# Review

## Economic Cooperation and Development

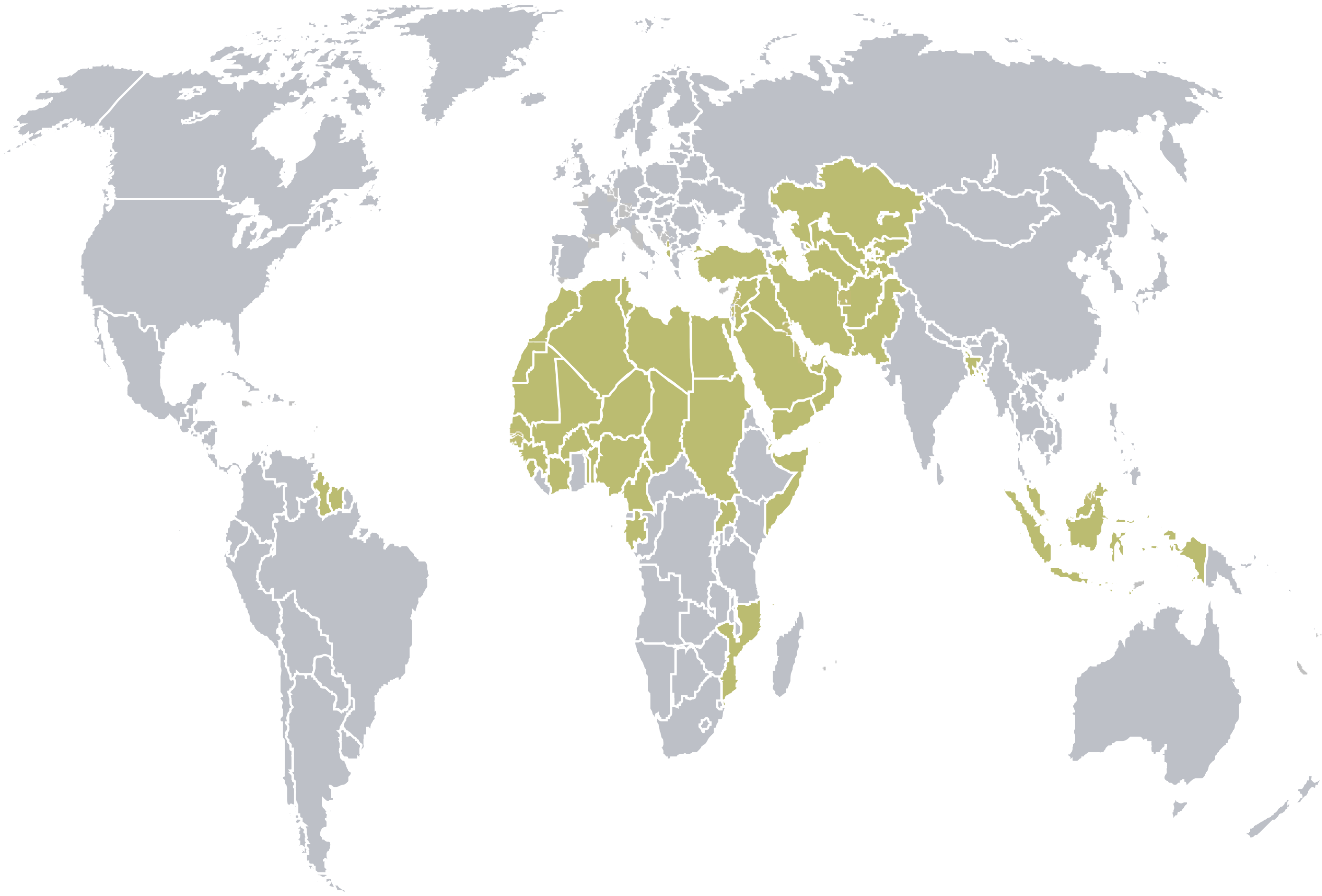
VOL.3 NO.2 SEPTEMBER 2010


Organisation of the Islamic Conference

Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC)

# Economic Cooperation and Development Review

VOL.3 NO.2 SEPTEMBER 2010



Statistical Economic and Social Research
and Training Centre for Islamic Countries
(SESRIC)

*Savaş Alpay*
*Director General, SESRIC*

Education constitutes the core of human capital formation. A modern and a good quality education system is, therefore, a fundamental element in the socio-economic development and prosperity of any society. Research in science and technology is of great importance and key to progress towards a knowledge-based and innovation-driven economy. It promotes better understanding on different aspects of life and helps to improve the standard of living by generating new knowledge and technological innovation. Today, there is severe competition among countries to become the most competitive and knowledge-based economy in the world. Gaining a comparative advantage against other countries, which is of particular importance to the OIC member countries in catching-up within this competitive world of knowledge economy, depends on how well they perform in education and research activities. In this connection, the SESRIC has recently prepared a report titled "Education and Scientific Development in OIC Member Countries". The report analyses major education indicators such as literacy rates, enrolment ratios, teacher-student ratio, and government expenditures on education in order to give an overall snapshot of the current situation of the OIC member countries. The report also highlights the state of scientific research and development in OIC countries. It presents an overview of the achievements made by the OIC member countries in the field of research and development (R&D) and science & technology (S&T). This report will be submitted and presented at the 5th Islamic Conference of Ministers of Higher Education and Scientific Research, which will be held in Kuala Lumpur, Malaysia on 19-21 October 2010.

Agricultural development and food security are still facing a number of serious constraints and challenges in many OIC countries. 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 10.5% in 2008, gradually declining from 16.3% in 1990. 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 Low-income Food Deficit Countries (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.

In this context, the SESRIC has recently prepared a study titled "Agricultural Development and Food Security in the OIC Countries: Challenges and Opportunities for Cooperation". This study highlights the recent state as well as the constraints and challenges of agricultural development and food security in the OIC member countries. It tackles the major related issues such as agricultural population and land use in agriculture, water resources and their use in agriculture, agriculture production and productivity, trade in agriculture commodities, production and trade of food, food aid, undernourished people and impacts of food prices volatility. It also emphasised the need for enhancing intra-OIC investment in agriculture sector and proposed some policy recommendations and project proposals for enhancing OIC cooperation in this important area. This study will be submitted and presented at the 5th OIC Ministerial Conference on Food Security and Agricultural Development, which will be held in Khartoum, Sudan on 26-28 October 2010.

As a group, the OIC countries have a high potential for the development of a sustainable international tourism sector. This is particularly true not only considering their rich and diverse natural, geographic, historical and cultural heritage assets, but also the fact that their citizens travel in large numbers around the world for business, leisure, and other purposes. However, given the modest share of the OIC region in the world tourism market and the concentration of international tourism activity in only a few OIC countries, it seems that a large part of the tourism potential of the OIC region remains unutilised. The problems facing tourism and the development of a sustainable international tourism sector in the OIC countries are diverse as each country has its own tourism features, level of development and national development priorities and policies. In the case of many OIC countries, those problems range from the lack of technical know-how and weak promotional and public awareness to insufficient tourism-related infrastructures and investments and the lack of tourism diversification and safety. However, in spite of these problems and challenges, it is widely believed that there still is a wide scope for the development of a sustainable international tourism industry in the OIC countries. In fact, if properly planned and managed, tourism sector could play a significant role in the socio-economic development of the OIC countries. The recent report of the SESRIC titled "International Tourism in the OIC Countries: Prospects and Challenges". This report examines the performance and economic role of international tourism sector in OIC member countries in the latest five-year period for which the data are available. It analyses the major traditionally used indicators in measuring international tourism, i.e. international tourist arrivals, international tourism receipts and expenditures. The analysis is made at both the individual country and the OIC regional levels. The report also highlights the impacts of the global financial crisis of 2008-2009 on international tourism sector worldwide, and sheds light on the challenges of tourism development in the OIC countries and the issue of tourism cooperation among them and proposes some recommendations to serve as policy guidelines. The report will be submitted and presented at the 7th Islamic Conference of Tourism Ministers, which will be held in Tehran, Islamic Republic of Iran on 28-30 November 2010.

On another front, the Vocational Education and Training Programme for OIC Member Countries (OIC-VET), which has been initiated and designed by the SESRIC and officially launched by H.E. Abdullah Gül, President of the Republic of Turkey and Chairman of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference (COMCEC), has recorded significant impact and progress receiving positive response from many member countries. So far, three pilot projects on various areas of interest to the member countries have already been implemented. I am confident that, with the realisation of the ongoing and planned pilot projects and close cooperation with the National Focal Points of the OIC-VET Programme and other relevant institutions, the Programme will reach, during the coming period, a wider audience of beneficiaries from member countries and become a successful model and a brand for human capacity development in OIC member countries. Meanwhile, the Centre continued its training activities within the framework of its Statistical Capacity Building Programme (StatCaB) through organising short training courses on various statistical aspects in the National Statistical Organisations (NSOs) of the member countries. In addition to this programme, two new Capacity Building Programmes has been recently launched by the Centre, namely Ibn Sina Programme for OIC Health Capacity Building and Occupational Health and Safety Programme (OHS-CaB) in the OIC Member Countries.

With the aim of creating a synergy and increasing the contribution of the Development Cooperation Institutions (DCIs) of the member countries, the SESRIC has initiated and successfully organised the 1st Meeting of the DCIs of OIC Member States. The Meeting, which was held in Istanbul in May 2009, was the first instrumental step towards establishing sustainable cooperation and collaboration mechanism among the DCIs of OIC Member States with a view to realising effective coordination in their operations and efforts towards achieving more significant and tangible results, particularly in the area of poverty alleviation in the target member countries. In May 2010, the SESRIC has successfully organised, in collaboration with the Abu Dhabi Fund for Development (ADFD), the 2nd Meeting of the Development Cooperation Institutions (DCIs) of OIC Member Countries in Abu Dhabi, where the representatives of the DCIs of the member countries discussed and approved the "Operational Framework for OIC Development Cooperation Forum (OIC-DCF)". The SESRIC has also organised, in collaboration with the Central Bank of the Republic of Turkey, the Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries- 2010. This Meeting, which was held in Istanbul in September 2010, adopted a Final Communiqué in which the representatives of the Central Banks and Monetary Authorities of the OIC Member Countries decided to enhance their technical cooperation in various areas, such as payment systems and Islamic banking. Last, but not least, in its capacity as the Project Manager, together with the British Royal Society, for the project of "Atlas of Islamic World Science and Innovation", the SESRIC is currently carrying out the pilot phase of the project, which comprises four pilot case studies in Egypt, Jordan, Malaysia and Pakistan.

The present issue of the Economic Cooperation and Development Review includes an interview with H.E. Dr. Ahmad Mohamed Ali, President of the Islamic Development Bank (IDB) Group. Among other issues of concern to the OIC member countries and Islamic world as a whole, the interview focused on Dr. Ali's views on the role of the IDB in fostering development and poverty alleviation in the member countries and the potential of the Islamic banking in the aftermath of the global financial and economic crisis of 2008-2009. In addition to some recent SESRIC's papers and reports, this issue includes a short article titled "Correct measuring for better policies – the Tourism Satellite Account" by the Secretary-General of the United Nations World Tourism Organisation (UNWTO), H.E. Dr. Taleb D. Rifai, in which he presents his views on the Tourism Satellite Account (TSA), which has been developed by the UNWTO with a view to promoting the standardisation, legitimisation and comparability of tourism statistics. At the end, I would like to express my deep thanks and appreciation to all the contributors to this issue of the Review.

Dr. Savaş Alpay
Director General
S E S R I C

# ECONOMIC COOPERATION AND DEVELOPMENT REVIEW

September 2010

Volume 3 No. 2





**Photo Credits**

*Wikimedia Commons, flickr.com, Panoramio.com, rickteves.com, ozaneeleven.com, African Development Bank, ktbotanicals.com, UNIDO, quickblogcast.com, Reuters, wikimedia.org, daylife.com, BBC, IFC, menafn.com, microfinancefocus.com, irinnews.org, unpan.org, balkans.com albania.usaid.gov, allafrica.com Getty Images, news.cn, endpoverty2015.org, portal.mfa.kz pacificcontrols.net, apakistannews.com, ifs.unistra.fr, wordpress.com, nyrealestatelawblog.com, iStockphoto, our-energy.com, Google Street View*

ISSN 1308-7819

**SESRIC** hereby expresses its profound appreciation to the Turkish Statistical Institute (TurkStat) for providing printing facilities.


## FACE TO FACE

**Interview with Dr. Ahmad Mohamed Ali**
*President, Islamic Development Bank*

## ARTICLES

**Dr. Taleb D. Rifai**
*Secretary-General of the World Tourism Organization (UNWTO).*

## SESRIC REPORTS

Research and Scientific Development in OIC Countries

## OIC Outlook

Civil Society in OIC Member Countries

The State of Poverty in the
OIC Member Countries
'Progress Towards Achieving MDG1 Targets'


## OIC News

## Country News

## Book Reviews

## Economic and Financial Indicators

## SESRIC CALENDAR

**04-05 October 2010** 100th International Conference of the Applied Econometrics Association, Ankara - Turkey

**05-08 October 2010** Twenty-Sixth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), Istanbul - Turkey

**05-07 October 2010** 4th Islamic Conference of Environment Ministers, Hammamet - Tunisia

**06 October 2010** 14th International Business Forum Congress, Istanbul - Turkey

**13-15 October 2010** International Symposium on Poverty Alleviation Strategies: Experiences and New Ideas, Istanbul - Turkey

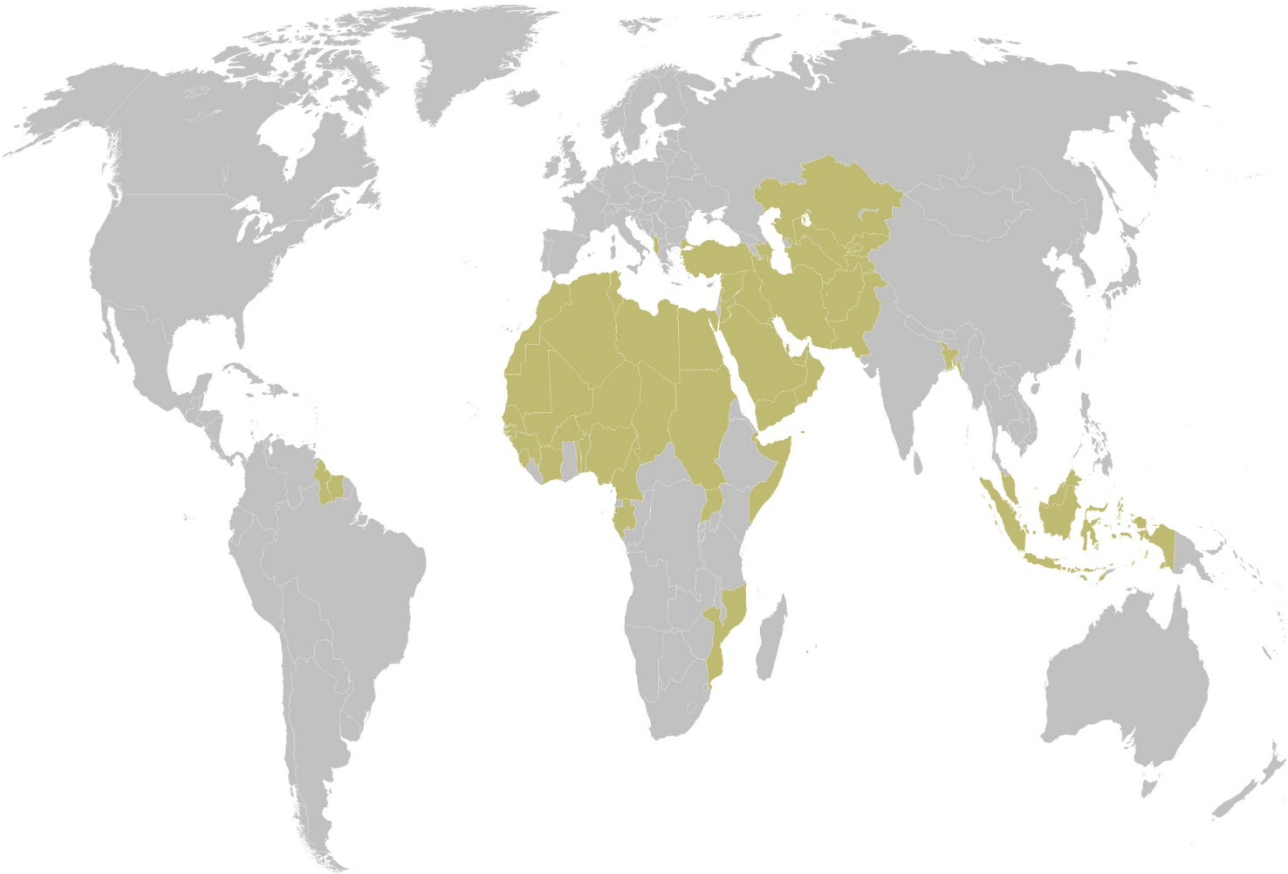
**19-21 October 2010** 5th Islamic Conference of Ministers of Higher Education and Scientific Research (ICMHESR) Kuala Lumpur - Malaysia

**26-28 October 2010** The Fifth OIC Ministerial Conference on Food Security and Agricultural Development, Khartoum - Sudan

**28-30 November 2010** The Seventh Session of the Islamic Conference of Tourism Ministers, Tehran - Iran

**19-21 December 2010,** The 3rd Ministerial Conference on Women's Role in the Development of OIC Member States, Tehran- Iran

**16-17 March 2011** 12th Session of the Islamic Summit Conference, Sharm Al Sheikh - Egypt



# INTERVIEW WITH H.E. DR. AHMAD MOHAMED ALI, PRESIDENT, ISLAMIC DEVELOPMENT BANK GROUP

Dr. Ahmad Mohamed Ali Al-Madani is the first President of the Islamic Development Bank (IsDB) since 1975. He was born in Almadinah Almunawarah, Saudi Arabia, in 1934, where he completed his early education. He holds a B.A. degree in Commerce as well as a degree in Law from Cairo University, Egypt. He earned M.A. and Phd degrees, both in Public Administration, from the University of Michigan, Ann Arbor, and, the State University of New York (SUNY), Albany, USA, respectively in 1962 and 1967. He is married with four children.

Dr. Ali began his career in education and manpower development with his appointment as the Director, Scientific and Islamic Institute, Aden, Yemen, during 1958-1959. Subsequently, he returned to Saudi Arabia and was appointed as the Acting Rector of King Abdulaziz University from 1967 to 1972, he became the Deputy Minister of Education and served his country for three years.

Upon the initiative of the late King Faisal Bin Abdulaziz, when the member countries of the Organization of the Islamic Conference (OIC) decided to establish the Islamic Development Bank (IsDB), Dr. Ali was chosen as its first President. His qualifications, background and commitment to development of people have enabled him to take up the challenges of managing the IsDB and to widen the spectrum of its activities by addressing various development issues as reflected in the activities of the IsDB and demonstrated by the establishment of various entities within the IsDB Group namely Islamic Research and Training Institute (IRTI), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), and the International Islamic Trade Finance Corporation (ITFC).

Dr. Ali's views on development have been expressed in many articles, speeches, lectures and working papers on Islamic Economics, Banking and Education. He is a firm believer that Islamic principles and its applications in Economics and Banking has a lot to offer the world and thus contribute positively towards solving the current economic crisis. Dr. Ali sees development as a comprehensive and integrated phenomenon that has to be continuously reviewed and closely coordinated.

**SESRIC:** The setting up of the Islamic Development Bank (IDB) in 1975 was the earliest and most significant action of the Organization of the Islamic Conference (OIC) towards fostering the economic development and social progress of the Member States and Muslim Communities individually as well as collectively. Over the years, since its establishment the IDB has been enlarged in terms of both operations and structure. Comprising a number of specialized entities, projects and funds, and with more than 1000 staff and a number of regional offices and field representatives, the IDB Group is a very active multilateral development financing institution. After 35 years of services, as the President of the IDB Group, how do you evaluate the activities and the efforts that have been so far done within the framework of the Bank's projects for fostering development and poverty alleviation in the member countries?

**Dr. Ahmad Mohamed Ali:** Let me briefly explain the evolution and aims of the Islamic Development Bank (IDB) Group. The IDB is a South-South multilateral development institution, which aims to foster economic development and social progress of its member countries as well as Muslim communities in non-member countries. The membership of the IDB has increased more than two-fold from 22 countries at its inception in 1975 to 56 countries spanning four continents: Africa, Asia, Europe, and Latin America. At the same time, IDB has also evolved from a single entity into a Group composed of five entities, namely, the Islamic Development Bank, the Islamic Research and Training Institute (IRTI), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), and the International Islamic Trade Finance Corporation (ITFC). The IDB financial resources come from the capital contributions paid by its 56 member countries and funds mobilized from the international capital markets. The Bank's authorized capital increased from Islamic Dinar (ID, which is equivalent to one unit of IMF SDR) 2 billion in 1975 to ID30 billion in 2009; the paid-up capital from ID0.28 billion to ID3.6 billion and the subscribed capital from ID0.75 billion to ID18 billion. As a result of the continuous capital increases, the Bank has been able to satisfy the development assistance needs of its member counties.

Turning to your question regarding IDB activities and efforts over the past thirty-six years, the IDB has contributed immensely to socio-economic development of its member countries and has pioneered a unique alternative system of banking and finance that is based on the principles of the Shari'ah (Islamic Principles). The Bank has provided development assistance to both the public and private sectors of its member countries through three main operations: ordinary operations (comprising project financing and technical assistance); trade financing; and the Waqf Fund (Special Assistance) operations. Since its inception, the Bank's development assistance has been focusing on achieving sustainable and shared economic growth in member countries. In order to realize its 1440H Vision, the IDB Group has identified five strategic focus areas, namely comprehensive human development, poverty reduction, infrastructure development, economic cooperation and regional integration, and Islamic financial sector development.


With regard to development assistance to its member countries, in cumulative terms, the IDB Group approved $63.9 billion by the end of 1430H (2009). The share of project financing and technical assistance operations stood at 45.6 percent while trade financing 54.5 percent. In terms of the sectoral breakdown of ordinary capital resource approvals, public utilities remained the largest sector with 33 percent followed by transport and communication (24.3 percent), social services (17.1 percent), industry and mining (9.9 percent), agriculture (9.7 percent) and financial services (6 percent).

**SESRIC:** The world economy is still suffering the negative impacts of the 2008 global financial crisis which led to the collapse of many successful financial institutions, insurance companies and equity firms especially in the developed countries. Islamic banks and financial institutions proved to be largely sheltered from the crisis compared with most of their counterparts in the conventional financial system. Unlike most conventional banks, Islamic banks are distinguished by the fact that they are not involved in the buying and selling of debts under Islamic Sharia'h law; therefore, Islamic banks were safe from the effects of the global financial crisis, rousing increasing interest from not only the Muslim community but also non-Muslim population around the world. Has the world financial crisis affected the operations of the IDB Group? How possible is the introducing of Islamic banking in the Member Countries today, and how can the IDB assist the member countries in this regard?


**Dr. Ahmad Mohamed Ali:** Let me start with the first part of your question regarding the impact of financial crisis on IDB Group operations. The IDB Group due to its Sharia'h-compliant operations, has remained resilient during the worldwide financial turbulence. Apart from a temporary drop in the values of the listed companies in the Bank equity portfolio, which have since almost fully recovered, and some difficulties faced by two private companies that benefited from IDB Group financing, the financial crisis did not have an impact on IDB Group as such. In the course of assessing the potential impact of the global financial crisis on the Bank Group and its member countries, a high level Global Financial Crisis Monitoring Team was established during the crisis period, which made daily assessment of the credit worthiness and repayment abilities of IDB member countries and other counterparties. Timely and necessary measures have been taken to mitigate risks arising from the global financial turbulence. In this context, while member countries made efforts to mitigate the impact of the global crisis, the IDB Group benefited from the support of its shareholders and responded by scaling-up its operations and strengthening its development effectiveness.

As a response to global financial and economic crisis, IDB Group has scaled up its development assistance while accelerating its reform process and maintaining the highest credit ratings. During 1430H (2009), the IDB Group overall development assistance increased by 29 percent compared to its 1429H level. The increase was mainly due to a sharp increase in total IDB Group project financing which registered a 58.4 percent growth compared to the previous year. In particular, the Bank nearly doubled its infrastructure financing to help its member countries prepare themselves for economic recovery in the post-crisis world.

As regards liquidity management, a framework has been implemented for determining maximum and minimum liquidity requirements together with assigning exposure limits for counterparties as well as concentration limits at country and bank levels. The IDB regularly carries out reviews of its risk management guidelines based on market developments and best-practices. In order to safeguard from any future crisis, the IDB Group has also put in place a comprehensive risk management framework to address all types of credit, market, and operational risks. Given the nature of the Bank's activities, country risk and liquidity risk are given special attention. With regard to country risk, a comprehensive framework with appropriate exposure limits has also been implemented.

The IDB's resilience to global financial crisis is also evident from the fact that it continues to maintain the highest credit ratings of "AAA" for the eighth consecutive year from Fitch Ratings, Standard & Poor's and Moody's reflecting the strong support of its member countries, its financial soundness and its prudent financial and risk management policies.

With regard to second part of your question on introducing of Islamic banking in the member countries, as we are aware that the Islamic Financial Services Industry (IFSI) has undergone many stages of development since the foundations of modern Islamic Banking were laid in the sixties. The developments have progressed in a steady fashion starting from straight forward commercial banking in the 1970s to development of sukuks (Islamic bonds) during late-1990s and the development of hedging techniques in recent years. The latest developments of the IFSI are in the areas of microfinance. The Islamic financial services industry continues to grow between 15 to 20 percent annually and has shown resilience to the current global financial and economic crisis. The financial crisis has brought very clearly the fundamental strengths of this alternative financial and banking system and has given impetus to the international reform agenda emphasizing a tighter linkage between growth in financial assets and real economic activity.

Let me now address the final part of your question with regard to IDB assistance in promoting Islamic Financial Services Industry in its member countries. The Bank has played and continues to play a pivotal role in the development of this industry, through nurturing the development of standard making bodies such as Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). It has also assisted in the development of specialized institutions such as General Council for Islamic Banks and Financial Institutions (CIBAFI), International Islamic Financial Market (IIFM), Islamic International Rating Agency (IIRA) and International Islamic Center for Reconciliation and Arbitration (IICRA). In addition, its equity investments in various Islamic financial institutions around the world have generally acted as catalysts for other investors to join in providing equity capital to these institutions. The IDB Group is undertaking development of the industry through various other means, financing Awqaf real estate and other projects and knowledge generation and providing Technical Assistance to member countries in the field of Islamic banking, Takaful, Islamic microfinance, corporate governance, Zakat as well as legal/ regulatory and supervisory issues related to Islamic banking. As of the end of 1430H, IDB had equity investment in 27 Islamic financial institutions in 19 countries. In this regard, the Bank, along with some strategic partners is also undertaking a proactive stance and initiated the idea of establishing a Mega Islamic Investment Bank for financing high-value transactions, developing and marketing high quality liquid and tradable Islamic financial papers, and enhancing liquidity management for Islamic financial institutions. Furthermore, in conformity with its mandate to generate and disseminate knowledge in the area of Islamic banking and finance, the Islamic Research and Training Institute (IRTI) is currently focussing on important thematic areas of financial stability, inclusive Islamic financial services, and sustainable and comprehensive human development.


As expected, the IDB Group has been approached by many countries and international institutions to provide assistance in the development of the Islamic financial industry. It has also continued to support this development through various means including remaining active in the Sukuk market and initiating with other strategic partners the idea of establishing a Mega Islamic Investment Bank.

**SESRIC:** In the light of your answer to the previous question, would you kindly brief us on how you envisage the expected future role of the IDB Group in fostering economic and commercial cooperation/integration among the member countries, particularly in the coming few years, when the global financial crisis is widely predicted to have serious impacts on the economies of the developing countries, including the OIC members? Do you contemplate any changes in the functions, strategies and the agenda of the Bank to better position the OIC Member Countries in the aftermath of the current financial and economic crisis?

**Dr. Ahmad Mohamed Ali:** . With regard to future role of the IDB Group, in the coming years, the IDB Goup is envisaged to become a preeminent first class group of development institutions. In achieving this objective, the IDB Group has accelerated the implementation of its major reform program initiated in 2007 to enhance the Group's role as the preeminent development institution of Ummah and to improve its relevance and impact in member countries we are re-designing and re-structuring the Group to align it with the new strategic objectives, thus improving its capability for delivering multiple demands on the Group knowledge and financial resources. To this end, the new organizational structure has largely shifted resources to the Operations Complex of the Bank through creating country divisions which focus on fewer countries and empowering regional offices prior to moving ahead to country offices to enable the Group to focus more on the development impact, and bringing it closer to its member countries. The new organizational structure also contains new sectoral departments which would enable the Bank to build an in-depth sectoral expertise in core strategic areas including Human Development, Infrastructure, and Agriculture and Rural Development. The Chief Economist complex has been added to the new structure to strengthen the capacity for economic data, research, policy and knowledge generation, turning the Group into a knowledge-bank. To achieve higher and broader development impact through mobilizing additional resources, the IDB has created a new Partnership and Resource Mobilization Department in the Finance Complex. It also created the Budget and Performance Management Department to manage organizational performance and to transform the Bank into a performance and results driven institution. In line with the recommendation of Vision 1440H, a new External Relations and Internal Communications Department has been set up to strengthen stakeholder relations and thereby improve the Group's visibility in member countries and in the world.

Ultimately, the reform program will enable the institution to meet the needs and expectations of member countries, prepare the institution to meet future challenges and speed up the implementation of the "OIC Ten-Year Program of Action". In addition, IDB continued with its efforts at strengthening its development assistance by improving the quality of project portfolio, enhancing project implementation and putting to use the lessons learnt from the evaluation of completed projects. The Bank continues to draw lessons from regular evaluation of its programs and activities to enhance the development effectiveness of its interventions in member countries. With a view to adding value to its evaluation activities, the IDB has established partnership arrangements with the evaluation entities of various multilateral development banks (MDBs). In this regard, many cooperation activities were undertaken with sister institutions, particularly Asian Development Bank, African Development Bank and the World Bank.

As part of the medium-term strategy for infrastructure initiatives, the IDB Goup will scale-up its financing in all four core areas of infrastructure i.e. Transport, Water, Energy and ICT, and PPP is likely to play a significant role in this. The IDB Group plans to enhance its efforts at assisting its member countries to create an enabling environment for private sector participation in infrastructure through flexible and innovative PPP schemes and capacity development programs. To achieve this, IDB is already working closely with other national, regional and international donors and financiers as well as specialized PPP and private sector initiatives such as the Public-Private Infrastructure Advisory Facility. Furthermore, the IDB Group is in the process of developing and deploying new products and risk mitigation instruments to attract and facilitate private sector participation in infrastructure.

**SESRIC:** Poverty alleviation in the member countries is one of the main strategic objectives of the IDB Group. Two recent examples on the efforts of the Bank in this direction are: first, the establishment of the Islamic Solidarity Fund for Development (ISFD), which formally began its operations in January 2008, with the aim of helping the member countries to combat poverty and eradicating illiteracy, diseases and epidemics, particularly in Africa; second, the launching of the Special Programme for Development of Africa (SPDA) in March 2008, which is a five-year programme for the benefit of the African Member Countries in the areas of agriculture and food security, water and sanitation, energy, transport and infrastructure, education and health, with the aim of eradicating poverty and promoting sustainable economic growth in these countries. How do you view these efforts and their expected contribution to the national efforts of the member countries in Africa?

**Dr. Ahmad Mohamed Ali:** As mentioned earlier, the OIC Ten-Year Program of Action and the IDB 1440H Vision envisage a unique role for IDB to promote human development and reduce poverty in its member countries, particularly member countries in Sub-Saharan Africa. To achieve this objective, the IDB launched two major initiatives namely the Special Program for the Development of Africa (SPDA) and the Islamic Solidarity Fund for Development (ISFD).

Let me first briefly explain the SPDA. The SPDA is an outcome of the Ten-Year Program of Action for the Ummah adopted at the 3rd Extraordinary Summit in Makkah in December 2005, and IDB's own internal strategy and commitment to assist Africa. It builds on the achievements of the Ouagadougou Declaration and is intended to maintain the momentum gained by intensifying the Bank's activities in African member countries to help them achieve

the MDGs by 2015. The main objectives of SPDA are to contribute effectively to reducing poverty, promoting sustainable economic growth and supporting regional integration. To implement the SPDA, the IDB Group has earmarked $4 billion over the five-year period (1429-1433H/2008-2012), that is twice the amount earmarked under the Ouagadougou Declaration. Overall, 22 member countries in sub-Saharan Africa are being targeted. Since its launching, total approvals under SPDA amounted to $1.8 billion with the achievement rate of 46 percent in first 27 months.

