 23% to 24% while in Burkina Faso, Mozambique, Cameroon, and Nigeria losses are estimated at 13%, 10%, 8% and 6% respectively. The lowest agriculture productivity loss in this region is estimated as 4% in Somalia and Uganda.
The expected negative impacts of climate change on agriculture productivity will be a major reason for the expected increase of undernourishment in the coming decades. Studies show that in 2080 around 1.3 billion more people could be at risk of hunger under the most extreme climate change scenario, with the poorest countries worse affected (Slater. 2007). It is also estimated that projected impacts of climate change on agriculture sector by 2080 will cause global agricultural GDP to decrease by 1.5%. The agriculture GDP of the developing countries is projected to decline on average by 1.9% compared to 0.5% in that of the developed countries. Among the developing regions, agriculture GDP is estimated to decline by 4.9% in Sub-Saharan Africa and by 4.3 % in Asia (FAO: Climate Change, Water and Food Security).

Concluding Remarks and Policy Recommendations

Recent trends and studies indicate that changing climatic patterns in the coming decades will cause negative impacts on agriculture production, particularly food production. It is then clear that coherent strategies are needed to facilitate the adaptation of agriculture and cropping systems to climate change through better management of crop species and varieties. Agricultural diversification and development of climate-resilient crop varieties will be necessary to help farmers to adapt to the changing weather conditions. Improvement in ways of transmitting information about crop variety adaptation both through market and non-market channels are needed as well. These approaches will require countries to develop policies to ensure effective development and transfer of new crop varieties through effective and improved seed supply systems.

OIC member countries are highly vulnerable to the impacts of climate change mainly due to its negative impacts on their agricultural production. Provided the fact that agriculture
sector is of paramount importance for the economic development and eradication of poverty and hunger in many member states, there is an urgent need to take necessary steps to minimize/eliminate the negative impacts of climate change on this sector by employing coherent agriculture policy both at the national and intra-OIC cooperation level. In this context, the following broad measures could be recommended:

- In order to mitigate the negative impacts of climate change on the agriculture sector, there is a need to put the agriculture sector back at the top of national development agendas. Because over the years, mainly due to structural transformation programs and strategies, agriculture sector has been generally neglected compared to other sectors both at national and international level. Consequently, the share of agriculture in public expenditures has declined across the developing countries, including some OIC member countries. Meanwhile, the share of Official Development Assistance (ODA) for the agriculture sector has also witnessed continuous decline.

- In the majority of the OIC member countries, especially in Sub-Saharan Africa, agriculture crops which are usually being cultivated will not be able to bear the stress of climatic changes and their productivity will decline significantly. Therefore, there is a need for improving the quality of the seeds and cropping systems in these countries. Both at the national and intra-OIC cooperation levels, member countries should establish agriculture research funds to encourage development of climate-resilient crop varieties which are heat and drought-resistant. Member countries should also encourage and promote climate-friendly agricultural production systems and land-use policies.

- The majority of the OIC member countries located in arid and semi-arid dry regions and their share in global renewable water resources is only about 15%. Climate change and extreme weather conditions may require large water storage facilities and modern irrigation systems and techniques. Therefore, there is a need to promote and encourage both public and private sector investments in new water-save irrigation systems and water management infrastructure, proper water storage and control facilities like dams and ponds. To this end, intra-OIC investment in the agriculture sector should be also enhanced and encouraged through improving investment and business environment in the targeted agriculture-based OIC member countries.

- Efforts should be made to facilitate the appropriate access to finance for small farmers in rural areas in member countries through enhancing the “micro finance systems” in these countries and providing them with improved seeds and crop varieties that help promote climate risk management and adaptation and fertilizers. Efforts should be also made to encourage and promote
practices of sustainable agriculture by helping and educating the farmers best techniques including improving yields on marginal land, farming forests, expanding aquaculture, rediscovering forgotten foods, and encouraging urban agriculture.

- Climate change has increased the intensity of natural disasters like floods, droughts and cyclones which are causing severe damage to agriculture sector and posing severe threats to the very survival of millions of people across the OIC member countries. Hence both at national and intra-OIC cooperation levels, member countries should develop and adopt an emergency response mechanism to minimize the impacts of such disasters by providing necessary help.

- There is also a dire need to establish research facilities to revolutionize the process of data collection, dissemination, and analysis to predict the impacts of climate change in general and finding the regions where the effects will be greatest. Availability of accurate data will help to overcome the uncertainties regarding the impacts of climate change and encourage the governments to formulate relevant policy measures. To achieve this goal, member countries should collaborate with climate and environment related regional and international agencies to develop their national and regional climate change monitoring facilities.
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DID YOU KNOW?

- The Ease of Doing Business Index (EDBI) analyzes countries according to the regulations that enhance and constrain the business activities of domestic small and medium size enterprises. It is an aggregate index calculated by the business related indicators under 10 categories: starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.

- The EDBI of 2010 ranks 183 countries of which 54 are members of OIC except for Libya, Somalia, Turkmenistan.

- 19 OIC Member Countries shown in the below graph improved their rankings compared to 2009.

- Among those, Kyrgyzstan is the 2nd global reformer after Rwanda. Due to the business supportive reforms implemented in Kyrgyzstan during the survey period of EDBI2010, it jumped from 80th to 41st position in the overall index.

- U.A.E, Tajikistan and Egypt are also on the list of top 10 global reformers and they moved upwards by 14, 12 and 8 ranks, respectively.

The Fastest Reformers of OIC Member Countries according to Ease of Doing Business Index 2010
INTERNATIONAL MIGRATION IN THE OIC MEMBER COUNTRIES

Atilla Karaman, SESRIC

Introduction

International migration represents any cross border movement by people from one country to another as a result of personal, economic and/or political motives. The personal motives for migration range from having better education opportunities to seeking a mild climate for a better life standard. The economic motives for international migration which especially gained speed after the Industrial Revolution are centred on finding jobs which offer better wages and work conditions. The political motives for international migration due to increasing instabilities within nations have made migratory flows increase since the 20th century in which mankind happened to see the World War I and II, and many other regional clashes. The purpose of this OIC Outlook is to depict the international migration in the OIC Member Countries. The presentation is based on the data from the World Development Indicators (WDI) Database and “Migration and Remittances Factbook 2008” of the World Bank, and OECD.Stat Extracts.

International Migration Stock

In 2005, the total international migration stock (IMS) reached approximately 195 million people compared to 84 million in 1970, corresponding to an increase by about 131%. The share of the Developing Countries in the world IMS decreased from 54% in 1970 to 48% in 2005. In contrast, the share of the Developed Countries increased from 46% to 52% in the same period. On the other hand, the share of the OIC Member Countries as a group in the world total IMS accounted for 23% in 2005 compared to 19% in 1970. Consequently, their share in the IMS of the Developing Countries increased from nearly 35% in 1970 to 48% in 2005 (Figure 1).

It is observed that the IMS showed a sharp increase in all the regions, including the OIC member countries, during the five-year period 1985-1990. According to the 1997 UN Secretary General’s Report on “World Demographic Trends”, the reasons for this sharp increase vary among geographic location. For example, the sharp increase of the IMS in Western Asia is connected to the foreign worker inflow to the oil-producing countries of the region whose revenues increased noticeably after the oil-price rises of the 1970s. The statistics also indicate that labour flows to the region have not declined during the 1990s. The remarkable increase of the IMS in Central America is the result of the civil strife and conflict that reigned in the region during the 1980s. In Europe, the IMS increases during 1985-1990 are associated with the end of the Cold War and with the relaxation of exit controls in Eastern and Central European countries and in the former USSR whose collapse increased migration directed to developed countries with market economies. The major source of IMS in Europe since 1990 has been the former Yugoslavia. In Africa, the IMS increases recorded during 1985-1990 are mainly linked to the rising number of refugees in the region.
In 1995, the IMS in the OIC and Developing Countries showed declines by 6% and 2% respectively; whereas the IMS in the Developed Countries showed an increase by 20%. The World IMS grew by 7% in the period 1990-1995. By 2010, the World total IMS is estimated to reach approximately 214 million people, corresponding to nearly 3% of the World population (Figure 1). The share of the Developing and Developed Countries in the total IMS is estimated to be 44% and 56%, respectively in 2010. While the share of the OIC Member Countries as a group in the World total IMS is estimated to remain at 23% in 2010; the same level in 2005, their share in the IMS of the Developing Countries is estimated to reach 53%.

The regional distribution of the IMS in the OIC Member Countries shows that the OIC Member Countries in the Middle East and North Africa (MENA) constituted the majority of the IMS in the decade between 1995 and 2005 with an increase of 6.06 percentage points from 44.47% in 1995 to 50.53% in 2005 (Figure 2). The OIC Member Countries in the Sub-Saharan Africa (SSA), Europe and Central Asia (ECA), and South Asia (SA) accounted for 18.95%, 15.05% and 10.26%, respectively, of the total OIC IMS in 2005. Although the OIC Member Countries in these three regions accounted together for 44.25% of the total OIC IMS in 2005, they recorded declines by 0.60, 4.22 and 2.59 percentage points, respectively, when compared with their IMS values in 1995. The rest of the OIC Member Countries in the East Asia and the Pacific (EAP), and Latin America and the Caribbean (LAC) accounted for 5.12% and 0.10% of the total OIC IMS, respectively, in 2005 with increases by 1.33 and 0.03 percentage points from their 1995 IMS values (Figure 2).

In 2005, 14 out of the 55 OIC Member Countries, for which the data are available, recorded an IMS over one million people (Figure 3). With about 33 million migrants, these 14 OIC Member Countries hosted nearly 74% of the total OIC IMS in 2005. Saudi
Arabia together with Pakistan, Kazakhstan, UAE, Côte d’Ivoire, Jordan and Iran accounted for 50% of the total OIC IMS in the same year. When the regional classification of these 14 OIC Member Countries with an IMS over one million people is considered, it is seen that 41% of the OIC IMS belonged to the OIC Member Countries in the MENA, and the remaining 33% belonged to the Member Countries in the ECA (12%), SA (10%), EAP (5%), and SSA (5%) in 2005.

International Migration Stock as a Percentage of Total Population

The proportion of IMS to the total population in the OIC Member Countries increased by 0.70 percentage points from 2.53% in 1970 to 3.24% in 2005. The ratio of the total OIC IMS to total population remained above that of the Developing Countries and the World during the period 1970-2005. In 1990, the ratio of the IMS to total population in both the OIC Member Countries (4.07%) and Developing Countries (2.11%) reached its highest historical record. Yet, after 1990, these ratios started to decrease.

On a regional basis, the OIC Member Countries in the MENA recorded the highest ratio of IMS to total population both in 1995 and 2005. The OIC Member Countries in the MENA were followed by the OIC Member Countries in the ECA LAC, SSA, SA, and EAP in 2005. While the OIC Member Countries in the ECA, SSA, and SA recorded decreases by 1.30, 0.44, and 0.54 percentage points respectively, the IMS to total population ratios of the OIC Member Countries in the MENA, LAC, and EAP grew by 0.91, 1.16 and 0.23 percentage points respectively in the period 1995-2005 (Figure 5).

At the individual OIC Member Country level, the IMS as a percentage of the total population reached over 10% in 16 countries in 2005. In the same year, this percentage reached over 50% in Qatar, Kuwait, and
UAE, and between 25% and 50% in Palestine, Jordan, Bahrain, Brunei, Saudi Arabia and Oman. The IMS as a percentage of the total population in Kazakhstan, Lebanon, Gabon, Gambia, Djibouti, Côte d’Ivoire and Libya reached between 10% to 20% in 2005 (Figure 6).

The gender profile of the IMS in the OIC Member Countries showed significant differences at both the individual country and regional levels. In 2005, females as percentage of the IMS in the OIC Member Countries ranged between 13.9% in Bangladesh and 58.2% in Kyrgyzstan. In the same year, 17 OIC Member Countries recorded over 50% of females as percentage of their IMS. Kyrgyzstan from the ECA region was leading the list with 58.2%, followed by Azerbaijan, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan (all with 57.8%). In fact, 8 out of the 17 OIC Member Countries with over 50% of females as percentage of the IMS were from ECA region. These countries in the ECA region followed by 7 OIC Member Countries in SSA with females as percentage of the IMS ranged from 50% (Guinea-Bissau) to 52.7% (Guinea), and 2 OIC Member Countries from MENA region: Morocco with 50.7% and Lebanon with 57.5% (Figure 7).

Refugees constitute one of the major components of the IMS. In this respect, a refugee is defined as person who "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country." Refugees and migrants differ fundamentally from each other. While migrants choose to move in order to improve the future prospects of themselves and their families, the motive of refugees in leaving their homes behind is to save their lives or preserve their freedom.
In the period 1990-2005, the ratio of the refugee population by country/territory of asylum to the IMS showed a decline trend in the OIC Member Countries as a group as well as in the Developing and Developed Countries. As a result, the World average fell from 13% in 1990 to 7% in 2005. Despite this decline, the ratio of the refugee population by country/territory of asylum to the IMS of the OIC Member Countries, as a group, was higher than that of the Developing and Developed Countries, and the World average. This ratio decreased by 12 and 8 percentage points from 1990 to 2005 in the group of the OIC Member Countries and the Developing Countries, respectively; whereas, the decrease in the Developed Countries was only 1 percentage point in the same period (Figure 8).

At the OIC regional level, the OIC Member Countries in LAC recorded a ratio of 0% of refugee population by country/territory of asylum to their IMS both in 1995 and 2005. In 2005, the OIC Member Countries in MENA region recorded the highest ratio (26.25%) of refugee population by country/territory of asylum to IMS, followed by the OIC Member Countries in SA, SSA, EAP, and ECA with 24.10%, 11.86%, 1.48% and 1.07%, respectively.

The OIC Member Countries in MENA, SA, SSA, and ECA recorded declines in their ratios of refugee population by country/territory of asylum to IMS in the period 1995-2005. The biggest decline was in SSA with 16.16 percentage points, followed by MENA, ECA, and SA with 6.14, 2.95 and 0.94 percentage points, respectively. In contrast, this ratio in the OIC Member Countries in EAP as a group increased by 1.12 percentage points from 1995 to 2005 (Figure 9).

Refugee Acceptance: Having a Strong Economy or Being a Neighbour?

In 2005, out of the 55 OIC Member Countries, for which the relevant data are available, 12 recorded more than 25 refugees per 100 migrants; 7 of them were in MENA region, 4 in SSA and 1 in SA region. In the same year, all the migrants in Palestine, and more than half of the migrants in Jordan, Chad and Lebanon were refugees. In this respect, it is observed that refugees stay in their source regions and run away to bordering countries. This is due to the continuing political turmoil in some of the OIC Member Countries, especially in MENA and SA, seeking a shelter to save their lives and preserve their freedom. This is the main reason
for refugees in fleeing to neighbour countries and not directly to countries with advanced economies/high income levels. This is true, particularly for refugee receiving OIC Member Countries like Palestine, Jordan, Lebanon, Egypt, Syria and Iran in MENA region and Pakistan in SA region (Figure 10).

Figure 10: OIC Member Countries with over 25% Refugee Population by Country/Territory of Asylum as a % of International Migration Stock, 2005

The above-mentioned observation that refugees stay in their source regions and run away to bordering countries is also verified by the number of refugees per 1 USD GDP (PPP) per capita. The relative impact of hosting refugees can be measured by comparing the refugee population with the GDP (PPP) per capita of a country. If the number of refugees per 1 USD GDP (PPP) per capita is high, the relative contribution and effort made by countries compared to the national economy can be considered as high. Countries classified as strong economies are expected to absorb refugees more but the available data show that this is not the case. As strong economies, the High Income OIC Member Countries and the Developed Countries hosted only 9 and 64 refugees, respectively, per 1 USD GDP (PPP) per capita. The gap of absorption of refugees between the strong and other economies was wide in 2005.

In this respect, the Developing Countries hosted 2,071 refugees per 1 USD GDP (PPP) per capita; whereas, the OIC Member Countries as a group hosted 1,549 refugees per 1 USD GDP (PPP) per capita in 2005, which was higher than that of the World average of 1,484 refugees per 1 USD GDP (PPP) per capita. The Middle and Low Income OIC Member Countries hosted 1,192 and 754 refugees, respectively, per 1 USD GDP (PPP) per capita, which is lower than that of the Developing Countries, the OIC group and World (Figure 11).