Let me turn to the second major initiative for poverty reduction namely ISFD, which was also established as a Special Fund within IDB, following a decision by the Makkah Summit. As a Waqf Fund, ISFD was conceived as a "solidarity fund" to combat poverty in OIC member states, whereby all members would contribute to its capital resources. The objectives of the Fund focus on poverty reduction and building member countries' productive capacity through targeted interventions that foster sustainable economic growth and job creation, reduce illiteracy, and eradicate contagious diseases and epidemics such as malaria, tuberculosis and HIV/AIDS. These objectives are linked directly to the achievement of MDGs which are currently at the centre of member countries' national development plans and poverty reduction programs and are also consistent with IDB 1440H Vision. Financing by the Fund is provided on concessional terms, primarily for the 28 least developed member countries. Since it's launching in May 2007, the ISFD has extended financing amounting to about $591 million for 54 projects in different sectors in 28 member countries. The ISFD has also developed two thematic programs for poverty reduction to be implemented during first Five-Year Strategy (2008-2012): (i) Vocational Literacy Program (VOLIP) and (ii) Microfinance Support Program (MFSP). In particular, the MFSP is intended to reinforce poverty reduction strategy through promoting access of the poor to finance and to serve as a means to reduce vulnerability, create employment opportunities and improve the living conditions of the poor.

**SESRIC:** With 57 Member States, the OIC is the second largest inter-governmental organization after the United Nations. In particular, since 2005, many political, social and economic initiatives and programmes of action, including the new Charter of Organization and the OIC Ten-Year Programme of Action, have been introduced and adopted. How do you view these changes and their reflections in the future operations and the overall functioning of the OIC? After 40 years of its establishment, how do you view the performance of the 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?


**Dr. Ahmad Mohamed Ali:** The IDB undertakes various operations and activities aimed at promoting intra-trade, intra-investment, and strengthening regional economic cooperation through its close working relation with OIC and its organs and committees. Both the institutions exchange views on the issues of mutual concern on a regular basis. We review regularly the implementation of the OIC Ten Year Program of Action and hold joint dialogues/ discussions with various OIC bodies in order to further strengthen cooperation, particularly enhancing intra-trade and intra-investment. Currently, intra-trade among OIC member countries stands at 16.3 percent of their total trade, they still need further scale up efforts in achieving 20 percent intra-OIC trade target by 2015. In this regard, the IDB Group is playing an important role in encouraging member countries to be part of the OIC-Trade Preferential Scheme (OIC-TPS). The Group is also providing technical assistance for capacity building of member countries in terms of enhancing industry and trade facilitation.

The IDB Group actively participates in the meetings of its OIC standing committees, namely: the Standing Committee for Economic and Commercial Cooperation (COMCEC) and the Standing Committee on Scientific and Technological Cooperation (COMSTECH) as well as in the implementation of its various programs. In particular, it collaborates with the COMCEC for implementation of the OIC Ten-Year Program of Action specifically in the areas of intra-OIC trade, poverty alleviation, agriculture and food security, water and sanitation, energy, transport infrastructure, education system, health and the fight against communicable diseases; and the OIC Five-Year Cotton Plan.

The OIC with fifty-seven member countries and a total population of 1.5 billion, has been actively involved in enhancing mutual cooperation on development issues aimed at better understanding of global economic challenges, promoting strategic alliances and partnerships, enhancing intra-trade and intra-investment, contributing towards the integration of Muslim economies among themselves and with the world. In addition, the OIC mandate and role in addressing political and cultural issues also helps the IDB Group to perform its function more effectively. In particular, in the wake of the global financial and economic crisis and changing geo-political situation, the OIC is facing new challenges for the 21st century, particularly issues related to international peace, security and socio-economic development of the Ummah. Let me reiterate that the OIC has tremendous potential for addressing these issues. In meeting the new challenges, we have mutual commitment towards further development of cooperation and coordination among both the institutions by pursuing policies geared to promoting and consolidating global peace, stability, harmony and development and projecting the true enlightened message of Islam to the world.

**SESRIC:** June 1st, 2010 was the 32nd anniversary of the foundation of the SESRIC. How do you view the activities and contributions of this subsidiary organ of the OIC in the area of research, statistics and training over the past three decades? How do you see the impact of these activities on enhancing and expanding economic collaboration/ cooperation among the OIC Member Countries? And how do you envisage the expected future role of the Centre in this regard?

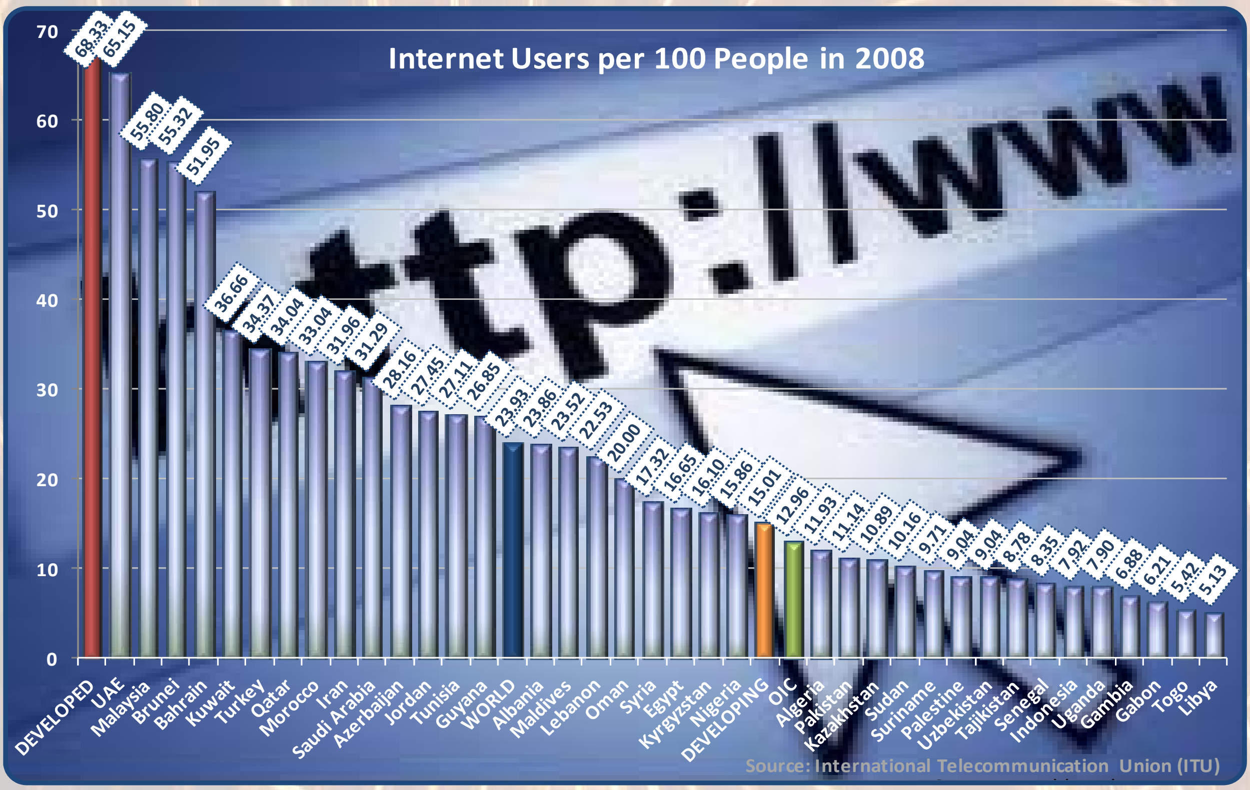
**Dr. Ahmad Mohamed Ali:** During the last 32 years, SESRIC's contribution in the areas of research, statistics, and training in enhancing economic cooperation among OIC Member States is highly commendable. Its research activities including issues related to major macroeconomic developments, poverty eradication, environment, education, agriculture, industry, energy, foreign trade, and tourism in OIC member countries are providing a great service to the global Muslim community as well as rest of the world. In particular, SESRCIC latest reports on e-government readiness, economic performance and human development, microfinance, environment, agriculture, economic and commercial cooperation, education, and science and technology provide in-depth analysis in the OIC member countries and are well-documented. Similarly, in the area of statistics, SESRIC BASEIND database is extremely useful, providing data on 256 socio-economic variables under 17 categories for the 57 OIC member countries.

SESRIC is also the focal point for implementing and promoting coordination among relevant institutions including IDB in enhancing training activities in the OIC Member States. It provides high-level training opportunities to people from OIC Member States. In this regard, SESRIC's new semi-annual periodical Training Cooperation E-Newsletter brings together training and technical cooperation activities undertaken by SESRIC. SESRIC's role as a focal point for the technical co-operation activities and projects between the OIC system and the related UN agencies is also highly acknowledged by the relevant agencies.

As to the cooperation between SESRIC and IDB, both institutions have a long close working relationship. The IDB has been providing technical assistance to SESRIC for joint training programs particularly, in the areas of strengthening SMEs, building statistical capacity, promoting micro-credit financing and poverty alleviation, and improving national accounts. In particular, the IDB, in collaboration with the OIC General Secretariat, SESRIC, the Islamic Chamber of Commerce and Industry (ICCI) and the Islamic Centre for the Development of Trade (ICDT) has established the Statistical Working Group (SWG), which aims at providing a forum for strengthening collaboration, enhancing coordination, and improving the quality of statistics produced by the OIC institutions. With regard to the future role of the SESRIC, I would recommend that SESRIC take a leading role to conduct seminars/ workshop on regular basis on emerging issues facing the member countries and let me assure you that the IDB will fully support joint endeavors and activities.

# DID YOU KNOW?

- Globally, nearly one fourth of the 100 people had access to worldwide network in 2008 while it was below 5 people in 1998.
- Although the **OIC** average increased from 0.59 in 1998 to 12.96 people in 2008, it was still below the average of developing countries, 15.01.
- The internet users per 100 people were higher than the **world** average of 23.93 in 14 OIC member countries: **UAE, Malaysia, Brunei, Bahrain, Kuwait, Turkey, Qatar, Morocco, Iran, Saudi Arabia, Azerbaijan, Jordan, Tunisia** and **Guyana.**
- With 65.15 users, **UAE** ranked **1st** among member countries, and its performance was very close to even that of **developed** countries, 68.33, on average.
- The worldwide network can be accessed by more than half of the population in **Malaysia, Brunei** and **Bahrain.**
- On the other extreme, less than 5 out of 100 people are internet users in 20 member countries.



# Correct measuring for better policies – the Tourism Satellite Account

**Dr. Taleb D. Rifai**

Secretary-General, UNWTO

Mr. Rifai is Secretary-General of the World Tourism Organization (UNWTO). He has held this position since 1 January 2010, before which he was UNWTO Deputy Secretary-General from 2006. Prior to his time at UNWTO, Mr. Rifai was Assistant Director-General of the International Labour Organization (ILO) (2003-2006). He also served in several ministerial portfolios in the Government of Jordan as Minister of Tourism and Antiquities; Minister of Information; and, Minister of Planning and International Cooperation. From 1997 to 2000, he was Chief Executive Officer (CEO) of the Jordan Cement Company, one of the largest public shareholding companies in Jordan; and directed the first large-scale privatization and restructuring scheme in Jordan. Mr. Rifai was also actively involved in policy making and developing investment strategies in his capacity as Director General of the Investment Promotion Corporation (IPC) in Jordan (1995-1997). Mr. Rifai holds a Ph.D. in Urban Design and Regional Planning from the University of Pennsylvania, Philadelphia – USA (1983); and a MSc. in Engineering and Architecture from the Illinois Institute of Technology (IIT), Chicago – USA (1979). He also attained a B.Sc. in Architectural Engineering from the University of Cairo in 1973.

With the rapid growth and deepening diversification of tourism over the years has come the need for a more complete understanding of this global phenomenon and the measurement of its real impact on national economies. The increasing and significant effects of tourism on not only overall economic activity, but also on the natural and built environment, and host communities, have engendered a pressing need for high quality statistical data.

Yet tourism is not measured as a standard sector in established datasets (the system of national accounts (SNA) or the Balance of Payments (BoP), for example) and has proved difficult to measure given its horizontal nature. The lack of reliable tourism statistics and analysis of its (macro)economic contribution has been a significant hurdle when defining and fostering tourism policies and has led to calls for reliable data using the same concepts, definitions and measurement approaches as other industries.

The World Tourism Organization (UNWTO) is firmly convinced that statistical information is the prerequisite for consistent economic analysis. Mandated by the UN as "*the appropriate organization to analyse, to publish, to standardize and to improve the statistics of tourism*", UNWTO has led an initiative to measure the economic importance of tourism in national economies: the Tourism Satellite Account.[1]

## The Tourism Satellite Account

In the past, basic tourism statistics were compiled to meet the immediate needs of the tourism sector, with little in common with the definitions and classifications used in other statistical areas, making data incomparable across countries and time. Yet as tourism rapidly consolidated its position as a major global sector, it became necessary to harmonize tourism statistics, integrating them in SNAs.

[1] Article 13 ("Statistical services") of the Agreement signed between the United Nations and The World Tourism Organization, December 2003
http://daccess-ods.un.org/TMP/2487518.78738403.html

Since 1995, UNWTO has been advancing the development of the Tourism Satellite Account (TSA) project in order to promote the standardization, legitimization and comparability of tourism statistics. In essence, the TSA is the statistical means of measuring tourism in a way that is conceptually clear and sufficiently detailed and organizing this data in a way that is consistent with national accounts and thus credible and internationally comparable.

A Satellite Account is a term developed by the UN to measure the size of economic sectors that are not defined as industries in national accounts. Tourism is not an industry in the traditional sense, because industries are classified according to what they produce, while tourism is defined by the consumer or visitor. The TSA measures the goods and services provided to visitors, allowing for valid comparisons with other industries and eventually from country to country and between groups of countries.

With the approval of the conceptual framework of the TSA by the UN in 2000, the international community gained a new international standard for all countries wishing to measure the impact of tourism on their economy. For the first time, the economic importance of the sector could be measured with precision and a high degree of detail and credibility.

The TSA has been formally accepted by the United Nations and associated agencies as an international standard to measure tourism's macroeconomic contribution. The International Monetary Fund (IMF) accepts the TSA as the BoP related framework in relation to tourism international traded services, as well as the International Labour Organization (ILO) in regard to the measurement of tourism-related employment.

## Towards better policies

Official statistics play an increasingly important role in policy formulation and business decisions. No analysis can be developed without statistical information and governments rely on credible data to take decisions more efficiently in the move towards evidence-based policy-making. This is equally relevant in developing effective tourism policies and strategies.

As a standard framework for organizing statistical data on tourism, the TSA provides credible data on the direct economic impact of tourism including its contribution to GDP; its ranking compared to other economic sectors; the number of jobs created; the amount of tourism investment; tax revenues generated; tourism consumption and so on. By allowing tourism to be understood in much the same way as other sectors of economic activity, such as agriculture or construction for example, the TSA represents a powerful instrument in designing economic policies related to tourism development.

At the same time, through opening the possibility for accurate measurement, the TSA also facilitates the political recognition of tourism's capability and versatility. Tourism relies on supportive public policies, yet has found it hard to gain political recognition of its proven contribution to economic growth; enhancing employment and creating jobs; alleviating poverty and supporting development. By presenting tourism as an economic activity like any other and accurately demonstrating tourism's importance relative to overall economic activity, the TSA raises awareness among various stakeholders of tourism's strategic role in the national economy. As data is currently still fragmented, it is not feasible to provide precise and detailed worldwide results. Nevertheless, based on the information from countries with data available, the worldwide contribution of tourism to GDP is estimated at 5% while its contribution to employment is estimated in the order of 6-7% of the overall number of jobs **(direct and indirect).**

Through the information emerging from the various TSA's there is great scope for increased awareness that tourism contributes to the pressing economic objectives of governments, especially in these challenging times.

## Accounting for the future

In the ten years since the TSA framework was approved by the UN Statistical Commission, a total of 52 countries have been identified as having already produced or currently developing a TSA exercise. The establishment of a TSA is now included in the agendas of a significant and growing number of countries as a project to boost the credibility of tourism as a factor of economic development that requires rigorous measurement of its activity. Through the TSA, governments, entrepreneurs and civil society are better equipped in designing public policies and business strategies for tourism and for evaluating their effectiveness and efficiency in relation to their economic alternatives.

*UNWTO Headquarters, Madrid-Spain*

# DID YOU KNOW?

- **Logistics Performance Index (LPI)** reflects perceptions of a country's logistics based on six core dimensions:
  1. *efficiency of customs clearance process,*
  2. *quality of trade-and transport-related infrastructure,*
  3. *ease of arranging competitively priced shipments,*
  4. *quality of logistics services,*
  5. *ability to track and trace consignments*
  6. *frequency with which shipments reach the consignee within the scheduled time.*

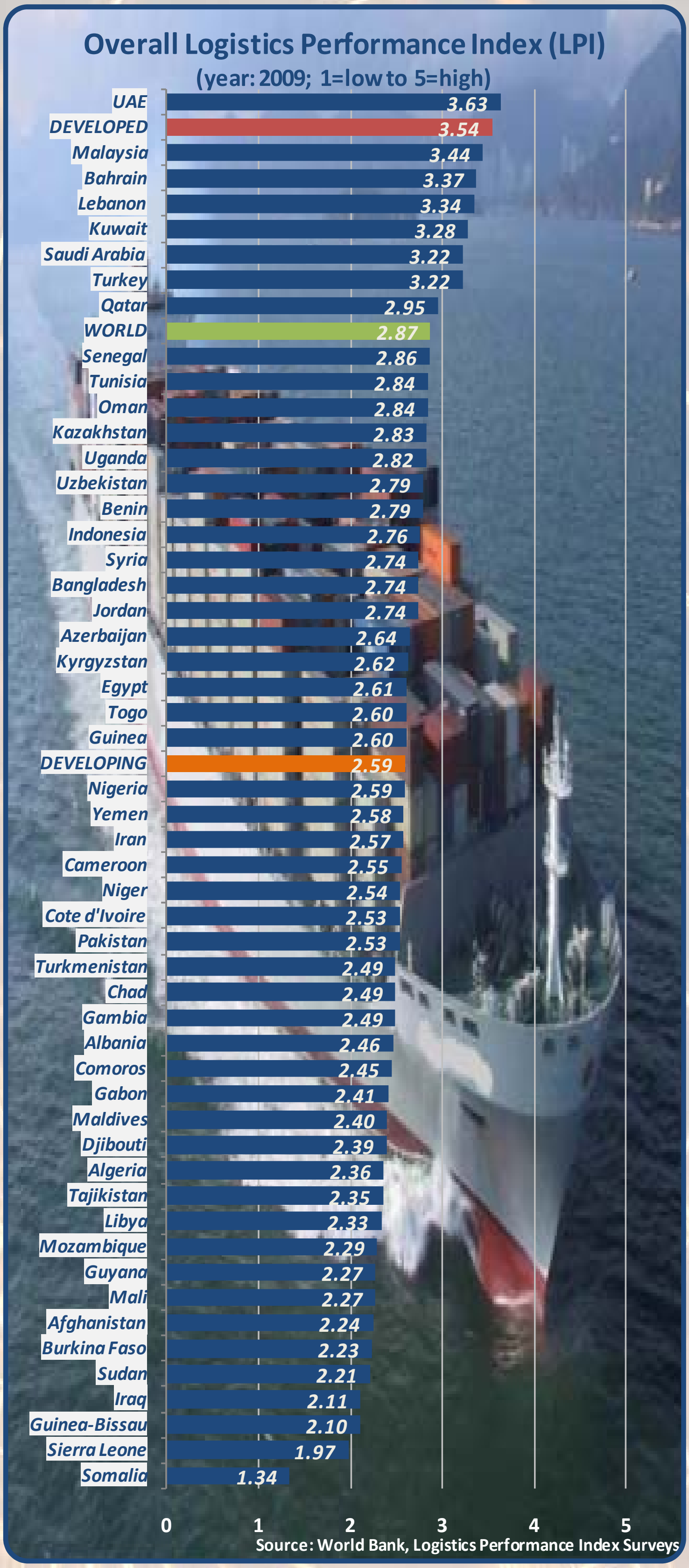
- Data are obtained from **Logistics Performance Index surveys** of which 2009 round covered more than 5,000 country assessments by nearly 1,000 international freight forwarders.

- The index ranges from 1 to 5, with a higher score representing better performance.

- Of the 53 member countries with available data in year 2009, 8 OIC member countries, namely **UAE, Malaysia, Bahrain, Lebanon, Kuwait, Saudi Arabia, Turkey** and **Qatar**, achieved higher LPI overall scores than the **world** average of 2.87.

- With a score of 3.63, the performance of **UAE** was even better than the average of **developed** countries, 3.54.

- Though being below the world average, the scores of 16 member countries were above the average of **developing** countries, 2.59.



# RESEARCH AND SCIENTIFIC DEVELOPMENT IN OIC COUNTRIES

*SESRIC*

*Research in science and technology is of great importance and key to progress towards a knowledge-based and innovation-driven economy. It promotes better understanding on different aspects of life and helps to improve the standard of living by generating new knowledge and technological innovation. Today, there is severe competition among countries to become the most competitive and knowledge-based economy in the world. Gaining a comparative advantage against other countries, which is of particular importance to the OIC member countries in catching-up within this competitive world of knowledge economy, depends on how well they perform in research activities.*

*This report presents an overview of the current developments in the OIC member countries in the field of research and development (R&D) and science & technology (S&T). In particular, the following economic indicators of research and scientific development are examined: Human Resources in R&D, R&D Expenditures, High Technology Exports, Scientific Publications, and Patent Applications. The current status of the OIC member countries compared to the rest of the world in terms of research and scientific development is analyzed using the knowledge and technology indices of the World Bank.*

*The report concludes with some broad policy recommendations. Most importantly, R&D should be stimulated through government and private sector initiatives and coordination among OIC countries. Networking opportunities among the OIC member countries need to be facilitated through programmes such as the Framework Programmes of the European Union, to support research and technological development in the Islamic world and to promote joint research initiatives among the member countries. Additionally, joint research and investment on nanotechnology among the OIC member countries should be initiated as the pioneers of this new technology will benefit enormously from their early investment in this area. Higher education and academic research need to be supported through more government funds. There is also a dire need for promoting and enhancing patent development, particularly in small and medium-sized enterprises. Last but not least, infrastructure for internet and other information and communication technologies should be improved to disseminate knowledge and to take advantage of the young population in OIC member countries.*

## HUMAN RESOURCES IN RESEARCH & DEVELOPMENT

The availability of abundant and highly qualified researchers is an essential condition to foster innovation and promote the scientific and technological development of a country. However, figures indicate that OIC member countries, on average, fall well behind the world average in terms of researchers per million people: 649 vs. 2,532, respectively.[2] The gap is much larger when compared to the EU that has an average of 6,494 researchers per million people and some other developed countries like New Zealand, Japan, and Republic of Korea (see Figure 1).

[2] Figures are the weighted averages for the countries with available data.

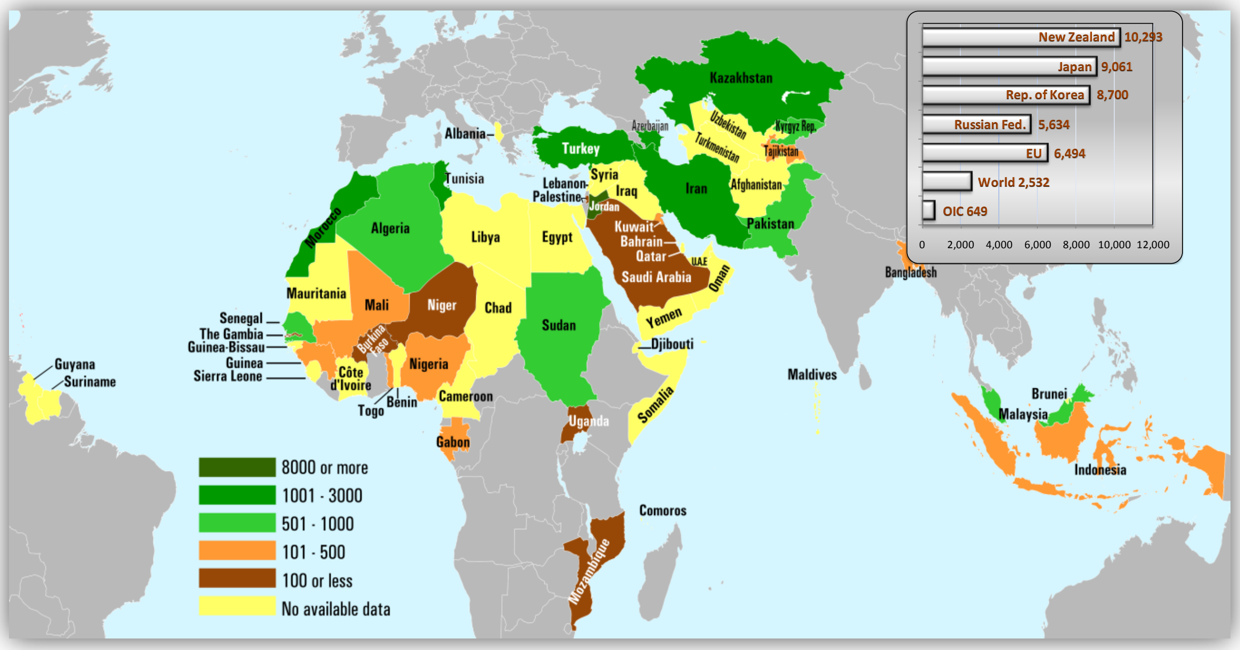



*Figure 1: Researchers per Million People**

Source: UNESCO Institute for Statistics, Data Centre.
* Headcount data for the most recent year available.

Figure 1 illustrates the OIC map of distribution of researchers employed in R&D and reveals the following observations:

- Only seven of the 29 member countries with available data have more than 1,000 researchers per million people, two of which –Jordan and Tunisia– are above the world average.
- Seven member countries have less than 100 researchers per million people, most of which are in Sub-Saharan Africa.
- Large disparity exists among the member countries; Jordan has 8,060 researchers per million inhabitants while Niger has merely 53.

## Women in Research Activities

In the last decades, women, with better access to training and education facilities, thanks to the rising awareness on gender in/equality, have become more qualified and motivated to participate in the labour force. Nevertheless, the progress achieved so far in the field of R&D seems unsatisfactory neither globally nor at the OIC level. Women, in the OIC, represent around 26.8% of the total researchers, slightly lower than the world average of 29.5%.[3] The gap is larger when compared to the EU and some developed countries like New Zealand and Norway but still the OIC average is higher than that of some other developed countries such as Republic of Korea and Japan (see Figure 2).

[3] Aggregate calculations are based on countries with available headcount data –for the most recent year available.

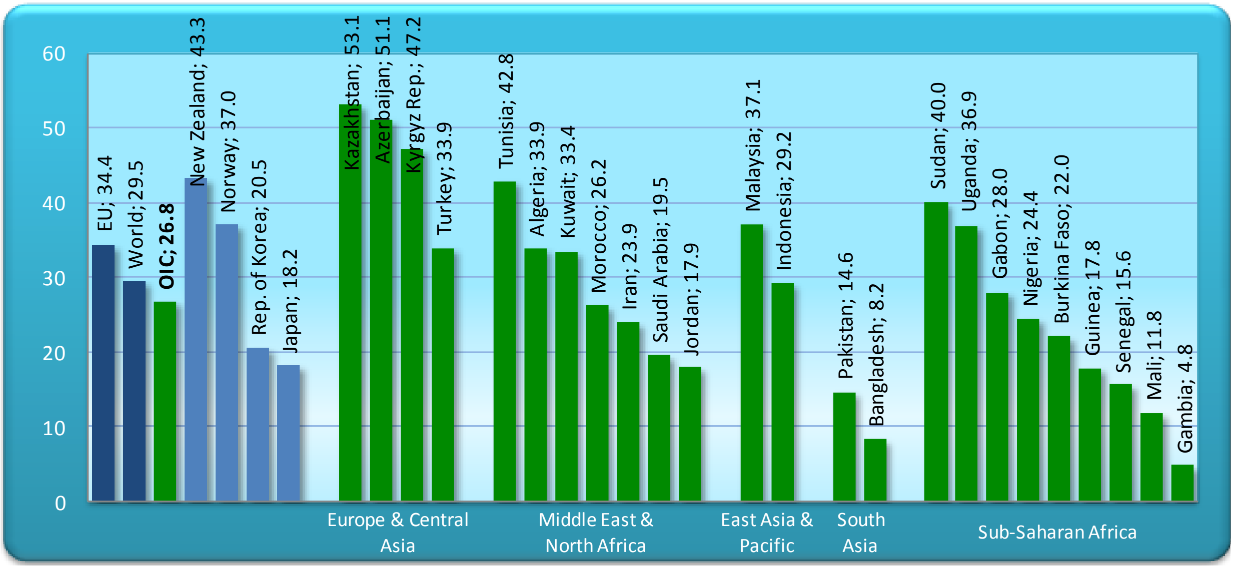



*Figure 2: Women as a Share of Total Researchers (%)**

Source: UNESCO Institute for Statistics, Data Centre.
* Headcount data for the most recent year available.

With respect to the data demonstrated in Figure 2, the following observations can be drawn:

- The share of women in total researchers is above the world average in 10 of the 24 OIC member countries with available data. Seven of them outperform the EU average as well.
- According to regional averages, OIC members in Europe & Central Asia and East Asia & Pacific report higher rates of women researchers, often above the world average.
- Members in the Middle East, on average, report lower rates of women researchers than those in North Africa. The share of women researchers range from 42.8% in Tunisia to 17.9% in Jordan.
- Intra-regional difference is even higher in Sub-Saharan Africa: On one hand, there are countries like Sudan and Uganda where women represent more than 35% of researchers while, on the other hand, there also are countries where women's share is less than 10% as in the case of Gambia.
- Kazakhstan and Azerbaijan are the only member countries that have more women researchers than men. Kyrgyz Republic, Tunisia, and Sudan –all with over 40% women researchers– are also close to achieving gender parity.

## EXPENDITURES ON RESEARCH & DEVELOPMENT

### R&D Intensity

Today, around 80% of the global R&D expenditures is spent by developed countries, of which 33.5% by the USA, 23.5% by the EU, and 13.4% by Japan (Figure 3). The OIC countries account for only 1.8% of the world total Gross Domestic Expenditures on R&D (GERD), or 9.5% of the total GERD of developing countries. Nevertheless, what is more important than the volume of GERD is its weight in the total expenditures or, in

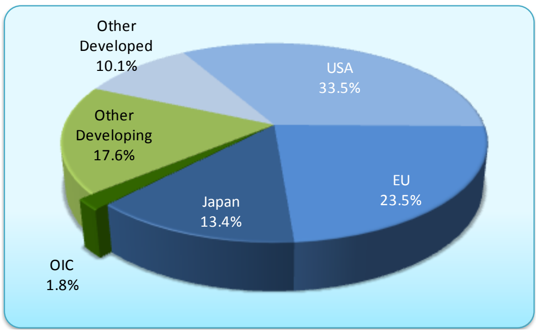



*Figure 3: GERD, % of World Total*
Source: UNESCO Institute for Statistics, Data Centre.

other words, in GDP. Accordingly, R&D intensity (GERD as a percentage of GDP) is a widely used indicator of S&T activities. It reflects the innovative capacity of a country in that a higher R&D intensity indicates that relatively more resources are devoted to the development of new products or production processes.

In this connection, the **OIC Ten-Year Programme of Action to Meet the Challenges Facing the Muslim Ummah in the 21st Century**, which was adopted at the Third Extraordinary Session of the Islamic Summit Conference held in Makkah al Mukarramah, Kingdom of Saudi Arabia, in December 2005, calls upon Islamic countries "to encourage research and development programmes, taking into account that the global percentage of this activity is 2% of the Gross Domestic Product (GDP), and request Member States to ensure that their individual contribution is not inferior to half of this percentage" (OIC-TYPOA, 1995, Part 2, Section V, Article 4). Nevertheless, available data show that OIC member countries' spending on R&D activities is significantly lower than the world average and still far away from the implied target of 1% of GDP by 2015 (Figure 4).

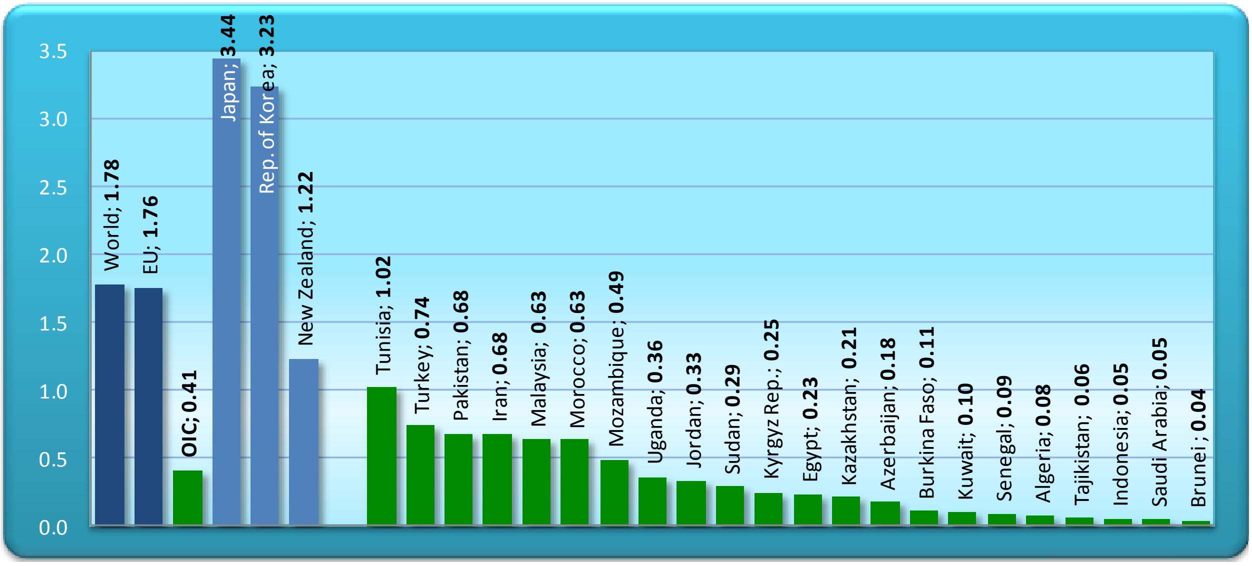



*Figure 4: R&D Intensity (%)**

Source: UNESCO Institute for Statistics, Data Centre.
* Data for the most recent year available between 2003 and 2007.