Among the OIC Member Countries, Pakistan was hosting the highest number of refugees compared to its national economy in 2005, where it hosted 497 refugees per 1 USD GDP (PPP) per capita. Pakistan was followed by Jordan with 421 refugees per 1 USD GDP (PPP) per capita. The number of refugees hosted by Uganda, Chad, Syria and Iran per 1 USD GDP (PPP) per capita was more than 100. Among the High Income OIC Member Countries, Saudi Arabia was the only country to host more refugees in 2005 (11 refugees) per 1 USD GDP (PPP) per capita; a level which was higher than the average of the group of OIC High Income Countries. These figures also support the fact that refugees stay in their source regions and run away to bordering countries rather than moving
to High Income Countries. In 2005, Libya, Kazakhstan, Tajikistan, Azerbaijan, Gabon and Niger hosted 1 refugee per 1 USD GDP (PPP) per capita. Burkina Faso, Mauritania, Turkey, Morocco, Kuwait, Indonesia, Tunisia, Albania, United Arab Emirates, Comoros, Qatar and Oman hosted less than 1 refugee per 1 USD GDP (PPP) per capita in 2005 (Figure 12).

Figure 12: Number of Refugees per 1 USD GDP (PPP, Constant 2005 International USD) per Capita in the OIC Member Countries, 2005

International Emigration in the OIC Member Countries

Emigration is the act of leaving one’s native country or region to settle in another. It is the same as immigration but from the perspective of the country of origin. According to the World Bank’s “Migration and Remittances Factbook 2008”, with 101.5 million people in 2005, the stock of emigrants in the Middle Income Countries constituted the majority of the global stock of emigrants. The Middle Income Countries was followed by the Low Income, High Income OECD and High Income non-OECD Countries with emigrant stocks of 43.5, 29.5 and 5.3 million people respectively in 2005.

In 2005, the OIC Member Countries as a group had an emigrant stock of 49.9 million people, 64.12% of them were from the Middle Income, 35.17% from the Low Income and 0.71% from the High Income OIC Member Countries. At the OIC regional level, the emigrant stock in the ECA region was the highest with 28.42% of the total, followed by the MENA and SA regions with 26.53% and 20.69%, respectively. The OIC Member Countries in these three regions made up 75% of the total OIC emigrant stock. The people emigrated from the OIC Member Countries in the SSA, EAP and LAC accounted for 16.61%, 6.42% and 1.34%, respectively of the total OIC emigrant stock in 2005.

In 2005, 15 OIC Member Countries, 10 of them are Middle Income Countries and 5 are Low Income Countries, recorded an emigration stock over 1 million people. Together these 15 OIC Member Countries constituted nearly 71% of the total OIC emigration stock. The OIC Member Countries with an emigration stock over 2 million people accounted for approximately 52% of the total OIC emigration stock. Geographically, 4 OIC Member Countries in the Top 15 were from the MENA, 3 from the ECA and SA, and 2 from the EAP and SSA.
Among the OIC Member Countries, Bangladesh and Turkey had emigrant stocks over 4 million each in 2005, corresponding to 9.78% and 8.81%, respectively, of the total OIC emigration stock. Following Bangladesh and Turkey, Kazakhstan together with Pakistan had emigrant stocks over 3 million; Morocco, Egypt, Uzbekistan and Afghanistan had emigrant stocks over 2 million; and Algeria, Indonesia, Malaysia, Azerbaijan, Mali, Burkina Faso and Iraq had emigrant stocks over 1 million each in 2005 (Figure 13).

The emigration stock as percentage of the total population of the OIC Member Countries, as a group, was 3.5% in 2005. When compared with that of the OIC average, the ratios of the SA (3.0%), SSA (2.2%) and EAP (1.3%) were below the OIC average; whereas, the ratios of the LAC (52.9%) and ECA (10.1%) were above the OIC average. Out of the 57 OIC Member Countries, 25 had ratios of emigration stock to population below the average of the OIC Member Countries as a group (ranging between 0.3% and 3.4%). In contrast, 11 OIC Member Countries recorded emigration stock to population ratios over 10%. Out of these countries, Guyana and Suriname, both in the LAC, held the first and second place with ratios of 55% and 50%, respectively. The OIC Member Countries with ratios between 25% and 28% were Albania, Palestine and Kazakhstan; followed by Azerbaijan, Lebanon, Tajikistan, Kyrgyzstan, Jordan and Mali with ratios between 10% and 16% (Figure 14).

Brain Drain

Human capital flight or 'brain drain' is the large-scale emigration of individuals with technical skills or knowledge. One important implication of the brain drain is that investment in education in a developing country may not lead to faster economic growth if a large number of its highly educated people leave the country. Also, efforts to reduce specific skill shortages through improved educational opportunities may be largely futile unless measures are taken to offset existing incentives for highly educated people to emigrate. There are various indicators to measure the extension of the brain drain, including emigration rate of tertiary educated, number of emigrated medical staff trained in the country (physicians and nurses), and emigration rate of medical staff trained in the country (physicians and nurses).

A brain drain can occur if emigration of tertiary educated persons for permanent or long stays abroad reaches significant levels and is not offset by the feedback effects of remittances,
technology transfer, investments, or trade. The data available for 56 OIC Member Countries showed extremely varying emigration rates of tertiary educated in 2000 ranging from 0.1% to 90%. The number of OIC Member Countries with an emigration rate of tertiary educated over 20% was 14 countries.

Figure 15: OIC Member Countries with Emigration Rate of Tertiary Educated over 20%, 2000

Similar to the emigration stock as percentage of total population, the OIC Member Countries in the LAC, i.e. Suriname and Guyana, had emigration rates of tertiary educated close to 90% in 2000. The OIC Member Countries in the LAC were followed by the OIC Member Countries in the SSA; i.e. Gambia (65%), Somalia (59%), Mozambique (42%), Sierra Leone (41%) and Nigeria (36%). The only OIC Member Country from the MENA region was Lebanon with an emigration rate of tertiary educated 30%. After Lebanon, came the OIC Member Countries in the SSA; i.e. Guinea-Bissau (29%), Senegal (24%), Mauritania (23%) and Uganda (22%). Brunei with a rate of 21% was the only OIC High Income Member Country from the EAP. Albania as the only OIC Member Country from the ECA had a tertiary educated emigration rate of 20% in 2000 (Figure 15).

The list of OIC Member Countries with emigration rate of tertiary educated over 20% shows that the OIC Low Income Member Countries (8 out of 14) were more affected by the emigration of tertiary educated. Out of these 14 Member Countries, 5 were in the Middle Income class; whereas only 1 OIC Member Country was in the High Income class.

The health workforce is of utmost importance in carrying out medical services for the citizens of a country. Emigration of the health workforce from a country can be a significant obstacle in fulfilling health services and this has definitely negative effects on the development of the country.

In 2000, a number of 61,835 physicians was estimated to be emigrated from the 57 OIC Member Countries, 63.33% of them were from the MENA, 19.86% from the SSA, 8.91% from SA, 4.34% from EAP, 3.54% from ECA and 0.03% from the LAC. In terms of income level of the country, the emigration of physicians from the Middle Income OIC Member Countries as a percentage of the OIC total was 88.16%; whereas the ratios of the Low Income and High Income OIC Member Countries were 10.84% and 1%, respectively in 2000.

The OIC Member Countries with emigration of physicians over 1,000 in year 2000 constituted 86.93% of the total physicians emigrated from the OIC Member Countries. The highest number of physicians emigrated among the OIC Member Countries was from Algeria with 10,860 corresponding to 17.56% of the total physicians emigrated from the OIC Member Countries in 2000.

Algeria together with Egypt, Morocco, Nigeria and Pakistan made up nearly 54% of the OIC total. Among the OIC Member Countries with emigration of physicians over 1,000, except the Low Income OIC Member Countries of Uganda and Mozambique, the remaining were Middle Income OIC Member Countries (Figure 16).
When the emigration rates of physicians are considered in the Low Income OIC Member Countries in the SSA, it was observed that Mozambique recorded a rate slightly over 75% of the total physicians in the country. Mozambique was followed by Guinea-Bissau with 70.9%, Gambia with 53.3%, Senegal with 51.4% and Cameroon with 45.6%. With the exception of Malaysia from the EAP with a rate of 11.9%, the data also show that emigration rates of physicians over 10% were mostly in the SSA and MENA. The OIC Member Countries in the ECA; i.e. Kazakhstan, Tajikistan, Azerbaijan, Uzbekistan, Turkmenistan and Kyrgyzstan, and in the MENA; i.e. Saudi Arabia and Oman recorded physician emigration rates less than 1% (Figure 17).

The number of nurses emigrated from the 26 OIC Member Countries in Africa, for which the data are available, was estimated to be 36,849 in 2000. Nigeria took the lead with 12,579 emigrated nurses, corresponding to 34.14% of the total, followed by Algeria with 8,245 nurses, corresponding to 22.38% of the total and Morocco with 5,176 nurses, corresponding to 14.05% of the total (Figure 18).
As in the case of physicians, the Low Income OIC Member Countries in the SSA recorded the highest emigration rate of nurses in 2000, with rate over 20%. At the individual country level, Gambia took the lead with 66.2%, followed by Sierra Leone (48.9%), Senegal (26.9%), Guinea-Bissau (24.7%), Comoros (23.3%) and Togo (19.2%). The emigration rates of nurses in Cameroon, Mozambique, Mali, Morocco, Benin, Nigeria, Chad and Uganda ranged between 10.2% and 18.9%. Somalia, Algeria, Mauritania, Côte d’Ivoire, Guinea, Gabon, Tunisia, Burkina Faso, Niger, Libya, Djibouti and Egypt were the OIC Member Countries with emigration rates of nurses below 10% in 2000 (Figure 19).

**Figure 19: Emigration Rate of Nurses in the OIC Member Countries, 2000**

Between 1990 and 2007, a total of 896 million people from the OIC Member Countries immigrated to the OECD Member Countries, corresponding to an annual average outflow of almost 5 million people from the OIC Member Countries into the OECD Member Countries. During this period, the inflows from the OIC Member Countries into the OECD Member Countries show three different characteristics during three different periods. The first period is 1990-1994 with an inflow peak in 1991 and gradual decreases till 1994 but still a more stable period compared to the second period of 1995-2003. In this period, there was a continuous annual increase since 1995 and reached a peak in 2002 and then a sharp decrease in 2003. The third period is 2004-2007 with gradual increases until the peak in 2007. This period can also be considered as more stable. The people from the OIC Member Countries immigrated to the OECD Member Countries accounted for 13.19% of the total inflows into the OECD Member Countries in 2007 compared to 6.66% in 1994.

**Figure 20: Inflows from the OIC Member Countries to OECD Member Countries, 1990-2007**
The percentage of the OIC Member Countries in the total inflows to the OECD Member Countries increased continuously since 1990 and reached a peak of 16.82% in 1999 (Figure 20).

Among the OECD Member Countries; Germany (21.86%), United States of America (18.80%), and France (9.67%) were the destination countries to about half of the inflows from the OIC Member Countries to the OECD Member Countries between 1990 and 2007. Together with the former, the other OECD Member Countries lying in the Northern Hemisphere; including Canada (8.23%), Spain (7.28%), Italy (7.05%), Turkey (5.51%), United Kingdom (3.52%), and Netherlands (3.29%) attracted almost 85% of the total inflows from the OIC Member Countries in the same period. The data on the inflows from the OIC Member Countries into the other OECD Member Countries (i.e. Iceland, Ireland and Mexico) are not available for the period under consideration (Figure 21).

The top 10 OIC Member Countries in terms of their shares in the total inflows into the OECD Member Countries during the period 1990-2007 were Turkey (17.78%), Morocco (13.41%), Pakistan (6.97%), Iran (6.22%), Iraq (5.09%), Algeria (4.14%), Albania (3.88%), Indonesia (3.66%), Bangladesh (3.22%) and Nigeria (2.55).

The inflows from these OIC Member Countries to the OECD Member Countries accounted for almost 67% of the total inflows from the OIC Member Countries to the OECD Member Countries (Figure 22).
The largest migration corridor was the Turkey-Germany corridor, accounting for nearly 1 million migrants and nearly 11.5% of the total inflows from the OIC Member Countries into the OECD Member Countries between 1990 and 2007. Migration corridor in Morocco-Spain was the next largest with about 450 thousand migrants in the same period, followed by Albania-Italy and Algeria-France, each with almost 240 thousand migrants. The destination of the first four corridors was the OECD Member Countries in Europe. Overall, 11 out of the Top 17 Largest Migration Corridors were with European destination countries and the other 6 Corridors were with North America destination countries (Figure 23).

Conclusion and Policy Recommendations

In the light of the above analysis of the trends on International Migration in the OIC Member Countries during the period 1990-2007, the following concluding remarks can be made:

1. In 2005, the OIC Member Countries had an international migration stock (IMS) of nearly 45 million people, corresponding to 3.24% of their total population. Nearly half of the IMS was in the OIC Member Countries in the Middle East and North Africa (MENA) region. Approximately 7% of the total population of the OIC Member Countries in the MENA region were migrants in 2005. In absolute value, Saudi Arabia had the largest IMS with 6.3 million people in 2005. With 81% of its total population, Qatar had the largest share of migrants in 2005. With 58.2%, Kyrgyzstan had the largest share of females in its total IMS in 2005. The lowest share of females was in Bangladesh with 13.9% in the same year.

2. Compared to both Developed and Developing Countries, the OIC Member Countries as a group had the largest Refugee Population by Country/Territory of Asylum as a percentage of the IMS with approximately 18% in 2005. The OIC Member Countries in the MENA had nearly 26% of the total refugee population in the OIC Member Countries. All of the IMS in Palestine were refugees in the same year.

3. In 2005, the number of refugees per 1 USD GDP (PPP, Constant 2005 International USD) per capita in the OIC Member Countries as a group was 1,549. The number of the refugees hosted per 1 USD GDP in the OIC Middle Income Countries was the highest with 1,192. At the individual country level, Pakistan took the lead by hosting 497 refugees per 1 USD GDP (PPP) per capita in the same year. As a result, rather than being a High Income Country, being a neighbouring country is a more important factor in refugee acceptance.

4. In 2005, nearly 49.9 million people, or almost 3.5% of the total population emigrated from the OIC Member Countries. The largest emigrant stock was from the OIC Member Countries in the MENA region; accounting for 64% of the total OIC emigrant stock. Bangladesh had the largest emigrant stock with almost 4.9 million people in the same year. The OIC Member Countries in Latin America had the largest ratio of emigration stock as a percentage of total population in 2005. Guyana took the lead with 55% followed by Suriname with 50%.

5. As an important indicator of the brain drain, the number of OIC Member Countries with an emigration rate of tertiary educated over 20% was 14. Suriname and Guyana took the lead in emigration rate of tertiary educated with 90% and 86%, respectively in 2000. In the same year, the number of physicians emigrated was the highest in Algeria with almost 11 thousand. The number of nurses emigrated was the highest in Nigeria with about 12.5 thousand.
Figure 23: Top Migration Corridors between the OIC and OECD Member Countries, 1990-2007, Number of People and Percentage of Total Inflows from the OIC Member Countries to the OECD Member Countries

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>DESTINATION</th>
<th>NUMBER</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>Germany</td>
<td>1,028,332</td>
<td>11.48%</td>
</tr>
<tr>
<td>Morocco</td>
<td>Spain</td>
<td>451,612</td>
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<tr>
<td>Albania</td>
<td>Italy</td>
<td>238,802</td>
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</tr>
<tr>
<td>Algeria</td>
<td>France</td>
<td>237,207</td>
<td>2.65%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>USA</td>
<td>231,668</td>
<td>2.59%</td>
</tr>
<tr>
<td>Iran</td>
<td>USA</td>
<td>216,841</td>
<td>2.42%</td>
</tr>
<tr>
<td>Morocco</td>
<td>France</td>
<td>213,943</td>
<td>2.39%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Canada</td>
<td>179,400</td>
<td>2.00%</td>
</tr>
<tr>
<td>161,560</td>
<td></td>
<td>1.80%</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>Japan</td>
<td>146,410</td>
<td>1.63%</td>
</tr>
<tr>
<td>Guyana</td>
<td>USA</td>
<td>141,184</td>
<td>1.58%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>USA</td>
<td>133,741</td>
<td>1.49%</td>
</tr>
<tr>
<td>Iraq</td>
<td>Germany</td>
<td>120,471</td>
<td>1.35%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>Germany</td>
<td>113,196</td>
<td>1.26%</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Turkey</td>
<td>107,992</td>
<td>1.21%</td>
</tr>
<tr>
<td>Turkey</td>
<td>Netherlands</td>
<td>106,459</td>
<td>1.19%</td>
</tr>
<tr>
<td>Iran</td>
<td>Canada</td>
<td>103,197</td>
<td>1.15%</td>
</tr>
</tbody>
</table>

**Top Migration Corridors**

between the OIC and OECD Member Countries, 1990-2007
Number of People and Percentage of Total
6. Between 1990 and 2007, a total of 8.96 million people from the OIC Member Countries immigrated to the OECD Member Countries. The inflows from the OIC Member Countries peaked in 2007 with 740 thousand people. The emigrants from the OIC Member Countries accounted for 13.19% of the total inflows to the OECD Member Countries.

7. Among the OECD Member Countries; Germany attracted nearly 22% of the total inflows from the OIC Member Countries to the OECD Member Countries between 1990 and 2007.

8. The OIC Member Countries with an inflow to the OECD Member Countries over 1 million people included Turkey and Morocco with about 1.6 million and 1.2 million people, respectively, between 1990 and 2007. Turkey and Morocco constituted nearly 17.8% and 13.4% of the total OIC inflows to the OECD Member Countries.

9. Between 1990 and 2007, the Turkey-Germany corridor was the largest migration corridor between the OIC and OECD Member Countries. The total inflow from Turkey to Germany was about 1 million people, accounting for almost 11.5% of the total inflows from the OIC Member Countries to the OECD Member Countries between 1990 and 2007.

Given this state of affairs, the following recommendations can be suggested:

1. As international migration has recently acquired a significant importance on the global agenda, the OIC Member Countries should further their efforts to manage the challenges and opportunities that international migration presents and act more effectively regarding the migration issues.

2. The cooperation and dialogue between the OIC Member Countries should be enhanced to take full advantage of the benefits of migration and increase the constructive effects of migration for development.

3. The OIC Member Countries should enhance their cooperation in exchanging information and data on migration in order to collect, analyse and disseminate reliable statistical data on migration to facilitate the maximum benefit of the multidimensional aspects of international migration and development.

4. The OIC Member Countries should work together to ensure that migrant flows take place in accordance with established rules and under conditions that are mutually beneficial to the countries involved.

5. In order to fit international migration to national needs, the OIC Member Countries should recognize the need and benefits of international migration by adopting relevant policies and measures supporting the inflows of tertiary educated especially in science and technology, or of foreign workers for sectors with shortages in human resources. The adopted policies should also enhance the integration of migrants into the society.

6. In order to accelerate the brain gain, the OIC Member Countries should promote the return of their citizens living abroad and strengthen the relationships with their expatriate communities.
References


International Migration in the OIC Member Countries
TWENTY-FIFTH SESSION OF THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE ORGANISATION OF THE ISLAMIC CONFERENCE (COMCEC)

The 25th Session of the COMCEC convened in Istanbul on 5-7 November 2009 with the participation of delegates from 52 OIC member countries. Bosnia-Herzegovina, Russian Federation, Kingdom of Thailand and Turkish Republic of Northern Cyprus participated in the Session as observers and Republic of Macedonia as a guest. The OIC General Secretariat, subsidiary, specialized and affiliated organs of the OIC also participated in the Session. A number of international and regional organizations, such as ECO, ECO Bank, FAO, D-8, and the Arab Organisation for Agricultural Development (AOAD) attended the Session.

The SESRIC was represented thereat by Dr. Savay Alpay, Director General; Dr. Kabir Hassan, Advisor to the Director General; Mr. Nabil Dabour, Director of Economic and Social Research Department; Mr. Mehmet Fatih Serenli, Director of Training and Technical Cooperation Department; Mr. Esat Bakimli, Researcher; and Mr. Haytham Zeinelabdin, Researcher.

The Senior Officials Meeting of the 25th Session of the COMCEC

The Meeting of the Senior Officials of the 25th Session of the COMCEC was held on 5-6 November under the Chairmanship of H.E. Kemal Madenoglu, Undersecretary of the State Planning Organization of the Republic of Turkey. During the Meeting, the delegations of the Member States and the OIC institutions considered and deliberated on a number of agenda items related to various issues of enhancing economic and commercial cooperation among the Member States.

The agenda items of the Senior Officials Meeting included the following issues:

- World economic developments in conjunction with the OIC member countries: implications of the financial crisis, fluctuating commodity prices and developments in global energy markets on the economies of the member countries.
- Review of the implementation of the OIC Ten-Year Programme of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States.
- The outcome of the study by COMCEC and SESRIC to enrich the agenda and substance of the COMCEC.
- The Trade Preferential System among the OIC Member States (TPS-OIC).
- Recent developments of intra-OIC trade and other related issues.
- Financial cooperation among the OIC member countries and enhancing intra-OIC investment flows: cooperation among Stock Exchanges and Central Banks of the OIC member countries.
- Development of OIC Halal food standards and procedures.
- E-government applications and their economic impact on the OIC member countries.
- Review of the implementation of the Islamic Solidarity Fund for Development (ISFD).
- Vocational Education and Training Programme for OIC Member Countries (OIC-VET).
- Exchange of views on the “Impact of Food Crisis on the Economies of OIC Countries”.
- Other business: the Statistical Working Group (SWG) at the OIC level and cooperation among the Development Cooperation Institutions (DCIs) of the OIC Member States.

The SESRIC contributed the following background reports and studies dealing with some prominent agenda items of the Meeting: (1) Annual Economic Report on the OIC Countries 2009; (2) Enhancing Economic and Commercial Cooperation among OIC Member Countries; (3) E-government Readiness: The Performance of the OIC Member Countries; and (4) Results of the Questionnaire Circulated by the SESRIC to the Member Countries on the Proposed Themes for the COMCEC Exchange of Views Sessions.

In addition to the presentations made by the Centre on these reports, the Centre also made presentations and briefed the Committee on the following agenda items: (1) Cooperation among the Central Banks of the OIC member countries; (2) Vocational Education and Training Programme for OIC Member Countries (OIC-VET); (3) The Statistical Working Group (SWG) at the OIC level; and (4) Cooperation among the Development Cooperation Institutions (DCIs) of the OIC Member States.

In their deliberations on all these issues, the Senior Officials discussed and considered the recommendations and policy implications of many technical and background reports prepared and presented by various relevant OIC institutions as well as those of some related international and regional organizations. They also prepared the Draft Resolutions on these issues for consideration by the Ministerial Meeting, which was held on 7 November 2009.

The Ministerial Meeting of the 25th Session of the COMCEC

The Ministerial Meeting of the 25th Session of the COMCEC was held on 7 November 2009. The Opening Ceremony of the Meeting was held under the chairmanship of H.E. Abdullah Gül, President of the Republic of Turkey and the Chairman of the COMCEC.

In his inaugural address, H.E. Abdullah Gül, referred to the past activities of COMCEC and stressed that the current era offered a suitable environment for reflecting the experience and wisdom as well as the peaceful character of the Islamic civilization to the world. He said that we should take the opportunity of the special occasion of the 25th Anniversary to make the best of COMCEC as a platform which has proved its success over the past 25 years. He mentioned that we should aim at rendering COMCEC more
effective and strong in the period ahead, by strengthening its corporate structure and drafting a viable vision document. He added that it is also crucial for member countries to demonstrate a stronger political will and employ a more effective bureaucratic follow-While touching on the recent finance, energy and food crisis, H.E. Gül stated that in the process of restructuring the world economy, new approaches serving the welfare of all mankind are needed and OIC Countries ought to have a greater role in that process. He also underlined the importance of resolving regional problems by countries located in their own region and thus their solutions are to be worked out by themselves in order to reach permanent peace in the region and in the world. In this context, H.E. Gül highlighted the efforts of Turkey to achieve this target in the Middle East region, including the Israeli-Palestinian conflict, Iraq and Afghanistan. H.E. Gül stressed the need to help those countries in the period of establishing peace and reconstruction while combating terrorism and concentrating on education against the ideologies of the militant elements. H.E. Abdullah Gül concluded his speech by emphasizing that Turkey will continue to extend its support to all cooperation efforts within the framework of COMCEC and carry our common issues to other global platforms.

In conclusion, H.E. Prof. Ekmeleddin İhsanoğlu stated that as the world is reshaping itself into larger economic communities based on common interests and shared values, the OIC could achieve greater success by commitment of its Member States to taking bold steps in the right direction to reach realistic goals.

The Heads of Delegation of the State of Kuwait, Republic of Senegal and the Islamic Republic of Iran made statements on behalf of the Arab, African, and Asian groups of Member States, respectively. They expressed their thanks to the Republic of Turkey for the hospitality extended to the delegates and H.E. Abdullah Gül for his wise leadership in guiding economic and commercial cooperation among the OIC Member States. They stressed the need of enhancement the problem-solving capacity and increasing competitiveness and productivity within the OIC region. They also thanked OIC Secretary General H.E. Prof. Ekmeleddin İhsanoğlu, OIC General Secretariat, COMCEC Coordination Office and relevant OIC institutions for their efforts to strengthen economic and commercial cooperation among the Member Countries.

H.E. Dr. Ahmed Mohammed Ali, the President of the Islamic Development Bank (IDB), delivered a statement at the Opening Session, in which he underlined the importance of the COMCEC for the OIC Countries and gave information on the good relationship between COMCEC and IDB which had developed during the past 25 years. Dr. Alwi Shihab, Secretary General of the Islamic Chamber of Commerce and Industry (ICCI) read out the message of H.E. Shaikh Saleh Bin Abdullah Kamel, the President of the ICCI. In his message, H.E. Shaikh Kamel underlined the achievements of the ICCI in the last year and touched upon a number of issues related to the future activities.
The Ministerial Working Session was held afternoon under the Chairmanship of H.E. Dr. Cevdet Yılmaz, Minister of State of the Republic of Turkey. Following the adoption of the Agenda, Dr. Savaş Alpay, Director-General of SESRIC, made a presentation on the study “Enriching Economic and Commercial Cooperation among OIC Member Countries”, which was prepared by SESRIC and COMCEC Coordination Office.

The Ministers exchanged their views on the theme “Impact of Food Crisis on the Economies of OIC Member Countries”. In its capacity as the Chairman of the Senior Officials Meeting, Mr. Kemal Madenoglu, Undersecretary of the State Planning Organization of the Republic of Turkey, summarized the discussion made by the Senior Officials on the said theme. H.E. Hafez Ghanem, Assistant Director-General of UN Food and Agriculture Organization (FAO), made a presentation on related issues such as hunger, effects of financial crisis, investment in agriculture and agricultural growth and evaluated the negative impacts of unstable and fluctuating food prices on rural and urban poor in developing countries. The Heads of Delegations of Turkey, Morocco, Qatar, Palestine, Kyrgyzstan, Kazakhstan, Sudan, Somali and Gambia shared their country experiences as well as brought up cooperation proposals in the area of food security.

On the theme “Crisis in the World Financial Markets and Implications on the OIC Member Countries”, Dr. Mohsin S. Khan, Chief Economist in Peterson Institute and Former Director-General of IMF in charge of Middle East and Mid-Asia, delivered a keynote speech. Dr. Hassan Kabir, University of New Orleans and Advisor to the Director General of SESRIC, made a presentation on Islamic Finance and its potential role in avoiding financial crises. Dr. Savaş Alpay, Director-General of SESRIC, also made a statement summarizing the Report and recommendations of the Meeting of Governors of Central Banks of OIC Member Countries, which was organised by SESRIC and the Central Bank of the Republic of Turkey in Istanbul on 3 October 2009.

On the same theme, Dr. Erdem Bağcı, Deputy Governor of the Central Bank of Turkey, made a statement on G-20 platform which includes three member states of the OIC namely Indonesia, Saudi Arabia and Turkey. In his statement, Dr. Bağcı said that the global financial crisis of 2008 had made it clear that with their limited representation, forums such as G-7/G-8 were no longer adequate as global steering groups. He highlighted that being member of G-20, Turkey had a prominent role in bringing to light the emerging market perspective in G-20 in the process of designing of a new global financial system.

Mr. Rıfat Hisarcıklioğlu, Chairman of the Union of The Chambers and Commodity Exchange of Turkey and Mr. Ömer Cihat Vardan, Chairman of the MÜSİAD delivered their respective statements on the outcome of the OIC/COMCEC Business Forum held on 05-06 November 2009 concurrently with the 25th Session of COMCEC with the participation of more than 200 businessmen from the Member Countries. They underlined the need for the member countries to open up their economies to economic and commercial activities of businessmen and merchants.
A special signing ceremony was held at the Ministerial Session, where the Head of Delegation of the State of Qatar signed the TPS-OIC Rules of Origin; the Head of Delegation of Cote d’Ivoire signed the “General Agreement on Economic, Technical and Commercial Cooperation”, “Agreement on Protection and Guarantee Investment” and “Framework Agreement on TPS-OIC”. Furthermore, the International Islamic Trade Finance Corporation (ITFC) signed respective Special Line Agreements with the Turkish Export Credit Bank (Eximbank) and four Iranian Banks, namely Bank Melli Iran, Bank of Industry and Mines, Parsian Bank and Karafarin Bank each.

On the theme “Developments in the Global Energy Markets and their Implications on the OIC Member Countries”, Dr. Zafar Iqbal, Chief Economist at the IDB, delivered a keynote speech focusing on the fluctuation of energy prices due to rising cost of raw materials in the OIC countries. Mr. Iqbal stressed the need for global crisis-management approaches and also emphasized close cooperation among particular OIC countries which are net energy materials-exporting countries like fuel and natural gas.

The Ministerial Working Session then adopted the Resolutions drafted by the Senior Officials Meeting held on 5-6 November 2009. At the end of the Ministerial Meeting of the 25th Session of the COMCEC, H.E. Dr. Cevdet Yılmaz, Minister of State of Turkey, delivered a closing statement. He stated that the global economy had gone through profound changes over the past two years and that food and energy crises, followed by the global financial crisis had inevitably affected the economies and peoples of the OIC Member States. H.E. Dr. Yılmaz expressed his satisfaction with the COMCEC initiatives such as Central Banks Meeting of OIC Countries, which they hope would bring more cooperation in tackling the negative effects of the crises. He also underlined some promising cooperation agenda items of COMCEC, including OIC Stock Exchanges Forum, cooperation among the Capital Markets Regulatory Bodies of Member Countries, poverty alleviation and Islamic Solidarity Fund for Development, implementation of Cotton Plan of Action, and Food Security road map.

COMCEC ECONOMIC SUMMIT

On the occasion of the 25th Anniversary of COMCEC, an Economic Summit was held in Istanbul on 9 November 2009 under the chairmanship of H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the COMCEC. The Summit was attended by the representatives of 41 OIC member countries. Bosnia-Herzegovina, the Russian Federation and the Turkish Republic of Northern Cyprus also participated in the Summit as observers. The OIC General Secretariat and the following subsidiary organs, specialized and affiliated OIC institutions attended the Summit: IDB, SESRIC, ICDT, ICCI, OISA and IRCICA.

H.E. Abdullah Gül inaugurated the COMCEC Economic Summit by delivering a statement, in which he stated that the purpose of COMCEC was to promote economic and commercial cooperation among member countries, rally
around solidarity and develop the necessary infrastructure needed in this regard. He also noted that in order to promote future cooperation, the institutional structure of COMCEC ought to be strengthened, financing opportunities searched, viable projects with renewable vision developed, and strong political will exercised.

H.E. Gül underlined that by availing itself of the capabilities bestowed on it, thanks to its strategic position, historical heritage, geographical and cultural ties, and experiences accumulated during the peace keeping missions, Turkey made efforts to contribute positively to the resolution of problems which, directly or indirectly, affect OIC member countries. In this respect, H.E. Gül drew attention to the fact that this understanding of Turkey applied not only to the Palestinian issue, the Arab-Israeli conflict and the situation in Iraq and Lebanon within the context of the Middle East, but also to all other problems, which deeply affect Pakistan, Afghanistan, Sudan, Somalia and brotherly countries. H.E. Abdullah Gül emphasized that Turkey would continue to extend its support to all cooperation efforts within the framework of COMCEC, and willing to organize the OIC Heads of State and Government Summit in 2014.