Regarding the R&D intensity in the OIC member countries, the situation can be summarized as below:

- Among the member countries with available data, Tunisia, the only country to have met the target so far, reports the highest level of R&D intensity (1.02%), followed by Turkey (0.74%) and Pakistan (0.68%), while the lowest spending level is recorded for Brunei (0.04%).
- Most of the member countries spend less than 0.5% of GDP on R&D.
- R&D intensity for the OIC member countries averages 0.41%, which is quite lower than the EU average of 1.76% and the world average of 1.78% as well as the targeted rate of 1%.
- Among the few Sub-Saharan members that can provide data, Mozambique, with 0.49% R&D intensity, is the only country to spend above the OIC average.
- Considering the figures in some other developed countries like Japan (3.44%) and Republic of Korea (3.23%), both of which owe their economic development largely to investments in advanced technology, OIC member countries need to allocate much more resources to R&D activities to bridge the gap with developed countries.

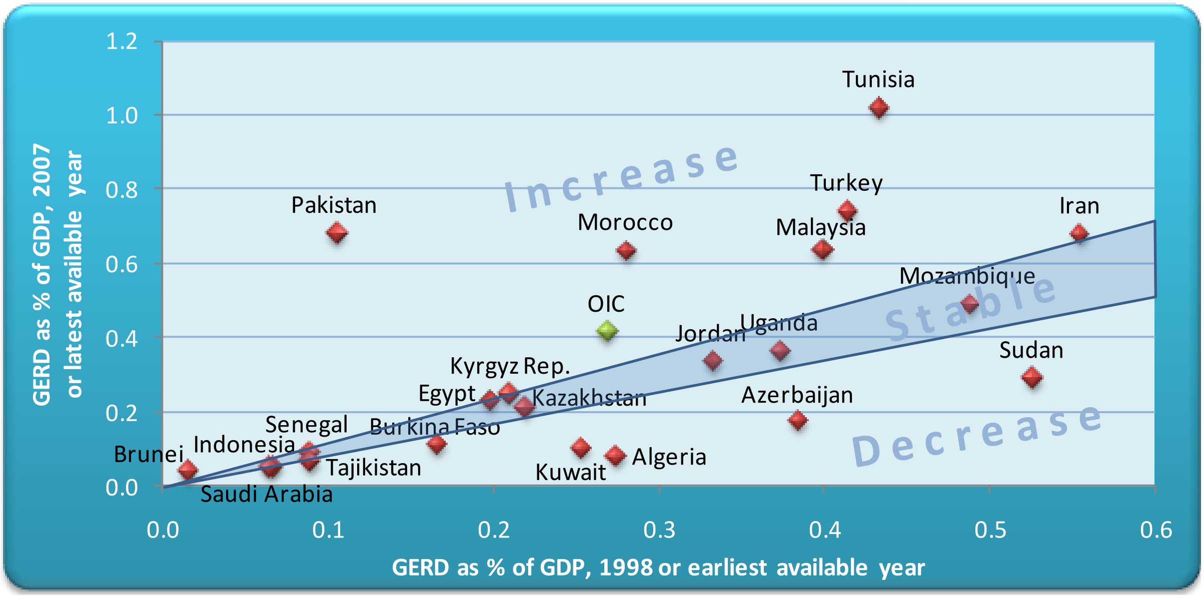



*Figure 5: Trends in R&D Intensity*

Source: GERD Data: UNESCO Institute for Statistics, Data Centre; GDP data; IMF, World Economic Outlook Database, October 2009.

Figure 5 illustrates the change in R&D intensity between 1998 and 2007 for the OIC member countries for which data are available. Accordingly;

- In most of the member countries, R&D intensity remained relatively stable.
- Tunisia, Turkey, Pakistan, Morocco, and Malaysia managed to significantly increase their R&D intensity. It was more than doubled in Tunisia and Morocco while the increase in Pakistan was over 6-fold. Accordingly, although Iran, Sudan, and Mozambique had the highest R&D intensity rates in 1998, Tunisia and Turkey outperformed them while Pakistan caught up with Iran by 2007.
- Algeria, Azerbaijan, Sudan, and Kuwait reported a significant decrease in their R&D intensity.
- The average for the OIC countries increased by only 0.14 percentage point in that decade. Although it is higher than that for the EU members (0.09 percentage point), which already have high R&D intensity, it is still lower than that for the world (0.16 percentage point). The OIC countries cannot reach the world average R&D intensity with such a low rate of improvement in their R&D expenditures.

## R&D Expenditures per capita

"R&D expenditures per capita" is a frequently used indicator to make comparisons among countries in terms of the level of spending on R&D. Accordingly, the following observations can be drawn for OIC countries from Figure 6, which presents data for the change in this indicator in the last decade.

- Of the OIC countries with available data, Turkey has the highest R&D expenditures per capita ($95.2), followed by Malaysia ($79.0), Iran ($66.7), and Tunisia ($65.9).
- The lowest rates are recorded for Tajikistan, Burkina Faso, Senegal, and Indonesia, all with less than $2 of R&D expenditures per capita.
- The average for all OIC countries with available data is calculated as $23.3, which is well below the world average of $194 and the EU average of $524. In Japan, this figure reaches up to $1,155, higher than GDP per capita values of ten OIC countries.

- In a decade, from 1998 to 2007, R&D expenditures per capita increased by an average of only $13 for OIC countries, compared to $81 for the world and $193 for the EU, which could be considered as another source and indicator of divergence between OIC countries and the rest of the world with respect to scientific development.
- In the same period, Turkey, Tunisia, and Malaysia were the top three countries to have most increased their GERD per capita, $61.5, $47.4, and $46.9, respectively.
- Seven of the 23 OIC countries with available data reported decline in their GERD per capita. Kuwait, which once had the highest value of $73.8, experienced the sharpest decline in this period so that its GERD per capita fell down to $37.2.

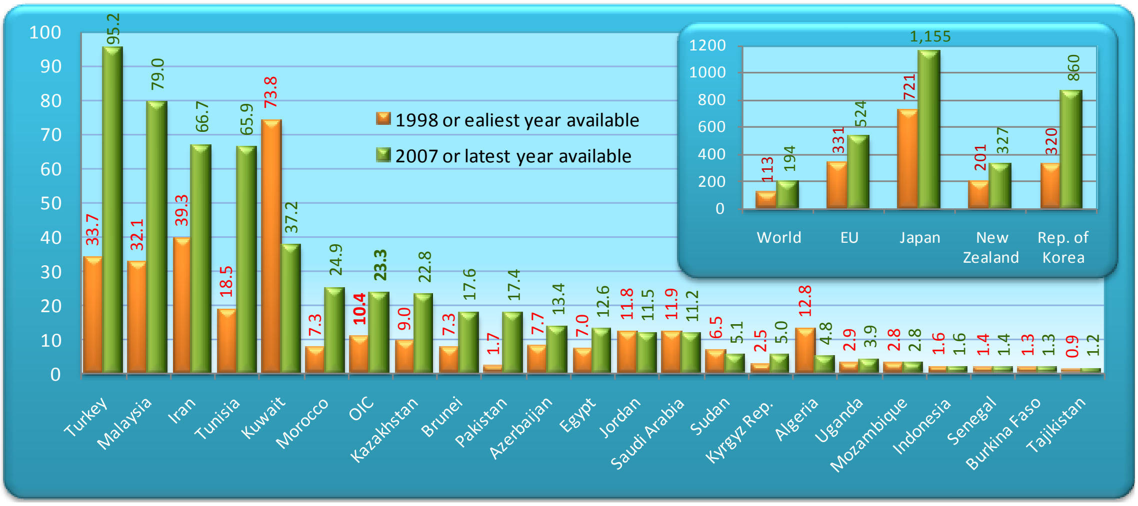



*Figure 6: R&D Expenditures per Capita (PPP $)*

Source: GERD Data: UNESCO Institute for Statistics, Data Centre; Population data: IMF, World Economic Outlook Database, October 2009.

## R&D Expenditures by Sector

Given that GERD is the sum of R&D expenditures of the performing sectors, it is useful to disaggregate it into individual sectors to see how much R&D each sector performs. This sectoral disaggregation is based on the United Nations classification that defines four major sectors of performance: Government, Business Enterprise, Higher Education, and Private Non-Profit. In this respect, Figure 7 presents the distribution of GERD among these sectors in the OIC member countries for which data are available. The figures are based on total available resources, regardless of their source of funds.

As illustrated in Figure 7, sectoral distribution of GERD can be summarized as below:

- In most of the OIC member countries (10 out of 17 with available data), more than 50% of GERD is spent by government sector. This share reaches up to 100% in Kuwait and over 90% in Indonesia, Tajikistan, and Brunei Darussalam.
- Despite having a share of less than 50%, government sector in Tunisia and Sudan is the dominant sector, spending more on R&D than the other sectors do.
- The share of Business Enterprise in GERD is highest in Malaysia with 84.9%. Moreover, in Kazakhstan, Turkey, and Sudan, Business Enterprise accounts for more than one third of the GERD.
- GERD of Business Enterprise is not available or at negligible levels in Kuwait, Tajikistan, Brunei Darussalam, Pakistan, Burkina Faso and Senegal.

- Higher Education is the leading sector in Senegal, Morocco, and Turkey, accounting respectively for 66.7%, 52.4%, and 48.2% of the total GERD. Furthermore, more than one quarter of the GERD in Pakistan, Iran, Tunisia, and Sudan is also performed by this sector.
- The share of R&D expenditures by the Private Non-Profit sector is at a negligible level in all of the member countries except in Uganda (25.0%) and Burkina Faso (21.1%).

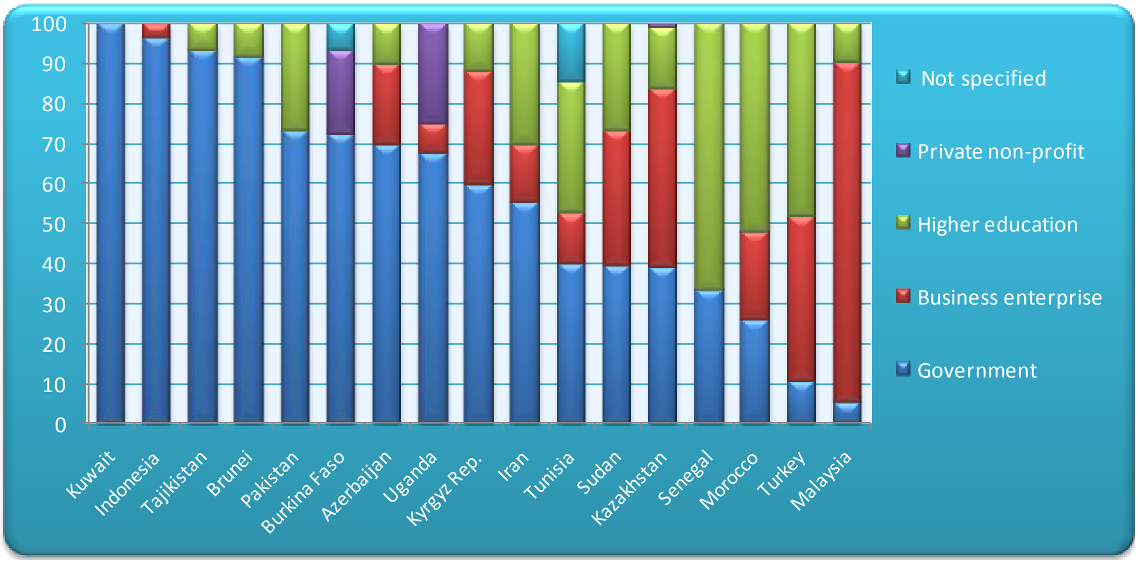



*Figure 7: Distribution of GERD by Sector of Performance (%)**

Source: UNESCO Institute for Statistics, Data Centre. * Data for the most recent year available.

## R&D Expenditures by Source of Funds

Figure 8 presents information on the funding sources of R&D in OIC member countries. Source distribution of the GERD has been made again on a sectoral basis as specified above, yet including additionally the funds from abroad.

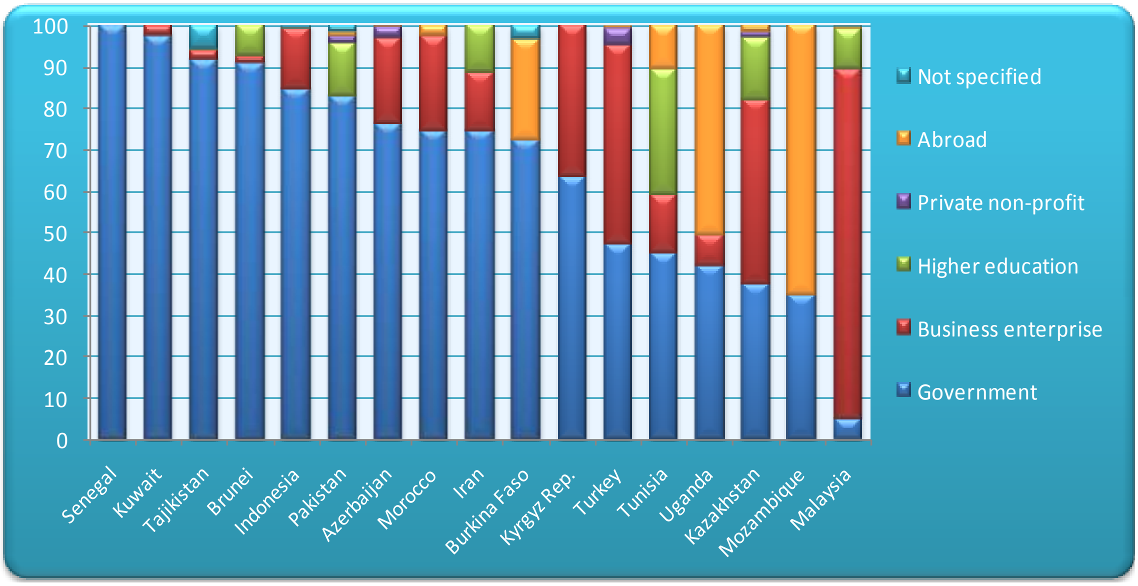



*Figure 8: Distribution of GERD by Source of Funds (%)**

Source: UNESCO Institute for Statistics, Data Centre. * Data for the most recent year available.

Accordingly, given the data illustrated in Figure 8, the situation in OIC member countries can be summarized by the following observations:

- In most of the OIC member countries, R&D is mainly financed by the government sector. Out of the 17 member countries for which data are available, 11 countries receive more than %50 of R&D funds from the government.
- GERD in Senegal is completely funded by government sector. In Kuwait, Tajikistan, and Brunei Darussalam, the share of government funding is over 90%.
- Despite having a share of less than 50%, government sector in Tunisia is the dominant sector, providing more R&D funds than the other sectors. Government's role in Turkey is also at a significant level since it provides almost half of the funds (47.1%), slightly lower than those provided by business sector.
- In Malaysia, government's share in R&D funding is as low as 5%, which is the lowest rate among all OIC countries with available data.
- Business Enterprise in Malaysia accounts for 84.7% of the total R&D funds. In Turkey and Kazakhstan, the business sector is also dominant, providing respectively 48.4% and 44.5% of the total R&D funds.
- Higher Education sector in Tunisia provides 30.5% of the total R&D funds, which is the highest rate among all OIC countries with available data. Additionally, sector's share exceeds 10% in Kazakhstan, Pakistan, and Iran.
- Mozambique and Uganda deserve special attention as their R&D funds mostly come from abroad, 65.3% and 50.7% respectively.

## HIGH-TECHNOLOGY EXPORTS

High-technology exports (HTE) are products with high R&D intensity, including aerospace, computers, software and related services, consumer electronics, semiconductors, pharmaceuticals, scientific instruments and electrical machinery, which mostly depend on an advanced technological infrastructure and inward FDI in high-tech industries. World high-technology exports are estimated to have reached over $1.7 trillion in 2007. Around 70% of that amount originated from developed countries, of which 33.3% from the EU members, 13.1% from the United States, 7.0% from Japan, and 6.3% from Republic of Korea (Figure 9).

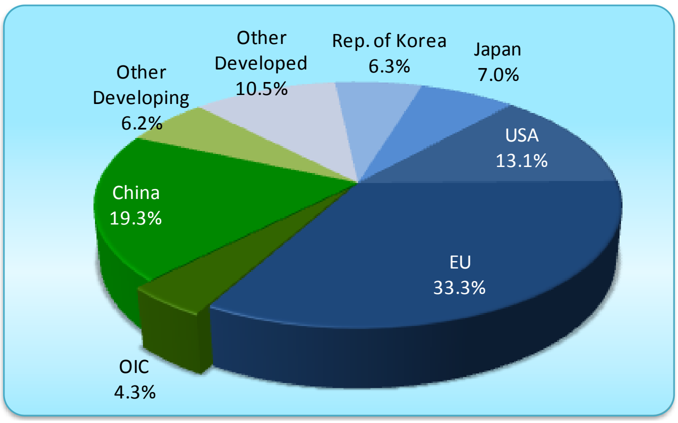



*Figure 9: HTE, % of World Total, 2007*
Source: World Bank, World Development Indicators (WDI), Online Database.

China is the largest exporter of HTE, accounting for almost one-fifth of the world total HTE and two-thirds of the total HTE of developing countries. Confirming the lack of adequate infrastructure and FDI in most of OIC countries, it is observed that all the member countries for which data are available accounted for only 4.3% of the world HTE (Figure 9), or 14.4% of the total HTE of developing countries. Data for OIC countries are illustrated in Figure 10, which yield the following observations:

- Malaysia and Indonesia are, by far, the top ranking OIC member countries by high technology exports, together representing 93.5% of the total HTE of the OIC.
- With $64.6 billion, Malaysia, on its own, accounts for 86.5% of the total HTE of the OIC. It is also the 9th largest exporter of high-technology products in the world, accounting for 3.7% of the world HTE.
- Kazakhstan, with around $1.5 billion of HTE, accounted for 2% of the total HTE of the OIC countries, rendering it the 3rd largest exporter of high-technology products in the OIC.
- HTE of the other leading member countries ranges from $100 million to $1 billion.
- In Sub-Saharan Africa, Benin, Guinea, and Sudan records even less than $30,000 of HTE.
- Cote d'Ivoire, with more than $450 million of HTE, gets far ahead of the other Sub-Saharan members. It also ranked as the 6th largest exporter of high-technology products in the OIC.

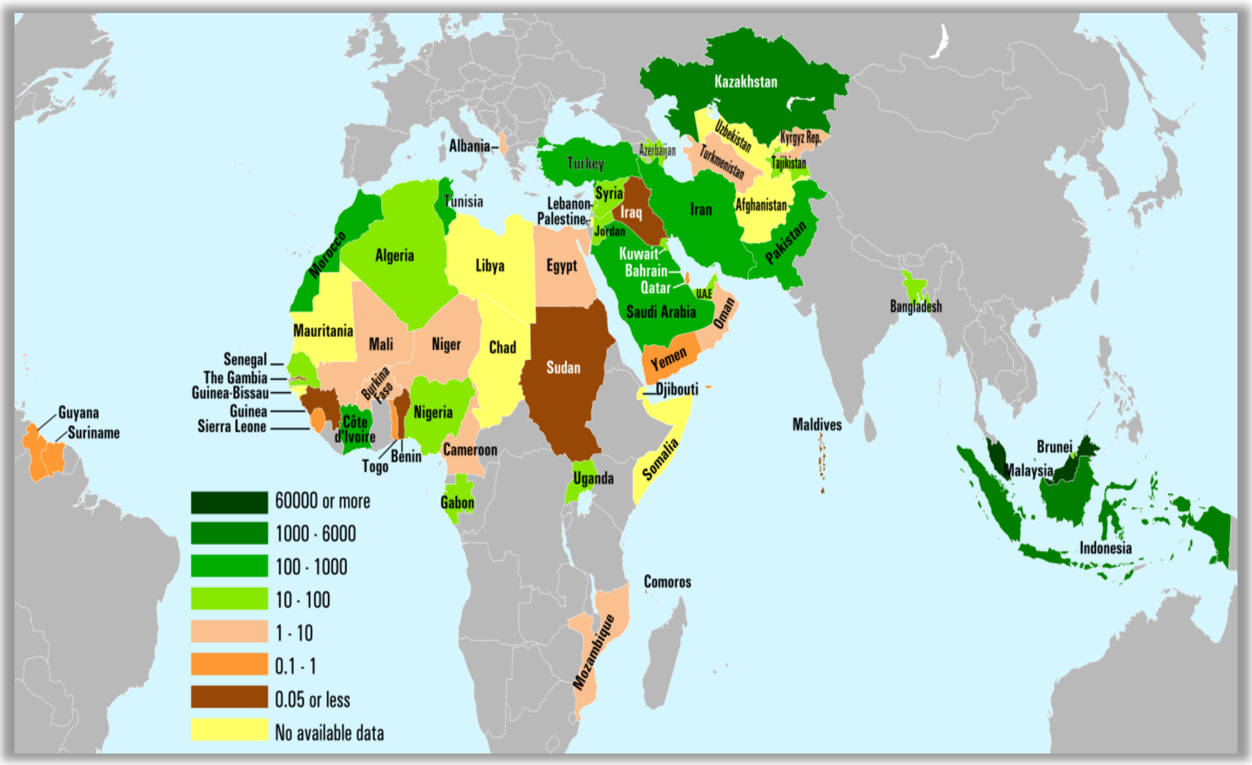



*Figure 10: High Technology Exports (Million US$)**

Source: World Bank, World Development Indicators (WDI), Online Database.
* Data for 2007 or latest available year.

For a better understanding of the importance of HTE to a country, it is useful to look at the share of these exports in its total manufactured exports. Figure 11 presents these shares for 48 member countries for which data are available in a comparative manner to reflect any change over time.

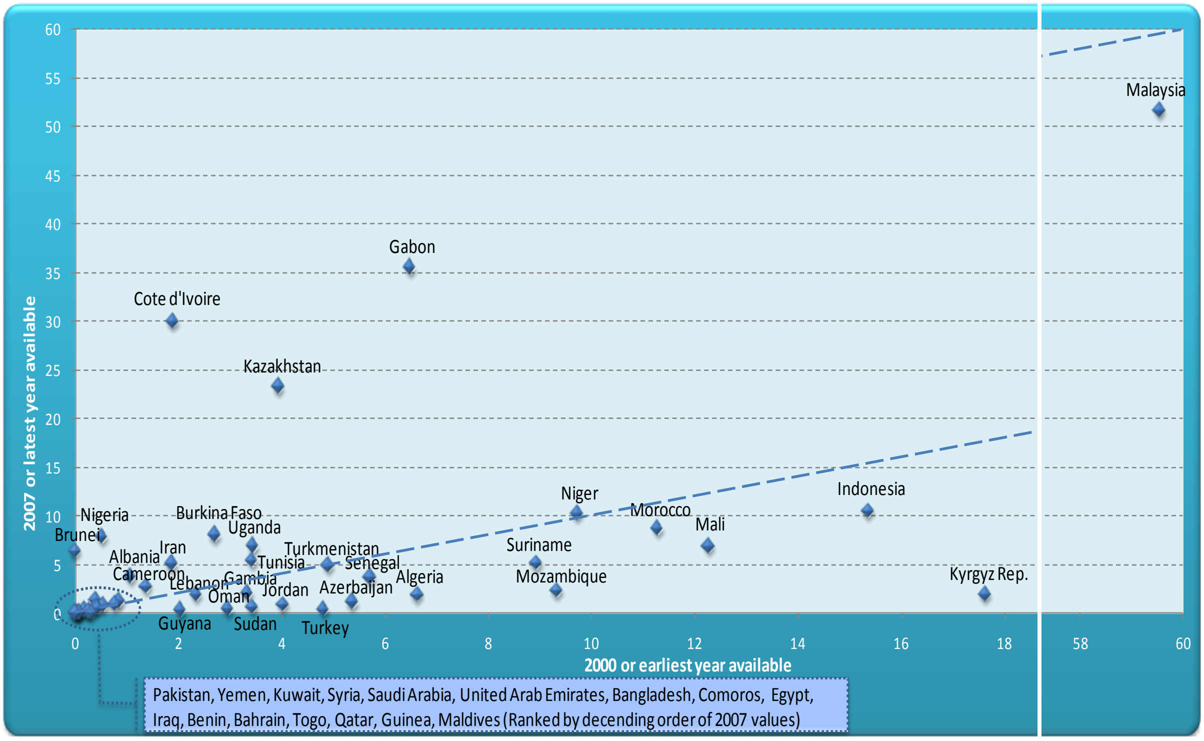



*Figure 11: High Technology Exports: 2000 vs. 2007 (% of Manufactured Exports)*

Source: World Bank, World Development Indicators (WDI), Online Database.

With respect to the data illustrated in Figure 11, the evolution of high technology exports in the OIC member countries during the period 2000-2007 can be summarized as below:

- Largest improvements across the OIC are recorded by two Sub-Saharan members, namely Gabon and Cote d'Ivoire, having managed to increase the share of HTE from below 7% to over 30% of their manufactured exports.
- Kazakhstan also reported relatively high expansion rate in the share of HTE, from 3.9% to 23.2%.
- In 16 member countries listed at the bottom of the Figure, HTE continue to account for less than 2% of their manufactured exports. Nevertheless, there were improvements in nine of them though to a limited extent.
- Decline in the share of HTE in manufactured exports has also been observed in many countries, particularly in Kyrgyz Republic with 15 percentage points. Overall, there were 22 OIC countries having reported a decline in the share of HTE in their manufactured exports.
- Representing over 90% of the total HTE of the OIC, Malaysia and Indonesia have also witnessed a decrease in the share of HTE in their manufactured exports, 7.9 and 4.9 percentage points, respectively. Yet again, Malaysia continues to have the largest share of HTE in manufactured exports (51.7%).
- Although the average for OIC countries declined by 10 percentage points to 20.2%, it was still higher than the world average of 18.9%. Nevertheless, when Malaysia, which accounted for about 87% of the total HTE of the OIC, is excluded, the average for OIC countries falls down to 4.1%.

# SCIENTIFIC PUBLICATIONS

Academic research is one of the most important components of research activities conducted in a country. To a certain extent, the performance in academic research can be well reflected by the number of scientific articles published in indexed journals. In this regard, the quantity and the growth of the research output, *i.e.*, articles, are indicators commonly used to measure the research performance of a given institution or country. Indeed, such bibliometric indicators have been widely used in national science and technology statistics publications to measure scientific capacity and linkages to world science[4] and particularly in national and international rankings of universities.[5]

## Published Articles

OIC member countries as a whole published 63,342 articles[6] in 2009 in journals that are covered by Science Citation Index Expanded (SCI-EXPANDED), Social Science Citation Index (SSCI), and Arts & Humanities Citation Index (A&HCI), compared to 18,391 articles they published in 2000.[7] Although there is an over three-fold increase in a decade, the amount reached is still below those of some individual countries in the world, such as the United States, China, Germany, Japan, and England (Figure 12).

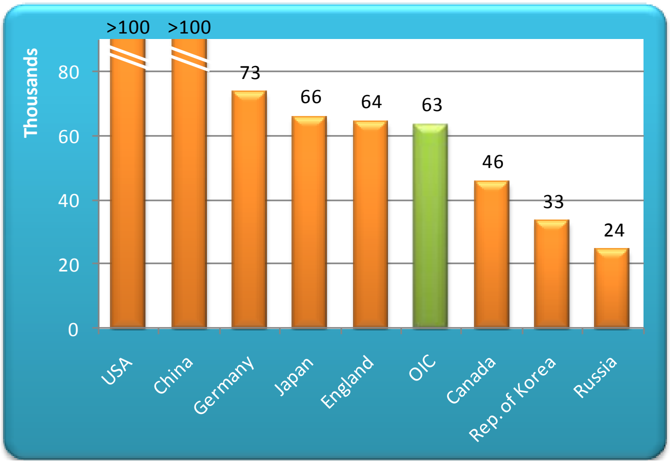



*Figure 12: The Number of Published Articles, 2009*
Source: ISI Web of Knowledge [24.03.2010].

Figures 13 and 14 present information on the contribution of each OIC member country to this output. In this respect, the following observations outline the performance of the OIC member countries in publishing articles:

- Production of scientific publications –here articles– in the OIC is heavily concentrated in a few of the member countries.
- More than half of the articles (52.7%) originate from only two member countries, Turkey (31.6%) and Iran (21.1%). Together with Egypt (7.0%), Malaysia (6.2%), and Pakistan (5.3%), these countries account for 71.2% of all published articles (see Figure 13).
- Some other member countries in the Middle East & North Africa, South Asia, and East Asia & Pacific also perform well while those in Latin America, Sub-Saharan Africa, and Central Asia are generally lagging behind.

---

[4] UNESCO Institute for Statistics, "What do bibliometric indicators tell us about world scientific output?", *UIS Bulletin on Science and Technology Statistics*, Issue 2, September 2005.
[5] For example, Academic Ranking of World Universities by Shanghai Jiao Tong University (SJTU), World University Rankings by the Times Higher Education Supplement (THES), and also the OIC University Ranking make use of the research output as an important indicator in their ranking methodologies.
[6] The total reflects the sum of individual OIC countries and it is not refined for internationally co-authored papers.
[7] Data are collected from the ISI Web of Knowledge maintained by Thomson Reuters. For further information, see http://isiwebofknowledge.com/

- There are 10 countries that published less than 20 articles in 2009. These countries are not concentrated in one region but dispersed across regions: for example; from Guyana in Latin America to Somalia in Sub-Saharan Africa, and from Turkmenistan in Central Asia to Maldives in South Asia.
- The number of countries having published less than 100 articles is 24.
- Nigeria stands out as the only Sub-Saharan member to have produced over 1,000 articles (1,922), the closest ones in the region being Uganda and Cameroon, each with over 450 articles.

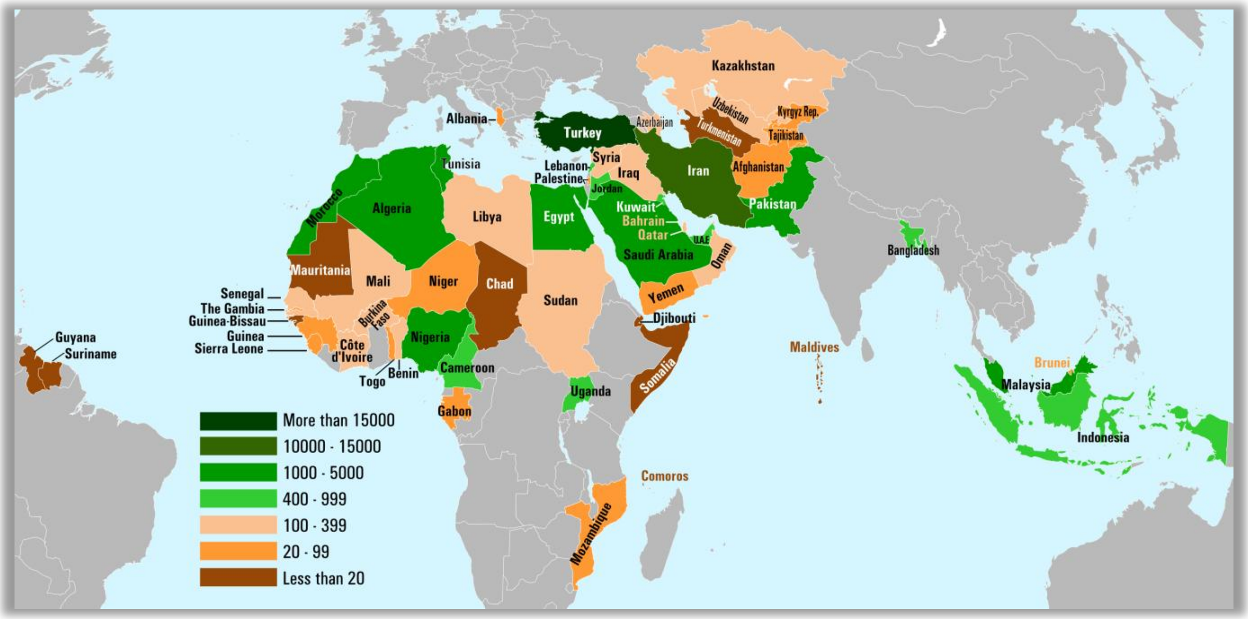



*Figure 14: Articles Published in International Journals, 2009**

Source: ISI Web of Knowledge [24.03.2010].
* Total number of articles published in journals covered by Science Citation Index Expanded (SCI-EXPANDED), Social Science Citation Index (SSCI), and Arts & Humanities Citation Index (A&HCI).

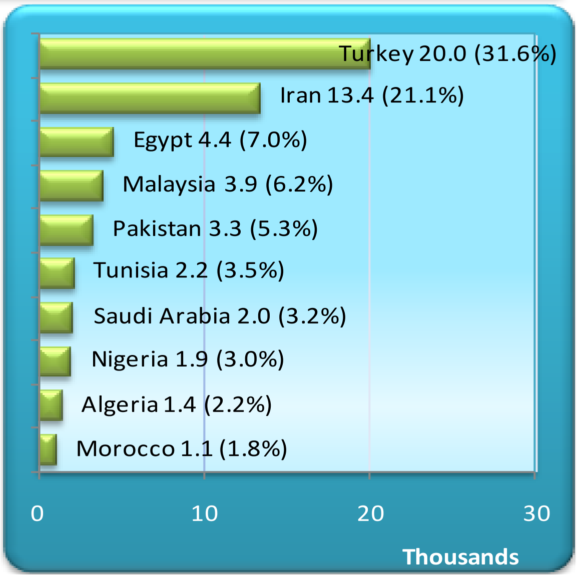



*Figure 13: Top 10 OIC Countries by the Number of Published Articles, 2009*

## The Evolution of Publication Outcome

The growth in the number of articles on a per-capita basis reflects a better indicator of productivity in scientific publications as it takes into account the relative size of the population in the countries compared. In this respect, Figure 15 presents data on articles per million people (pmp) in OIC member countries in a manner to reflect the evolution in the last decade of 2000-2009. Accordingly:

- On average, OIC member countries produced only 15 articles (pmp) in 2000 while this number increased to 42 in 2009, which still could be considered low given that this number reached up to 1,355 in Canada, 1,241 in England, 894 in Germany, 682 in Republic of Korea, 516 in Japan, and 172 in Russia.
- 49 out of the 57 member countries recorded an increase in that decade, but this increase in 29 of them was no more than 10 articles (pmp). This implies that the expansion recorded in countries with low number of articles (pmp) remained quite limited compared to those with high numbers.
- Turkey, in absolute terms, took the lead in boosting scientific productivity with an increase of 205 articles (pmp), followed by Iran (161), Tunisia (160), Malaysia (108), and Qatar (103).
- Four other countries, namely Bahrain, Lebanon, United Arab Emirates, and Jordan, recorded an increase of over 50 articles (pmp).
- Eight out of the 57 members, namely Kuwait, Suriname, Guyana, Turkmenistan, Togo, Uzbekistan, Mauritania, and Comoros, recorded a decrease in their articles (pmp). The highest decrease was reported for Kuwait (43 articles), while the decrease for the others was by only three articles. Kuwait continues to rank in the fourth place with respect to articles per million people.

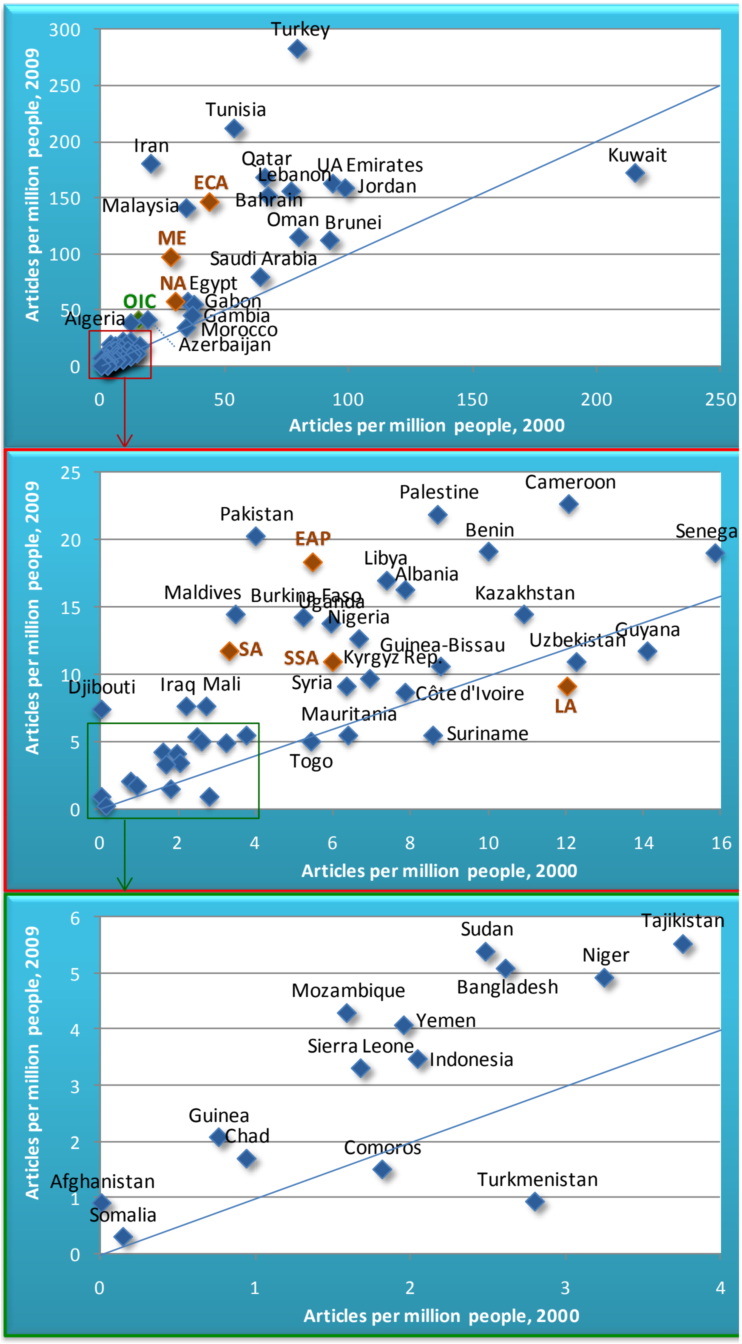



*Figure 15: Articles per Million People: 2000 vs. 2009*

*Source: Articles data: ISI Web of Knowledge [24.03.2010]; Population data: IMF, World Economic Outlook Database, October 2009.*

***OIC Regional Averages:***

| | |
|---|---|
| *ECA: Europe & Central Asia* | *NA: North Africa* |
| *EAP: East Asia & Pacific* | *SA: South Asia* |
| *LA: Latin America* | *SSA: Sub-Saharan Africa* |
| *ME: Middle East* | |

- Overall, according to 2009 data, there are only 16 members performing above the OIC average in terms of articles per million people. Turkey, with 284 articles took the lead, and followed by Tunisia (213), Iran (181), Kuwait (172), and Qatar (169). United Arab Emirates, Jordan, Lebanon, Bahrain, and Malaysia also ranked at the top, having produced around 140-160 articles per million people. Oman, Brunei, Saudi Arabia, Egypt, and Gabon succeeded in entering the top 15 (see Figure 15 Top Panel and Figure 16).
- At the other side of the spectrum, there are member countries with even less than one article (pmp), like Afghanistan, Turkmenistan, and Somalia.

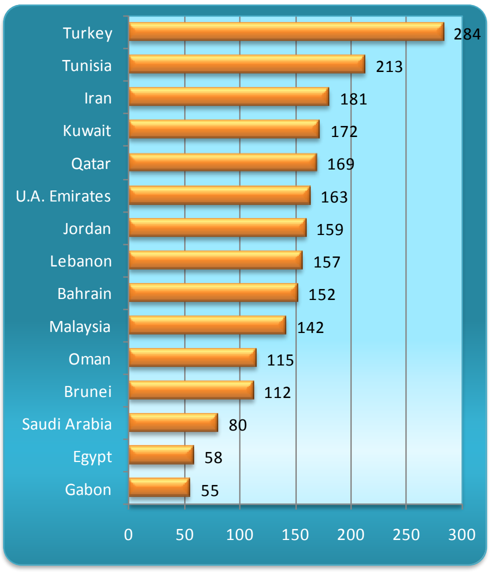



*Figure 16: Top 15 OIC Countries by Articles Per Million People, 2009*

- Most of the high ranking member countries are located in the Middle East. Articles per million people averaged at 98 in this region in 2009, compared to 28 in 2000.
- The average for the members in Europe & Central Asia increased from 44 to 147 in that period. Excluding Turkey, these averages fall down to 11 and 14, respectively.
- Except for the Latin American members, the averages for the other regions also increased in the period under consideration (North Africa: from 30 to 58; East Asia & Pacific: from 5 to 18; South Asia: from 3 to 12; and Sub-Saharan Africa: from 6 to 11).

## PATENT APPLICATIONS

Intellectual property rights, especially patents, are the key factors contributing to advances in innovation and scientific development. As a product of R&D activities, patents strengthen the link between science and technology, as the outcomes of research translate into new products or services. In this regard, although not all inventions are patented, the quantity of patent applications may be considered as a proxy for the degree of innovative capability in a country.

According to statistics from the World Intellectual Property Organization (WIPO), the total number of patent applications around the world in 2008 is estimated to have been 1.85 million, and less than 1% of them were filed in OIC member countries –for which data are available. USA, Japan, China, and Republic of Korea accounted for about 70% of the total patent applications in the world. To shed light on the situation in individual OIC member countries, Table 1 presents statistics on patent applications in countries for which data are available.

*Table 1: Patent Applications by Office: Residents and Non-residents**

| Country | Residents | Non Res. | Total | Year | Country | Residents | Non Res. | Total | Year |
|---|---|---|---|---|---|---|---|---|---|
| Iran | 5,970 | 557 | 6,527 | 2006 | Bangladesh | 29 | 270 | 299 | 2007 |
| Malaysia | 818 | 4,485 | 5,303 | 2008 | Syria | 124 | 133 | 257 | 2006 |
| Indonesia | 282 | 4,324 | 4,606 | 2006 | Azerbaijan | 222 | 5 | 227 | 2008 |
| Turkey | 2,221 | 176 | 2,397 | 2008 | Kazakhstan | 11 | 162 | 173 | 2008 |
| Egypt | 516 | 1,589 | 2,105 | 2007 | Kyrgyz Rep. | 135 | 3 | 138 | 2008 |
| Pakistan | 170 | 1,375 | 1,545 | 2008 | Brunei | 0 | 75 | 75 | 2008 |
| Morocco | 177 | 834 | 1,011 | 2008 | Mozambique | 18 | 22 | 40 | 2007 |
| Algeria | 84 | 765 | 849 | 2007 | Yemen | 11 | 24 | 35 | 2007 |
| Saudi Arabia | 128 | 642 | 770 | 2007 | Tajikistan | 26 | 0 | 26 | 2006 |
| Jordan | 59 | 507 | 566 | 2007 | Sudan | 3 | 13 | 16 | 2007 |
| Uzbekistan | 262 | 186 | 448 | 2008 | Uganda | 6 | 1 | 7 | 2007 |
| Tunisia | 56 | 282 | 338 | 2005 | Bahrain | | | 3 | 2004 |
| Lebanon | | | 316 | 2006 | Burkina Faso | 1 | 0 | 1 | 2005 |

Source: World Intellectual Property Organization, Statistics on Patents, September 2010

* Patent application numbers for the most recent year with available data are considered. Most recent year with available data is indicated in the "Year" column. Numbers of patent applications for most African OIC countries are not provided individually as these countries are members of the African Regional Intellectual Property Organization (ARIPO). Total number of patents filed to ARIPO in 2008 is 435. Resident/non-resident breakdown is not provided for Lebanon and Bahrain.

In this respect, the following observations can be made to summarize the situation in the OIC member countries:

- Patent activity is highest in Iran, Malaysia, and Indonesia. In 2006, total patent applications (by residents and non-residents) amounted to 6,527 in Iran and 4,606 in Indonesia. In 2008, total patent applications amounted to 5,303 in Malaysia.
- In most of the OIC countries, applications by non-residents are higher than those filed by residents; in fact, in half of the 26 countries with available data, they account for more than 75% of the total applications. In quantity, they are highest in Malaysia (4,485) and Indonesia (4,324), accounting for, respectively, 85% and 94% of the total applications.
- Applications by residents dominate only in eight of the member countries, and, in quantity, they are highest in Iran (5,970) and Turkey (2,221).

## KNOWLEDGE AND TECHNOLOGY

Two of the widely used measures of knowledge and technology are the Knowledge Economy Index (KEI) and Knowledge Index (KI), which were developed by World Bank in order to compare the performance of any country with other countries and/or group of countries. The KEI measures to what extent the environment is conducive for knowledge to be used effectively for economic development. It is calculated based on the average of normalized scores of a country on four pillars related to the knowledge economy:

Economic Incentive and Institutional Regime, Education, Innovation, Information and Communication Technology. Figure 17 depicts the positions of the top ten OIC member countries vis-à-vis the rest of the world in terms of their performance related to the KEI.

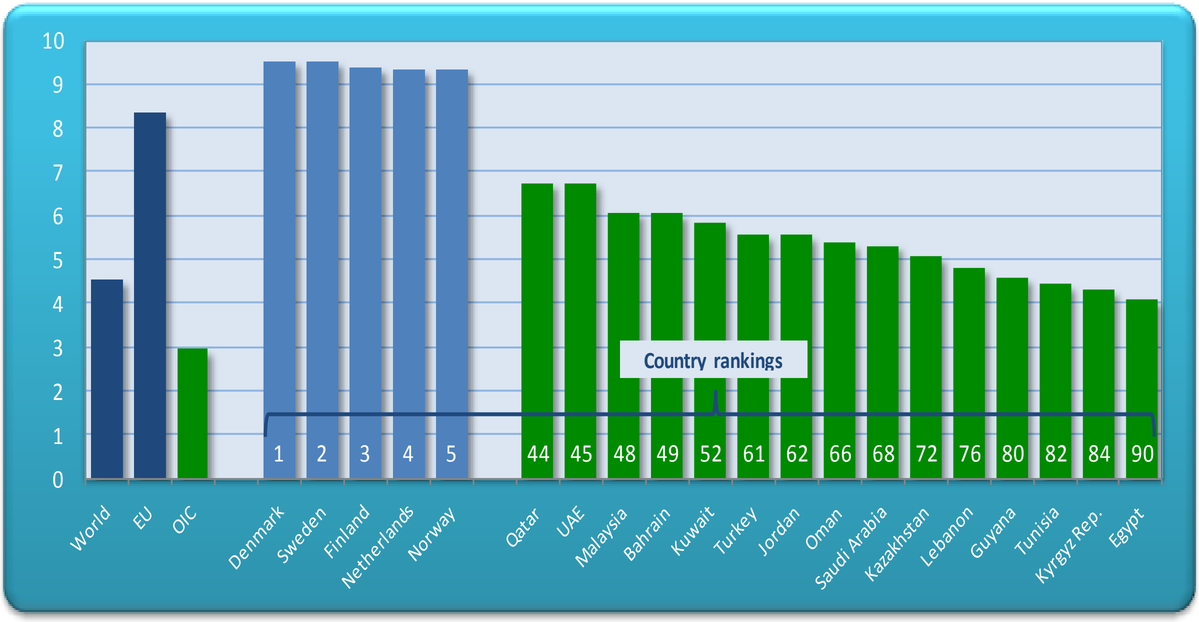



*Figure 17: Knowledge Economy Index (KEI) and country rankings, 2009**

Source: World Bank.

* KEI is calculated for 145 countries and 40 OIC members. The index values for the world, EU and OIC are calculated by taking averages of index values for the relevant countries weighted by 2008 populations.

The following observations are made:

- The KEI is above the world average in only 12 out of 40 OIC member countries for which the KEI is calculated.
- Qatar and UAE are the top two OIC member countries standing only 44$^{th}$ and 45$^{th}$ in the world.
- Half of the bottom 50 countries for which the KEI was calculated are OIC members.
- To give a sense of the regional comparison between the OIC and EU, there is only one EU country with a lower KEI than Qatar and UAE, which are the top two OIC members in terms of the KEI.

The other widely used knowledge index, KI, measures a country's ability to generate, adopt, and diffuse knowledge. The KI is the simple average of the normalized scores of a country on three knowledge economy pillars: Education, Innovation, Information and Communication Technology. The only difference between the KI and KEI is that the former does not take into account economic incentives and institutional regime. Figure 18 depicts the positions of the top ten OIC member countries vis-à-vis the rest of the world in terms of their ability to generate, adopt, and diffuse knowledge.

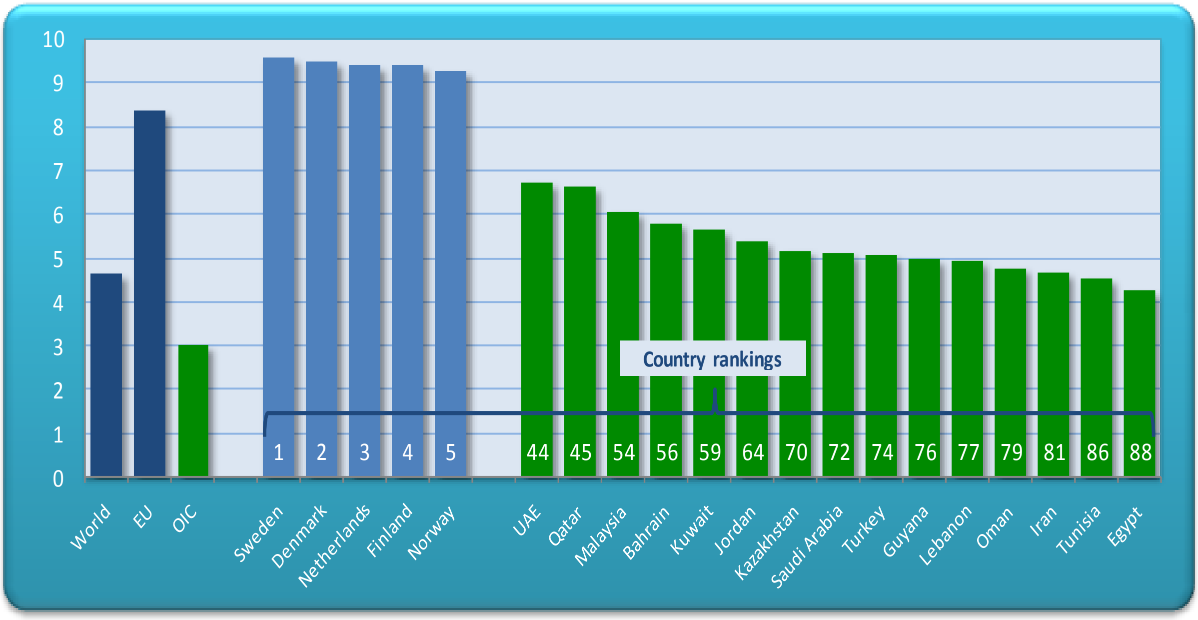



*Figure 18: Knowledge Index (KI) and country rankings, 2009**

Source: World Bank.

* KI is calculated for 145 countries and 40 OIC members. The index values for the world, EU and OIC are calculated by taking averages of index values for the relevant countries weighted by 2008 populations.

The following observations are made:

- The KI is above the world average in only 13 out of 40 OIC member countries for which the KI was calculated.
- As in the case of KEI, the United Arab Emirates and Qatar are the top two OIC member countries standing only 44th and 45th in the world in terms of the KI.
- 22 of the bottom 50 countries for which the KI can be calculated are OIC members.

The OIC member countries perform slightly better when KI is used as opposed to KEI. This indicates that economic incentives (tariffs and non-tariff barriers) and institutional regime (rules and regulations) are two main reasons for OIC members' poor performance in knowledge and technology.

Innovation Index and Information and Communication Technology (ICT) Index, two components of the KEI and KI, are also important indicators on science and technology. In the rest of this section, these two indices are analyzed for the OIC member countries. Innovation Index is the simple average of the normalized scores on three key variables: Total Royalty Payments and Receipts, Patent Applications Granted by the US Patent and Trademark Office, Scientific and Technical Journal Articles. Figure 19 compares the OIC member countries with the rest of the world in terms of innovation. As seen in Figure 19, the Innovation Index value is above the world average in only five out of 40 OIC member countries for which the index was calculated. Malaysia and the United Arab Emirates are the top two OIC member countries standing only 44th and 46th in the world.

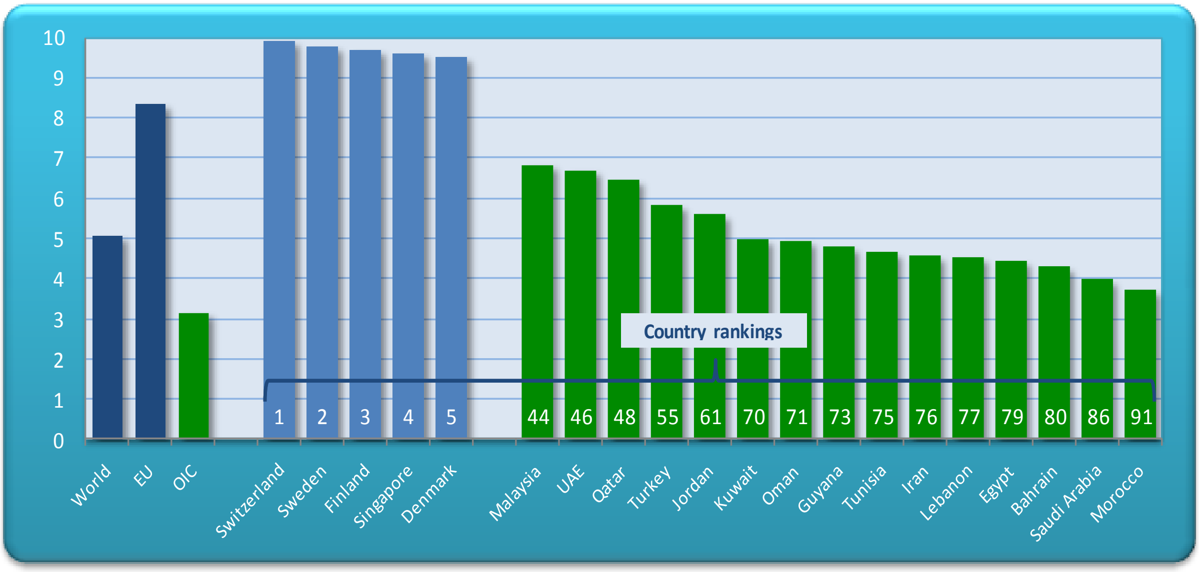



*Figure 19: Innovation Index and country rankings, 2009**

Source: World Bank.

* Innovation index is calculated for 146 countries and 40 OIC members. The index values for the world, EU and OIC are calculated by taking averages of index values for the relevant countries weighted by 2008 populations.

ICT Index is the simple average of the normalized scores on three key variables: Telephone, Computer, and Internet Penetrations (per 1,000 people). Figure 20 compares the OIC member countries with the rest of the world with respect to the usage of telephone, computer, and the internet. As seen in Figure 20, the ICT Index value is above the world average in 13 out of 40 OIC member countries for which the index was calculated. The United Arab Emirates and Qatar are the top two OIC member countries standing 21$^{st}$ and 27$^{th}$ in the world. The index value is above the EU average only in the United Arab Emirates.

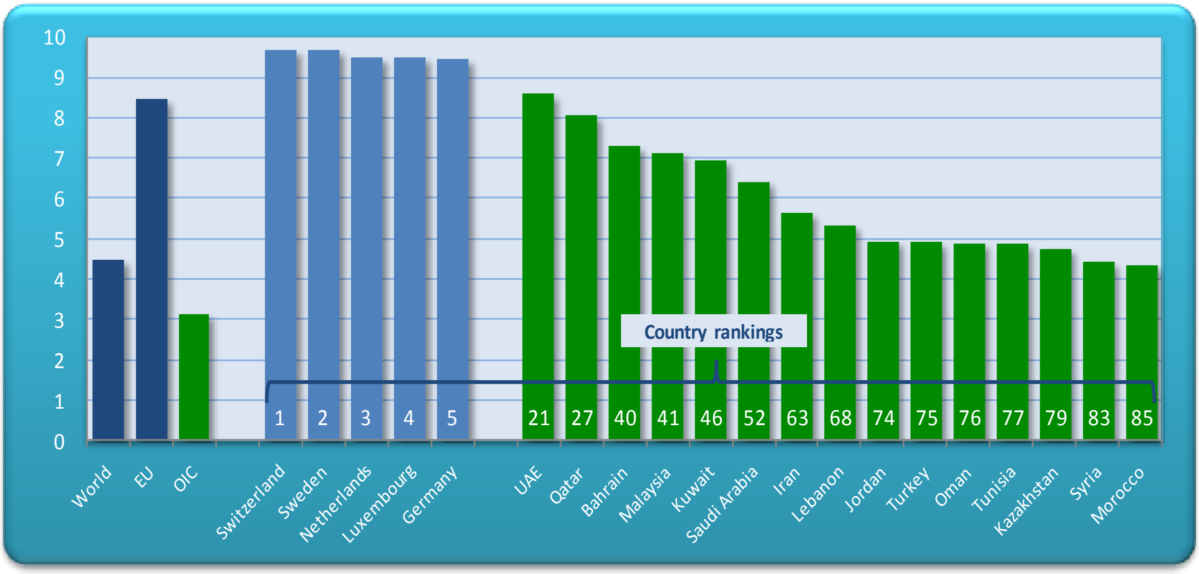



*Figure 20: Information and Communication Technology (ICT) Index and country rankings, 2009**

Source: World Bank.

* ICT index is calculated for 146 countries and 40 OIC members. The index values for the world, EU and OIC are calculated by taking averages of index values for the relevant countries weighted by 2008 populations.

# POLICY RECOMMENDATIONS

The primary finding of this report is twofold. First, major indicators on research and scientific development display a large disparity within the OIC member countries. Second, the OIC members, individually or as a group, lag far behind the rest of the world, particularly the developed countries, with a few exceptions. These findings are summarized in this section, and in the light of these findings, some broad policy recommendations are made.

Although the availability of researchers varies considerably among the OIC member countries, most of these countries lag behind the world, with inadequate quantity of researchers employed in R&D activities. Women, as researchers, are underrepresented in R&D activities. On the other hand, the OIC average is only slightly lower than the world average, and many OIC countries have higher shares than even the average for the EU member countries.

R&D intensity is quite low in the OIC countries, with only one country spending more than 1% of GDP on R&D while the world average is around 1.8%. While some countries have recorded significant increases in their R&D intensity in the last ten years, most of them reported stable expenditures on R&D. Although the OIC Ten-Year Programme of Action called upon the member countries to encourage R&D programmes and ensure their individual R&D intensity is not inferior to half of the world average, the OIC countries are still far away from this target and, with the current trends, it seems difficult to meet the Programme target on time. Therefore, there is a dire need for more efforts to be exerted in this area in order to close the gap with the rest of the world. To achieve this, R&D should be stimulated through government and private sector initiatives and coordination among the OIC member countries.

In this regard, networking opportunities among the OIC member countries could be facilitated through projects, similar to the Framework Programmes of the European Union, to support research and technological development in the Islamic world and to promote joint research initiatives among the member countries. Additionally, research joint ventures among companies in OIC member countries could be encouraged as R&D investments are very costly. OIC countries may also take advantage of R&D spillovers by rapidly learning about new technologies developed in other countries and improving them, and by importing technological goods and services from their high-tech trade partners.

An important area for R&D is nanotechnology, which is envisioned by many scientists and researchers as the next major advancement in science and technology (the previous ones being railroad, automobile, and computers). The global market for nanotechnology products is estimated to reach $1 trillion by 2015 (Roco & Bainbridge; NSF, 2001). OIC member countries are at a cross road to be major players of this advancement. It is imperative that these countries jointly initiate joint research and investment on nanotechnology as the pioneers of this new technology will benefit enormously from their early investment in this area. SESRIC has been raising awareness on this important topic in the Islamic world.

Production of scientific articles, which is another important indicator on research and scientific development of a country, is also concentrated in a few of the OIC members. In 2009, the OIC member countries produced more than 63,000 articles, 71% of which originated in five countries. Moreover, the number of articles was less than 100 in 24 OIC member countries. In the last decade, from 2000 to 2009, the number of articles per million people, on average, increased by 27 articles to reach 42, which is still low given that in some countries it exceeds 1,000. In fact, together the 57 OIC member countries produced fewer scientific articles than England in 2009. To close the gap with the rest of the world and among the members, higher education and academic research should be supported rigorously by the governments. Some broad policies that could be undertaken in this regard are:

- Encouraging the establishment of private colleges, universities, and research centres through funds and financial incentives
- Improving living standards for scientists to reduce brain drain from OIC countries to the West and to lead brilliant minds to academic work
- Promoting academic research through research grants and lesser teaching loads
- Encouraging women to attend colleges/universities and removing obstacles that prevent them from higher education

Available data on 25 OIC member countries indicate that patent applications are below the world average and mostly filed by non-residents, implying that indigenous innovation capability in most of these countries is at low levels. The OIC member countries have no choice but to adopt measures to encourage patenting and technology licensing. In particular, an initiative can be put in place to educate small and medium-sized enterprises about the benefits and regulations of the patent system. Additionally, an OIC level patent system, similar to African Regional Intellectual Property Organization or European Patent Organisation, can be developed to increase incentives for patent application in the Islamic world as being granted patents in a larger geography means higher benefits for patent holders, to foster the establishment of relationships between the members in matters relating to R&D and patents, and to promote exchange of ideas, research, and studies on industrial property matters. Also, steps should be taken to reduce waiting for examination of patents at patent offices.

An important component of scientific development is the infrastructure of internet and other information and communication technologies. This is particularly important in the OIC member countries, which have a high density of youth population. In this context, some policy recommendations can be made. First of all, telecommunication sectors should be liberalized for better products and services in the OIC member countries. Some countries such as Saudi Arabia and Turkey successfully liberalized their telecommunication sectors in the last two decades. However, there is a strong need to speed up the privatization and liberalization of telecommunication sectors in many other OIC member countries. Governments should also promote internet usage through tax reductions on internet services and transferring internet subscription charges from consumers to telecom sector and internet service providers. To meet human resource needs in information and technology related sectors, it is important to encourage technology related majors in higher education. Also, infrastructure for wireless network technologies is to be improved for faster diffusion of knowledge.

In parallel with the low R&D intensity and inadequate technological infrastructure, high technology exports of the OIC member countries are quite limited, accounting for only 4.3% of the world high technology exports in 2007 and mostly originating from two members, Malaysia and Indonesia. Moreover, high technology products do not occupy much part in manufactured exports of the OIC member countries, and, with a few exceptions, this situation did not improve significantly over time. It is evident from the data that countries with higher share of high technology exports are also the largest exporters of goods and services. More investments in R&D will spur high technology exports, and hence increase total exports, in the OIC member countries.

Last but not least, given the importance of evidence-based policy making and the role of S&T in the development of countries, national statistical offices of the member countries should give special attention to the collection and dissemination of statistical data on science and technology.

# References

IMF, World Economic Outlook (WEO), Online Database, October 2009.

ISI Web of Knowledge, Online Database.

OIC-TYPOA, "Ten-Year Programme of Action to Meet the Challenges Facing the Muslim Ummah in the 21st Century", Third Extraordinary Session of the Islamic Summit Conference, Makkah al Mukarramah - Kingdom of Saudi Arabia, 7-8 December 2005.

Roco M.C., Bainbridge W. eds., 2001. Societal implications of nanoscience and nanotechnology. National Science Foundation Report, 2000.

UNESCO Institute for Statistics, "What do bibliometric indicators tell us about world scientific output?", UIS Bulletin on Science and Technology Statistics, Issue 2, September 2005.

UNESCO Institute for Statistics, Data Centre.

WIPO, Statistics on Patents, September 2010.

World Bank, KEI and KI Indexes.

World Bank, World Development Indicators, Online Database.

# The 7th Session of the Islamic Conference of Tourism Ministers

## 28 – 30 November 2010

## Tehran, Islamic Republic of Iran

The 7th Session of the Islamic Conference of Tourism Ministers (ITCM) will be held in Tehran, Islamic Republic of Iran on 28 November-1 December 2010. The Conference will start by the Meeting of the Senior Officials in the first two days. In this Meeting various issues of cooperation in the field of tourism will be discussed by the Senior Officials of the member countries as well as representatives of the OIC institutions and the relevant regional and international organisations. Among others, these issues include the progress so far achieved in the implementation of the "Framework for Development and Cooperation in the Domain of Tourism between the OIC Member States", tourism facilitation, tourism marketing, and tourism research and training. The Ministerial sessions of the Conference will be held in the second two days of the Conference where the Ministers of Tourism of the member countries will discuss and exchange their countries' views and experiences on the various issues included in the Report of the Senior Officials Meeting.

# Civil Society in OIC Member Countries

*SESRIC*

*This report is a general overview of the concept of civil society and its current state in ten countries of the Islamic world. Following a brief introduction to the theoretical meaning, structure and significance of civil society and civil societal organizations, the report presents an introductory overview of the situation of civil society in ten countries that are members of the Organization of the Islamic Conference (OIC); Azerbaijan, Egypt, Indonesia, Lebanon, Mozambique, Nigeria, Sierra Leone, Togo, Turkey, and Uganda. The situation in these countries is presented using the findings of a study, Civil Society Index (CSI) (Phase 1: 2003-2006), carried out by CIVICUS, World Alliance for Citizen Participation.*[*] *It is important to keep in mind that although geographically diverse, the Member Countries in the CSI cannot represent the OIC Countries as a whole. Therefore, the ratings in the index should not be generalized to include all the members of the OIC.*

## Civil Society: Overview

Civil Society (CS) refers to the voluntary formations of individuals that work for a common purpose. It is an area outside of the government, private sector and the family. In almost all areas concerning the lives of societies, citizens now voluntarily form independent organizations, many of which involve in very effective activities that help to mitigate their problems. These organizations have various shapes; from charities, environmental organizations, human rights groups to trade unions, chambers and on a larger scale, international organizations. Although civil society organizations (CSOs) are widely understood as having an adversary relationship with the states, the reality is that the two parties are commonly supportive of each other and even that a big majority of CSOs today work almost as agents of governments. Actually, states and CSOs act in many ways as control mechanisms for each other. Therefore, healthy state-CS relations; constructive, good-intentioned, and open to criticisms and negotiations; bear significantly positive results for the optimum benefit of societies.