His Excellency Prof. Dr. Ekmeleddin İhsanoğlu, Secretary General of the OIC, also made a statement, in which he expressed his thanks to the Government of the Republic of Turkey for its firm commitment to develop economic and commercial cooperation among the OIC Member States. H.E. İhsanoğlu paid homage to the copious support of Heads of State and Government through their countries’ identification with the numerous economic activities of the OIC. He concluded his remarks by saluting all officials in the General Secretariat and the COMCEC Coordination Office for their untiring efforts in preparing the Summit, and commending the tangible support received from all the OIC agencies in the particular areas of developing high-quality projects, which have greater potentials for active economic cooperation among OIC countries.

Dr. Savaş Alpay, Director General of SESRIC, made a presentation on the OIC Vocational Education and Training Program (OIC-VET) developed by SESRIC. The Program was then officially launched by H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of COMCEC.

Following the statements of the Heads of Delegations, the Summit adopted the Istanbul Declaration. The Summit concluded with the closing speech of H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of COMCEC. In his closing speech, H.E. Gül expressed his hope that the Istanbul Declaration would contribute to further improvement of economic and commercial cooperation among OIC member countries, in order to meet the challenges of the 21st century towards sustainable development and would be beneficial for all. He concluded his speech by expressing his deep gratitude to all the member countries for their support to COMCEC, the Heads of State and their representatives who attended the Summit, and all those who have worked meticulously for the organization of the COMCEC Economic Summit.
**Dr. Savaş Alpay Received a Plaque of Gratitude from H.E. Abdullah Gül, Chairman of the COMCEC and the President of the Republic of Turkey**

Dr. Savaş Alpay, Director General of SESRIC, was awarded with a Plaque of Gratitude by H.E. Abdullah Gül, Chairman of the COMCEC and President of the Republic of Turkey, on 9 November 2009 at the COMCEC Economic Summit.

H.E. Abdullah Gül presented the award for the appreciation of the outstanding accomplishments of Dr. Savaş Alpay since his appointment as the Director of SESRIC in 2006. The award also honoured the efforts of the SESRIC to put its accumulated experience and acquired know-how at the service of the Organisation of the Islamic Conference and its Member Countries.

**The OIC-VET Programme has been Officially Launched by H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the COMCEC**

The Vocational Education and Training Programme for OIC Member Countries (OIC-VET) has been officially launched by H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the COMCEC, at the COMCEC Economic Summit on 9 November 2009. The launch event, which included an introductory cinevision about the OIC-VET Programme, was one of the most spectacular events that took place during the 25th Session of the COMCEC and the COMCEC Economic Summit.

On the launching occasion, H.E. Abdullah Gül expressed his appreciation for this significant programme developed by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) for the benefit of OIC Member Countries. H.E. Gül, underlined the importance of vocational education and training in the formation of high skilled labour force coping with global competitiveness and rapid changes in technology. Emphasising the need to establish strong cooperation and collaboration among member countries for enhancing vocational education and training systems, H.E. Gül, articulated his belief towards the vision of this programme to improve the quality of human capital resources and realize socio-economic development in OIC Member Countries.
H.E. Abdullah Gül further stressed that the programme requires the support and active participation of member countries in order to generate tangible outcomes and to produce long run impacts. In this regard, he called upon the relatively advanced member countries to provide financial assistance for low income countries, and urged Islamic Development Bank to provide technical and financial assistance for the projects prepared under the framework of the programme.

In his address to the heads of states and governments, Dr. Savaş Alpay, the Director General of SESRIC, outlined the overall aspirations and objectives of the Programme, and underlined the significance of the vocational education and training as an important developmental tool in today’s information age when the high global competitiveness, rapid changes in technology and new modes of work organisation have led to skills intensifications and an increase in the demand for higher skilled labour force against the global challenges. He also briefed the august gathering about the recent activities and undertakings realized by the SESRIC in its capacity as the Executive Organ of the Programme since the endorsement of the OIC-VET Programme at the 24th Session of the COMCEC in 2008, including the OIC-VET Portal and OIC-VET Partners Database.

The OIC-VET is a programme originally prepared by SESRIC in order to improve the quality of vocational education and training (VET) in the public and private sectors with the aim of supporting and enhancing the opportunities for individuals in the member countries to develop their knowledge and skills and thus to contribute to the development and competitiveness of the economies. It aims at improving the competencies and skills of the people according to the needs and priorities of labour markets through intra-OIC partnerships at institutional level. The Programme focuses on increasing accessibility and raising the quality of VET, and provides an opportunity for organizations involved in VET to build OIC partnerships, exchange best practices, increase the expertise of their staff and develop the skills and competencies of the participants.

The OIC Ten-Year Programme of Action to Meet the Challenges Facing the Muslim Ummah in the 21st Century, which was adopted by the Third Extraordinary Session of the Islamic Summit Conference held in Makkah Al Mukarramah, Kingdom of Saudi Arabia, in December 2005, emphasizes the need to make optimal use of the human, natural and economic resources of the Muslim world in order to promote the existing cooperation. Inspired by the OIC Ten-Year Programme of Action, the idea of initiating the OIC-VET Programme was first proposed by SESRIC and welcomed by the 23rd Session of COMCEC in 2007. Later, the 24th Session of the COMCEC held in Istanbul on 20-24 October 2008 approved the proposed implementation mechanism of OIC-VET Programme prepared by the SESRIC and called upon the member states to incorporate their vocational training programs into the OIC-VET Programme, thereby, generating a common OIC platform for the benefits of the OIC Member Countries in this area.

Detailed information is available through the Official OIC-VET Web Site at:

http://www.oicvet.org
The Meeting of the Central Banks and Monetary Authorities of the Member Countries of the Organization of the Islamic Conference (OIC): 'Impacts of the Current Crisis on OIC Member Countries'

The Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries was held in Istanbul, Republic of Turkey, on 3rd October 2009 on "Impacts of the Current Crisis on OIC Member Countries". The Meeting was organized jointly by the Central Bank of the Republic of Turkey and the Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC) on the occasion of the 40th anniversary of the Organization of the Islamic Conference and the 25th anniversary of the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC). The Meeting was attended by H.E. Mr. Ali Babacan, Minister of State and Deputy Prime Minister of the Republic of Turkey, Governors of Central Banks and Monetary Authorities of OIC Member Countries, the OIC General Secretariat, COMCEC Coordination Office and the SESRIC.

At the opening session, Mr. Ahmet Yaman, Deputy Undersecretary of the State Planning Organization of the Republic of Turkey, read the Message of H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the COMCEC. In his Message, President Gül expressed his pleasure that the Governors of the Central Banks of friendly and brotherly OIC Member Countries are gathered in Istanbul to discuss and exchange their precious experiences on current economic and financial developments. President Gül also expressed his strong believe that this initiative will provide opportunities for OIC Member Countries to further strengthen cooperation and collaboration among their Central Banks and Monetary Authorities. President Gül concluded his Message by expressing his wishes for the full success of the Meeting and by extending his congratulations for all participants and organizers of such an important initiative.

In his statement at the opening session, Dr. Savaş Alpay, Director General of SESRIC, dwelled briefly on the current global financial crisis and its negative impacts on the world economy in terms of continuous slowdown of economic growth and high unemployment rates in many countries around the world. Dr. Alpay said that many developed and developing countries are still struggling to curb the adverse impacts of the global recession and, in particular, to reduce the burden of unemployment on their economies. In this context, he mentioned that the biggest and real cost of the crisis is still the opportunities lost for restructuring the current international financial system and that leaving this system as is will, undoubtedly, lead to repetition of financial crisis in the future. In this context, Dr. Alpay said that the current financial crisis has raised many voices which call for rethinking of other alternative financial systems. Among these alternatives, he mentioned that a financial system based on Islamic principles, (such as equity-based financing and real activity-based transactions) has attracted the attention of many. Dr. Alpay said that the conventional financial instruments such as collateral debt obligations
CDOs) and credit default swaps (CDSs), which stand at the heart of the current crisis, are either not allowed or regulated very tightly in a financial system based on Islamic principles, and, thus, many researchers come to argue that the current global financial crisis could have been avoided if such a system had been in place. In this connection, Dr. Alpay mentioned that the OIC Community can make a significant contribution to the international community by presenting the financial system based on Islamic principles that would function as an effective intermediary for real sector and thus, undue financial crisis can be avoided in the future.

In his statement at the opening session, Mr. Durmuş Yılmaz, Governor of the Central Bank of the Republic of Turkey, welcomed the participants and expressed his pleasure to host this event and such distinguished participants in Istanbul. He highlighted the negative impacts of the global financial crisis since the last quarter of 2008. Mr. Yılmaz mentioned that the unprecedented policy reactions, which have been so far taken by the governments and central banks worldwide, have very recently managed to stabilize the financial conditions of banks, reduce funding pressures, decrease liquidity risks and ease the tension in international markets. Yet, he said that although emerging market equities have rapidly gained ground, bond spreads have narrowed and volatility in exchange rates came down, the fragility in the financial sector and reluctance in consumption and investment is likely to continue in the near future. Mr. Yılmaz mentioned that global problems require global solutions where coordination is especially needed in terms of better regulation and supervision of financial market instruments. In this context, he emphasized that the success of the OIC member counties depends on the formation of measures to increase trust and establishment of a close cooperation in economic and commercial areas. He underlined the importance of sharing the experiences on financial policies and central banking in the member countries and mentioned that annual meetings of the Governors of the Central Banks of the member countries will be very important in terms of catching up with the world’s agenda and following up the recent global developments as well as enhancing the functioning of the active mechanisms of communication in international platforms.

The Meeting proceeded with two consecutive panel discussion sessions on the theme “Impacts of the Current Crisis on Member Countries: The Precautions and Outcomes”. The sessions were chaired by Mr. Durmuş Yılmaz, Governor of the Central Bank of the Republic of Turkey; Dr. Muhammad Al-Jasser, Governor, Saudi Arabian Monetary Agency; and Dr. Zeti Akhtar Aziz, Governor, Central bank of Malaysia; Dr. Darmin Nasution, Acting Governor, Bank Indonesia; Mr. Grigoriy Aleksandrovich Marchenko, Governor, National Bank of Kazakhstan; Mr. Sultan Bin Nasser Al Suwaidi, Governor, Central Bank of the UAE; and Mr. Philippe-Henri Dacoury-Tabley, Governor, Central bank of West African States participated as panelists.

The Meeting was followed by a keynote address by H.E. Mr. Ali Babacan, State Minister and Deputy Prime Minister of the Republic of Turkey. H.E. Mr. Babacan briefed the meeting on the crisis and the various measures taken worldwide to overcome it. He mentioned that the crisis was rooted in the developed countries and that none of the developing countries could
be blamed on the causes of the crisis. Minister Babacan said that there should be a global exit strategy for the crisis and that the involvement of emerging and developing countries in the efforts towards this exit is very important. In this context, he briefed the meeting on the efforts which have been taken within the framework of the G20 and mentioned that Turkey is willing to represent the views of the member countries who are not involved in the G20 and ready to promote and support their interests in this fora. Minister Babacan also briefed the meeting on the impacts of the crisis on the Turkish economy and the various policy measures taken to ease these impacts.

In particular, he talked about the reform programmes which the government have been taking since the 2001 crisis. Minister Babacan concluded his address by emphasising the importance of such meetings among the Central banks and Monetary Authorities of the member countries and mentioned that the regular meetings of these important institutions would undoubtedly come up with very fruitful ideas of cooperation among the member countries in this vital area.

Inspired by the agreements they reached, the Governors of the Central Banks and the Heads of Delegations adopted the Final Communiqué in which they decided to convene the Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries on an annual basis. They also decided that the next Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries shall be held in Turkey in September 2010.

INTERNATIONAL CONFERENCE ON eGOVERNMENT: SHARING EXPERIENCES (eGOVshareE2009)

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), the eGovernment Centre (eDEM) of the Public Administration Institute for Turkey and Middle East (TODAIE), the Turkish International Cooperation and Development Agency (TIKA) and the United Nations Development Programme (UNDP) co-organized the “International Conference on eGovernment: Sharing Experiences (eGovSharE2009)” in Antalya, Republic of Turkey, on 8-11 December 2009. The SESRIC delegation to the conference was headed by Dr. Savaş Alpay, Director General, and included Mr. Hüseyin Hakan Eryetli, Director of Publication and IT Department, Mr. Haytham Zeinelabdin, Research Assistant, and Mr. Tagelasfia Eltayeb, Translator.

The main objective of the conference was to provide a platform for leaders, public managers and professionals, researchers as well as academicians from all over the world to share their practices, ideas and research results. The conference also tried to explore collaboration potentials through the exchange of practical experiences in eGovernment project implementations within the region.
The opening session of the conference was honored by the participation of H.E. Binali Yıldırım, Minister of Telecommunication and Transportation of the Republic of Turkey and H.E. Imad Sabouni, Minister of Communications and Technology of the Syrian Arab Republic. Following the speeches made by the ministers, welcome speeches were made by Their Excellencies heads of the co-organizing institutions; Dr. Savaş Alpay, Director General of SESRIC, Prof. Dr. Eyyüp Günay İsbir, Director General of TODAIE, Dr. Musa Kulaklıkaya, President of TİKA and Ms. Ulrika Richardson Golinski, UNDP Resident Representative in Turkey.

In his opening statement, Dr. Savaş Alpay took the participants through the enormous steps taking place in the field of Information Technology and which have been paving the way for access to information on an unimaginable scale. Following the briefing about the performance and readiness of the Member Countries of the Organisation of the Islamic Countries (OIC) in the area of eGovernment application, he encouraged the participants to get use of every opportunity presented during the conference since the experiences of the others will absolutely guide towards avoiding the hard teachings of trial and failure. Thus, the conference is a valuable opportunity to start and increase cooperation and capacity building efforts among both OIC Member Countries and other nations. He also informed the participants that the SESRIC undertakes strong and close cooperation with the most relevant international and regional organizations with a view to promote the cooperation level up and far to the best through providing training and capacity building programmes to the OIC member countries.

The Conference resumed its proceedings in six sessions, three sessions for country cases and four working groups. In the first day of the conference keynote speeches were presented on the theme of “eTransformation in Public Administration” by four panelists. The sessions, working groups and country cases themes are provided hereunder respectively:

- Challenges to eGovernment
- Knowledge Management
- Legal Security and Trust Issues in eGovernment
- Measuring eGovernment
- eGovernance, mGovernment

The working groups deliberated on:

- Administration Reform Process and eGovernment
- eGovernment Project Management
- eGovNet
- eGovernment Portal

The papers presented under Country Cases Sessions tackled the following subjects:

- eIdentity, eRegistration and eJustice
- eHealth, eSocial and Health Insurance, Social Aid and eEducation
- eCustoms, eConsulate and eMunicipality

Hüseyin Hakan Eryetli, Director of Publications and IT Department of SESRIC, presented a paper titled “eGovernment Readiness: The Performance of the OIC Member Countries.” In his presentation Mr. Eryetli stopped on the status of the OIC Member Countries evaluating...
it with reference to the data drawn up during 2005-2007 period. The data was collated and processed to build up the composite eGovernment Readiness Index (ERI) of the OIC Member Countries based on Web Measurement Index (WMI), Telecommunication Infrastructure Index (TII), and Human Capital Index (HCI). The presentation came out with three sets of recommendations suggested to make e-government initiatives successful at the OIC level. The first set of recommendations deal with setting the foundation for the e-government transformation and the second set of recommendations focus on the efforts for shaping an effective and sustainable e-government environment in the public sector of the OIC Member Countries, while the third set expresses the cooperation methods at the OIC level to enhance the capacity building of the Member Countries in e-government applications, and increase the productivity and quality of the e-government applications. The detailed recommendations of these sets emphasized, inter alia, on developing one comprehensive strategic plan to lead the efforts of the OIC Member Countries in making their e-government programs successful and serve as a clear methodology for the current and prospective e-government programs. With such a developed strategic plan, the decision makers can track their progress on carrying the current applications to the digital platform. In addition to that, an electronic common platform for sharing e-government experiences among the OIC Member Countries should be established to assist the exchange of information, technologies, and experiences on e-government strategies and initiatives. To foster an overall capacity-building of the OIC Member Countries in their e-government initiatives, a review at the OIC level should be made to bring out the training needs. In this respect, the Training and Technical Cooperation Department of the SESRIC can organise activities oriented towards e-Government Capacity Building through its Capacity Building Programme (CBP) based on the aforementioned review.