Although the use of the term dates back to the ancient Greek periods, civil society, with its contemporary usage, became popular in the late 1980s. Following is a brief explanation of how and why civil society became so popular and powerful. After the Cold War, as the communist powers declined, market economies became the predominant system around the world. Although the private sector was seen as a powerful force in relation to the states, it became apparent that markets too had failures. Citizens in many countries were being treated unjustly not only by the states but also the private sector. However, one advantage of the rise of the markets for the civil society was that it helped to reduce the dominance of states and increase the power of the individual, resulting in more space for people to take action in matters concerning them. Certainly, under the democratization efforts, the United States supported the work of the CSOs immensely. The increase in development programs in poor countries was also parallel with the democratization trend. In development programs, developed countries found working with NGOs more feasible and effective (Howell and Pearce, 2001). Therefore, the donations transferred through NGOs reached outstanding levels, also resulting in the proliferation of NGOs (Kaldor, 2003). Another factor pushing the emergence of civil society was the improvement in technology. Through the modern technology, people were not only able to be informed about the news all over the world, but also to connect with other citizens from other countries, share information and opinions, and develop stronger partnerships and public opinions on both national and global matters. The connection among CSOs around the world reached to such a point that it is now referred to as the "global civil society". In many countries, NGOs that are not able to influence their governments use the channels in the global Civil Society (CS); reach powerful international NGOs.

Gaining the support of the Civil Society (CS) in today's politics is actually vital for states to prove and further their legitimacy. On the national scale in democratic regimes, this legitimacy is seen as an important factor for winning elections and staying in power. Moreover on the international scale, for any kind of regimes, states strengthen their hand in diplomatic issues if they show that they are supported by the Civil Society Organizations (CSOs) in their countries. All of the above-mentioned factors contribute to the fact that civil society in today's world became a powerful arena in which people engage in activities that can to a certain extent, balance the power of the states and the private sector, and that protect the realization of their rights. That is why; civil society is commonly referred to as the "Third Sector". States in many developed and developing countries therefore now accept CS as an important actor and try to establish the best possible balance between them and the other centers of power. States that consult to and try to negotiate with CSOs have usually better chances of making policies that reflect best the needs of the public.

It is important to note however that CSOs too might have problems in terms of legitimacy. To start with, although CSOs commonly complain about the undemocratic actions of states, many CSOs themselves lack democratic mechanisms in their organizations. The negligence of internal democracy in CSOs usually shows itself by the dominance of the head of the organization and lack of voice and participation of the members. Related to the failure of democracy in CSOs is the problem of representability. Many CSOs are not representing sufficiently the needs of their target groups. These types of groups usually do not consult to and are isolated from their audience (Mendelson, 2002). This is either because they rely solely on their own judgment along with overlooking the opinions of the people in question or they are motivated only by their own interests even if those interests are irrelevant and/or conflicting with the choices of their target groups. Additionally, many CSOs are not transparent in their procedures and this reduces the public's trust towards them. CSOs that are not transparent cannot be accountable at the same time, because they lack "answerability" for their actions among the public (Clark, et al.). The last issue with CSOs to be mentioned here is that most of the CSOs, naturally, deal with a certain problem or group of problems that matter to them. They work for the enhancement of that particular issue and if they are also engaged in advocacy, their demands from the governments are things that concern only their problems. The states however, have to think comprehensively about all the problems that exist for every segment of the public. Since there will always be clashes between the needs of different groups; states, in principle, will consider all of the demands and shape its policies seeking the optimum benefit for the whole country. Therefore, CSOs need to respect the fact that it is not realistic for states to meet all the demands coming from all the CSOs. The issues raised here about CSOs reflect the common complaints that governments have about the CSOs in their countries. However, the fact that these are actual problems does not mean that the CSOs should be overlooked. Rather, states and citizens should create a supportive environment where civil society can improve to have a positive and a productive structure.

Citizen activism in general in the Member Countries is more or less parallel with the average global trend. In areas concerning solidarity, due mostly to the Islamic beliefs and traditions, the CS activism is pretty high. However in human rights issues, the activism is much lower. This is usually attributed to the characteristic of submission commonly valued among Muslims. Participation in CSOs in the Member Countries is quite low. However, the low level of participation does not always mean that there is no CS. Usually in the Member Countries, there are certain social mechanisms, inherently existing in those societies, which compensate for the Western type of CS activities. These are usually mechanisms such as strong family and neighborhood ties, native courts, or the religious ritual zakat.

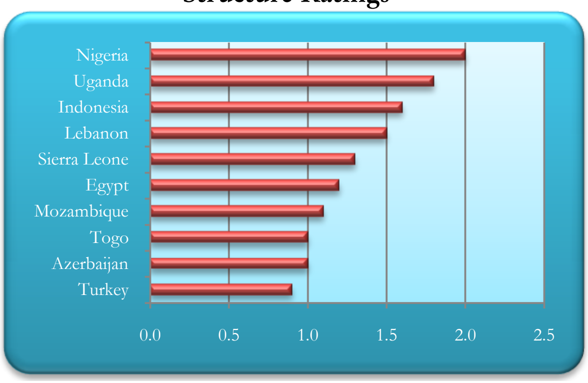
The general issues mentioned in the first part about CS also reflect to a large extent the current problems of the CS in the Member Countries. But more specifically, the most important issues that curtail the improvement of CS in Member Countries are the unsupportive and distrustful attitudes of states, lack of economic resources, and conflicts that exist in many of the Member Countries.

The Index prepared by CIVICUS about the state of CS is carried out in 53 countries around the world. Only 12 of these countries are from among the members of the OIC, and 10 of those have country reports available on the CIVICUS website. The rest of this report aims to present the findings of the Civil Society Index (CSI) relating to the ten Member Countries in the Index that have country reports, namely, Azerbaijan, Egypt, Indonesia, Lebanon, Mozambique, Nigeria, Sierra Leone, Togo, Turkey, and Uganda. CSI is composed of 74 indicators, grouped into about 25[8] sub-dimensions and four main groups of dimensions: structure, environment, values, and impact. The situation of CS in all the countries in CSI is evaluated through those 74 indicators each of which are rated on a scale of one to three, three being the best situation, according to the multi-dimensional research carried out. Structure refers to the actors, their characteristics and relations between the actors involved in CS. Environment deals with the political, socio-economic, and legal atmosphere that affects the CS. The third area is the values that the CSOs believe, adhere to and promote. Finally, the fourth area focuses on the impact that CSOs have on society and the political arena.[9]

### 1. Structure

Structure of CS was assessed through six sub-dimensions, namely, breadth of citizen participation, depth of citizen participation, diversity of CS participants, level of organization, inter-relations within CS, and resources. In this category, among the ten OIC Member Countries, Nigeria, Uganda and Indonesia are the top-rated countries with scores 2, 1.8, and 1.6, respectively. The lowest rated countries for their structure are Turkey with 0.9, Togo and Azerbaijan both with 1.

**Structure Ratings**




Despite a relatively low level of resources (1.3), Nigeria has the highest level of citizen

[8] Number may change slightly depending on the country in question.

[9] The detailed scores for each of them are included in the annex.

participation among all ten countries with a score of 2.8. This is just the opposite for Azerbaijan: the level of resources (1.3) is higher than the breadth of citizen participation (0.4) and the level of organization (0.6), which might mean that citizens are not using their potentials, but also that if CS can be improved, resources will not be a big problem. Togo has the lowest level of resources with a score of 0, one of the main factors why it has the third lowest score for its overall structure. Breadth of citizen participation is the lowest in Azerbaijan and Turkey with 0.4 and 0.5.

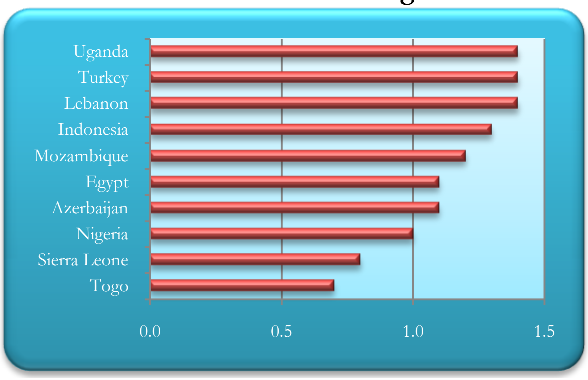
Although it has the least resources, Togo has a high score for its depth of citizen participation (2), only second to the top score of Nigeria which is 2.7. Also, the extent to which the score of the depth of citizen participation is greater than that of the breadth of participation is the highest in Togo. This means that although the score of the breadth of participation in Togo (1.2) is lower than five Member Countries, the quality of the CS seems to be fairly good. In regards to the difference between the depth and the breadth of citizen participation, Uganda stands at the very opposite of Togo with its depth of participation (1.7) being much lower than the breadth of participation (2.6), the latter being actually the second highest score in the list. Indonesia has a similar situation with a high level of citizen participation (2.4) which is not followed up in terms of the depth of participation (1.7). The depth of participation for these two countries are actually at a good level in comparison to the other Member Countries, however when compared to their own levels for the breadth of participation, they are fairly low. Apparently, although there is a high level of involvement with CS in Uganda and Indonesia, much of the activity stays rather shallow.

Diversity of CS participants is another important sub-dimension used in the CSI. For Azerbaijan for example, although its breadth of citizen participation is very low (0.4), the social groups represented among the CSOs are fairly diverse with scores of 2 both among the members and the leaders of the organizations, so that means there is a representative CS and that it is not under the monopoly of a certain group. In Indonesia on the other hand, diversity (1.3) is low in relation to its high level of breadth of citizen participation (2.4). The lowest scores of diversity are in Turkey and Sierra Leone, both being 1.

## 2. Environment

CSI used seven sub-dimensions in the environment category: political context, basic rights and freedoms, socio-economic context, socio-cultural context, legal environment, state-CS relations, and private sector-CS relations. The scores of the Member Countries for the environment of CS do not show a broad variation. Lebanon, Turkey and Uganda have the best scores, all with 1.4 and the lowest scores are in Togo and Sierra Leone with 0.7 and 0.8, respectively.

**Environment Ratings**



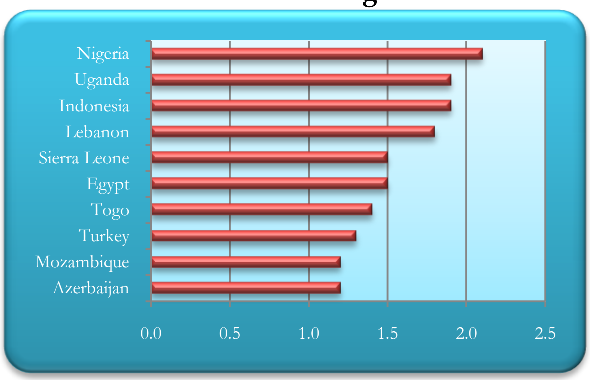

On the average, the sub-dimensions in which the Member Countries are the weakest are political context and CS relations with private sector with none of the countries reaching a score of 2. Socio-cultural context on the other hand is the strongest sub-dimension, for which the average of the countries is 1.5, even though that itself is not satisfactory. Political context is weaker than the socio-cultural context in each of the Member

Countries, with the exception of Lebanon in which too, the scores for the two dimensions are only equal. The fact that socio-cultural context is better than dimensions such as political context and basic rights and freedoms shows that the Member Countries have a potentially vibrant public in terms of civil society, however that states are not willing to let a strong civil society exist. The negative attitude of states is a severe curtailment of the improvement of civil society. Another impediment to the improvement of civil society in Member Countries is the socio-economic conditions. Under this sub-dimension, only Azerbaijan, Lebanon and Turkey have scores of 2 whereas there are three countries (Nigeria, Sierra Leone and Togo) the scores of which are 0. The rest of the countries are rated with 1.

### 3. Values

In terms of the values that dominate the civil society in the Member Countries, CSI assessed the concepts of democracy, transparency, tolerance, non-violence, gender equity, poverty eradication and environmental sustainability. On the average, the only country that received a score over 2 for the values was Nigeria. At the other end of the scale, Azerbaijan and Mozambique had the lowest scores both with 1.2.

**Values Rating**



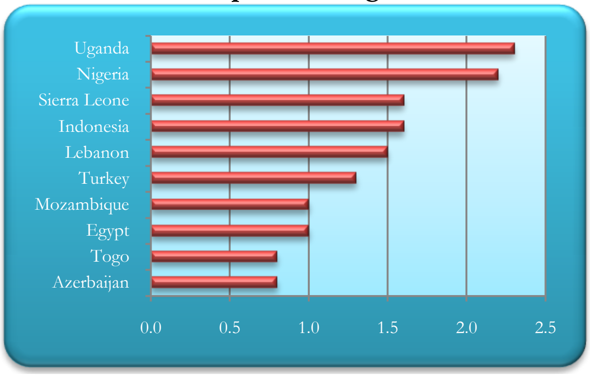

The Member Countries have better scores in poverty eradication, non-violence, and environmental sustainability whereas their weakest dimensions are transparency, democracy, and gender equity. This is a typical picture for developing countries where poverty is naturally always the first priority. Although good governance, usually assessed mainly through transparency and democracy, is one of the main obstacles in eradicating poverty, there is not much action being taken to support it in developing countries. Furthermore, the few activities that are being implemented to support good governance are usually not considering the local values and characteristics but working simply to insert Western values as if they are universally applicable. Hence, CSOs that engage in such activities usually lack local support.

### 4. Impact

The impact that CS has over the society and policies is evaluated through these set of sub-dimensions: influencing policy, holding state and the private sector accountable, responding to social interests, empowering citizens, and meeting societal needs. According to the CSI, the CS in Uganda and Nigeria has the strongest impact among the Member Countries with scores 2.3 and 2.2. The weakest CS in this category is in Azerbaijan and Togo both with 0.8.

On average, the CS in the Member Countries has the most impact in empowering citizens and meeting societal needs. In terms of holding state and the private sector accountable however, the highest score is only 1.5, and that is only in 4 countries; Indonesia, Nigeria, Sierra Leone, and Uganda. In Togo for example, CS impact in empowering citizens is rated with 1.8, third highest rank, whereas it has the lowest scores both for holding the state and the private sector accountable (0) and for influencing policy (0.3). Normally, the accountability of the governments and the ability of the citizens to reach and affect policy mechanisms are seen as vital elements in the empowerment of citizens and in meeting their needs.

**Impact Rating**




The fact that the CS has very weak impact on those elements, but remarkably better impact on empowering the citizens shows either that CSOs are not confident and/or visionary enough to try to communicate with states or that the states in those countries are not in a supportive manner towards CSOs, but despite that, the CS is remarkably active.

## Conclusion

It is difficult to draw conclusions that are comprehensive and reliable on the situation of the CS in Member Countries by only looking at the results of the ten Member Countries in the CSI. This is due to the fact that the countries that are members to the OIC show broad variation in terms of wealth, regimes, cultures, etc. Therefore, a figure that is the same for two countries might easily have completely different connotations. Or else, a figure that is quantitatively low does not directly mean that it is in a bad situation, because there might be other factors that compensate for that figure which are not analyzed in the scope of the CSI.

However, there are some general trends that cover all ten countries in the Index. According to the findings of the CSI, the CS in the Member Countries is at an unsatisfactory stage. On average, the strongest sub-dimension of the CS in Member Countries is the “values” under which indicators such as poverty eradication, environmental sustainability, tolerance and non-violence have the highest scores. The “impact” sub-dimension comes next with indicators such as influencing policy, holding the state and the private sector accountable, empowering citizens, and meeting societal needs. The other two sub-dimensions, “environment” and “structure” have lower scores on average.

The fact that the environment and structure categories have low scores shows that due to the unsupportive circumstances such as statist regimes and poor socio-economic conditions, there is an undeveloped CS in Member Countries. On the one hand, citizens are afraid to get into clashes with their governments while asking for their rights, and on the other hand, due to the poor socio-economic conditions, they do not have the luxury to spend effort on anything other than earning money. In spite of the difficult conditions, the higher scores in the values and impact categories is a sign that there is a potential for better CS among the citizens.

The importance of the civil society in today’s world requires more research to be done in the area in the OIC Member Countries. Much of the academic study carried out in the area misses the native CS traditions and structures giving a misleading picture of the Member Countries. Therefore, objective and comprehensive CS research that is carried out by academicians who have sufficient acquaintance with local structures will likely present a more realistic image of the Member Countries.

## Annex: CIVICUS Civil Society Index Scores for the OIC Member Countries

| CIVICUS-Civil Society Index (Shown below-Only Countries in the Index that are Members of OIC) | | | Azerbaijan | | Egypt | | Indonesia | | Lebanon | | Mozambique | | Nigeria | | Sierra Leone | | Togo | | Turkey | | Uganda | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1) STRUCTURE | Breadth of Citizen Participation | Non-partisan political action | 1 | 0.4 | 1 | 1 | 1 | 2.4 | 1 | 1.6 | 1 | 1.2 | 2 | 2.8 | 1 | 1.8 | 1 | 1.2 | 1 | 0.5 | 1 | 2.6 |
| | | Charitable giving | 1 | | 2 | | 3 | | 2 | | 2 | | 3 | | 2 | | 1 | | 1 | | 3 | |
| | | CSO membership | 0 | | 0 | | 2 | | 1 | | 0 | | 3 | | 2 | | 1 | | 0 | | 3 | |
| | | Volunteer work | 0 | | 1 | | 3 | | 2 | | 2 | | 3 | | 1 | | 1 | | 0 | | 3 | |
| | | Community action | 0 | | 1 | | 3 | | 2 | | 1 | | 3 | | 3 | | 2 | | 2 | | 3 | |
| | Depth of Citizen Participation | Charitable Giving | 1 | 1 | 1 | 1 | 1 | 1.7 | 1 | 1.3 | 1 | 1.2 | 3 | 2.7 | 0 | 1.3 | ... | 2 | 0 | 0.7 | 0 | 1.7 |
| | | Volunteering | 2 | | 1 | | 2 | | 2 | | 2.5 | | 3 | | 3 | | ... | | 2 | | 3 | |
| | | CSO membership | 0 | | ... | | 2 | | 1 | | 0 | | 2 | | 1 | | 2 | | 0 | | 2 | |
| | Diversity of Civil Society Participants | Representation of social groups among CSO members | 2 | 1.7 | 2 | 1.3 | 2 | 1.3 | 2 | 2 | 1 | 1.3 | 2 | 2 | 1 | 1 | 2 | 1.3 | 1 | 1 | 2 | 2 |
| | | Representation of social groups among CSO leadership | 2 | | 1 | | 1 | | 2 | | 1 | | 2 | | 1 | | 1 | | 1 | | 1 | |
| | | Distribution of CSOs around the country | 1 | | 1 | | 1 | | 2 | | 2 | | 2 | | 1 | | 1 | | 1 | | 3 | |
| | Level of Organisation | Existence of umbrella bodies | 0 | 0.6 | 1 | 1.4 | 1 | 1.4 | 1 | 1.4 | 0 | 0.6 | 2 | 1.4 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1.6 |
| | | Effectiveness of umbrella bodies | 1 | | 2 | | 2 | | 2 | | 2 | | 2 | | 1 | | 2 | | 1 | | 2 | |
| | | Self-regulation within CS | 1 | | 2 | | 2 | | 1 | | 1 | | 1 | | 1 | | 1 | | 1 | | 2 | |
| | | Support infrastructure | 1 | | 1 | | 1 | | 1 | | 0 | | 1 | | 1 | | 1 | | 1 | | 1 | |
| | | International linkages | 0 | | 1 | | 1 | | 2 | | 0 | | 1 | | 1 | | 0 | | 1 | | 1 | |
| | Inter-Relations within CS | Communication between CSOs | 1 | 1 | 1 | 1.5 | 2 | 2 | 1 | 1.5 | 2 | 1.5 | 1 | 1.5 | 1 | 1.5 | 0 | 0.5 | 1 | 1 | 1 | 1.5 |
| | | Cooperation between CSOs | 1 | | 2 | | 2 | | 2 | | 1 | | 2 | | 2 | | 1 | | 1 | | 2 | |
| | Resources | Financial resources | 1 | 1.3 | 1 | 1 | 1 | 1 | 1 | 1.3 | 0.5 | 0.7 | 1 | 1.3 | 1 | 1 | 0 | 0 | 1 | 1 | 2 | 1.5 |
| | | Human resources | 2 | | 1 | | 2 | | 2 | | 0.5 | | 2 | | 1 | | 0 | | 1 | | 1 | |
| | | Technical and infrastructural resources | 1 | | 1 | | 1 | | 2 | | 1 | | 1 | | 1 | | 0 | | 1 | | | |
| 2) ENVIRONMENT | Political Context | Political Rights | 1 | 0.7 | 1 | 1.2 | 2 | 1.2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0.7 | 1 | 0.7 | 1 | 1 | 1 | 1 |
| | | Political competition | 1 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 1 | | 2 | | 2 | |
| | | Rule of law | 1 | | 1 | | 0 | | 1 | | 1 | | 1 | | 1 | | 1 | | 1 | | 1 | |
| | | Corruption | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | | 0 | | 1 | | 1 | | 0 | |
| | | State effectiveness | 1 | | 1 | | 1 | | 1 | | 1 | | 1 | | 0 | | 0 | | 1 | | 1 | |
| | | Decentralization | 0 | | 1 | | 2 | | 1 | | 1 | | 1 | | 0 | | 0 | | 0 | | 1 | |
| | Basic Rights and Freedoms | Civil liberties | 1 | 1 | 1 | 0.7 | 2 | 1.3 | 1 | 1.7 | 1 | 1.7 | 1 | 1 | 1 | 0.7 | 1 | 1 | 1 | 1.3 | 1 | 1.3 |
| | | Information rights | 1 | | 0 | | 1 | | 2 | | 2 | | 1 | | 0 | | 1 | | 1 | | 2 | |
| | | Press Freedom | 1 | | 1 | | 1 | | 2 | | 2 | | 1 | | 1 | | 1 | | 2 | | 1 | |
| | Socio-Economic Context | Socio-economic context | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 1 | 1 |
| | Socio-Cultural Context | Trust | 1 | 1.3 | 1 | 1.3 | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 1.7 | 1 | 1.7 | 1 | 1 | 1 | 1.7 | 2 | 1.7 |
| | | Tolerance | 2 | | 2 | | 1 | | 1 | | 2 | | 1 | | 2 | | 1 | | 1 | | 2 | |
| | | Public spiritedness | 1 | | 1 | | 3 | | 1 | | 2 | | 2 | | 2 | | 1 | | 3 | | 1 | |
| | Legal Environment | CSO registration | 1 | 0.5 | 1 | 1.3 | 2 | 1.5 | 2 | 1.5 | 1 | 1 | 1 | 1.3 | 1 | 1 | 1 | 1 | 2 | 1.5 | 1 | 1.3 |
| | | Allowable advocacy activities / Freedom of CSOs to criticise the government* | 1 | | 1 | | 2 | | 2 | | 1 | | 1 | | 2 | | 1 | | 2 | | 2 | |
| | | Tax laws favourable to CSOs / Tax Exemption | 0 | | 2 | | 1 | | 1 | | 1 | | 3 | | 1 | | 1 | | 1 | | 1 | |
| | | Tax benefits for philanthropy | 0 | | ... | | 1 | | 1 | | 1 | | 0 | | 0 | | 1 | | 1 | | 1 | |
| | State – CS relations | Autonomy of CSOs | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 1.7 | 1 | 0.7 | 2 | 1.3 | 2 | 1 | 1 | 0.7 | 1 | 1 | 2 | 1.7 |
| | | Dialogue | 1 | | 1 | | 1 | | 1 | | 1 | | 2 | | 1 | | 1 | | 1 | | 1 | |
| | | Co-operation/Support (from the state) | 1 | | 1 | | 0 | | 2 | | 0 | | 0 | | 0 | | 0 | | 1 | | 2 | |
| | Private sector – CS relations | Private sector attitude to Civil Society | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0.8 | 1 | 0.7 | 1 | 0.3 | 1 | 0.7 | 1 | 1 | 2 | 1.7 |
| | | Corporate social responsibility | 1 | | 1 | | 1 | | 1 | | 0.5 | | 1 | | 0 | | 0 | | 1 | | 1 | |
| | | Corporate philanthropy | 1 | | ... | | 1 | | 1 | | 0 | | 0 | | 0 | | 1 | | 1 | | 2 | |

| CIVICUS-Civil Society Index (cont'd) | | | Azerbaijan | | Egypt | | Indonesia | | Lebanon | | Mozambique | | Nigeria | | Sierra Leone | | Togo | | Turkey | | Uganda | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3) VALUES | Democracy | Democratic practices within CSOs | 1 | 1 | 1 | 1 | 2 | 2 | 1 | 1.5 | 1 | 1 | 2 | 2 | 2 | 2 | 0 | 0.5 | 1 | 1 | 1 | 1.5 |
| | | Civil society actions to promote democracy | 1 | | 1 | | 2 | | 2 | | 1 | | 2 | | 2 | | 1 | | 1 | | 2 | |
| | Transparency | Corruption/democratic practices within civil society | 1 | 1 | 2 | 1.3 | 1 | 1.3 | 1 | 1.3 | 1 | 0.7 | 2 | 1.7 | 2 | 1.3 | 1 | 1 | 2 | 1.3 | 2 | 1.7 |
| | | Financial transparency of CSOs | 1 | | 1 | | 1 | | 1 | | 0.5 | | 1 | | 1 | | 1 | | 1 | | 1 | |
| | | CSOs actions to promote transparency | 1 | | 1 | | 2 | | 2 | | 0.5 | | 2 | | 1 | | 1 | | 1 | | 2 | |
| | Tolerance | Tolerance within the CS arena | 2 | 1.5 | 2 | 1.5 | 2 | 2 | 2 | 2 | 2 | 1.5 | 2 | 2 | 1 | 1 | 1 | 1.5 | 1 | 1 | 2 | 1.5 |
| | | CS actions to promote tolerance | 1 | | 1 | | 2 | | 2 | | 1 | | 2 | | 1 | | 2 | | 1 | | 1 | |
| | Non-violence | Non-violence within the CS arena | 2 | 1.5 | 3 | 2.5 | 2 | 2 | 2 | 2 | 2 | 1.5 | 2 | 2 | 2 | 2 | 2 | 1.5 | 2 | 1.5 | 2 | 2 |
| | | CS actions to promote non-violence | 1 | | 2 | | 2 | | 2 | | 1 | | 2 | | 2 | | 1 | | 1 | | 2 | |
| | Gender Equity | Gender equity within the CS arena | 2 | 1.7 | 1 | 1.5 | 2 | 1.7 | 2 | 1.7 | 2 | 0.7 | 2 | 1.7 | 1 | 1.3 | 1 | 1 | 1 | 1.5 | 2 | 1.7 |
| | | Gender equitable practices within CSOs | 2 | | ... | | 1 | | 1 | | 1 | | 1 | | 1 | | ... | | ... | | 1 | |
| | | CS actions to promote gender equity | 1 | | 2 | | 2 | | 2 | | 1 | | 2 | | 2 | | 1 | | 2 | | 2 | |
| | Poverty Eradication | CS actions to eradicate poverty | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 2 | 2 | 1 | 1 | 3 | 3 |
| | Environmental Sustainability | CS actions to sustain the environment | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| 4) IMPACT | Influencing Policy | Social Policy Impact | ... | 1 | 0 | 0.3 | 2 | 1.7 | 2 | 1.3 | 2 | 1.2 | 3 | 2.7 | 2 | 1.3 | 0 | 0.3 | 1 | 1.3 | 2 | 2 |
| | | Social Policy Impact Case Study | 1 | | | | | | | | | | | | | | | | | | | |
| | | Civil Society's Impact On the National Budget Process Case Study | 1 | | | | | | | | | | | | | | | | | | | |
| | | Human Rights Impact Case Study | 1 | | 1 | | 2 | | 1 | | 1 | | 3 | | 1 | | 1 | | 2 | | 2 | |
| | | Impact on national budget process | ... | | 0 | | 1 | | 1 | | 0.5 | | 2 | | 1 | | 0 | | 1 | | 2 | |
| | Holding the State & Private Sector Accountable | Holding the state accountable | 1 | 0.5 | 1 | 1 | 2 | 1.5 | 1 | 1 | 1 | 0.5 | 2 | 1.5 | 2 | 1.5 | 0 | 0 | 1 | 1 | 2 | 1.5 |
| | | Holding private corporations accountable | 0 | | 1 | | 1 | | 1 | | 0 | | 1 | | 1 | | 0 | | 1 | | 1 | |
| | Responding to Social Interests | Responsiveness | 1 | 1 | 1 | 1 | 2 | 1.5 | 2 | 1.5 | 1 | 1 | 3 | 2.5 | 1 | 1.5 | 0 | 0.5 | 1 | 1 | | 3 |
| | | Public trust in CSOs | 1 | | 1 | | 1 | | 1 | | 1 | | 2 | | 2 | | 1 | | 1 | | 3 | |
| | Empowering Citizens | Informing/educating citizens | 1 | 0.8 | 1 | 1.7 | 2 | 1.8 | 2 | 2 | 0.5 | 0.8 | 3 | 2.3 | 2 | 1.8 | 1 | 1.8 | 1 | 1.4 | 3 | 2.2 |
| | | Building capacity for collective action | 0 | | 1 | | 2 | | 2 | | 1 | | 2 | | 1 | | 2 | | 1 | | 2 | |
| | | Empowering marginalised / disadvantaged* people | 1 | | 2 | | 2 | | 2 | | 0 | | 3 | | 2 | | 2 | | 2 | | 3 | |
| | | Empowering women | 1 | | 2 | | 2 | | 2 | | 1 | | 2 | | 2 | | 2 | | 2 | | 2 | |
| | | Building social capital | 2 | | 2 | | 2 | | 2 | | 1 | | 2 | | 2 | | ... | | ... | | 1 | |
| | | Supporting livelihoods | 0 | | 2 | | 1 | | 2 | | 1 | | 2 | | 2 | | 2 | | 1 | | 2 | |
| | Meeting Societal Needs | Lobbying for state service provision | 0 | 0.7 | 0 | 1 | 2 | 1.7 | 1 | 1.7 | 2 | 1.3 | 2 | 2 | 2 | 2 | 1 | 1.3 | 2 | 2 | 2 | 2.7 |
| | | Meeting societal needs directly | 1 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 1 | | 2 | | 3 | |
| | | Meeting the needs of marginalised groups | 1 | | 1 | | 1 | | 2 | | 0 | | 2 | | 2 | | 2 | | ... | | 3 | |

**CS:** Civil Society

## References

CIVICUS World Alliance for Citizen Participation, Civil Society Index (CSI), Phase 1. http://www.civicus.org/csi/phase-one

Clark, D., Fox, J., Treakle, K., Eds. (2003) Demanding Accountability, Civil Society Claims and the World Bank Inspection Claims. Oxford: Rowman & Littlefield Publishers.

Howell, J. and Pearce, J. (2001) Chapters 3-, in Civil Society and Development: A Critical Exploration. London: Lynne Rienner.

Kaldor, M. (2003) Chapter 4, 'Social Movements, NGOs and Networks' in Global Civil Society: An Answer to War. Cambridge: Polity Press.

Mendelson, S. E. and Glenn, J. K. (2002) The power and limits of NGOs: a critical look at building democracy in Eastern Europe and Eurasia. New York: Columbia University Press.

# 12th Session of the Islamic Summit Conference

## 16-17 March 2011, Sharm Al Sheikh, Egypt

The 12th Session of the Islamic Summit Conference will be held on 16-17 March 2011 in Sharm Al Sheikh, Arab Republic of Egypt with the participation of the Kings and Heads of States and Governments of the Member Countries of the Organisation of the Islamic Conference (OIC). The Islamic Summit is the supreme policy and decision making authority of the Organization of the Islamic Conference. It convenes once every three years to deliberate, take policy decisions and provide guidance on all issues pertaining to the realization of the objectives of the OIC and consider other issues of concern to the Member States and the Islamic Ummah. The decisions of the Islamic Summit are implemented by the General Secretariat of the OIC and its subsidiary, specialised and affiliated institutions. Since its inception in Rabat, Kingdom of Morocco on 22-25 September 1969, the Islamic Summit Conference has convened eleven times with the last in Dakar, Senegal.

# The State of Poverty in the OIC Member Countries
## 'Progress towards Achieving MDG1 Targets'

*Mazhar Hussain, SESRIC*

## Introduction

Poverty remained a major developmental challenge facing the humanity today and despite all noble efforts, both at national and international levels, majority of the developing countries has not been able to achieve economic growth required to reduce poverty to some acceptable levels. As a group developing countries witnessed a declining trend in poverty both in terms of absolute numbers and relative share in total population. However, despite this remarkable progress, poverty situation remained alarming in some developing regions like Sub Saharan Africa and Asia, which account for nearly half of the total poor living in developing countries. Being a substantial part of the developing world, OIC member countries are not an exception and many member countries are also suffering from higher incidence of poverty and hunger.

Considering the diversified social, economic and geographical background of the OIC Member Countries (as shown in the Table 1); this brief report investigates the state of poverty and prevalence of undernourishment in these countries. In the light of this investigation, the report also analyzes the progress so far made by the member countries towards achieving the MDGs target of eradicating extreme poverty and hunger by 2015.

## Social, Economic and Geographical Background of OIC Member Countries

The current 57 OIC countries are dispersed over a large geographical region spread out on four continents, extending from Albania (Europe) in the North to Mozambique (Africa) in the South, and from Guyana (Latin America) in the West to Indonesia (Asia) in the East. As such, the OIC countries as a group account for one sixth of the world area and more than one fifth of the total world population. The OIC member countries constitute a substantial part of the developing countries, and, being at different levels of economic development, they do not make up a homogenous economic group.

The mixed nature of the group of the OIC countries reflects high levels of heterogeneity and divergence in the economic structure and performance of these countries. Out of the world's 49 least-developed countries, 22 are OIC countries, almost all of which depend for their growth and development on the exports of a few non-oil primary commodities, mostly agricultural commodities. On the other hand, 19 OIC countries are classified as fuel-exporting countries, for which the prospects of growth and the development of their economies are dependant mainly on producing and exporting of only oil and/or gas.

In such a set-up, the gap between the rich and the poor OIC countries is substantial. In this context, 22 OIC member countries are currently classified by the World Bank as Low-income countries and 28 are Middle-income countries (20 lower middle-income and 8 upper middle-income). In contrast, only 7 OIC member countries are classified as high-income countries. Therefore, the total output (income) and trade of the group of the OIC countries are still heavily concentrated in a few of them; in 2009, only 10 countries accounted for 70.9 percent of the total income (GDP) of the OIC countries and 73.5 percent of their total merchandise exports, both measured in current US Dollars.

The picture becomes worse when the external debt situation of the OIC countries is considered, as, by the end of 2007, the total external debt of these countries amounted to $836 billion. In this context, and according to the recent World Bank classification by their level of indebtedness, 22 OIC member countries are considered as Heavily Indebted Poor Countries (HIPCs), potentially eligible to receive debt relief.

As a group, the OIC countries are well-endowed with potential economic resources in different fields and sectors such as agriculture and arable land, energy and mining, human resources, and they form a large strategic trade region. Yet, this inherent potential does not manifest itself in the form of reasonable levels of economic and human development in many OIC countries and in the OIC countries as a group. In 2009, with 22.5 percent of the world total population, the 57 OIC member countries accounted for only 7.2 percent of the world total output (GDP) and 10.4 percent of world total merchandise exports, both measured in current US Dollars.

In spite of the fact that OIC countries have great agriculture potential, many low income member countries are also food deficient and rely heavily on food aid and imports to meet their local demands. According to the FAO (2010), globally 77 countries are listed as Low Income Food Deficit Countries (LIFDC). There are 35 OIC member countries included in this list, out of which 21 are from Sub-Saharan Africa, 5 from Europe & Central Asia, 5 from Middle East & North Africa, 3 from South Asia and 1 from East Asia & Pacific region. Most of the LIFDCs are characterized by low income level, conflicts, political instability and high prevalence of undernourishment. Hence, they are unable to produce sufficient food to meet their domestic demands while due to lack of resources can't import it as well. As a result, they rely heavily on the UN food aid program to ensure food supplies for a large number of people.

With respect to their achievements in the area of human development, OIC member countries are placed at all 3 levels of human development: High, Medium and Low.  According to the UN Human Development report (2009), 13 OIC member countries are placed in high/very high human development category .These countries include: Brunei, Kuwait, Bahrain, Qatar, United Arab Emirates, Bahrain, Libya, Oman, Saudi Arabia, Turkey and Malaysia. Most of these countries have abundant natural resources, such as oil and gas which enabled them to invest heavily in the social sector, and thus raise the quality of life of their populations. On the other hand, 28 member countries are placed in medium human development category. This group comprises of member countries like Azerbaijan, Jordan, Iran, Pakistan, Tunisia, Algeria, Indonesia, Egypt and Morocco. Rest of the OIC member countries are placed in low human development category. Out of total 16 countries in this category, 14 belong to the Sub Saharan Africa region. These countries are generally characterized by poor economies, low per capita income, high population growth, heavy debt burden and large scale prevalence of hunger and poverty.

## Table 1: Social & Economic Classification of OIC Member Countries

| Country/Group | Income Group[1] | Least Developed Countries (LDCs)[2] | Low Income Food Deficit Countries (LIFDCs)[3] | Highly Indebted Poor Countries (HIPCs)[4] | Human Development Category[5] |
|---|---|---|---|---|---|
| **Afghanistan** | Low | X | X | X | Low |
| **Albania** | Lower Middle | | | | High |
| **Algeria** | Upper Middle | | | | Medium |
| **Azerbaijan** | Lower Middle | | X | | Medium |
| **Bahrain** | High | | | | High |
| **Bangladesh** | Low | X | X | | Medium |
| **Benin** | Low | X | X | X | Low |
| **Brunei** | High | | | | Very High |
| **Burkina Faso** | Low | X | X | X | Low |
| **Cameroon** | Lower Middle | | X | X | Medium |
| **Chad** | Low | X | X | X | Low |
| **Comoros** | Low | X | X | X | Medium |
| **Cote d'Ivoire** | Lower Middle | | X | X | Low |
| **Djibouti** | Lower Middle | X | X | | Medium |
| **Egypt** | Lower Middle | | X | | Medium |
| **Gabon** | Upper Middle | | | | Medium |
| **Gambia** | Low | X | X | X | Low |
| **Guinea** | Low | X | X | X | Low |
| **Guinea-Bissau** | Low | X | X | X | Low |
| **Guyana** | Lower Middle | | | X | Medium |
| **Indonesia** | Lower Middle | | | | High |
| **Iran** | Lower Middle | | | | Medium |
| **Iraq** | Lower Middle | | X | | Medium |
| **Jordan** | Lower Middle | | | | Low |
| **Kazakhstan** | Upper Middle | | | | High |
| **Kuwait** | High | | | | Very High |
| **Kyrgyzstan** | Low | | X | X | Medium |
| **Lebanon** | Upper Middle | | | | High |
| **Libya** | Upper Middle | | | | High |
| **Malaysia** | Upper Middle | | | | High |
| **Maldives** | Lower Middle | X | | | Medium |
| **Mali** | Low | X | X | X | Low |
| **Mauritania** | Low | X | X | X | Medium |
| **Morocco** | Lower Middle | | X | | Medium |
| **Mozambique** | Low | X | X | X | Low |
| **Niger** | Low | X | X | X | Low |
| **Nigeria** | Lower Middle | | X | | Medium |
| **Oman** | High | | | | High |
| **Pakistan** | Lower Middle | | X | | Medium |
| **Palestine** | Lower Middle | | | | Medium |
| **Qatar** | High | | | | Very High |
| **Saudi Arabia** | High | | | | High |
| **Senegal** | Low | X | X | X | Low |
| **Sierra Leone** | Low | X | X | X | Low |
| **Somalia** | Low | X | X | X | Low |
| **Sudan** | Lower Middle | X | X | X | Medium |
| **Suriname** | Upper Middle | | | | Medium |
| **Syria** | Lower Middle | | X | | Medium |
| **Tajikistan** | Low | | X | | Medium |
| **Togo** | Low | X | X | X | Low |
| **Tunisia** | Lower Middle | | | | Medium |
| **Turkey** | Upper Middle | | | | High |
| **Turkmenistan** | Lower Middle | | X | | Medium |
| **Uganda** | Low | X | X | X | Medium |
| **UAE** | High | | | | Very High |
| **Uzbekistan** | Low | | X | | Medium |
| **Yemen** | Low | X | X | | Medium |

*Source: World Bank[1,4], UNCTAD[2], FAO[3] and UNDP[5]*

## I-State of Poverty

### i) Income Poverty

Over the last two decades, there has been great progress in poverty reduction. Robust economic growth, technological advances and globalization of trade and finance played a pivotal role to improve the living standards across the globe especially in the developing countries. As a result, the total number of people living in extreme poverty[10] has fallen from 1.81 billion in 1990 to 1.37 billion in 2005. Meanwhile, as shown in the Figure 1, the proportion of developing countries' total population living below international poverty line has declined from 45.7% in 1990 to 26.6% in 2005. At the regional level, however, progress in poverty reduction remained uneven and while some regions managed to decrease poverty others witnessed increasing trends. Among the regions, total number of poor is greatest in South Asia, while the proportion of poor in total population is highest in Sub-Saharan Africa.

In 1990, as shown in the Figure 1, over 50% of the total population was living below the poverty line in three regions namely: Sub Saharan Africa, South Asia and East Asia & Pacific. Among these regions, Asia & Pacific emerged as the star performer in combating poverty. Over the years, decrease in poverty has been much faster in this region and share of poor in total population has witnessed steep decline from 54.7% in 1990 to 16.8% in 2005, corresponding to a decline of 38 percentage points. Currently, 23% of developing countries total poor are living in this region.

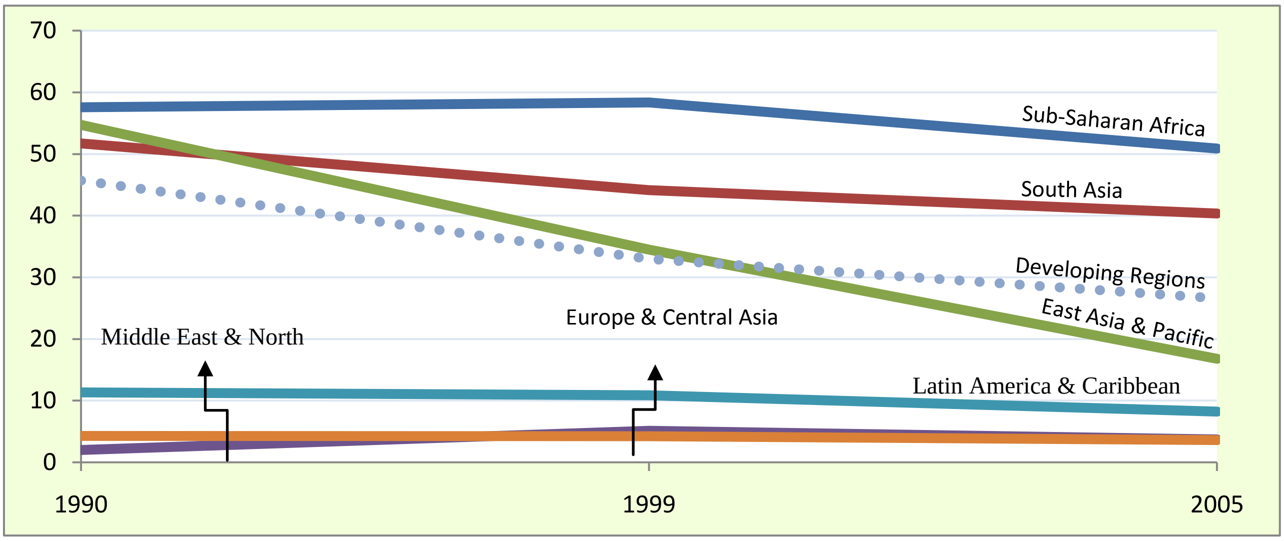
Poverty has also registered downward trend in the South Asian region but less than the East Asia & Pacific. The share of people in total population living below $ 1.25 has declined from 51.7% in 1990 to 40.3% in 2005. However, absolute number of total poor has continued to increase from 579 million in 1990 to 596 million in 2005. Currently, over 43% of total poor in developing countries are living in this region.

Sub Saharan Africa, however, continued to suffer from higher incidence of extreme poverty. And despite registering 8 percentages point decline in poverty rate during 1990-2005, over 50% of total population of this region has continued living below poverty line. On the other hand, in absolute terms, nearly one million more people fell into poverty trap as total number of poor increased from 298 million in 1990 to 388 million in 2005. Currently, over 28 % of developing countries total poor are living in this region.

In Latin America & Caribbean, poverty rate has declined from 11.3% in 1990 to 8.2% in 2005. Around 3% of developing countries' total poor are living in this region. On the other hand poverty rate has witnessed an increasing trend in Europe & Central Asia region as it increased from 2.0% in 1990 to 3.7% in 2005. In absolute terms total number of poor also increased from 9.1 million in 1990 to 17.3 million in 2005. Among the developing regions, poverty remained lowest in Middle East & North Africa where share of poor in total population declined from 4.3% in 1990 to 3.6% in 2005. Currently, 1% of developing countries poor are living in this region.

[10] defined as living on less than $1.25 per day at 2005 prices, adjusted to account for the most recent differences in purchasing power across countries

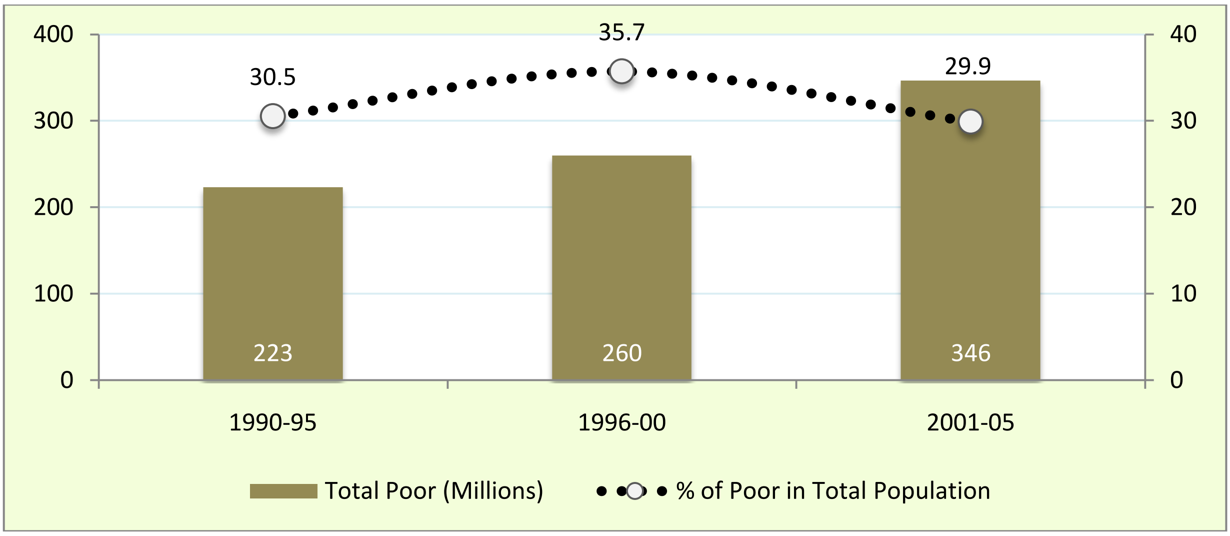
*Figure 1: Income Poverty in Developing World (%)*




*Source: UN MDGs Database & World Bank*

Poverty remained one of the most challenging problems for the OIC member countries. And despite all efforts, total number of poor has increased while the proportion of total population below the poverty line remained stable around 30% during 1990-2005. In the OIC member countries total number of poor has increased from 223 million in 1990 to 346 million in 2005 (Figure 2), corresponding to an increase of over 55% . Furthermore, share of developing countries' total poor living in the OIC member states has also doubled from 12 % in 1990 to 25% in 2005.

*Figure 2: Income Poverty in the OIC Member Countries*




*Source: UN MDGs Database*

During the period 1990-2005, poverty situation has worsened across the OIC regions except Asia. As shown in the Figure 3, all OIC regional groups experienced increase in poverty both in terms of absolute numbers and share in total population. Both in terms of absolute numbers and relative share in total population, poverty remained highest in Sub Saharan Africa during 2001-05.

In East Asia & Pacific (EAP), during 2001-05 over 46 million people are living below the poverty line which represents 19% of total population of this region. Majority of these poor are living in Indonesia, one of the most populous members of the OIC group. Due to unavailability of data for Indonesia poverty rate seems very low in this region during 1990-2000.

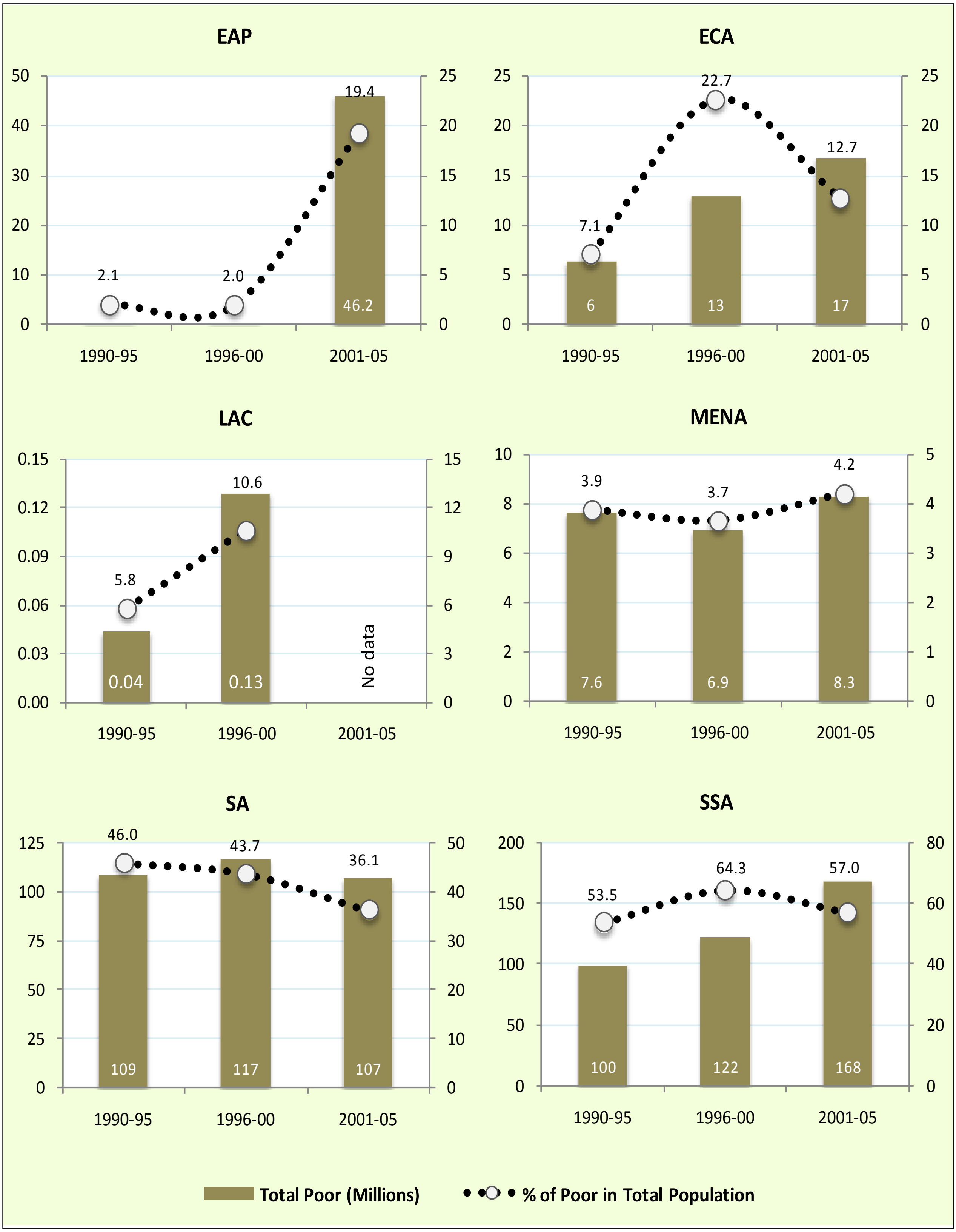
In Europe & Central Asia (ECA), poverty has shown an increasing trend both in absolute numbers and relative share in total population. The share of total population living below the poverty line has increased from 7.1% in 1990 to 12.7% in 2005 while total number of poor also increased from 6 million in 1990-95 to 17 million in 2001-05. Currently this region accounts for 5% of total poor living in the OIC countries. Among the member countries for which data is available in this region, incidence of poverty is highest in Uzbekistan, 46%, Kirgizstan, 21.8%, and Tajikistan, 21.5% while poverty rate ranges between 2-3% for other member countries in this region.

In Middle East & North Africa (MENA), poverty rate remained below 5% while total number of poor witnessed slight increase from 7.6 million in 1990-95 to 8.3 million in 2001-05. Over all, MENA region accounted for around 2.4% of total poor living in the OIC region. At the individual country level, Yemen and Morocco witnessed an increase in poverty as their poverty rate increased from 4.5% in 1990-95 to 17.5% and 2.5% in 1990-95 to 6.3% in 2001-05 respectively. For the rest of member countries with data, poverty rate is around 2%.

South Asia (SA) is one of the poorest regions of OIC group. Over the years, poverty remained very high both in terms of total number of poor and share of poor in total population. As shown in the Figure3, share of poor in total population fell from 46% in 1990-95 to 36% 2001-05 while total number of poor declined from 1009 million to 107 million. Currently, 31 % of total poor in OIC member countries are living in this region. At the individual country level, in Bangladesh and Pakistan 50% and 23% of total population is living below the poverty line.

Nearly half of the OIC member countries' total poor are currently living in member countries located in Sub Saharan Africa region. Over the years, poverty has registered an increasing trend in this region and share of people living below poverty has climbed up from 53.5% in 1990-95 to 57 % in 2001-05. While during the same period, total number of poor also increased from 100 million to 168 million. At the individual country level, incidence of poverty ranges between 50 to 70% in eight countries, 45 to 49% for three countries, 30 to 35% for three countries and 17 to 25% for two countries. Only Gabon has single digit poverty rate of 4.8% among the member countries for which data are available in this region.

*Figure 3: State of Poverty in OIC Regions*




*Source: UN MDGs Database*

**ii) Human Poverty**

The traditional measures of poverty are mostly based on the concept of income poverty and people living below a certain level of income i.e. poverty line are considered as poor. However, poverty is not just lack of financial means instead it's a multi dimensional problem which affects all aspects of human life. Poor also experience lack of choices and opportunities to live a healthy life, get good education, live with dignity and self respect and participate actively in their communities.

Therefore, to capture these non-financial aspects of the poverty, UNDP developed Human Poverty Index (HPI) in 1997. Currently, there are two Human Poverty Indices i.e. HPI-1 for the developing countries and HPI-2 for the emerging and developed countries. The HPI-1 measures the proportion of population affected by the deprivation in survival (probability of dying before 40), deprivation in knowledge (percentage of adults who are illiterate) and deprivation in economic provisioning (percentage of people without access to health services and safe water as well as the percentage of underweight children below five years). While HPI-2 also which also measures the social exclusion dimension of the poverty.

The value of HPI-1 indicates the proportion of the population affected by key deprivations related to survival, education and work. Thus showing how deep rooted poverty is in a society. This approach helps policy makers to find out exact cause of poverty and formulate more effective policies to reduce the poverty to an acceptable level. The HPI-1 value ranges between 1 to 100 and countries scoring less than 10 points on HPI belong to the low human poverty category while those scoring more than 30 points belong to the high human poverty category. In UNDP Human Development Report (2009), HPI-1 value has been recorded for over hundred and fifty developing countries.

HPI-1 for the OIC member countries is 25% which shows that a quarter of OIC total population is suffering from human poverty. In the OIC group, the HPI-1 value varies from 4% in Albania to 59.8% in Afghanistan. Among the OIC member countries, 22 members with HPI-1 value above 30% are placed in the high human poverty category, 20 member countries with HPI-1 value over 10% and below 30% are placed in the medium human poverty category and 12 member countries with HPI-1 value less than 10% are placed into low human poverty category. As shown in the Figure 4a, 9 out of 10 member countries with high level of human poverty belongs to the SSA region while 5 out of 10 member countries with lowest human poverty belongs to the MENA region.

Among the OIC regional groups, SSA region is experiencing highest prevalence of human poverty as on average 39.3% of its total population is suffering from deprivation in one or all aspects of human poverty. In SSA, country wide HPI-1 varies from 17.5% in Gabon to 55.8% in Niger. While in general, majority of the member countries in this region (i.e. 17 countries with HPI-1 above 30%) belong to high human poverty category and four countries (with HPI-1 below 30% and above 10%) belong to medium human poverty category. Currently, five of the six OIC member countries where HPI-1 exceeds from 50% are located in this region. These countries are: Niger, Mali, Chad, Burkina Faso, Guinea and Sierra Leone.

In SA, on average 36.5% of total population is suffering from human poverty. In this region, HPI-1 varies from 16.5% in Maldives to 59.8% in Afghanistan. In general, Afghanistan, Bangladesh and Pakistan are suffering from high incidence of human poverty while Maldives belongs to the medium category.

The HPI-1 for MENA region is 14.7% while at the individual country level; it varies from 5% in

Qatar to 35.7% in Yemen. In general, two countries namely: Morocco and Yemen (with HPI-1 over 30%) are suffering from high prevalence of human poverty, nine countries namely: Algeria, Egypt, Iran, Iraq, Libya, Oman, Saudi Arabia, Syria and Tunisia are facing medium situation of human poverty and six member countries namely: Bahrain, Jordan, Lebanon, Palestine, Qatar and United Arab Emirates are placed in low category of human poverty.

For EAP, HPI-1 value is 11.6% which shows lower middle level of human poverty in this region. At the individual country level, Indonesia with HPI-1 value of 17% is facing medium level of human poverty while in Malaysia only 6.1 % of total population is facing human poverty problem. In LAC region, prevalence of human poverty is around 10% and a similar trend can be seen at the individual country level where HPI-1 value for Guyana and Suriname is 10.2% and 10.1% respectively.

ECA region recorded lowest HPI-1 value i.e. 9.3% among OIC regional groups. HPI-1 value below 10% shows low level of human poverty in this region. At the individual country level, only two countries namely: Azerbaijan and Tajikistan has HPI-1 value above 10%. While, for the rest of five member countries namely: Albania, Kazakhstan, Kyrgyzstan and Turkey; HPI-1 value is less than 10% which put these countries in to low category of human poverty.

*Figure 4a: Member Countries with Highest and Lowest HPI-1*

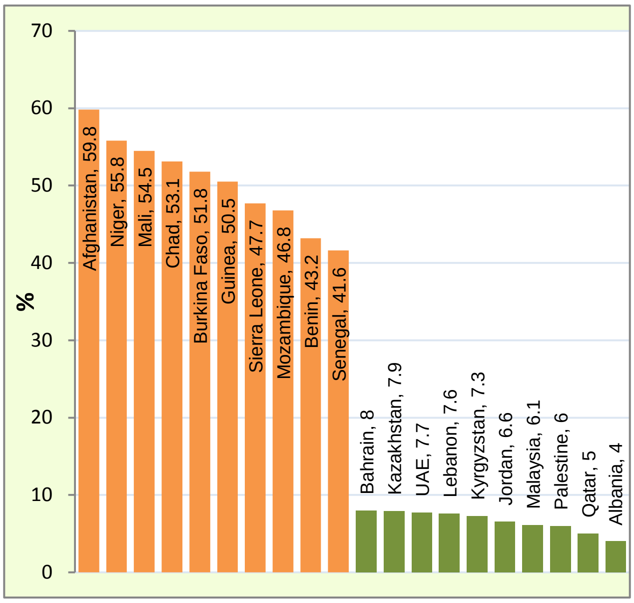
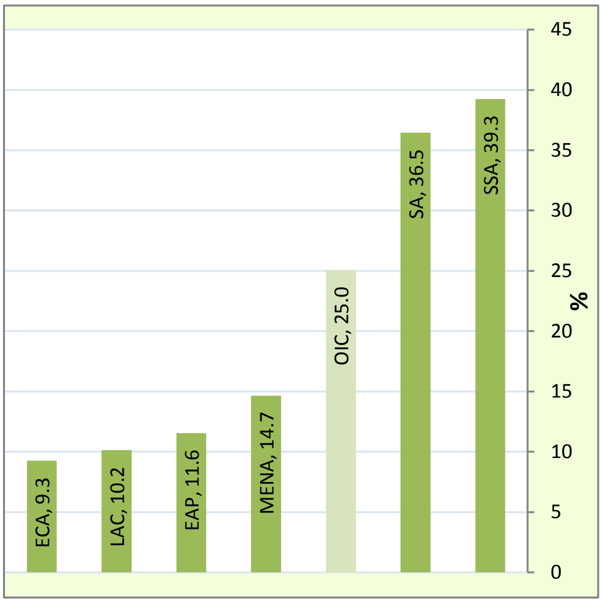



*Figure 4b: Human Poverty in OIC Regions*




*Source: UNDP, Human Development Report 2009.*

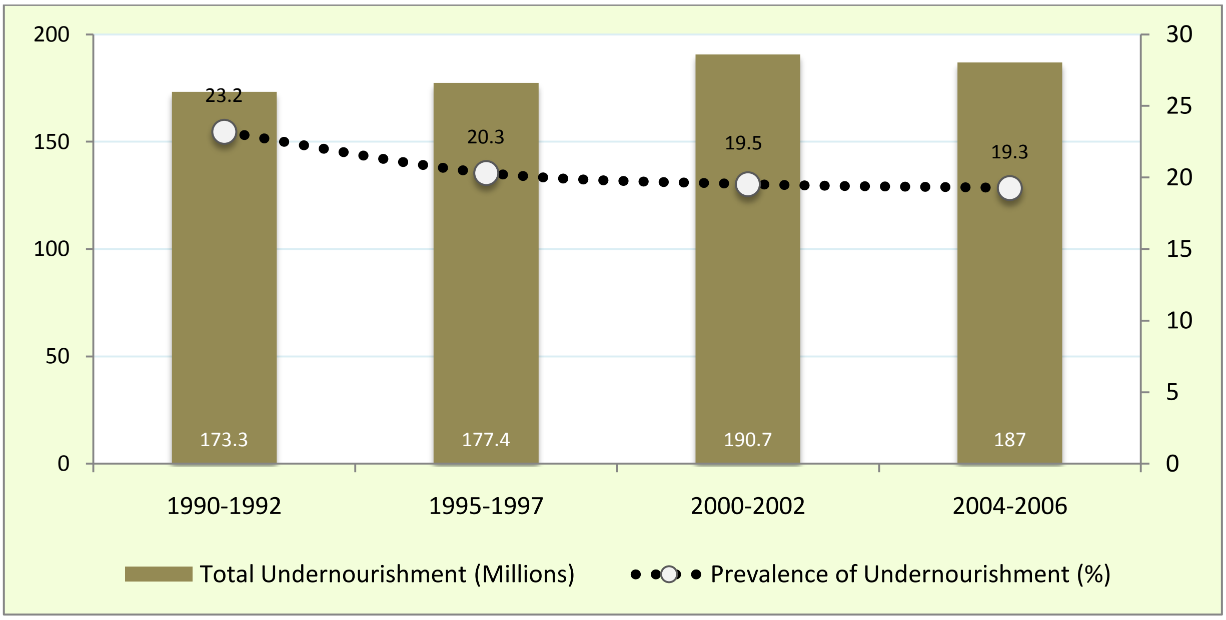
## II-Hunger and Food Insecurity

Hunger is usually caused by the poverty as poor people don't have means to access and/or produce amount of food necessary for living an active and healthy life. They become malnourished and sick which further decrease their chances to get work. Consequently, they become poorer and hungrier. This vicious cycle continues generations after generations and today, according to the UN estimates, about 25000 people die every day due to hunger or hunger related causes.

Food insecurity is on rise across the globe and there are millions of hungry and undernourished people especially in developing countries. According to the FAO's recent report (SOFI 2009), during 2004-06 there were 872.9 million undernourished people[11] in the world compared to 845.3 million in 1990-92. Almost 98 percent of these food insecure hungry people are living in developing countries especially in Sub-Saharan Africa and Asian region.

Over the years, OIC member countries also witnessed an increase in hunger as total number of undernourished people increased from 173 million in 1990-92 to 187 million in 2004-06, however as shown in the Figure 5, undernourishment has declined compared to 2000-02 level (Figure 5). In 2004-06, OIC member countries accounted for 21% of world and 22% of developing countries total undernourished people. During this period, prevalence of undernourishment in OIC member countries has shown a down ward trend and declined from 23% in 1990-92 to 18 % in 2004-06. However, despite this declining trend prevalence of undernourishment in OIC member countries remained higher than the world (13%) and developing countries (18%) during this period.

*Figure 5: Undernourishment in OIC Member Countries*




*Source: FAO Food Insecurity Database*

During 1990-2006, OIC regional groups showed mixed performance in their fight against food insecurity and while some regions managed to contain the hunger others experienced increasing trends both in terms of absolute numbers and relative share in the total population (Figure 6).

[11] Undernourishment refers to the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out a light physical activity with an acceptable minimum body-weight for attained-height.