**SESRIC’S MEETING WITH THE REPRESENTATIVES OF OIC MEMBER COUNTRIES ON THE SIDELINE OF THE ‘INTERNATIONAL CONFERENCE ON EGOVERNMENT: SHARING EXPERIENCES (eGOVshare2009)’**

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) conducted a sideline meeting on December 9, 2009 with the representatives of the Member Countries of the Organisation of the Islamic Conference (OIC) in the International Conference on eGovernment: Sharing Experiences (eGovSharE2009), which was co-organized by the SESRIC, the United Nations Development Programme (UNDP), the eGovernment Centre (eDEM) of the Public Administration Institute for Turkey and Middle East (TODAIE) and the Turkish International Cooperation and Development Agency (TİKA) during December 8-11, 2009 in Antalya, Republic of Turkey.

SESRIC, as the main organ for technical cooperation and training among the OIC Member Countries, coordinator of eGovernment applications which is one of the main agenda items of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC) and coordinator of OIC Vocational Education and Training Programme (OIC-VET), organized this meeting to stop closely on the obstacles and challenges faced by
the member countries in the field of eGovernment applications and exchanged views and ideas regarding the construction of an OIC platform for eGovernment applications in the OIC Member Countries.

The meeting was moderated by Mr. Hüseyin Hakan Eryeti, Director of Publications and ICT Department of SESRIC. Mr. Haytham Zeinelabdin, Research Assistant, made a prefatory presentation, wherein he furnished the participants with the mandates of SESRIC. Mr. Tagelasfia Eltayeb, Translator, took the minutes of the deliberations made on the issues raised during the meeting.

The meeting was attended by 40 participants from both public and private sectors in 14 OIC member countries; namely: Afghanistan, Bangladesh, Iran, Jordan, Kuwait, Kyrgyz Rep., Lebanon, Morocco, Pakistan, Palestine, Qatar, Sudan, Syria and Turkey. Full of aspirations and cognizant with the concerns relevant to eTransformation in public administration and eGovernment applications, the participants conducted a rich and vigorous debate, wherein they expressed their ideas, exchanged views and voiced some practical suggestions.

Hereunder are the proposals raised during the meeting:

Unanimously, the participants stressed that an impregnable digital security system for eGovernment applications is a matter of high importance to overcome the demerits of on-line governance. The issue of digital security is a crucial one, and should be taken as a key building block of eGovernment applications. The SESRIC could organise an event on, and/or publish practical guidelines on the "what?" and "how?" of digital security. In doing so, legislations should be made to enable the OIC Member Countries to adopt one common information and security standards. In this regard, SESRIC could prepare a listing of the headings and sub-headings of the Legislation that is essential to start and spread eGovernment uses. Besides, a Data Protection Act should be made available for the protection of the shared databases. In support of the above mentioned, the laws and regulations should morally suit the Islamic precepts.

With regard to the priorities of eGovernment applications, some of the participants indicated that some of the newly introduced OIC Member Countries to the area of ICT applications do not know exactly from where to start. In this context, the participants proposed that SESRIC could develop guidelines and draw the attention of the member countries to the available materials and help in defining what could be adopted. With regard to these facts the participants emphasized the importance of investment in human resources development. This has also recalled the importance that should be attached to education and capacity building programmes to grasp the sought level of technical know-how. Bearing this in mind, the participants suggested that SESRIC could assume or undertake the necessary research and build up a tool-kit or mechanism on and for the benefit of the OIC Member Countries in the area of eGovernment.

Some of the OIC projects that have been suggested during the meeting:

1. Establishment of a follow-up committee to meet regularly and come out with recommendations pertinent to eGovernment applications

2. Creation of Information Portal by SESRIC whereby members can share problems and solutions
   a. Establishment of an eGovernment Experts Database
   b. Establishment of an OIC ePractice community
c. Initiation of an ICT fellowship programme

d. Determining the sub-regional technical cooperation groups for sharing eGovernment experiences

3. Establishment of some working groups with the view to work on different aspects of eGovernment, such as:
   b. eSecurity
   c. eLearning

4. Establishment of sub-regional technical cooperation groups for sharing eGovernment experiences

5. Organization of annual OIC meetings on eGovernment applications

6. Establishment of an International Islamic ICT Union

EXPERTS GROUP MEETING ON THE ESTABLISHMENT OF THE OIC DEVELOPMENT ASSISTANCE COMMITTEE (OIC-DAC)

The Experts Group Meeting on the Establishment of the OIC Development Assistance Committee (OIC-DAC) was organised by SESRIC and held in Ankara, Republic of Turkey, on 22-23 December 2009.

The Meeting was attended by representatives of the following Development Cooperation Institutions (DCIs) of the OIC Member Countries (in an alphabetical order):

- The Indonesian Coordinating Committee for International Technical Cooperation, Republic of Indonesia
- Cooperative Development Bank (TTBank, Ministry of Cooperatives), Islamic Republic of Iran
- Kuwait Fund for Arab Economic Development (KFAED), State of Kuwait
- State Ministry for International Cooperation, State of Qatar
- The Saudi Fund for Development (SFD), Kingdom of Saudi Arabia
- Turkish International Cooperation and Development Agency (TİKA), Republic of Turkey
- Abu Dhabi Fund for Development (ADFD), State of the United Arab Emirates

The Meeting was also attended by representatives of the OIC General Secretariat, IDB, COMCEC and SESRIC.

At the opening session of the Meeting, Dr. Savaş Alpay, Director General of SESRIC, made a statement in which he welcomed the participating delegations and thanked them for accepting the invitation to participate in this important meeting. In his statement, Dr. Alpay also explained the aim and the task as well as the expected outcome of this Experts Group Meeting. He mentioned that, being among the leading donor countries in the world, some OIC Member
Countries have the intention and the capability to support the poor developing countries. In this connection, he stressed the vital role of the Development Cooperation Institutions (DCIs) of these OIC Member Countries in alleviating poverty at the OIC level. He said that this role could be enhanced and strengthened if these institutions increase cooperation and collaboration in their activities and programmes.

The representative of the OIC General Secretariat, Ambassador Hameed A. Opeloyeru, Assistant Secretary General for Economic Affairs, read the message of H.E. Prof. Ekmeleddin İhsanoğlu, Secretary General of the OIC. In his message, Prof. İhsanoğlu expressed his sincere appreciation to the Director General and staff members of SESRIC for the excellent arrangements made for the convening of the meeting. He mentioned that their expeditious action in calling for this meeting as a follow-up to the First Meeting of the DCIs of the OIC Member Countries, held in Istanbul in May 2009, is worthy of note and appreciation. He also mentioned that the OIC General Secretariat places high premium on the work of this Experts Group Meeting as well as the work of the proposed OIC-DAC. He said that the issue of cooperation and joint action among the various DCIs of the OIC Member Countries is at the core of the objective of fostering genuine Islamic solidarity and brotherliness among members of the Muslim Ummah.

The representatives of the participating DCIs and the IDB also made statements at the opening session of the Meeting in which they expressed their thanks and appreciations to the Director General and staff members of SESRIC for their expeditious efforts in organising the meeting. They welcomed and appreciated the initiative of establishing the OIC-DAC as a forum for dialogue, consultation, cooperation, exchanging information and sharing experiences and best practices among the DCIs of the OIC Member Countries for the benefit of the OIC and other developing countries. They also briefed the meeting on their institutions and the activities/programmes they undertake in the area of development cooperation and assistance in other countries.

The Meeting, then, elected the representative of the Turkish International Cooperation and Development Agency (TİKA) as Chairman, the representative of Abu Dhabi Fund for Development (ADFD) as Vice Chairman, and SESRIC as the Secretariat and Rapporteur of the Meeting.

The working sessions of the Meeting started with a presentation by SESRIC on the “Draft Operational Framework for the OIC Development Assistance Committee (OIC-DAC)”, which has been prepared by the Centre to be reviewed and discussed by the Experts Group Meeting pursuant to the recommendations contained in the Istanbul Declaration, which was adopted at the First Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries held in Istanbul in May 2009.

The participants extensively discussed and deliberated on the various contents of the “Draft Operational Framework for the OIC-DAC”, including the objectives, the membership, the structure and rules of procedures, the meetings, the Chairmanship, the Secretariat and the working groups of the Committee.
Following a general debate, the participants finally approved the “Draft Operational Framework for the OIC Development Assistance Committee (OIC-DAC)” and decided to submit it, for consideration and adoption, to the Second Meeting of the DCIs of the OIC Member Countries, which will be hosted by Abu Dhabi Fund for Development (ADFD) and held in the State of the United Arab Emirates in 2010.

The participants also discussed and deliberated on some proposed issues for the Agenda of the Second Meeting of the DCIs of the OIC Member Countries, which will be hosted by Abu Dhabi Fund for Development (ADFD) and held in the State of the United Arab Emirates in 2010.

The Meeting also included a working session on collection and dissemination of aid statistics. In this session a presentation on aid statistics was made by the Turkish International Cooperation and Development Agency (TİKA). The presentation included a part on the definitions of the general statistical variables and concepts of the OECD-DAC questionnaire on aid, particularly the Official Development Assistance (ODA) statistics. It also presented the experience of TİKA in collecting statistical data and information on aid.
**QATAR IN BID TO MAKE DESERTS GREEN ARABLE LAND**

Qatar is making ambitious move to make its ‘green dream’ a reality. The recent agreement between the Ministry of Environment and the Arab Centre for the Studies of Arid Zone and Dry Lands (ACSAD) is expected to help Qatar convert huge areas of desert lands into pastoral space and dry lands into arable. As per the agreement, the ACSAD will support Qatar to develop production of livestock, set up gene banks, re-charging of Qatar’s fast depleting groundwater resources and growing the multi-purpose drought-resistant plants.

The Ministry of Environment’s decision to sign agreement on cooperation with the ACSAD comes close on the heels of a private entity launching a huge green project in the country with the support of the Ministry of Environment. Hassad Qatar, a subsidiary of BARWA, has successfully expanded its 162-acre farm project by importing and installing two nine-tower, 132-acre central irrigation systems and one 30-acre central irrigation system. In addition, the company has constructed a new reservoir to increase its treated water storage capacity from 21,000 to 73,500 cubic meters. Following the new investment and expansion, total annual farm production will reach 10,400 tons of Rodes fodder. The success of the farm project has motivated Hassad Qatar to begin similar projects in various regions of Qatar. The new projects will cover a planted area of 275.5 acres, in addition to 15 acres at Umm Salal.

Fighting desertification and re-charging of groundwater are among other major highlights of Qatar’s development vision for the next twenty years. Recently a released study report on Qatar’s ecosystem say due to over-grazing, the grass community in Qatar has largely been replaced by perennial shrubs that are thorny, toxic and generally unpalatable. The change from traditional to modern rangeland management has resulted in a decrease in vegetation density from ten percent of land cover to approximately one percent of land cover.

Source: The Peninsula

**MALAYSIA’S PALM OIL TOPS WORLD EDIBLE OILS SUPPLIER**

Malaysia’s palm oil has attained a high level branding internationally. This is not only as top quality edible oil but also due to Malaysia’s reliability in supplying to a global market that continues to face a severe shortage of oil and fats.

Malaysia was recognised as a key supplier to food security globally, including some OIC member countries where food security is a major problem. Palm oil was also known as the solution to poor countries meeting their oils and fats demand, due to its cheaper price when compared to other edible oils.

Malaysia and Indonesia, currently supply more than 85 per cent of the world’s palm oil. Without the large volume exported by both countries, there would be a major problem in meeting global demand for vegetable oil.
Indonesia, however exports less compared to Malaysia, although it produces more. On the basis of the trade in oils and fats in 2008/09, Malaysia supplied 29.1 per cent of the world's total palm oil with Indonesia providing 27.3 per cent. Together, both contributed to over one half of the total trade in vegetable oils, according to a research. The oil palm yields 10 times more oil per hectare compared to other crops and its availability at all times is guaranteed.

Source: Newstraitstimes.

**TURKEY OFFERS BANGLADESH $1BN FOR INFRASTRUCTURE LOAN**

Turkey’s private asset management firm RHEA has offered a US$1-bn conditional loan to Bangladesh for winning infrastructure deals, Reuters reports.

RHEA also pledged a $5 million donation for health care and educational projects in Bangladesh if the government gives work orders to Turkish builders for building flyovers and bridges.

Turkish President Abdullah Gul (pictured) traveled to Bangladesh with a group of Turkish traders to announce the offer.

“The loan will be forwarded only when the government agrees to allow Turkish builders to construct the infrastructures,” Anisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) told reporters.

The stance of the Bangladesh government was not known immediately on the pre-condition for the loan, but Reuters reported that finance ministry officials said the government might accept the offer because it is eager to build flyovers in Dhaka and elsewhere.

Gul, the first Turkish president to visit Bangladesh since 1999, arrived in Dhaka on Friday February 12, with an entourage of some 180 people, mostly businessmen and entrepreneurs.

Reuters notes that Turkey, frustrated by the slow progress of its bid to join the European Union, has seeking for new markets for its growing economy.

Source: D-8 Secretariat

**THE KYRGYZ REPUBLIC JOINED THE INTERNATIONAL RENEWABLE ENERGY AGENCY (IRENA)**

The Minister of Energy of the Kyrgyz Republic, I.A. Davydov, signed on 17 January 2010 the constitutive document of the International Renewable Energy Agency (IRENA) during the Third Session of the IRENA held in Abu-Dhabi, the United Arab Emirates (UAE). The Minister of Foreign Affairs of the UAE Sheikh Abdallah Bin Zayid Al Nahyan made a welcoming speech in the opening ceremony of Session on behalf of the meeting's
organizers. Particularly, he congratulated new state-members of the agency and called participants to provide assistance in a successful realization of the projects of the IRENA in the light of growing demand on energy resources and ecological problems, which relate to the global climate warming.

During the Session, the Head of Kyrgyz delegation held meetings with delegations from USA, UAE, Germany, Armenia and Kazakhstan on the issues of cooperation in the field of energy and renewable energy sources. Also, during the Session, the Abu Dhabi Development Fund declared about rendering 50 million US dollars as a voluntary contribution for the realization of most attractive projects in the field of renewable energy sources, and about intention to render 350 million dollars for IRENA in succeeding seven years.

Source: mfa.kg

SAUDI ARABIA ANNOUNCES THE LARGEST BUDGET IN ITS HISTORY WITH SPECIAL FOCUS ON SOCIAL DEVELOPMENT

In the light of the directions of King Abdullah bin Abdul Aziz, the government of the Kingdom of Saudi Arabia has announced its 2010 budget, the largest in its history, with SR540bn for public spending from predicted revenues of SR470bn added to a deficit of SR70bn. Thus, Saudi Arabia has boosted its expansionary spending with the adoption of an historic 2010 budget, with expenditure estimated at SR540bn, and income of SR470bn, up 14% compared to the 2009 budget.

The Saudi Ministry of Finance has pointed out that, as per the royal directives, it is to continue to reduce public debt - which reached SR237bn at the end of 2008 representing 13.3% of GDP compared to 82% for 2003. Public debt is expected to decline by the end of current fiscal year to about SR225bn, however the proportion to the GDP will rise to 16% as a result of the decline in gross domestic product at current prices for the fiscal year 2009.

The budget represents a continuation of the Kingdom’s approach to give priority to social development, and accordingly, over SR137bn has been allocated for the public education and higher education and manpower training sectors. Programs include the implementation of the Saudi Arabian education development project, and the establishment of 1,200 new schools for boys and girls. The budget also includes funds for four new universities in Dammam, Al-Kharj, Al Majma'ah, and Shaqra', the completion of university cities in a number of existing universities and provisions for the setting up technical colleges and new vocational institutes.

Over SR61bn has been allocated for the health sector, to continue raising the level of health services and support for social programs, as the budget includes new health projects to complete the installation and equipping of primary health care centres across the Kingdom and the establishment of eight new hospitals and the development of infrastructure for 19 existing hospitals. In the area of social services, the budget included new projects establishing sports clubs and social care and rehabilitation centres, and funds needed to support social welfare programs.

Source: The ultimate Middle East business resource (AMEinfo).
NIGER: SOUTHERN VILLAGES EMPTYING AS DROUGHT BITES

“Empty” increasingly describes villages around the southern Niger town of Tanout in Zinder Region: Water wells and pastures, fields and food banks - and slowly - entire villages, are emptying. Of the 42 families in the village of Garin Dagabi, 13 have left in search of money, along with the heads of 20 other families. During a typically four-month rainy season, the village had two good rains, said its leader, Issouf Boukary. “During the first rain, we planted millet, which started to grow... but then the entire harvest dried up.”

Insufficient rains nationwide led to a 31 percent slump in crop production compared to last year - 410,000 tons less - according to the government’s latest estimates. Per-capita gross cereal production for Niger’s 15 million people is likely to be the lowest in 20 years, with more than half the country facing production deficits similar to those in 2004 that contributed to the country’s 2005 food crisis, according to the US famine monitoring group, FEWS NET.

The government has estimated that poor rains have forced some two million people to finish off their food reserves seven months before the next harvest. Another five million may soon follow. A cereal bank set up three years ago in Garin Dagabi with 10 tons of cereal now has only three tons remaining. “We have a little money in the bank to buy other sacks [of millet], but at current [elevated] prices [in Zinder], we would have to go far to be able to afford it,” Boukary told IRIN.

Source: irinnews.org

INDONESIA: EMBRACING THE GROWTH OF ISLAMIC FINANCE

Indonesia is seeking to further develop its Islamic banking sector, looking to tap into the growing market for sharia-compliant financial instruments, though it still has some way to go before being able to match the major players in the segment. In late January, Bank Indonesia officials laid out their plans and projections for the coming year, including a four-point program to strengthen the country's banking sector and promote growth across the economy.

Along with initiatives to enhance banking resilience, reinforce the supervisory regime, build a better platform for bank intermediation through the improvement of regulation, develop and strengthen rural banks' roles in micro-finance, there was also the key objective of raising the profile of Islamic banking in the economy.

Currently, Islamic banking assets represent only a fraction of the total within the country's banking sector, with the central bank estimating the year-end figure to be around US$7.6 billion, equivalent to between 2 and 3 percent of total bank assets. While asset levels in the sharia-compliant banking institutions remain low, there has been greater
movement in another segment. The state, some of its autonomous enterprises and, to a lesser extent, the private sector are all making more use of Islamic finance to bankroll their activities.

In late March, state electricity firm PT PLN announced it was planning to fund an upgrade of its infrastructure through bond issues valued at $330 million, using both conventional instruments and a rupiah-denominated sukuk issue, with the auction set for May or June. Early in the same month, the government successfully auctioned $109 million worth of sukuk, with the Finance Ministry saying the Islamic-compliant bonds, with terms ranging between five to 15 years, would be used to help fund the state deficit, which is projected to come in at 2.1 percent of GDP this year.

Though the private sector is starting to give sukuk more consideration, some estimates put the number of corporate sukuk issues in the past five years or so at around 20, low when compared to Malaysia, the world’s largest market for Islamic debt instruments last year.

In part, the low figure could be down to a deficiency of proper promotion by lenders and a consequent lack of understanding by potential customers, but also potentially a result of wariness by the corporate sector and the public due to perceived risk stemming from a weak regulatory regime. The government has moved to address at least some of these problems, with the parliament passing new legislation last year that would remove double taxation on certain Islamic banking transactions, in particular murabaha, Islamic trade finance.

Under the law, which is set to come into effect in April, when a lender extends finance to a client through a murabaha scheme, it technically buys an item or product and then sells it to the client at a profit, thus avoiding charging interest. It is up to the government, regulatory authorities and the private sector to work together to ensure the required regulatory platform for these products is in place.

Source: The Jakarta Post.

JAPANESE SOCIAL DEVELOPMENT FUND (JSDF) PROVIDES $17.9 MILLION TO CO-FINANCE PROVISION OF BASIC HEALTH SERVICES IN AFGHANISTAN

The Ministry of Finance, Islamic Republic Afghanistan and the World Bank, signed an agreement of US$17.9 million grant to co-finance the ongoing Strengthening Health Activities for the Rural Poor (SHARP) project. The grant resources are being made available by the Japanese Social Development Fund (JSDF), a World Bank managed trust fund financed by the Government of Japan.

The SHARP project supports Afghanistan’s Health and Nutrition Sector Strategy, outlining government’s commitment to ensure improved access to basic health care 2008-2013. The project will support the Ministry of Public Health (MoPH) plan to expand coverage of the Basic Package of Health Services (BPHS) to at least 90 percent of the population by the end of 2010.

Afghanistan has made significant progress in the health sector over the last seven years. According to the National Risk and Vulnerability Assessment 2007/08, infant mortality declined from 129 live births in 2006 to 111 in 2008 (per
1000 live births), representing a 13 percent reduction. Similarly, under five mortality declined from 191 to 161 per thousand live births (15 percent reduction) in the same period.

Health care for expectant mothers expanded, with the number of deliveries assisted in facility by trained health workers jumping from 6 percent to 24 percent. The number of pregnant women who received at least one prenatal care visit rose from 11 percent in 2004 to 36 percent in 2008. Child immunization rates are still low but have improved from 12 percent in 2005 to 33 percent in 2008. Around 20,000 community health workers—half of them women—have been trained and deployed throughout the country, increasing access to family planning and boosting childhood vaccinations. The number of facilities with trained female health workers rose from 25 percent before the project to 74 percent today.

Currently the Basic Package of Health Services through SHARP project has been provided to the rural population in 11 provinces. There is, however, large population living in urban areas that do not have proper access to primary health care. Therefore, the JSDF covers not only rural areas in Balkh and Samangan Provinces, but also urban area of Kabul Province. The support for urban Kabul is going to be provided under the close cooperation with “the Urban Health System Strengthening Project”, which has been conducted by Ministry of Public Health (MoPH) and the Japan International Cooperation Agency (JICA).

The project will be implemented by MoPH over a three year period. The World Bank’s ongoing SHARP project since March 2009 is a US$30 million grant with an additional financing of US$11 million grant from multilateral sources. In addition, the Bank is working on accessing additional funds from Afghanistan Reconstruction Trust fund for the project. An earlier Bank financed Emergency Health Sector Reconstruction project of US$120 million was completed in June 2009.

Source: World Bank

KAZAKHSTAN: CHAIRMAN OF THE ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE (OSCE) IN 2010

In his capacity as the OSCE Chairperson-in-Office in 2010, Kazakhstan’s Secretary of State and Foreign Minister Kanat Saudabayev presented Kazakhstan’s OSCE chairmanship priorities at the UN Security Council in New York on 5 February 2010 and held talks with UN Secretary General Ban Ki-Moon. Addressing the UN Security Council, the OSCE Chairman-in-Office focused on the potential of the OSCE as the world’s largest regional security organization in assisting the UN in the effective prevention of regional threats and responding to them.

Minister Saudabayev noted that to a large extent the implementation of the priorities of Kazakhstan’s chairmanship will depend on the ability of OSCE Participating States to strengthen mutual trust and eliminate the remaining vestiges of the Cold War dividing lines, remaining in the OSCE area. The head of Kazakh Foreign Ministry also stressed that Kazakhstan’s chairmanship will make every effort to resolve the protracted conflicts, especially in the former Soviet Union. “Given our common history and mental closeness, we hope to give impetus to the efforts of our
partners involved in this complicated process,” he stressed. The Foreign Minister added Kazakhstan’s chairmanship will be carefully monitoring the protracted conflicts and any signs of escalation of these conflicts making good use of OSCE preventive mechanisms.

In their responses, permanent representatives to UN, including Security Council chairman France, Russia, the United States, Britain, China, as well as Japan and Austria expressed support for Kazakhstan’s chairmanship priorities in the OSCE. President of the Security Council, the Permanent Representative of the France to the UN Gérard Araud, said Paris fully supported Kazakhstan’s proposed chairmanship program and the proposal of Kazakhstan’s President Nursultan Nazarbayev to hold an OSCE summit in 2010.

At a meeting with UN Secretary General Ban Ki-Moon, the two parties also noted the effective cooperation between Kazakhstan and the United Nations and discussed its prospects. UN Secretary General congratulated Kazakhstan on assuming the chairmanship of the OSCE and called it a historic event, noting significant opportunities for further strengthening the cooperation between the UN and the OSCE in solving urgent problems in the Euro-Atlantic and Eurasian area. Ban Ki-Moon also praised the initiatives of President Nursultan Nazarbayev, already supported by the UN General Assembly, declaring 2010 the International Year for the Rapprochement of Cultures and August 29 an International Day against Nuclear Tests. In addition, the importance was noted of the entry into force of the Central Asian Nuclear-Weapon-Free Zone Treaty in 2009.

TOYOTA PROPOSES $1.5 BILLION SOUTHERN SUDAN PIPELINE

Toyota Tsusho Corp., the trading affiliate of Toyota Motor Corp., has proposed building a $1.5 billion pipeline to transport crude oil from Southern Sudan to a planned port on Kenya’s Lamu island.

The Nagoya-based company has spoken to Kenyan officials and plans to hold talks with the Southern Sudanese authorities about the project, Takashi Hattori, executive officer at Toyota Tsusho, told reporters at an interview in the beginning of March in Nairobi, Kenya’s capital. The company proposes to own the pipeline, which would have a capacity of 450,000 barrels per day, for 20 years before handing it over to the governments, he said.

The 1,400-kilometer (870-mile) pipeline would transport crude oil from Southern Sudan’s capital of Juba to an export terminal equipped with a storage tank and oil jetty at Lamu, according to a presentation Hattori distributed to reporters. Toyota Tsusho would consider a joint venture with other foreign investors.

“We haven’t studied in detail, but a partnership with other investors, governments, foreign companies is of course one of the options,” he said. “Maybe to collaborate with a Chinese company would be one of the options.”

China has expressed interest in funding the development of the proposed port in Lamu and other infrastructure, Kenya’s President Mwai Kibaki said on Jan. 6.

Independence Referendum

Southern Sudan is scheduled to hold a referendum next year to decide whether to become an independent nation. The vote was part of a January 2005 peace agreement that ended a two-decade civil war between Sudan’s
mostly Muslim north and its largely Christian and animist south.

Most of the oil fields that produce Sudan’s 500,000 barrels a day in crude output are in the south. Sudan currently exports its oil through Port Sudan on Red Sea.

Toyota Tsusho may also bid for the construction of two Kenyan geothermal power plants in Olkaria, north of Nairobi, in a project that is estimated to cost $200 million.

The company’s Nairobi-based unit, Toyota East Africa, will start operating from a bigger headquarters by September and has found 60,000 square meters (645,834 square feet) of land in the city to expand its operations.

Plans include making Kenya the hub for its vehicle assembly lines in the East Africa region, Hattori said.

Source: Bloomberg

**BAHRAIN’S UNEMPLOYMENT RATE DOWN TO 3.7 PERCENT**

Unemployment in Bahrain has fallen from 3.8 percent in January to 3.7 percent in February, Majeed Al Alawi, the labour minister has said in March 2010. The figures are based on the monthly review prepared by the ministry on the number of people who receive monthly assistance or are on dole. Unemployment reached 2.8 percent among women and one percent among men. However, Al Alawi said that Bahrain has 12,256 employment and 3,124 training opportunities.

Bahrain has taken steps to tackle its unemployment problem and has brought down its jobless rate from 16 percent in 2002. The key project was the establishment of the Unemployment Insurance System (UIS), a unique feature in the Arab world. The system allows unemployed citizens, who are registered with the ministry, to receive financial assistance for six months based on their qualification and experience. During the period, they have to look for a job with the help of the ministry and in some cases they join a training programme. More than 13,000 job seekers have found employment through the project.

Source: gulfnews.com

**MALAYSIAN PARLIAMENT: MYNIC TO AID DEVELOP A COMPREHENSIVE INNOVATION SYSTEM**

The Ministry of Science, Technology and Innovation is detailing the framework for the Malaysian National Innovation Centre (MyNIC) to set up a comprehensive innovation system for the country under the 10th Malaysia Plan. "We have had several workshops with universities and discussed with several ministries, agencies and industry people to get feedback before making a final decision," said Deputy Minister of Science, Technology and Innovation, Fadillah Yusof.
Fadillah said among MyNIC’s programmes and activities were the Technology Powerhouse to develop techno industries as a platform to provide commercial intellectual property services through its Business Arm as well as management and innovation. MyNIC also struck out to manage matching research and development for market needs as well as introducing new products and technology for both the domestic and international markets, he said.

To assist in the development of Small and Medium Industries, Fadillah said MyNIC will tie-up with centres of excellence at universities and centres of research from both the private and public sectors. “We will also have continuous dialogue programmes with industry players via Business Matching programmes and have intellectual property recognition to aid and recognise ideas until they produce products,” he said.

However, he said the ministry's role was for development to the point of "pre-commercialisation" and this would then be taken over by other agencies for commercialisation. "As such we have set up a network of cooperation with other ministries like Miti so that research can be streamlined and be developed to be brought to market and be applied for community use," he said. Fadillah also told Parliament that 290 projects had been commercialized under ministry funds and these generated national income of RM2.8 billion.

Source: MOSTI

**KAZAKHSTAN-KUWAIT: DEVELOPMENT OF TRADE AND ECONOMIC RELATIONS**

A visit by Secretary of State Kanat Saudabayev in Kuwait and the return visit of Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah to Kazakhstan will give a new impetus to the development of bilateral relations.

At the working sessions of the joint commission, executive secretary of the Ministry of Finance Natalya Korzhova emphasized that Kazakhstan managed to avoid serious negative consequences of the global financial crisis. The country implements a program of forced industrial-innovation development, developed mechanisms of support of banking sector and agriculture.

Kazakhstan remains attractive for investments and the Kuwaiti partners also highly assessed the actions of Kazakhstani government. It was noted at the meeting that the states should establish a constructive and long-term dialogue. The countries can cooperate in trade and finances, energy and transport, tourism and culture. Investors are waited in the oil and gas, scientific and technical fields.

Kazakhstani side presented more than 60 investment projects. The Kuwaitis became especially interested in creation of new enterprises and the construction of administrative, residential and entertainment complexes in the industrial park of Astana. Arab Fund for Economic Development is interested in the construction of a resort “Kenderli”.

Source: khabar.kz
PROJECT IN WEST AFRICA TEACHES FARMERS ORGANIC PRACTICES, BOOSTS BUSINESS

The ever-growing popularity of organic foods has created a demand that smallholder farmers in developing nations can help satisfy. A recently concluded organic farming project by the Food and Agriculture Organization (FAO) in West Africa, funded with support from the German government, helped 5,000 farmers learn organic farming processes and gain organic certification for their crops. Growing organic crops opened international trade opportunities for these farmers in addition to teaching them agricultural and business skills, according to the FAO.

The FAO program helped farmer groups and small exporters in Sierra Leone, Senegal, Ghana, Burkina Faso, and Cameroon by guiding them through the entire organic agricultural process from the initial planting to marketing and export. Crops like pineapples, mangos, shea nuts and cocoa were produced and shipped overseas, providing substantially higher returns for the farmers. According to FAO, 30 organic pineapple growers in Ghana managed to increase their sales from 26 metric tons to 116 metric tons thanks to the project.

Despite the hardships of organic farming, it is viable in Africa because the demand for organic produce in developed nations is growing so rapidly. According to the FAO, the organic and fair trade markets in developed countries are expected to grow 5 to 10 percent per year for the next three years.

Taking advantage of this demand, the West African farmers in the FAO project have met with success. Beneficiary farmers have increased their yield and cultivated area which has resulted in the creation of jobs for farm workers. In addition, farmer groups have hired administrative and support staff thanks to the income generated by the export of certified products.

Proceeds from these projects were reinvested in food, education, medicine, and other essential supplies for these countries, helping to spread the prosperity of the farmers. Now that the project is officially over, there have been proposals to expand it, but FAO lacks the resources to do so and no donors have come forward to provide funds.

Source: mediaglobal.org

PAKISTAN, IRAN SIGN DEAL ON NATURAL GAS PIPELINE

ISLAMABAD Pakistan has signed a deal with Iran paving the way for the construction of a much-delayed pipeline pumping Iranian natural gas to the energy-starved South Asian country, officials said on Wednesday.

The $7.6 billion project is crucial for Pakistan to avert a growing energy crisis already causing severe electricity shortages in the country of about 170 million.

Pakistani Petroleum and Natural Resources Minister Naveed Qmar hailed the signing of the deal in Turkey on Tuesday as an “historic achievement.”
"It's a milestone toward meeting energy needs of the country," a Pakistani government statement quoted Qamar as saying.

The pipeline will connect Iran's South Fars gas field with Pakistan's southern Baluchistan and Sindh provinces.

Iran has the world's second-largest gas reserves after Russia. But sanctions by the West, political turmoil and construction delays have slowed its development as an exporter.

Under the deal, 750 million cubic feet of gas will be pumped to Pakistan daily from Iran by mid-2015.

Qamar said he hoped work on the project would be started soon so that gas supplies to Pakistan could start on time.

PEACE PIPELINE

Dubbed the "peace pipeline," the project has been planned since the 1990s and originally would have extended from Pakistan to its old rival, India.