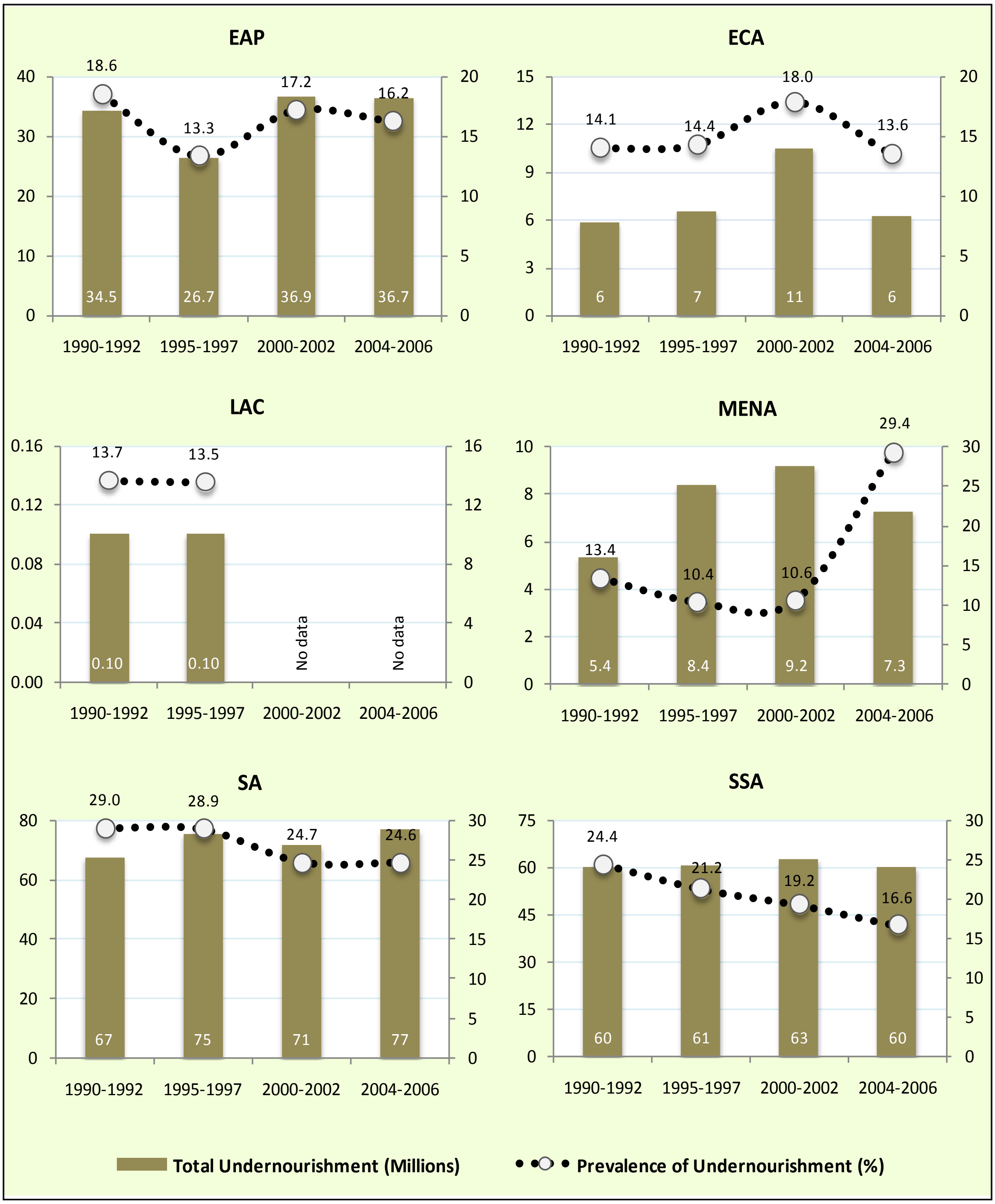
Among the OIC regions, South Asia witnessed the highest increase in hunger as total number of undernourished people has increased from 67.3 million in 1990-92 to 76.7 million in 2004-06, corresponding to an increase of 14%. While during the same period, share of hungry people in total population (prevalence of undernourishment) has declined from 29% to 24.6%. At the individual country level, total undernourishment has increased in all member countries except Bangladesh which registered decrease in prevalence of undernourishment by 10 percentage points, from 36% in 1990-92 to 26.2% in 2004-06.Currently, 41% of OIC total hungry people are living in this region. SSA region witnessed some improvement in food security situation as prevalence of undernourishment has declined from 24.4% to 16.6% between 1990-92 and 2004-06. However, despite this positive trend, total number of hungry people remained unchanged around 60 million during this period. At the individual country level, Djibouti remained the star performer where prevalence of undernourishment declined by 27 percentage points, followed by Mozambique,22 percentage point and Chad,20 percentage point. Among others, Cameroon, Niger and Sudan registered over 10 percentage point decline in prevalence of undernourishment while 12 other countries witnessed 1-9 percentage point decline. On the other hand, during the period in consideration, prevalence of undernourishment has climbed up in three countries lead by Comoros (13 percentage point), Guinea-Bissau (12 percentage point) and Gambia (11 percentage point). Currently, this region accounts for 32% of total hungry people living in the OIC member countries.

Prospects for improvement in food security situation remained bleak in EAP region and total number of undernourished people has increased from 34.5 million in 1990-92 to 36.7 million in 2004-06. Nevertheless, prevalence of undernourishment has declined by 2.3 percentage point, from 18.6% in 1990-92 to 16.2% in 2004-06. Almost all of the hungry people of EAP region are living in Indonesia where despite some improvements in mid nineties; prevalence of undernourishment largely remained unchanged over the years.

Hunger is on rise in MENA region both in terms of absolute numbers and its relative share in total population. Over the years, total number of food insecure people has increased from 5.4 million in 1990-92 to 7.3 million in 2004-06. Meanwhile, share of hungry people in total population also climbed up from 13.4% to 29.4%. Among the countries with data, prevalence of undernourishment remained highest in Yemen (31.8%) and Palestine (15.9%).

Over the years, food security situation remained largely unchanged in ECA region. During 1990-2006, total number of undernourished people increased slightly from 5.9 million to 6.3 million, while the share of hungry people in total population remained stable around 14%. At the individual country level, Azerbaijan registered significant improvement in food security as prevalence of undernourishment has declined from 27.3% in 1990-92 to 10.8 % in 2004-06. Among others, prevalence of undernourishment has declined by 7 percentage point and 2 percentage points in Tajikistan and Turkmenistan respectively. Among the countries with data, only Uzbekistan experienced an increase in hunger as prevalence of undernourishment in this country has climbed up from 4.8% in 1990-92 to 12.8% in 2004-06.

Figure 6: Undernourishment in OIC Regions




*Source: FAO Food Insecurity Database*

## Progress towards Achieving the MDG 1 Targets in OIC Member Countries

In 2000, all UN member countries unanimously passed the Millennium Declaration. In this declaration a set of eight Millennium Development Goals (MDGs) has been adopted with an aim to mobilize global efforts to end poverty by 2015. This initiative provided an opportunity for the developed countries and their institutions to work in partnership with their developing counterparts to help them reduce hunger, poverty, disease, illiteracy, environmental degradation and discrimination against the women. Developing countries incorporated these goals into their long run national development agendas whereas developed countries committed financial and technical resources to help them countries to achieve the targets of MDGs.

Developing world is striving hard to achieve these goals. However, as developing countries has started their journey toward meeting these goals from a wide range of starting positions. Therefore, today they present a mix picture in terms of achievements and gaps. Generally, countries which sustained robust economic growth have made tremendous progress while others suffering from poor economic performance due to various social, economic, political and natural reasons, could not perform well. In addition to this, during this period world economy has also affected by many shocks caused by food, energy, financial and economic crisis. Due to the negative impacts of these shocks, many developing countries which were previously on track to achieve MDGs now seem to be off track. The situation is highly critical especially in Sub Saharan Africa where progress on almost all MDGs remained very poor.

According to the UN recent MDG's report (2010), developing countries as a group are well on track to achieve the targets of first Millennium Development Goal (MDG1) which aims to eradicate extreme poverty and hunger. Two major targets are specified under this goal. The first target is to halve the proportion of people living in extreme poverty (living on less than US$1.25 per day) by the year 2015. Three indicators have been selected to reflect progress in achieving this target. These include prevalence of extreme poverty, the poverty gap ratio and the share of the poorest 20 percent of the population in national consumption (i.e. the share of the poorest quintile). The second target is to halve the proportion of people who suffer from hunger by the year 2015. Two indicators have been selected to monitor progress with respect to this target. These are the prevalence of underweight children under five years of age; and, the proportion of population below minimum level of dietary energy consumption.

Many experts are of the view that progress on MDG1 is pivotal for the attainment of other MDGs as poverty and hunger are the basic cause and effect of lack of education, gender discrimination, ill health and environmental degradation. Therefore, MDG1 targets should be emphasized more to pave the road for achieving the other MDGs. Currently, many developing regions are on track to achieve the target to halve the number of people living below the poverty line and people suffering from food insecurity. As shown in the Table 2, some regional and sub regional groups like East Asia, South eastern Asia and Commonwealth Independent States in Europe (CIS-Europe) have already achieved or are on track to achieve the MDG1 targets by 2015. While others, like Sub Saharan Africa, South Asia and CIS-Asia are lagging behind and are unlikely to reach the targets in time without making some changes in current approach. On the other hand, there is no progress towards achieving the MDG1 targets or the situation is further deteriorating in Western Asia.

*Table 2: Regional Progress towards MDG1 Targets*

| Region/Target | Reduce extreme poverty by half | Reduce hunger by half |
|---|---|---|
| **North Africa** | On track | Off track-Regressing |
| **Sub Saharan Africa** | Off track-Slow | Off track-Slow |
| **East Asia** | Early achiever | On track |
| **South Eastern Asia** | Early achiever | On track |
| **South Asia** | Off track-Slow | Off track-Slow |
| **Western Asia** | Off track-Regressing | Off track-Regressing |
| **Oceania** | Insufficient Information | On track |
| **Latin America & Caribbean** | Off track-Slow | Off track-Slow |
| **CIS -Europe** | Early achiever | Early achiever |
| **CIS -Asia** | Off track-Slow | Off track-Slow |

*Source: UN-DESA Department of Statistics, 2009*

According to the World Bank's World Development Indicators report (2010), at the individual country level, progress towards achieving the MDG1 target has remained uneven across the developing countries. Only 49 countries are on track to cut the extreme poverty by half and achieve the target. Whereas, 38 countries are off track and are unlikely to reach the target. Furthermore, 57 countries out of which 22 are in Sub Saharan Africa, lack sufficient data to measure the progress towards MDG1 targets.

Over the years, OIC member countries made great efforts to improve the living conditions of their people. They incorporated MDGs into their national development agendas and worked in close partnership with international development agencies to achieve the MDGs targets. Improvement in economic activity, increase in capital inflow, globalization of trade and a strong political will has helped many member countries to make significant dent into widespread prevalence of hunger and poverty. Today, many member countries are marching ahead of the MDG1 targets while others are on track to achieve the goal in time.

Despite some country level success stories, OIC member countries as a group are seriously lagging behind to halve the poverty and hunger by 2015 and achieve the MDG1 targets. In some regions like Sub Saharan Africa and South Asia, millions of people are still living in extreme poverty and don't have any opportunity to earn two meals a day. Many member countries in these regions are suffering continuously from natural calamities, conflict, political instability, massive migration and internal displacement. In addition, due to the lack of institutional capabilities many member countries could not collect necessary data to track the progress towards achieving the MDGs.

As shown in the Table 3, OIC member countries present a mix picture in terms of MDG 1achievements and gaps. Some member countries are doing better and are early achievers or are on track to achieve the targets while others are off track or required to make changes in their current approach to reach the targets by 2015.

Currently, 14% of OIC member countries have already achieved the MDG1 targets while 19% of member countries are on track to reach the targets by 2015. Majority of these early achievers and on track countries is located in Middle East & North Africa (8 countries) and Europe & Central Asian (7 countries) regions. While, two member countries from Asia (Malaysia and Maldives) are in early achiever category and two countries from Sub-Saharan Africa (Gabon and Uganda) are on track to reach the target in time.

On the other hand, 23% member countries need to make changes in their current approach to meet the targets while 11% countries are completely off track to achieve the MDG1. Majority of these countries is located in Sub Saharan Africa (9 countries) and in South Asia and MENA (3 countries in each). Nearly, 33% of OIC member countries don't have sufficient information to assess their progress towards achieving MDG 1 targets. Among these countries, 12 are in Sub Saharan Africa while 6 are in MENA region.

In the light of above mentioned facts, it can be concluded that OIC member countries as a group need to work hard to reach the MDG-1 targets. Many countries are in serious need to revise their current approach towards MDGs targets by making necessary changes recommended by the international development agencies. In this regard, it's highly recommended that at intra OIC level, member countries should enhance cooperation both in terms of financial and technical support, to assist those lagging behind. Furthermore, member countries should also help each other by sharing best practices and by providing capacity building services to improve the process of assessment of progress towards achieving the MDGs. There is also need to increase the public awareness about MDGs, encourage the involvement of private sector and NGO's to improve the lives of millions of people suffering from chronic hunger and extreme poverty in the member countries.

*Table 3: OIC Member Countries and MDG1 Targets*

| Country | Status |
|---|---|
| **Afghanistan** | Possible to achieve if some changes are made |
| **Albania** | On track |
| **Algeria** | Insufficient Information |
| **Azerbaijan** | On track |
| **Bahrain** | On track |
| **Bangladesh** | Possible to achieve if some changes are made |
| **Benin** | Off track |
| **Brunei** | Insufficient Information |
| **Burkina Faso** | Insufficient Information |
| **Cameroon** | Insufficient Information |
| **Chad** | Insufficient Information |
| **Comoros** | Insufficient Information |
| **Côte d'Ivoire** | Insufficient Information |
| **Djibouti** | Insufficient Information |
| **Egypt** | On track |
| **Gabon** | On track |
| **Gambia** | Off track |
| **Guinea** | Off track |
| **Guinea-Bissau** | Insufficient Information |
| **Guyana** | Possible to achieve if some changes are made |
| **Indonesia** | Possible to achieve if some changes are made |
| **Iran** | Early achiever |
| **Iraq** | Insufficient Information |
| **Jordan** | Possible to achieve if some changes are made |
| **Kazakhstan** | Early achiever |
| **Kuwait** | Early achiever |
| **Kyrgyzstan** | On track |
| **Lebanon** | Insufficient Information |
| **Libyan** | Possible to achieve if some changes are made |
| **Malaysia** | Early achiever |
| **Maldives** | Early achiever |
| **Mali** | Possible to achieve if some changes are made |
| **Mauritania** | Possible to achieve if some changes are made |
| **Morocco** | Insufficient Information |
| **Mozambique** | Possible to achieve if some changes are made |
| **Niger** | Off track |
| **Nigeria** | Off track |
| **Oman** | Insufficient Information |
| **Pakistan** | Possible to achieve if some changes are made |
| **Palestine** | Insufficient Information |
| **Qatar** | Insufficient Information |
| **Saudi Arabia** | On track |
| **Senegal** | Insufficient Information |
| **Sierra Leone** | Possible to achieve if some changes are made |
| **Somalia** | Insufficient Information |
| **Sudan** | Insufficient Information |
| **Suriname** | Possible to achieve if some changes are made |
| **Syria** | On track |
| **Tajikistan** | On track |
| **Togo** | Insufficient Information |
| **Tunisia** | On track |
| **Turkey** | Early achiever |
| **Turkmenistan** | Early achiever |
| **Uganda** | On track |
| **UAE** | Early achiever |
| **Uzbekistan** | Possible to achieve if some changes are made |
| **Yemen** | Off track |

*Source: UN MDGs Monitor*

# References

1- FAO, State of Food Insecurity (SOFI), 2009

2- UNDP, Human Development Report, 2009

3- UN, Millennium Development Goals Report, 2010

4- *UN MDGs Monitor [http://www.mdgmonitor.org/index.cfm]*

5- World Bank, World Development Indicators (WDI), 2010

# OIC

# NEWS

# 37TH SESSION OF THE OIC COUNCIL OF FOREIGN MINISTERS
# DUSHANBE, THE REPUBLIC OF TAJIKISTAN (MAY 18-20, 2010)
# (SHARED VISION OF A MORE SECURE AND PROSPEROUS ISLAMIC WORLD)

At the kind invitation of the Government of the Republic of Tajikistan, the 37th Session of the Council of Foreign Ministers (Session of Shared Vision of a More Secure and Prosperous Islamic World), held in Dushanbe, Republic of Tajikistan, from 4-6 Jamadul Thani 1431 H (18-20 May 2010). The Meeting was opened with a recitation of verses from the Holy Qur'an, and addressed by H. E. Emomali Rahmon, President of the Republic of Tajikistan. His Excellency Waleed Mo'allem, Minister of Foreign Affairs of the Syrian Arab Republic and Chairman of the 36th CFM delivered a speech in which he highlighted the important activities and developments that took place during the chairmanship of his country.

The Meeting then unanimously elected H.E. Mr. Hamrokhon Zarifi, Minister of Foreign Affairs of Tajikistan, as Chairman of the 37th Session of the Council of Foreign Ministers. It also approved the composition of the Bureau as follows: Republic of Yemen, Republic of Burkina Faso, and the State of Palestine as Vice-Chairs, and Syrian Arab Republic as Rapporteur. The Meeting listened to a welcome address by His Excellency Mr. Zarifi, Foreign Minister of Tajikistan who expressed his gratitude for the election of his country as the Chair of the 37th CFM and reaffirmed his willingness to promote the joint Islamic action and strengthen solidarity and cooperation among the Islamic Ummah.

The Foreign Minister of Senegal delivered a statement on behalf of the Chairman of the OIC Summit. The representatives of the three geographic groups, Libyan Arab Jamahiriya for the Arab Group, Niger for the African Group and Azerbaijan for the Asian Group thanked Tajikistan for hosting the Meeting and its generous hospitality. They also pledged the full cooperation of their respective regional groups with the Chair.

The Council adopted the report of the preparatory Senior Officials Meeting (SOM) for the current session, held in Jeddah from 27-29 Rabi Althani 1431H (12-14 April 2010). It also adopted the Draft Agenda and Work Program submitted to it by the SOM as well as the reports of the Islamic Committee on Economic, Social and Cultural Affairs.

A wide range of issues of interest to Member States were discussed and resolutions were adopted by the Council related to the Cause of Palestine and the Middle East; Political Affairs; Ten-Year Programme of Action; 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.

The Council reviewed the draft resolution on the establishment of the Independent Permanent Commission on Human Right, and taking into account paragraph 13 of the report of the Senior Officials Meeting for the 37th CFM, decided to defer the adoption of the draft resolution on the Commission and to invite the General Secretariat to inform Member States of the outcome of the consultations between the Kingdom of Saudi Arabia and the Islamic Republic of Iran on determining the Headquarters of the Commission within a maximum period of six months from this date, with a view to presenting the draft to the 38th Session of the CFM for appropriate action. The Council also noted with appreciation the establishment of the Department of Family Affairs in the General Secretariat in implementing the relevant resolution of OIC Summit and meetings of Foreign Ministers.

The Council underscored the dangerous implications of Islamophobia and commended the OIC Islamophobia Observatory for its Third Annual Report on Islamophobia and urged the Member States to support the Observatory in its efforts to combat the phenomenon of Islamophobia.

The Council adopted the Strategy proposed by the OIC Group on Human Rights and Humanitarian Affairs in Geneva for broadening support for the OIC sponsored resolution on combating defamation of religions. The CFM thanked the Group for swift action towards evolving a comprehensive strategy and requested the OIC Groups in both Geneva and New York and the Secretary General of the OIC, in consultation with Member States, to take necessary steps, by exploring all procedural as well as substantive options, towards ensuring full implementation of the Strategy.

The Council welcomed the signing of the adopted OIC Charter during the Session by the Republic of Kazakhstan. A Memorandum of Understanding on advancing cooperation and coordination was signed between the OIC and IDB. The Council commended the Government of Tajikistan for organizing special brainstorming session on the theme of “Central Asia and the Muslim World: Strategic Vision for Solidarity”, with active participation of the Member States and adopted a resolution thereon.

The Council took note of the offer made by the Republic of Kazakhstan for convening the 38th Session of the CFM in Astana from 28-30 June 2011. The Council also welcomed the offer made by the Republic of Guinea to host the 40th Session of the CFM in Conakry in 2013.

# THE SECOND MEETING OF THE DEVELOPMENT COOPERATION INSTITUTIONS (DCIs) OF THE OIC MEMBER COUNTRIES

## 3-4 MAY 2010, ABU DHABI, UNITED ARAB EMIRATES

The Second Meeting of the Development Cooperation Institutions (DCIs) of the OIC Member Countries was organised jointly by SESRIC, the Abu Dhabi Fund for Development (ADFD) and the OIC General Secretariat and held in Abu Dhabi, United Arab Emirates, on 3-4 May 2010. The Meeting was attended by 22 representatives of DCIs of 9 OIC Member Countries, namely Egypt, Jordan, Indonesia, Iran, Kuwait, Qatar, Saudi Arabia, Turkey and the United Arab Emirates. The Meeting was also attended by representatives of the OIC General Secretariat, IDB, Arab Monetary Fund and SESRIC.

Following a recitation of verses from the Holy Qur'an, the opening session of the Meeting started with a statement made by Mr. Mohammad Saif Al Suwaidi, Acting Director General of the ADFD. In his statement, Mr. Al Suwaidi welcomed the participating delegations to Abu Dhabi and expressed his wishes for successful deliberations and outcomes of the meeting. In the openning session, Ambassador Hameed A. Opeloyeru, Assistant Secretary General of the OIC, and Dr. Savas Alpay, Director General of the SESRIC, expressed their thanks and appreciation to the People and the Government of the United Arab Emirates for hosting this important meeting and for the warm hospitality and the excellent arrangements made to ensure the success of the meeting.

Following the adoption of the Agenda of the meeting, the working sessions of the meeting started with a session on the activities of the various DCIs of the OIC member countries. In this session the representatives of the following DCIs made presentations on the missions, activities and various programmes of their institutions: Abu Dhabi Fund for Development (ADFD), the Turkish International Cooperation and Development Agency (TIKA), the Organisation for Investment, Economic and Technical Assistance of Iran (OIETAI), the National Development Planning Agency (Bappenas) of Indonesia and the Arab Monetary Fund (AMF).

The meeting proceeded with a session on the potential areas and project proposals for cooperation and coordination among the DCIs of the OIC member countries. In this session, SESRIC made a presentation on the initiative of the OIC Vocational Educational and Training Programme (OIC-VET) in which some project proposals in different areas and fields have been presented with a view to implement them in a partnership with some DCIs within the framework of the OIC-VET Programme. The representative of the National Development Planning Agency (Bappenas) of Indonesia presented the Indonesian National Programme for Community Empowerment (PNPM Mandiri), which aims at eradicating poverty within the Indonesian national development framework. The representative of the Export Development Bank of Iran also made a presentation on the various activities and programmes of this institution.

The meeting also included a session on the cooperation and dialogue with existing development coordination groups and international organisations. In this session the representative of the Abu Dhabi Fund for Development (ADFD) made a presentation on the activities of the Arab Coordination Group (Arab National & Regional Development Institutions) or (Arab Aid), which includes in its membership 8 institutions, 5 of which are multilateral aid institutions as follows: the Islamic Development Bank (IDB), the OPEC Fund for International Development, the Arab Fund for Economic and Social Development (AFESD), the Arab Bank for Economic Development in Africa (ABEDA), the Arab Gulf Programme for United Nations Development Organizations (AGFUND), and 3 bilateral aid institutions as follows: Abu Dhabi Fund for Development (ADFD), the Saudi Fund for Development (SFD), and Kuwait Fund for Arab Development (KFD).

During the session on the theme “enhancing the visibility of the development assistance of the DCIs of the OIC member countries”, SESRIC made a presentation titled “Statistics for Visibility”. The presentation highlighted the issue of misreporting of the Official Development Assistance (ODA) activities and other types of aid and assistance in the OIC Member Countries. In this presentation, a proposal of a questionnaire has been introduced by SESRIC to be used in collecting the ODA and other aid data of the OIC Member Countries according to the international definitions and classifications.

Another two sessions have been devoted to discuss and consider the “Draft Operational Framework for the OIC Development Assistance Committee (OIC-DAC)” prepared by the Experts Group Meeting, which was organised by SESRIC and held in Ankara in December 2009 pursuant to the recommendation contained in the Istanbul Declaration, which was adopted at the First Meeting of the 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. During the discussion, the participants agreed on various concepts and issues related to the operational framework of the proposed OIC-DAC and at the end of the discussion they agreed on the following issues:

- The proposed Committee shall be named as OIC Development Cooperation Forum (OIC-DCF).

- The OIC-DCF shall be a voluntary, informal and technical forum, open for all DCIs of the OIC Member Countries for dialogue, consultations, cooperation and coordination.
- The OIC-DCF shall convene regularly, preferably on annual basis, and chaired by the OIC-DCI which is hosting the annual Meeting.
- Any participating OIC-DCI, willing to host the annual Meeting, may coordinate with the Focal Institution.
- The Focal Institution (i.e. SESRIC) will facilitate the future meetings and disseminate data on development assistance in consultation with DCIs and the Secretariat of the Arab Coordination Group.
- The role of the Focal Institution will be performed by SESRIC until further decision is taken.

Following a general debate, the participants finally approved the "Operational Framework for OIC Development Cooperation Forum (OIC-DCF)".

## THE 26TH MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC 10-12 MAY 2010, ANTALYA, TURKEY

The 26th Meeting of the Follow-up Committee of the COMCEC was held on 10-12 May 2010 in Antalya, Turkey, with the participation of member countries of the Committee (Saudi Arabia, Turkey, Palestine, Senegal, Kuwait, Iran, Cameroon, Pakistan, Qatar, Indonesia and Sierra Leone). The OIC General Secretariat and the following subsidiary, affiliated and specialised organs (SESRIC, ICDT, IDB, ICCI, ITFC, and OISA) attended the Meeting. Representatives of ECO and FAO have also attended the meeting.

The Committee reviewed and discussed the progress achieved in the implementation of the resolutions and decisions of the 25th COMCEC Session, which was held in November 2009 in Istanbul. The discussion included a set of common issues of concern to the member countries with a view to enhancing economic and commercial cooperation among them. These issues were discussed under the following main Agenda Items:

- 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;
- Promotion of intra-OIC trade;
- Private sector cooperation;
- Poverty alleviation and economic/technical assistance to OIC countries;
- Financial cooperation among the OIC member states and enhancing intra-OIC investment flows;
- Preparations for the exchange of views on "Agriculture and Rural Development".
- Development of the OIC Halal Food Standards and Procedures;
- E-government applications and their economic impact on the OIC member states; and
- Activities of the Statistical Working Group.

During the discussion on these agenda items, SESRIC, briefed the Committee on the latest developments on cooperation among the Development Cooperation Institutions (DCIs) of the OIC member countries. The Centre has organised the Experts Group Meeting on "the Establishment of the OIC Development Assistance Committee (OIC-DAC)" in Ankara on 22-23 December 2009. The said Meeting prepared the

"Draft Operational Framework for the OIC Development Assistance Committee (OIC-DAC)" and submitted it, for consideration, to the $2^{nd}$ Meeting of the DCIs of the OIC Member Countries, which has been organised by SESRIC, in collaboration with the OIC General Secretariat and Abu Dhabi Fund for Development (ADFD) and held on 3-4 May 2010 in Abu Dhabi. In this connection, the Committee welcomed the decision of the $2^{nd}$ Meeting of the DCI's on continuing their activities within the framework of the OIC Development Cooperation Forum (OIC-DCF), and requested DCI's of the member countries to expand their cooperation through exchanging their experiences and joint programs in the member countries, particularly in the least developed ones.

The representative of the SESRIC made a presentation on the latest developments related to the preparations and implementation of the Vocational Education and Training Programme for the OIC Member Countries (OIC-VET). In this connection, the Committee expressed its appreciation to the SESRIC for its efforts towards the implementation of OIC-VET and welcomed the launching of pilot projects to be implemented in 2010 in coordination with National Focal Points (NFPs) of the Member States and concerned OIC institutions. The Committee called upon the member states that have not done so, to designate their NFPs for the OIC-VET Programme in order to facilitate the communication between SESRIC and the relevant member state and urged the member states to actively participate in the implementation process of the OIC-VET. The Committee also expressed its appreciation to SESRIC for organising the Second Meeting of the Monitoring and Advisory Committee of the OIC-VET on 11 May 2010 in Antalya, Turkey, which discussed the proposed pilot projects by the national focal points.

The SESRIC also made a short presentation on the latest developments on cooperation among the Central Banks and Monetary Authorities of the OIC member countries. The Committee was informed that the $2^{nd}$ Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries will be organised by SESRIC, in collaboration with the Central Bank of the Republic of Turkey, and held in Istanbul on 26-27 September 2010. In this connection, the Committee emphasised the importance of cooperation in the area of Islamic Banking and welcomed the invitation of the Republic of Senegal to the African Ulema Conference to be held on 7-9 June 2010 and Islamic World Ulema Conference to be held in first quarter of 2011 in in Dakar, Republic of Senegal. The Committee also welcomed the offer of the Republic of Turkey to host the $2^{nd}$ Meeting of Member Countries' Central Banks and Monetary Authorities in Istanbul on 26-27 September 2010 and requested the member states to actively participate in the meeting which will focus on, among other issues, on exchange of experiences in Islamic banking system.

The Committee took note of the following proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions: (1) The impact of exchange rate policies and currency harmonization on intra-OIC trade; (2) Development of financial architecture in OIC Member States; and (3) Islamic Banking in the new financial system. In this context, the Committee requested SESRIC to circulate a questionnaire to the member states to explore their views on the above themes and report to the $26^{th}$ Session of the COMCEC

The SESRIC also made a brief presentation on the latest developments on "E-government applications and their impact on the OIC Member States". In this context, the Centre has organised, in collaboration with the Turkish International Cooperation and Development Agency (TİKA), e-Government Centre of the Public Administration

Institute for Turkey and the Middle East (TODAİE 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. During the said Conference, SESRIC has also organised a sideline Meeting with the representatives of the OIC member countries. The Centre is also working on the establishment of an E-Government Working Group (eGovWG) to be convened in late 2010 with the aim of seeking ways and means for establishing a platform (portal) to facilitate and increase cooperation and collaboration among the OIC Member Countries in the area of e-government applications and services. In this connection, the Committee took note of the recommendations of the Conference organised by SESRIC and welcomed the efforts of SESRIC for establishment of an information portal which will include relevant information such as an e-government Experts Database, an OIC e-Practice community, initiative of ICT fellowship programme, etc.

The representative of the SESRIC briefed the Committee on the latest developments on "Activities of the Statistical Working Group". He informed the Committee that the Centre has organised, in collaboration with the IDB, the Meeting of the National Statistical Organisations (NSOs) of the OIC member countries on 22-23 March 2010 in Istanbul under the theme 'Statistics for Development in Post-Crisis World'. The Meeting adopted the Istanbul Declaration, in which the representatives of the NSOs agreed to organise the Meeting of NSOs under the title "OIC Statistical Commission (OIC-SC)" annually, and to designate SESRIC the secretariat of the OIC-SC. In this connection, the Committee noted with appreciation that IDB will organise the 3rd Meeting of Statistical Working Group in its Headquarters in Jeddah during the Second half of 2010 to review the activities and renew tasks arising from the Istanbul Declaration. The Committee also requested SESRIC and IDB in collaboration with the NSOs of the member countries to work on developing a road map for cooperation in the area of statistics as well as a web portal as a source for exchanging information in the area of statistics.

Finally. the Committee prepared the Draft Agenda of the 26th COMCEC Session, which will be held in Istanbul in October 2010.

## THE MEETING OF NATIONAL STATISTICAL ORGANISATIONS (NSOS) OF THE OIC MEMBER COUNTRIES


The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and the Islamic Development Bank (IDB) organized the Meeting of NSOs of the OIC Member Countries on 22-23 March 2010, in Istanbul, Turkey.

For this meeting, the discussions centred around the theme 'Statistics for Development in Post-

Crisis World' and the goal of the meeting was to find ways and means to bridge the communication gap between the data users and providers in Post-Crisis World.

Delegates of the NSOs of twenty OIC Member Countries; Afghanistan, Bangladesh, Egypt, Gambia, Indonesia, Iran, Iraq, Jordan, Kazakhstan, Malaysia, Morocco, Niger, Pakistan, Palestine, Saudi Arabia, Senegal, Turkey, Uganda, United Arab Emirates and Uzbekistan;. and of the COMCEC, ICDT, IDB, OIC General Secretariat, PARIS21, SESRIC, UNESCWA and World Bank participated in the meeting.

The Session proceeded with the welcome and opening speeches of Mr. Ifzal Ali, Chief Economist of IDB, Mr. Mohanna Al Mohanna, Director General of CDSI, Kingdom of Saudi Arabia and the Chairman of the Board of Directors of the SESRIC and Mr. Savaş Alpay, Director General of SESRIC. The inaugural session was followed by the two Keynote Addresses made by Mr. Mohamed-El-Heyba Lemrabott Berrou, Manager of PARIS21; and Mr. Ifzal Ali, Chief Economist of IDB.


Three of the six Sessions of the Meeting had the themes "Better Statistics for Better Policy Response During and Post-Crisis World", "Capacity Building Initiatives at the OIC Level" and "Case Studies and Best Practices from NSOs". During these Sessions, panellists made their presentations and each session was followed by discussions. Two of the sessions were the Breakout Sessions with the themes "NSOs and Data Demand on Emerging Development Issues" and "Bridging the Communication Gap between the Data Users and Providers" where the delegates were gathered into three separate groups. During the first part of each session the discussions proceeded within the groups and during the second part the reporters of each group shared the conclusions reached within their groups with all of the delegates.