However, India has been reluctant to join the project given its long-running distrust of Pakistan, with which it has fought three wars since they achieved independence in 1947.

Under the deal signed on Tuesday, Pakistan is allowed to charge a transit fee if the proposed pipeline is eventually extended to India.

The United States has tried to discourage India and Pakistan from any deal with Iran because of Tehran's suspected ambitions to build nuclear weapons. Iran denies any such ambitions.

India has invested in civilian nuclear reactors to help fulfill its increasing energy demand. It also signed a landmark civilian nuclear deal with the United States in 2008.

Pakistan has long called for a similar deal from the United States but Washington has been unwilling to make an agreement with its ally, which is battling an al Qaeda-linked Islamist insurgency.

Pakistani President Asif Ali Zardari reiterated Pakistan's demand in talks with Director of U.S. National Intelligence Dennis C. Blair on Tuesday.

"(Zardari) called upon the U.S. to assist Pakistan in civilian nuclear technology to help the country overcome (the) energy crisis, on the one hand, and bridge the trust deficit between the two countries on the other," a government statement said.

Source: Reuters

GAMBIA Launches Latest Telecoms Project

In an effort to improve Gambia's telecommunications system and extend it to the sub-region and beyond, the Gambia Telecommunication Company Limited and the Ministry of Communications, Information and Technology are due to commission their latest project, the 'Cross Gambia Project'.

The project, one of the country's telecommunications major accomplishments in
2009, cost GAMTEL about 1.2 million Euros. It is a joint venture between GAMTEL and SONATEL in Senegal, conceived in 2008, according to a media dispatch from GAMTEL head office in Banjul.

The Cross Gambia Project, upon completion will extend the fibre from Dakar through Kaolack, Karang, Barra, Banjul, Serrekunda, Yundum, Brikama to Seleti in Casamance where it terminates on the SONATEL fibre network.

The project would provide an alternative link using fibre to the existing Basse in The Gambia and Velingara in Senegal fibre link which was implemented in 1996.

'The project consolidates GAMTEL and SONATEL by bilateral traffic; eliminating the serious traffic disruption experienced whenever the fibre is cut. It would also enable GAMTEL to increase internet capacity to meet national internet bandwidth requirement as and when required', the release stated.

Contract for the project was awarded to Alcatel Lucent, a French contractor based in France.

Source: Gambia News

**ABU DHABI HOSTED THE 3RD WORLD FUTURE ENERGY SUMMIT (WFES)**

The 3rd annual World Future Energy Summit (WFES), held in Abu Dhabi during the period 18-21 January 2010, is the world’s largest meeting of influential figures from the renewable energy industry. Hosted by Masdar, Abu Dhabi’s multi-billion dollar cooperative future energy initiative and organised by Reed Exhibitions and Elsevier, the leading publishers of scientific information, the Summit united industry leaders, policymakers and researchers to discuss the challenges of rising energy demand and to map a cleaner and more sustainable energy future for the world. In two years, the Summit has earned international accolades, with the New York Times describing it as “the Davos on renewable energy.” The Summit was held under the patronage of H.H. Sheikh Mohammed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces.

Can the GCC become a global model of sustainability?

The GCC has the chance to transform itself into a sustainability model for all emerging markets. According to UN General Secretary Ban Ki-Moon, investment in green technology is projected to hit $1.9 trillion by 2020. But compared to Europe, protecting the environment is a relatively young topic in the Middle East, which hold 60% of the world’s proven oil reserves and 40% of the world’s
proven gas reserves. Nevertheless with its Masdar zero-carbon-city (still under construction), Abu Dhabi is the symbol for renewable energy concepts of the twenty-tens. Masdar aims to build a city for 50,000 inhabitants, whose households will only be provided with renewable energy, will also be the home of the 2009-founded International Renewable Energy Agency (Irena).

As well as Abu Dhabi’s Masdar, Dubai-based ICT-free zone Tecom set up the Energy and Environment Park in 2006, a sub-free zone dedicated to the research, development and production of renewable energy technology. The Energy City Qatar (also currently under construction), a project financed by Doha-based investment bank Gulf Finance House (GFH), aims to develop efficient means of exploring and transforming carbon resources. It also aims to raise the know-how in the industry about recycling processes for ethylene-products. While Qatar takes the lead, other Energy Cities are planned by GFH and are in the process of being designed in Libya, India and Kazakhstan.

The World Future Energy Summit in Abu Dhabi does not aim to be a second Copenhagen, nor an implementation machine for CO2-emission limits. But it can pave the way for a closer cooperation between global firms in tackling climate change.

Source: World Future Energy Summit, AMEinfo

JAPAN, BRAZIL PLAN TO HELP MOZAMBIQUE BECOME GRAIN EXPORTER

Mozambique, which depends on imports to meet about half its rice needs, aims to become a grain exporter after achieving self-sufficiency as early as 2015 with technical and financial assistance from Japan and Brazil. The government would like to eliminate the deficit in the rice supply within five years if a good investment can be found. The African nation consumes about 500,000 metric tons a year, more than output of 260,000 tons.

Japan, the world’s largest grain importer, helped Brazil become the second-biggest farm exporter under a $774 million development program prompted by a food crisis three decades ago. Exports from Mozambique may increase competition in the global rice market, now dominated by Thailand and Vietnam, while alleviating poverty and malnutrition in Africa. The Japan International Cooperation Agency states that Brazil’s emergence as a major grain exporter has made a great contribution to the stability of the crop price and supply and Africa, becoming another supplier, will enhance food security not only for Japan but other importers.

Mozambique is aiming to export rice to neighbours including South Africa and Botswana as Japan and Brazil have started an aid program to turn tropical savannah into farmland. The government also plans to boost output of corn and soybeans for overseas shipments and to feed the domestic livestock industry.
The price of corn, soybeans and rice climbed to records in 2008, triggering riots in developing countries as a rising global population, economic growth in emerging markets, and increased use of the crops for biofuel production lifted demand. Japan, the biggest corn importer and second-largest soybean buyer after China, expects increased production will help stabilize grain supply and price.

Mozambique can boost rice production using drought-tolerant varieties grown in Brazil’s tropical savannah. Because of the similarities in climate and soil conditions, Mozambique can achieve yields equivalent to Brazil, which produces 2.8 tons of soybeans and 4 tons of corn per hectare on average.

Mozambique has 55 million hectares of tropical savannah, of which 3.6 percent is under cultivation, according to data from the Japan International Cooperation Agency. Companies from Brazil and Japan, including makers of agricultural machinery and chemicals, may benefit from the program in Mozambique.

Source: businessweek.com

Bangladesh takes global lead to deal with disaster risk reduction

Bangladesh has secured itself as a global leader in dealing with disasters and climate change through the extension of the Comprehensive Disaster Management Programme (CDMP) for another five years.

The new phase of the Comprehensive Disaster Management Programme a joint initiative of the Government of Bangladesh and UNDP supported by the UK Department for International Development, the European Union and the Government of Sweden is an expansion and scaling up of the first phase which institutionalized risk reduction approaches through pilot initiatives.

The second phase will follow a multi-hazard approach to disasters including climate change risk management which also sustains the paradigm shift from a focus on post-disaster response to a stronger emphasis on prevention and reducing risks and vulnerabilities.

Strengthened disaster response and management capacity is an important national objective for Bangladesh, and the Programme is designed to achieve this goal through interventions in 6 key areas, which comprise a focus on marginalized and vulnerable communities in urban centers and in 2000 Union Parishads of 40 high-risk districts of Bangladesh. It will also make major contributions to policy advancements and to development of national risk reduction capacities in 11 ministries to implement a range of risk reduction initiatives. It will seek to reduce vulnerabilities and to empower rural and urban communities to plan for and adapt to hazard risks, including from the impacts of climate change.

The five years Programme, which will continue until December 2014, has a total budget of US$50.75 million. Of that, US$20 million is contributed by the UK Department for International Development, US$17 million from the European Union, US$7 million from the Government of Sweden, and US $750,000 from the Government of Bangladesh, in addition to UNDPs own resources of US$6 million.

Source: UNDP
AfDB Approves USD 38m Funding for Burkina Faso Power Project

The Board of Directors of the African Development Bank Group approved a loan of UA24.2 million (USD 38 million) from the African Development Fund (ADF), the Group’s concessional window, to fund the Burkina Faso’s Electricity Infrastructure Strengthening and Rural Electrification Project. The Board also approved an ADF grant of UA 950,000 (USD 1.49 million) for the same project.

Burkina Faso has recognized the need to substantially increase the country’s power supply to meet a fast-growing demand in several urban and rural locations, while also improving the overall quality and reliability of the service. The country’s electricity demand is growing at the rate of approximately 10 per cent, which makes the project a priority issue for the country’s economic and social development.

One of the components of the project relates to the rehabilitation and extension of almost 1,800km of power networks. It will improve coverage of the country, in particular 150 new rural areas. It will also cater to the needs of 800,000 people in 140,000 households.

Public lighting will be improved with the installation of 750 extra public.

The power project is also in line with the Bank Group’s assistance strategy and Burkina Faso’s efforts to achieve the Millennium Development Goals (MDGs) by focusing on two pillars: diversification of the economy, and improving the living conditions of the people.

Improved access to energy will support increased productivity and encourage new economic activity. The project will also increase access to, and improve efficiency in basic service delivery such as drinking water, health, education and communications, It will also have a positive impact on the human development index.

The project was designed in close collaboration with the government as well as broad consultation with other donors and beneficiaries in order to tackle the challenges posed by the country’s electricity needs.

Source: afdb.org

Qatar Initiates Plans For Better Food Security

Qatar imports 90 percent of its food requirements because of limited domestic agricultural production and scarce fresh water resources. Only one-third of the arable land in the country is occupied by farms and cultivated. Levels of agricultural production have largely been limited because of water scarcity and depletion, poor soil quality, as well as unfavourable climate for farming. Aquifers are under threat of depletion at the rate of 220 cubic metres per acre, and the country’s strategic water reserve is just 1.8 days.

As a response to these challenges inherent in its climate and geography, the country has launched an historic initiative to achieve food supply security. The initiative primarily aims at arid land agriculture research and similar unique

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issues that face the country and other arid regions in the world. With the success of the research, Qatar can hope to boost agricultural production to at least achieve self-sufficiency, if not produce surplus for exports.

As part of the key initiative, the Emir Sheikh Hamad bin Khalifa Al Thani has announced the launching of a National Food Security Program titled ‘Qatar National Food Security Program’ (QNFSP) at the World Summit on Food Security in Rome, Italy. The main objective of the Programme is to develop a comprehensive food security policy for the state by increasing local food production and securing the supplies of imported food. QNFSP incorporates a taskforce consisting of 14 institutions from across government and private sectors in the country as well as outside.

Source: The Peninsula

IDB APPROVES US$ 3 MILLION GRANT FOR GAMBIA’S HEALTH SECTOR

Health sector - Gambian minister of Health and Social Welfare, Dr. Abubaccar Gaye, disclosed that the Islamic Development Bank (IDB) had approved a loan of US$ 3 million for The Gambia to support government’s efforts towards malaria control and prevention and help achieve the MDGs through significant reduction of malaria morbidity and mortality.

The loan, according to Gaye, will specifically finance the Support to Malaria Prevention and Control Project which seeks to focus on increasing the proportion of laboratory-confirmed malaria cases, increasing the proportion of malaria cases receiving appropriate management within 24 hours of the appearance of symptoms and increasing coverage for Long Lasting Insecticide-treated Nets (LLINs).

According to Gaye, the project scope covers four health regions with a total population of 836,768, representing 57 per cent of the population of The Gambia.

The four regions are the Central River, Western Health, North Bank East Region and the North Bank West Region.

"It is envisaged that the project will contribute to the consolidation of the current gains in malaria control and prevention and help The Gambia attain malaria pre-elimination stage by 2015," he said.

Source: Gambia News

COMOROS SECURES RECORD SUMS AT DONORS’ CONFERENCE

At the closure of a donors’ conference for Comoros in Doha, the archipelago secured aid worth US$ 540 million from Arab states and institutions. The amount is record high given a Comoran population of only 650,000 and an estimated total GDP of US$ 750 million.

The President of the Union of Comoros, Ahmed Abdallah Mohamed Sambi, himself represented Comoros at the donors conference in Doha, Qatar. There, he met with leaders of mostly Arab countries and institutions. And President Sambi was highly successful in
securing funds for his impoverished island nation.
The Qatari hosts opened the donations rush by announcing a US$ 13 million grant funding to Comoros. This was followed up by a grant of US$ 10 million by the United Arab Emirates. Further state grants included 3 million from Oman, 3 million from Algeria, 6 million from Libya and a pledge of US 1 million from Sudan. The Arab League pledged a US$ 1.5 million grant.

According to a statement by the Qatari government, total pledges reached US$ 540 million, out of which most were grants. Overall donations by states reached US$ 90 million, charities US$ 90 million and development funds US$ 45 million. Donations by public authorities amounted to US$ 13 million, the private sector US$ 182 million and the Islamic Development Bank US$ 120 million.

These sums strongly contrast development aid sums hitherto given to Comoros. Official development assistance given Comoros in 2005 only totalled US$ 25 million, increasing to US$ 44 million in 2008, according to official statistics.

In the second half of 2009, Comoran authorities achieved a three-year poverty reduction agreement with the International Monetary Fund (IMF). The programme totals "only" US$ 21.5 million, out of which US$ 6.70 million were released in September 2009.

The pledges achieved in Doha - if really transferred to Comoros - will make the archipelago one of the greatest receivers of development aid per capita in coming years. And it will make the archipelago of 650,000 inhabitants largely independent from Western aid and institutions such as the IMF and World Bank.
The aid, if realized, will also strengthen President Sambi’s position in Comoros. His union presidency is strongly challenged by governments of the three autonomous islands, and President Sambi earlier this month further provoked these island governments by securing an 18-month extension of his presidency in parliament.

Until now, the union presidency has had very limited budgets to promote its policies, while autonomous island governments had a more secure financial basis. If President Sambi secures the pledged funds are channelled through his office, the power balance in the Comoran Union will be dramatically changed.

Comoros has immense development challenges, with most of its population living in dire poverty. Political instability, repeated coups and civil wars had so far contributed to lack of foreign investments and interests in granting development aid. But positive developments in neighbouring Indian Ocean island states, in particular capitalising on tourism, cause some optimism regarding Comoros' development potentials.

According to President Sambi, the generous pledges made by Comoros' Arab partners should aid the archipelago "to step out of poverty." He announced the immediate set-up of a monitoring authority "with the aim of mobilising the pledged funds."

Source: Afrol News
Saudi Arabia topped the list of Arab and regional countries in attracting foreign direct investment in 2008, followed by Turkey and the UAE. The value of investment inflows into Saudi Arabia in 2008, was slightly more than $38.2bn, a record amount for the country. Thus, Saudi Arabia accounted for 42.3% of the total inflow of investment of the 14-state Western Asia region, which stood at $90.2bn. Three countries combined, Saudi Arabia, Turkey, and the UAE accounted for 77.6% of the flow of investment to the region.

The increase in investment in Saudi Arabia took place with the influx of several foreign companies, including Royal Dutch/Shell (UK-Netherlands), Sinopec (China), Eni (Italy), and Lukoil (Russia), for natural gas exploration in the south-eastern region of the Kingdom. In addition to awarding contracts to Mac Dermont (United States), Hyundai Engineering & Construction (Korea), and Petrofac (UK) to develop the onshore and offshore fields of Karan gas field. Recent investments have focused on the real estate sector with an estimated 21%, the petrochemical industry with 16%, and the extraction of gas and oil with 10%, with economists projecting an increase of 40% of investment during the coming four years to exceed $3bn.

Saudi Arabia has jumped three places in business environment and investment competitiveness ranking to number 13, according to a report by the International Finance Corporation of the International Bank for Reconstruction and Development. The reforms pursued by King Abdullah bin Abdulaziz seem clear, as the country has gone from number 67 in 2005 to number 13 in 2009 on the index, which measures 183 countries around the world. The Kingdom has continued to maintain its performance as the best country for investment in the Middle East and North Africa, as it moved up the business starting index from 28 to 13. The country also came 16 on the index for protecting investors.

Source: AMEinfo

Senegal Considers Nuclear Power

The government of Senegal is considering building a nuclear electricity plant with French assistance to improve its erratic power supply. Currently, only South Africa has nuclear power plants on the continent. The issue of nuclear power was brought up at yesterday’s cabinet meeting in Dakar by Energy Minister Samuel Améte Sarr, in presence of Senegalese President Abdoulaye Wade. He said the French government had
offered Senegal aid to build its first nuclear power plant.

In early March 2010, several statements to the press by Senegalese government officials indicated the West African country was considering nuclear energy. Energy Ministry spokesman Malick Ndaw on 9 March 2010 said a nuclear plant in Senegal could be online already in 2020. Later, he had to go back on his statement, emphasising nothing had yet been decided, feasibility studies were still necessary and that it would take a long time before Senegal could benefit from nuclear power.

That the Senegalese nevertheless are serious about considering nuclear electricity was demonstrated at the cabinet meeting on 17 March 2010, where President Wade requested detailed information from his Energy Minister after the latter's recent visit in France.

Minister Sarr reported that he had participated in a Paris conference about access to civilian nuclear technology, following the invitation of French President Nicolas Sarkozy. Here, the French nuclear industry, which is strongly export oriented, had explained the "need for scientific and financial commitment" by countries considering to embark on a nuclear electricity path.

The Senegalese Minister explained he had been offered French help to establish a nuclear industry in Senegal. The Minister was to follow up by participating in an April 2010 conference in Washington, at the invitation of President Barack Obama, and a Senegalese drive to emphasise on nuclear energy within the framework of NEPAD. Minister Sarr announced that Senegal would ask NEPAD to establish an African Commission for Nuclear Energy with headquarters in Dakar. In this way, Senegal would start its process to concentrate African scientific and financial resources related to nuclear energy in the country. This was approved by the cabinet. The first, small steps towards making Senegal a nuclear energy locality thus were made at the cabinet meeting.

Senegal is highly dependent on expensive fossil fuel imports for its erratic energy grid. For decades, the country has tried to diversify its energy production. This included several large hydro-electric schemes, most of which have proven slow to implement because river basins are shared with neighbour countries and due to environmental considerations.

According to the Ministry of Energy, electricity demands are increasing at a yearly rate of 7 percent. Meanwhile, energy production facilities are built at a slower scale and electricity supplies are increasingly erratic. The Ministry has been given standing orders to seek alternative energy supplies by President Wade.

Source: afrol.com

Cameroon is reversing its scientific brain drain by boosting the salaries of university academics. The early signs are that a government fund of 4.2 billion Central African francs (almost US$9.5 million), created in early 2009, has increased the number of scientists and stabilised the research environment.

New allowances are now paid quarterly to more than 2,500 lecturers and researchers — up from 1,800 at the start of 2009 — which suggests that academics are returning to their campuses, according to Ives Magloire Kengne, a scientist at Cameroon's University of Yaoundé.

Source: afrol.com

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The fund was made possible after two major foreign debts were written off and Cameroon decided to put this 'windfall' to use in the health, engineering and education sectors.

Maurice Tsalefac, a professor at the University of Yaounde’s geography department, told SciDev.Net that the old salary for top university professors was about US$550 a month. Many left for western African countries where monthly salaries for the top posts were closer to US$4,000, he said.

Under the new system, salaries have increased for all levels of academics, he said. Professors now receive almost US$1,850, while senior lecturers have seen their monthly payments increase from US$530 to US$1,600, and lecturers are now paid US$1,100, up from US$490.

Source: Islamic Development Bank (Science and Development Network Brochure)

NIGERIA INTENSIFIES FOCUS ON BROADBAND CONNECTIVITY

The chairman of Nigeria’s telecommunications regulatory authority Nigeria’s Communications Commission (NCC), Earnest Ndukwe, said that emerging markets including Nigeria could make use of the broadband initiative to fast-track developments in various sectors of her economy and consequently become global players in their quest for making giant economic strides in 2020.

He disclosed that while many questions on what type of regulation can promote investment, consistency and predictability were raised during the Panel discussion that attracted heated debate on how best to build robust ICT infrastructures in the emerging markets, his commission had averred that government has intervened to ensure lower prices and fairer access to national and international fibre infrastructure, adding that NCC has actually taken a role in getting this infrastructure built.

“Broadband infrastructure and connectivity provide an opportunity not only for economic surge, but also present long-term benefits that transverse almost every aspect of Nigeria and rest of the African sub-region. There is no better time to embrace this technology as an essential factor for the development of African societies” he said.

Reports have seen broadband Internet access as becoming an essential part of everyday life, and part of how people communicate, book their holidays, search for work, find out news, purchase goods and educate their children.

Studies have also revealed that broadband in the rest of the world will grow from 16 million to 48 million lines in the same period, so the world will add 273 million lines to reach 683 million in total.

Source: IT News Africa

UN BOOSTS EFFORTS TO TACKLE FOOD INSECURITY IN CHAD

United Nations agencies are ramping up efforts to assist around 2 million Chadians who will require food aid in 2010 because of poor rainfall and lean harvests.

According to the November 2009 report of the UN Food and Agriculture Organization (FAO), Chad was one of 31 countries worldwide that are facing critical food insecurity due to a number of
factors including prolonged drought, ongoing high food prices and conflict.

As part of its assistance efforts, FAO, in coordination with the Government, has put in a place a project to distribute 615 tonnes of animal food. It is also planning another project to distribute seeds for 33,000 vulnerable households.

Meanwhile, the World Food Programme (WFP) has begun a scheme to provide 47,000 tons of food for 750,000 people affected by drought in the regions of Kanem, Bahr-el-Ghazal, Guera, Batha, Lac and Hadjer Lamis.

According to WFP, these regions are among the most food insecure in the country due to cyclic exposure to weather hazards, a situation further exacerbated by the poor agricultural production in year 2009.

A joint assessment carried out in December 2009 by FAO, WFP and the Government found estimated that 80,000 tons of cereals are required to cover the needs of the affected population across Chad.

The UN Central Emergency Response Fund (CERF) has also been involved in alleviating the plight of the hungry in Chad by allocating $3,751,801 to the country in 2010, most of which is focused on the health and nutrition sectors.

Source: allafrica.com

**Farmers Act on Climate Change in Burkina Faso**

Disappointed by the “failure” of the Copenhagen talks to adequately help poor countries adapt to climate change, the Burkina Faso government and farmers are working to adjust farming techniques to changing weather patterns.

Bassiaka Dao, President of Confederation of Farmers in Burkina Faso (CPF), stated that despite the failure of Copenhagen they must follow adaptation at their own cost because they have been experiencing the impacts of climate change in Burkina for several years, and they are getting worse. Dao also added that the US$10 billion that rich nations agreed to provide annually to developing countries to help mitigate climate change effects was insufficient. The UN said at the Copenhagen meetings that $25 billion to $50 billion per year would be required.

Considering this, the government has channeled $3 million to help people adapt in the farming, livestock, forestry and water resource sectors through its National Action Adaptation to Climate Change Programme. A key agriculture activity is to extend traditional soil protection techniques. Methods include digging “Zai” pits – compost-filled planting pits which hold water, helping deep-rooted vegetables grow; building up grass and rock barriers around crops to protect them from soil erosion; and cultivating manure in septic tanks to use as fertilizer.

But to enable crops to survive erratic rains, many more farmers need access to high-yield, quick-growing seeds. This is one of the priorities of the World Bank’s agricultural production and food security support to Burkina Faso, amounting to $54.5 million from 2010-2015. The Bank spent $5 million on distributing quick-harvest sorghum, maize and cowpea seeds in year 2008. New varieties of cowpeas can be harvested in 45 days, down from 80, according to agricultural experts; sorghum and maize down to three months from four or five.

Source: irinnews.org
**DID YOU KNOW?**

- **Human Development Index (HDI)** is a composite index measuring the average achievements in a country in three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living proxied by life expectancy, adult literacy rate, education enrollment and GDP per person.

- The latest HDI (2009) was calculated for 182 countries of which 55 are members of OIC. Iraq and Somalia were not included.

- Five OIC Member Countries, **Brunei, Kuwait, Qatar, U.A.E** and **Bahrain** rank within the top 40 countries. Among those, having HDI scores over 0.900, **Brunei, Kuwait, Qatar** and **U.A.E** belong to Very High Human Development Group.

- Additionally, 9 OIC Member Countries, namely **Bahrain, Libya, Oman, Saudi Arabia, Malaysia, Albania, Turkey, Kazakhstan** and **Lebanon**, are classified under High Development Group as their HDI scores ranged between 0.80 and 0.89.

**Country (HDI Rank)**

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Source: UNDP, HDR 2009
BOOK REVIEWS - RECENT TITLES

Global Warming and the World Trading System

Steve Charnovitz, Gary Clyde Hufbauer, Jisun Kim, 166 pages, Peterson Institute for International Economics, 2009

In 2006, a team led by the English economist Sir Nicholas Stern issued a striking report that analyzed the economic dimensions of global climate change and called for immediate collective action to reduce greenhouse gas (GHG) emissions. This seminal report poses the critical question of how much emissions should be reduced within specific timeframes. To answer the challenge of finding a best-practices approach, Global Warming and the World Trading System looks at the economic aspects of GHG emissions and seeks a policy method to reduce them without adversely affecting global trade. The book begins with a survey of relevant data—such as emissions reports per sector—and evaluates current US climate policy options, focusing on the intricacies of specific Congressional bills. In this vein, this study examines whether the competitiveness provisions now under consideration are compatible with the rules of the World Trade Organization (WTO) and explores the pragmatic opportunities the WTO should capitalize on in order to accomplish two goals simultaneously: (1) Ensure policy space for countries to limit national GHG emissions without sacrificing the competitive position of their own industries. (2) Preserve an open trading system relatively free of discrimination and opportunistic protectionist measures. Should governments use trade measures to encourage other countries to cooperate in the adoption of environmental policies? The authors anticipate the potential negative environmental and economic outcomes as well as the disputes over violation of GATT articles. This book addresses how to avoid serious setbacks in an effort to reduce emissions without compromising the status of both domestic and international carbon-intensive industries. Most importantly, the book considers what can be done by environmental organizations to head off conflict with the WTO.

Portfolios of the Poor: How the World's Poor Live on $2 a Day


About forty percent of the world's people live on incomes of two dollars a day or less. If you've never had to survive on an income so small, it is hard to imagine. How would you put food on the table, afford a home, and educate your children? How would you handle emergencies and old age? Every day, more than a billion people around the world must answer these questions. Portfolios of the Poor is the first book to explain systematically how the poor find solutions.

The authors report on the yearlong "financial diaries" of villagers and slum dwellers in Bangladesh, India, and South Africa—records that track penny by penny how specific
households manage their money. The stories of these families are often surprising and inspiring. Most poor households do not live hand to mouth, spending what they earn in a desperate bid to keep afloat. Instead, they employ financial tools, many linked to informal networks and family ties. They push money into savings for reserves, squeeze money out of creditors whenever possible, run sophisticated savings clubs, and use microfinancing wherever available. Their experiences reveal new methods to fight poverty and ways to envision the next generation of banks for the "bottom billion." Indispensable for those in development studies, economics, and microfinance, Portfolios of the Poor will appeal to anyone interested in knowing more about poverty and what can be done about it.

World Development Report 2010: Development and Climate Change


Today's enormous development challenges are complicated by the reality of climate change the two are inextricably linked and together demand immediate attention. Climate change threatens all countries, but particularly developing ones. Understanding what climate change means for development policy is the central aim of the World Development Report 2010. It explores how public policy can change to better help people cope with new or worsened risks, how land and water management must adapt to better protect a threatened natural environment while feeding an expanding and more prosperous population, and how energy systems will need to be transformed. The report is an urgent call for action, both for developing countries who are striving to ensure policies are adapted to the realities and dangers of a hotter planet, and for high-income countries who need to undertake ambitious mitigation while supporting developing countries efforts. A climate-smart world is within reach if we act now to tackle the substantial inertia in the climate, in infrastructure, and in behaviors and institutions; if we act together to reconcile needed growth with prudent and affordable development choices; and if we act differently by investing in the needed energy revolution and taking the steps required to adapt to a rapidly changing planet. In the crowded field of climate change reports, WDR 2010 uniquely: emphasizes development takes an integrated look at adaptation and mitigation highlights opportunities in the changing competitive landscape and how to seize them proposes policy solutions grounded in analytic work and in the context of the political economy of reform.
The Comparative Political Economy of Development: Africa and South Asia

Barbara Harriss-White, Judith Heyer, 384 pages, Routledge, 2010

This book illustrates the enduring relevance and vitality of the comparative political economy of development approach promoted among others by a group of social scientists in Oxford in the 1980s and 1990s. Contributors demonstrate the viability of this approach as researchers and academics become more convinced of the inadequacies of orthodox approaches to the understanding of development.

Detailed case material obtained from comparative field research in Africa and South Asia informs analyses of exploitation in agriculture; the dynamics of rural poverty; seasonality; the non farm economy; class formation; labour and unfreedom; the gendering of the labour force; small scale production and contract farming; social networks in industrial clusters; stigma and discrimination in the rural and urban economy and its politics. Reasoned policy suggestions are made and an analysis of the comparative political economy of development approach is applied to the situation of Africa and South Asia. Aply presenting the relation between theory and empirical material in a dynamic and interactive way, the book offers meaningful and powerful explanations of what is happening in the continent of Africa and the sub-continent of South Asia today. It will be of interest to researchers in the fields of development studies, rural sociology, political economy, policy and practice of development and Indian and African studies.

Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa

Dambisa Moyo, 208 pages, Farrar, Straus and Giroux, 2010

A national bestseller, Dead Aid unflinchingly confronts one of the greatest myths of our time: that billions of dollars in aid sent from wealthy countries to developing African nations has helped to reduce poverty and increase growth. In fact, poverty levels continue to escalate and growth rates have steadily declined—and millions continue to suffer. Debunking the current model of international aid promoted by both Hollywood celebrities and policy makers, Dambisa Moyo offers a bold new road map for financing development of the world’s poorest countries.

Much debated in the United States and the United Kingdom on publication, Dead Aid is an unsettling yet optimistic work, a powerful challenge to the assumptions and arguments that support a profoundly misguided development policy in Africa. And it is a clarion call to a new, more hopeful vision of how to address the desperate poverty that plagues millions.
This Time is Different: Eight Centuries of Financial Folly

Carmen M. Reinhart, Kenneth Rogoff, 496 pages, Princeton University Press, 2009

Throughout history, rich and poor countries alike have been lending, borrowing, crashing--and recovering--their way through an extraordinary range of financial crises. Each time, the experts have chimed, "this time is different"--claiming that the old rules of valuation no longer apply and that the new situation bears little similarity to past disasters. This book proves that premise wrong. Covering sixty-six countries across five continents, This Time Is Different presents a comprehensive look at the varieties of financial crises, and guides us through eight astonishing centuries of government defaults, banking panics, and inflationary spikes--from medieval currency debasements to today's subprime catastrophe. Carmen Reinhart and Kenneth Rogoff, leading economists whose work has been influential in the policy debate concerning the current financial crisis, provocatively argue that financial combustions are universal rites of passage for emerging and established market nations. The authors draw important lessons from history to show us how much--or how little--we have learned.

Using clear, sharp analysis and comprehensive data, Reinhart and Rogoff document that financial fallouts occur in clusters and strike with surprisingly consistent frequency, duration, and ferocity. They examine the patterns of currency crashes, high and hyperinflation, and government defaults on international and domestic debts--as well as the cycles in housing and equity prices, capital flows, unemployment, and government revenues around these crises. While countries do weather their financial storms, Reinhart and Rogoff prove that short memories make it all too easy for crises to recur.

An important book that will affect policy discussions for a long time to come, This Time Is Different exposes centuries of financial missteps.
## ECONOMIC and FINANCIAL INDICATORS

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**Source:** BASEIND  
1. IMF WEO October 2009  
2. in US$ terms
**ECONOMIC and FINANCIAL INDICATORS**

### Top 10 OIC Member Countries, by Lowest Exchange Rate per USD, Period Average, 2009

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<th>Exchange Rate per USD</th>
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<td>Tunisia</td>
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<td>Brunei</td>
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Source: BASEIND

### Total Debt Stock of the OIC Member Countries

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<th>Country</th>
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<th>OIC Debt Stock as a % of Developing Countries</th>
<th>Total Debt Stock / Total GDP (%</th>
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<td>38.223</td>
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Source: BASEIND, World Bank WDI

### Top 10 OIC Member Countries, by FDI Flows, Million USD, 2008

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Source: BASEIND

### Current Account Balance, Billion USD

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Source: IMF WEO October 2009