During the last session of the Meeting, on 23 March 2010, the delegates of the NSOs of the OIC Member Countries and international and regional organizations agreed to issue the Istanbul Declaration on the Meeting of the National Statistical Organizations of the OIC Member Countries. The declaration consisted of eleven items. The delegates after expressing their thanks and appreciation to SESRIC, IDB and Republic of Turkey, itemized their agreements related to the topics:

- The importance of accurate, reliable and consistent data for policymaking and strategy development in OIC Member Countries
- The need to foster increased relevance, responsiveness, and results-orientation individually and collectively
- Working together, sharing knowledge, information/publications, and best practices, and helping one another through exchanging technical experts to provide training and hands-on experience
- Providing better statistical services
- Encouraging the governments of the OIC Member Countries to better integrate statistical development as a sector in their National Development Plans
- Providing statistical services to support demand for new indicators

Moreover, the delegates agreed to set up an Experts Group Meeting to look into the issue of providing support to demand for new indicators.

They welcomed the initiative to set up OIC Statistical Working Group (OIC-SWG) to coordinate, harmonize and standardize statistical activities of OIC Institutions. Finally, they agreed to organize on annual basis the meeting of OIC-NSOs under the title "OIC Statistical Commission (OIC-SC)" and make SESRIC the secretariat of the OIC-SC.

## THE SECOND MEETING OF THE MONITORING AND ADVISORY COMMITTEE (MAC) OF THE VOCATIONAL EDUCATION AND TRAINING PROGRAMME FOR OIC MEMBER COUNTRIES (OIC-VET)

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) organised the Second Meeting of the Monitoring and Advisory Committee (MAC) of the Vocational Education and Training Programme for OIC Member Countries (OIC-VET) in Antalya, Republic of Turkey, on 11-12 May 2010, on the sideline of the 26th Meeting of the Follow-up Committee of the COMCEC. The main purpose of the Meeting, which was chaired by Mr. Mehmet Fatih Serenli; Director of Training and Technical Cooperation Department at SESRIC, was to review the implementation process of the OIC-VET Programme since the First Meeting of the MAC. The Meeting was attended by the delegations of the National Focal Points (NFPs) of the OIC Member States, namely Azerbaijan, Bahrain, Indonesia, Iran, Morocco, Qatar, Senegal, Turkey and Yemen. Also present were representatives of the OIC General Secretariat and the concerned OIC Institutions, namely COMCEC, IDB, ICCI, ISESCO, OISA, and SESRIC.

The Meeting heard presentations of country experiences in vocational education and training in an OIC context, as well as brief updates about existing and planned activities of OIC Institutions in the field of VET, potential roles each could play and take in the OIC-VET Programme. Participants of the Meeting summarised the state of VET capacity in each country and lessons learnt from their experience for matching the existing competences, and identify possible areas of future cooperation.

## THE 2ND COORDINATION COMMITTEE MEETING ON THE IMPLEMENTATION OF THE 'FRAMEWORK FOR DEVELOPMENT AND COOPERATION IN THE DOMAIN OF TOURISM'

The Second Coordination Committee Meeting on the implementation of the "Framework for Development and Cooperation in the Domain of Tourism between the OIC Member States" was held in Antalya, Republic of Turkey, on 24-25 March 2010. The Meeting was attended by the representatives of the following Members of the Committee: Azerbaijan, Cameroon, Egypt, Iran, Malaysia, Senegal, Syria and Turkey. The representatives of the OIC General Secretariat

and those of the following OIC institutions also attended the Meeting: SESRIC, IRCICA, ICDT, IUT, ISESCO, ICCI and COMCEC Coordination Office (CCO). Mr. Nabil Dabour, Director of Research Department represented SESRIC at the Meeting.

At the opening session, the representative of the Ministry of Culture and Tourism of the Republic of Turkey, as Chairman of the 2nd Tourism Coordination Committee, made a statement in which he welcomed the participants and emphasised the need for enhancing tourism investments, education and marketing in OIC Member States. In this respect, he underlined the importance of the "Framework for Development and Cooperation in the Domain of Tourism between the OIC Member States".

The representative of the Ministry of Tourism of the Syrian Arab Republic, as Chairman of the 6th Islamic Conference of Tourism Ministers (ICTM), also made a statement at the opening session in which he expressed his deep gratitude to the Government of the Republic of Turkey for organizing this meeting and to the OIC General Secretariat for following up the efforts for enhancing OIC cooperation in this important sector. He mentioned that while the global financial crisis has negatively affected the tourism sector in many countries around the world, tourism in many OIC member countries showed a positive performance, and this was due to the increasing number of intra-OIC tourist arrivals in many member countries.

The representative of the General Secretariat of the OIC expressed his deep gratitude to the Government and people of the Republic of Turkey for the hosting and successful organization of the Meeting. He mentioned that the aim of this Meeting is to prepare a Progress Report on the Short Term Plan and Programme for the implementation of the "Framework for Development and Cooperation in the Domain of Tourism between OIC Member States", which had been prepared and adopted by the First Coordination Committee Meeting held in Damascus in March 2009. This report will be submitted to the 7th ICTM, which will be held in Tehran towards the end of 2010, for final approval.

During the working sessions, the participants reviewed the Draft Progress Report on the implementation of the "Framework for Development and Cooperation in the Domain of Tourism between the OIC Member States", which was presented by the OIC General Secretariat. The Representatives of the Member States and Concerned OIC Institutions namely IRCICA, SESRIC, ICDT, IUT, ISESCO and ICCI submitted their proposals for the implementation of the Framework to be included in the Progress Report. The Meeting finally adopted the Draft Progress Report to be submitted to the 7th Islamic Conference of Tourism Ministers, to be held in the Islamic Republic of Iran, in November/December 2010.
During the working session, the representative of the ICCI made a presentation on the OIC Tourism Web Portal. In this respect, the representatives of the member States expressed their appreciations for the importance of this portal and suggested that this portal should be presented to the Ministers of Tourism during the 7th ICTM. The representative of Azerbaijan announced that the Government of Azerbaijan will organize International Scientific Conference on Protection and Promotion of Intangible Heritage in Ganja in September 2010 and invited all the member countries and relevant OIC institutions to attend the conference. The representative of Senegal announced that the Government of Senegal will organize and host Dakar 2010 International Tourism Fair on 28-30 May 2010.

## 33RD SESSION OF THE ISLAMIC COMMISSION FOR ECONOMIC, CULTURAL AND SOCIAL AFFAIRS (ICECS)

The 33rd Session of the Islamic Commission for Economic, Cultural and Social Affairs (ICECS) was held at the headquarters of the OIC General Secretariat in Jeddah, Kingdom of Saudi Arabia on March 29th -31st, 2010 in preparation for the 37th Session of the OIC Council of Foreign Ministers due to take place in Dushanbe, capital of Tajikistan, in May 2010. The Centre was represented by Dr. Savaş Alpay, Director General, Mr. Nabil Dabour, Director of Research Department, Mr. Mehmet Fatih Serenli, Director of Training and Technical Cooperation Department.

Following the Speech of the Representative of the Republic of Syria, chairman of the 32nd Session of the ICECS, the Committee commended the efforts of the General Secretariat and the Subsidiary Organs, each in their respective field of specialization, and particularly in strengthening cooperation among the Member States especially in the economic and commercial field with statistical indicators on intra-OIC trade showing that it is steadily increasing and that the growth rate of the volume of intra-OIC trade increased from 14.5% in 2004 to 16.67% in 2009 despite the recent global financial and economic crisis.

The Committee discussed Draft Resolutions on Dawa, Cultural, Social, and Economic Affairs, and Science and Technology, and adopted them preparatory to their for submission to the 37th Session of the Council of Foreign Ministers (CFM) held in Dushanbe, Tajikistan on 18-20 May 2010.

## SESRIC PARTICIPATED IN THE 'NETWORKING AND KNOWLEDGE SHARING PROGRAMME FOR SENIOR STAFF OF CHAMBERS OF COMMERCE AND INDUSTRY FROM ARABIC SPEAKING COUNTRIES OF THE OIC'

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) participated in the "Networking and Knowledge Sharing Programme for Senior Staff of Chambers of Commerce and Industry from Arabic Speaking Countries of the OIC". The Meeting was jointly organised by the Islamic Development Bank (IDB) and the Union of Chambers and Commodity Exchange of Turkey (TOBB). The Meeting was held at the Headquarters of TOBB in Ankara during the period 22-25 June 2010.

The objective of the Meeting was to share Turkey's experience with OIC Member Countries in the field of trade and industry development as well as introducing the Turkish Chamber System and its role in policy making and economic transformation of Turkey as a whole. The Meeting also heard presentations of country experiences in trade and economic opportunities.

The Meeting was attended by the Chambers of Commerce and Industry of fourteen Arab states, namely Algeria, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestine, Saudi Arabia, Sudan, Tunisia, United Arab Emirates and Yemen.

SESRIC made a presentation titled "Enhancing Intra-OIC Trade: The Role of SESRIC in Trade Capacity Building", which focused on possible areas of enhancing intra-OIC trade through the OIC-VET Programme and other SESRIC's Capacity Building Programmes.

# COUNTRY

# NEWS

## CAMEROON–NIGERIA HIGHWAY LAUNCHED WITH FANFARE


History was made on Thursday, 17 June 2010, when the African Development Bank (AfDB) Group-funded 443-km Bamenda–Enugu Multinational Highway and Transport Facilitation Programme was launched at the Cameroon-Nigeria Joint Border Post at Mfum.

Cameroon's delegation to the launch comprising over one hundred personalities was led by Public Works minister, Bernard Messengue Avom while the Nigerian side was represented by Works Minister, Mohammed Sanusi Dggash, accompanied by his deputy, Mr. Chris Ogiemwonyi.

Other dignitaries at the ceremony included the Deputy Governor of Nigeria's Cross River State, the representative of Japanese International Cooperation Agency (JICA), as well as representatives of ECOWAS, ECCAS and the United Nations Office for West Africa (UNOWA).

The AfDB Group was represented by the Country Operations Director for West Africa, Janvier Litse, accompanied by Messrs Peter Sturnheit and Reni-Callie Okoro, from the Nigeria Field Office in Abuja.

Speeches, good-will messages and commitments were made in solidarity with the confidence-building road programme which comprises 203 kms of road rehabilitation and construction of the 100m Munaya Bridge in Cameroon. It also involves a 240-km road rehabilitation and construction, pavement strengthening and construction of a 280-m bridge over Cross River at Mfum, Nigeria. It will also put in place a Joint Border Post at Mfum and sensitize end-users on the dangers of STI/AIDS as well as build social infrastructure along the corridor.

Highlights of the Launch included the unveiling of Plaques in Cameroon by works ministers of both countries and the inauguration of the programme's Joint Technical Committee and Steering Committee.

In a keynote speech, Mr. Litse underscored the Bank Group's commitment to the programme. He stressed the need to expedite action on the implementation of NEPAD short-term infrastructure action plan, poverty eradication in the sub-region and ending Africa's marginalization in the global market.

He said it was necessary to harmonize measures for obtaining visa to facilitate movement of goods and persons within the road corridor, noting that African integration objectives can only be attained if each and everyone was truly willing to break the informal obstacles that fetter integration.

The programme, estimated at UA 276.72 million (USD 408 million), is being financed with an African Development Fund (ADF) loan of UA 188.64 million (USD 278 million).

Source: African Development Bank

# IFC Nigeria Roundtable Calls for Expedited, Sustainable Private Sector Implementation of Power Reforms

At a roundtable of public and private sector infrastructure experts convened by International Finance Corporation (IFC), a member of the World Bank Group, the Nigerian government was recommended to help ensure that private capital could play a larger role in solving Nigeria's infrastructure bottlenecks, especially power.

The roundtable session, at its fourth quarterly session during the final week of July 2010, focused on encouraging medium-scale power generation projects serving a core group of industrial customers which can help meet urgent needs by Nigerian consumers for lower-cost energy. These projects could also demonstrate the effectiveness of private initiatives and encourage further policy changes leading to a larger scale, longer-term transformation of the sector. Jyrki Koskelo, IFC VP for Global Industries, said that power and transport infrastructure have to be improved and transformed sooner rather than later to improve the competitiveness of Nigerian Small and Medium Sized Enterprises (SMEs).

The IFC challenged prospective private financiers and project sponsors at the roundtable to pool and commit their risk capital for early-stage project development that will create well-structured projects capable of attracting further equity and debt financing. Koskelo committed IFC to reciprocate through financial and advisory support of such efforts.

Solomon Adegbie-Quaynor, IFC Country Manager, Nigeria, said, "Over 90 percent of Nigeria's industrial customers self-generate base load power on a relatively small scale and with poor efficiency. We should encourage medium-sized gas-fueled efficient power supply with regulatory flexibility to distribute within and around industrial clusters, as well as to sell to the grid. Such changes would ensure that the productive sectors of industry, including SMEs, would receive reliable and affordable power supply that leads to increased employment and higher incomes for Nigerians.

The IFC Infrastructure Roundtable in Nigeria made the following key recommendations at its meeting in Lagos in July 2010:

- Expediting development and financing of medium-size power plants with agreements from non-regulated industrial customers to offtake the power, with excess sold into neighboring clusters and the grid, with appropriate credit enhancements.
- Developing a project development funding facility to help encourage and incubate projects capable of attracting bank and other private financing.
- Supporting private equity infrastructure funds given its scarcity relative to the needs of the sector.
- Providing credit enhancements from development financing institutions to mitigate non-commercial risks, such as regulatory uncertainty.
- Improving the regulatory environment, including regulator independence, transparency on tariff setting and on-going adjustments, and streamlining licensing process.
- Investment to upgrade transmission and distribution.
- Providing incentives for expedited investments in gas supply and transportation.

Source: International Finance Corporation

## IFC Boosts Support for Nigeria's Banks

The International Finance Corporation (IFC) is increasing support to major financial institutions in Nigeria as part of a broader strategy to strengthen the country's banks in the aftermath of the global financial crisies.

Underscoring this commitment, IFC Vice President for Global Industries Jyrki Koskelo announced new agreements with Guaranty Trust Bank (GTB) and First Bank of Nigeria (FBN), expected to be the first in a series of transactions supporting the sector.

IFC is providing $200 million in long term funding to GTB, subject to GTB board and shareholder approval and $100 million in convertible sub-debt and senior loans to FBN with participation from IFC Asset Management Company in the equity-based financing.

"IFC is stepping up its support for the financial sector in Nigeria to help local banks grow more and contribute to private sector development," said Koskelo. "In the wake of a crisis, Nigeria has made significant progress toward creating a policy environment in which good banks can thrive. This is the right moment for IFC and private investors to work with banks best positioned to realize growth profitably."

IFC is committed to partnerships in Nigeria that help encourage a growing banking sector through a coordinated crisis response. IFC's financial sector strategy includes:

- Providing long-term financing to help well-managed systemic banks, such as GTB and FBN, to achieve growth objectives within the constraints of the banking crisis, improving their reach to underserved segments such as infrastructure and smaller businesses.
- Helping partner banks improve corporate governance, risk management, and develop robust environmental and social monitoring systems
- Supporting the Central Bank's initiatives to strengthen the banking sector.

Koekelo's itinerary in Nigeria includes meetings that also encourage IFC activities in other sectors. He participated in an infrastructure roundtable and is scheduled to meet with Minister of Finance Segun Aganga and Central Bank Governor Sanusi Lamido Sanusui on Tuesday.

Source: International Finance Corporation

## Sudan Secures Funds for New Sugar Factory

Sudan has secured funding for a new 140,000 tones sugar factory which will also produce 30 million litters of ethanol by November 2014, in the latest step to gear the African nation's sugar industry towards export.

Executive Director of the Mashkour sugar company Mohamed Abdelatti Abdalla stated that the factory will be a model in the White

Nile region to produce sugar, ethanol and electricity in the first phase, moving to add animal feed, dairy and meat in a second phase after five years.

"We've got a government-government credit line from EXIM Bank in India for about $150 million," Abdalla said. "The total cost of the project is $280 million and the balance of the money will be provided by the shareholders."

He also state that most likely a contract to begin construction will be signed by the end of the month.

The shareholders in Mashkour are Sudan's largest sugar company Kenana and various governmental bodies.

Abdalla also stated that "Because the sugar industry has a very long period for construction and it needs huge investment, the private sector is often afraid to invest -- they need to hit and run,"

"The government here will just provide guarantees to ensure the project is on track and then they will pull out when the project is more mature and the private sector will come in to buy the shares."

He stated that the factory would produce an initial crop of 70,000 tonnes of sugar and 15 million litres of ethanol in November 2013 before full production kicked in the following year.

The first phase is expected to bring in estimated revenues $140 million a year and the second phase adding the animal feed, meat and dairy production would bring it to $200 million with internal revenue return projected to be 28 percent.

The project is one of at least 10 planned to catapult Sudan into the world's top five sugar producers by 2020 hoping to target 10-14 million tonnes a year.

The plan is on track to transform Sudan from a sugar importer -- it produces about 750,000 tonnes a year while demand is 1.2 million tonnes -- into a net exporter by 2014.

But the overall plan will require some $20 billion investment, which may be difficult to secure in Sudan, emerging from multiple civil wars and suffering under U.S. economic sanctions since 1997 which has deterred Western investors.

Britain this year announced a new policy to encourage investment in Africa's largest country which has an abundance of land and where the Blue and White Niles meet. Khartoum hopes other European companies will follow suit.

Source: http://af.reuters.com

## Sudan Gets $7M Loan from Kuwait Fund

The sudanese government has signed an agreement with the Kuwait Fund for Arab Economic Development (KFAED), whereby the Fund would grant $7 million to help boost food security in the country.

Sudanese undersecretary of finance and economy praised Kuwait’s vital role in the country’s developmental projects, including Khartoum's new international airport.

For his part, a senior KFAED official stated that the grant will utilize the strategy set by the bank which will finance production for small size farmers and support their products. The grant comes in part through KFAED's Decent Life Resources Department which is run by the Fund in which will be utilized to help agriculture in Sudan.

Source: http://www.menafn.com

## WORLD BANK SUPPORTS DJIBOUTI FOR POVERTY REDUCTION

World Bank has further extended its support to the Government of Djibouti to accelerate poverty reduction in the poorest areas of its capital and to expand access to electricity for poor people with additional grant financing of $8.9 million

The Republic of Djibouti and the World Bank signed additional financing agreements for the Power Access and Diversification Project (US$6.00 million) and Djibouti's Urban Poverty Reduction Project (US$ 2.9 million). Ambassador Robleh Olhaye Oudine, representing the Government of Djibouti, and Shamshad Akhtar, the World Bank Vice President for the Middle East and North Africa Region, officiated.

Additional financing for the Power Access and Diversification Project, first approved in November 2005, will supplement the original support by $6 million bringing the total credit and grant mix from the International Development Association, IDA, the Bank's concessional lending window, to $13.30 million.

Akhtar stated that "The additional grant will help Djibouti deepen its efforts to expand access to electricity for low-income citizens". "It should also help improve the efficiency of the power utility by supporting investments in metering and distribution line rehabilitation Today's signing reinforces years of active cooperation and dialogue with Djibouti's authorities as they seek to develop new sources of electricity supply including geothermal energy."

The Urban Poverty Reduction Project is designed to address poverty in Quartier 7, the largest and one of the poorest neighborhoods of the capital city. Along with projects financed by the African Development Bank (AfDB), the Islamic Development Bank (IsDB), and the French Development Agency (AFD), this IDA-financed urban sector operation is one of the key constituents of the country's urban poverty reduction program. The additional grant financing of $2.9 million will support the Djibouti Social Development Agency (ADDS) in expanding its activities to scale up the project's impact and relevance for poor citizens of Quartier 7.

Works to be financed will improve the quality of life for five thousand households in Quartier 7 with rehabilitated roads, literacy and vocational training for young people and women, improved sanitation and solid waste collection. Social infrastructure funded by the project includes a community development center, a health center and three recreational spaces in the area.

Source: http://www.microfinancefocus.com

## ACUTE CHILD MALNUTRITION INCREASES BY 42% IN NIGER

Nearly 17 percent of Niger's children younger than five suffer acute malnutrition, a 42 percent increase over the same period last year, according to a national survey released by the government. More than 15 percent acute malnutrition is classified as a critical emergency by the UN World Health Organization (WHO). The report links this increase to the poor 2008-2009 harvests.

The government, with UN agency and NGO support, surveyed 8,000 under-fives nationwide from late-May to mid-June. In Agadez region, only urban centres were surveyed due to insecurity.

Without immediate intervention, the situation is likely to further deteriorate before the September harvests, according to the government. Below are some of the report's most important findings:

• **Nationwide acute malnutrition**: Nearly half a million children are acutely malnourished, including some 87,000 severely malnourished. The most affected regions are Diffa, Maradi, Zinder and Tahoua, where acute malnutrition falls into WHO's critical threshold. Acute severe malnutrition has increased to 3.2 percent from 2.1 percent a year ago. According to WHO, the median fatality rate for severe acute malnutrition ranges from 30 to 50 percent, but can be reduced substantially when properly treated.

• **Age and gender**: Throughout the country, with the exception of Diffa region, children younger than three are twice as affected by acute malnutrition than older children (21.7 percent compared with 9.5 percent). More boys than girls are malnourished.

• **Mortality**: The rate is higher than one death per 10,000 children a day but remains below the humanitarian community's emergency threshold of two deaths per 10,000 children a day, except in Zinder region. The relatively low death rate may not reflect the gravity of the nutritional crisis due to the ongoing depletion of food stocks.

• **Chronic under-nutrition**: Similar to 2009, nearly half of Niger's children are chronically undernourished and lacking life-sustaining nutrients. In Zinder region, six children in 10 do not eat enough on a daily basis to maintain natural physical activity. In Niamey, 17 percent of children suffer from under-nutrition. A fifth of the surveyed children nationwide are severely chronically undernourished.

Source: http://www.irinnews.org

## TURKEY TO EARN OVER $1 BILLION FROM DEFENCE INDUSTRY EXPORTS

Foreign Trade Minister of Turkey Zafer Çağlayan said current projections show that the country's defence industry exports would exceed well over $1 billion next year.

The minister also mentioned expectations related to the sector's turnover, saying the defence industry's annual earnings would reach $3 billion in 2011 from the current $2.3 billion. This figure was $832 million in 2009 and only $248 million in 2002, he said.

He summarized the "rapid developments" attained recently in the Turkish defense industry, mentioning in particular an accord that paves the way for the production of the engines of F-35 Lightning II jets in Turkey. He also cited a deal between Pratt & Whitney -- a division of United Technologies Corporation responsible for the production of F-135 jet engines for the Joint Strike Fighter Program -- and Turkey's Kale Group to jointly open a factory in Turkey. Pratt & Whitney, the maker of jet engines for the F-15 Eagle, the F-16 Fighting Falcon, the F-22 Raptor and the F-35 Joint Strike Fighter as well as the C-17 Globemaster III military transport aircraft, decided to invest in Turkey during Çağlayan's recent visit to the US. The minister said Pratt & Whitney and the Kale Group will start producing the F-135 engines for the F-35 jets in a joint investment, the majority of which would be undertaken by the Kale Group.

He also said that the engines would initially be partially produced in Turkey, but that the Turkish company would later undertake the entire production process. Çağlayan further said United Technologies was planning to open a Sikorsky factory in Turkey and was currently conducting feasibility studies jointly with Turkish corporations. He said Turkey would export all production to be made in such a factory.

Source: Today's Zaman

## TURKISH PARLIAMENT APPROVES AKKUYU NUCLEAR POWER PLANT DEAL

Turkish Parliament approved a bill on an agreement between Russia and Turkey for the construction of Turkey's first nuclear power plant in the coastal town of Akkuyu, in Mersin province.

According to the agreement, which was signed during Russian President Dmitry Medvedev's official visit to Turkey in May 2010, the two countries will cooperate in the construction and operation of the power plant. A consortium led by state-controlled Russian builder AtomStroyExport will construct the plant in Akkuyu, paying all the costs of construction for the nuclear plant, which is estimated to cost around $20 billion. The firm will be able to transfer up to 49 percent of its shares to another firm.

The Russian Federal Atomic Energy Agency (Rosatom) and Energy and Natural Resources Ministry will be the representatives of the two sides in the agreement. A Russian consortium will initiate work for the establishment of a company to carry out the construction project within three months. The plant will have the total capacity of 4,800 megawatts (MW) in four units. The company that will be established to carry out the project will be the owner of the power plant as well as all of the electricity produced. Russian companies will not have less than a 51 percent share in this new company. Turkey will start receiving 20 percent of the company's net profit 15 years after each unit begins operating. The first unit is expected to be built and start operations within seven years of construction. The Turkish Electricity Trading and Contracting Company (TETAŞ) will sign an agreement with the company to be established, giving a guarantee of purchasing the electricity it produced at a price 12.35 cents per kilowatt hour (kWh).

Source: Today's Zaman

## ALBANIA RECEIVES 2010 UNITED NATIONS AWARD

**Albania** was recognized by the United Nations for its contribution to improving transparency, accountability and responsiveness in the public sector last week. Albania's Public Procurement Agency was awarded the 2nd place prize for Public Service in Europe for the development of an electronic procurement platform, made possible through the MCC Albania Threshold Program (www.macata.org.al) administered by USAID.

The electronic procurement platform is a web-based application that enables secure transactions among Albanian public institutions and the national and international business communities. It offers a secure, efficient and transparent preparation and administration of all tender-related documents, removing unnecessary paper work and providing secure data flow throughout the entire process (www.app.gov.al) The e-procurement system has reduced administrative costs associated with procurements by 15%, increased competitiveness, and introduced transparency, bringing **Albania** into full EU compliance for e-procurement.

**Albania** is the first country in the world to develop an obligatory electronic procurement system for 100% for all public sector procurements above the threshold of 3000 Euro.

Source: http://www.balkans.com, http://albania.usaid.gov, www.unpan.org

## AZERBAIJAN'S OIL AND GAS TRUST PREPARES TO ENTER UAE MARKET

**Azerbaijan**'s oil and gas trust is preparing to enter the **UAE** market and there is a plan to hold Azerbaijan Investment Forum in Abu Dhabi.

The energy cooperation between **Azerbaijan** and **UAE** in energy sphere continues developing. And Azerbaijan has expressed its interest in energy projects implemented in UAE. Thus, bilateral negotiations are held to open the office of Neftegazstroy functioning at the State Oil Company of Azerbaijan in Abu Dhabi are also underway. Currently favorable conditions are created for mutual understanding and establishment of joint enterprises between these two countries.

***Azerbaijan News***

Source: http://www.news.az

## BIO-FUELS COULD INCREASE FOOD PRODUCTION

Planting biofuel crops in Africa need not damage capacity to grow food and could even enhance food security, according to a controversial review prepared for the Forum for Agricultural Research in Africa (FARA). The report titled *Mapping Food and Bioenergy in Africa* concludes that bioenergy production is not incompatible with food production as Africa's agricultural revolution depends on access to modern energy services. Hence, biofuel production can expand across the continent and provide income and energy to farmers without displacing food crops if approached with the proper policies and processes.

The report's conclusions were drawn from a review of existing research and case studies of biofuel production and policies in Kenya**, Mali, Mozambique, Senegal**, Tanzania and Zambia. It found there is enough land to allow a significant increase in the cultivation of sugar cane, sorghum and jatropha for biofuels without decreasing food production.

But the report has triggered mixed responses from farmer groups and research institutions during the discussion of the report at the 5$^{th}$ African Agricultural Science Week in Burkina Faso during 19-24 July 2010.

Monty Jones, executive director of FARA, cautioned that Africa should not trade food security for biofuel production. Namanga Ngongi, president of the Alliance for a Green Revolution in Africa also underlined the fact that the continent has a food deficit and should prioritise food ahead of biofuels.

Meanwhile, some countries are already planting biofuel crops. **Senegal** plans to have 321,000 hectares of land under jatropha by 2012 to help meet the country's energy needs and increase the income of farmers.

Source: http://www.scidev.net

## RACE TO ACHIEVE GOALS ON SANITATION IN BURKINA FASO

The government of Burkina Faso has embarked on the construction of 55,000 latrines each year to improve access to proper sanitation for the population from the present 10 percent to 54 percent by 2015.

According to the authorities, the average rate of access to sanitation in urban areas is currently 20 percent, while in rural areas; it is as low as one percent in some areas.

Burkina Faso will invest 24 million dollars in each of the next five years. The government, which now spends $8 million a year thanks to support from donors, plans to double, even triple its own annual contribution of around $2 million from the national budget.

The ministry of health underlines that the absence of toilets leads to illness, notably diarrhoea, which is responsible for 58 percent of child deaths in Burkina Faso.

In rural areas, where 80 percent of Burkina Faso's population lives, the government's plan is for 395,000 households to build toilets, as well as the construction of 12,300 public latrines. The programme also foresees 222,000 new household toilets in urban centres, alongside 900 public latrines in schools, health centres, markets and public transit points.

The Burkinabé president, Blaise Compaoré, personally participated in the launch of the campaign, with an eye to enlisting both the general population and international financial partners to make sanitation a national priority.

The government offensive comes after finding that the pace of progress is insufficient to attain the goal on sanitation in a context of rapid population growth. According to the last census in 2006, Burkina Faso's growth rate of three percent is one of the highest in sub-Saharan Africa and the world.

Source: http://www.allafrica.com

## UGANDA TAKES STEPS TO CURB CARBON EMISSIONS

Uganda has become the first country in the world to register a programme of activities that will reduce dangerous methane emissions into the environment.

Uganda's launch of a Municipal Waste Compost Programme has made it the first African nation to successfully register Programme of Activities (POA) which also makes the programme being the first of its kind in the world as this is the World Bank's first programme of activities under Clean Development Mechanism (CDM) of the Kyoto protocol and promotes solid waste composting in urban areas in an environmentally friendly manner.

Composting of waste has multiple benefits over landfills, the most common practice in Uganda and many other countries. Composting returns the much needed organic matter to the soil, prevents land degradation, and significantly reduces methane emissions.


This programme of activities is important not only because of its greenhouse gas mitigation potential, but also because it serves as an example for many other African countries to design and implement large scale mitigation activities. The programme also helps Ugandan municipalities set up municipal waste composting facilities that are financially sustainable because of the revenues generated from the sale of compost and carbon credits. While nine municipalities have already been identified for this purpose, other cities are expected to request that similar projects be included in this program.

The nine initial projects are using carbon finance to generate resources for social and community activities while also trapping the equivalent of an estimated 750,000 tonnes of carbon dioxide (CO2e) over the next 10 years. A total of 156,889 Certified Emission Reductions (CERs) and 52,296 Verified Emission Reductions (VERs) will be sold to the World Bank's Community Development Carbon Fund. The entire program is voluntary in nature, both for the National Environment Management Authority (the coordinating entity) and the implementing municipalities.

While the program represents many firsts in the carbon finance community, it is also an important model because it builds on south-south linkages by harnessing expertise and models of simple composting development in South Asia. The program was designed with involvement of experts from India, who will also offer monitoring and training support.

Source: http://web.worldbank.org, http://www.busiweek.com

## AFRICAN DEVELOPMENT BANK ANNUAL MEETINGS END IN ABIDJAN

The 45th Annual Meetings of the African Development Bank (AfDB) and the 36th Meetings of the African Development Fund (ADF) wound up on Friday, 28 May 2010 in Abidjan, Côte d'Ivoire, after two days of intense deliberations and landmark decisions, including the approval of a 200% sixth general capital increase for Africa's premier development finance institution.

Governors representing 53 regional (African) and 24 non-African shareholders also re-elected the Bank Group's President, Donald Kaberuka, for a second five-year term, and increased the institution's number of constituency chairs from 18 to 20.

The governors also considered and/or approved the NEPAD 2009 infrastructure programme, the review of Bank share transfer rules, report on elected officials' service conditions, distribution of the Bank's 2009 net incomes, the establishment of a ClimDev special fund, reports and audited special purpose financial statements as well as ADF mid-term review and status of ADF-12 replenishment consultations.

This year, the governors' sessions were preceded by deliberations of the Coalition for Development on Africa (CoDA), a joint venture of the AfDB, the African Union (AU) Commission and the Economic Commission for Africa, and a successor forum to the Global Coalition for Africa, the OECD 'Big Table' and the African Development Forum.

The Annual Meetings also comprised high-level and thematic seminars on the theme: "Africa on the Rebound: Towards Balanced and Clean Growth" as well as the dissemination of the 2010 African Economic Outlook, and launch of "Making Finance Work for Africa" website.

The session was officially opened by Côte d'Ivoire's President Laurent Gbagbo and attended by Presidents Yayi Boni of Benin, Faure Gnassingbe of Togo, Amadou Toumani Toure of Mali and former President Festus Mogae of Botswana. Prime Ministers Bernard Makuza of Rwanda and Ricardo Mangue of Equatorial Guinea, along with Ghana's foreign minister, Muhammad Mumuni, attended the opening ceremony.

On behalf of staff and management, Mr. Kaberuka thanked the Board for approving the Bank's sixth general capital increase which has tripled the institution's resources to some USD100 billion, and for re-electing him for a second five-year term.

On the Bank's return to its statutory headquarters, the governors reaffirmed that the headquarters of the Bank shall remain in Abidjan, but noted that the situation in the country was not conducive enough for an immediate return of the institution to its headquarters; and therefore extended the institution's Temporary Relocation to Tunis for another 12 months from 3 June 2010. The situation will be reviewed and a decision taken at the 2011 Annual Meetings based on the recommendations of the Governors Consultative Committee.

The Board of Governors approved the holding of the next Bank Group Annual Meetings from 9-10 June 2011 in Lisbon, Portugal.

Source: African Development Bank

## BLACK POD HIT COCOA HARVEST IN SOUTH-WESTERN CÔTE D'IVOIRE

An outbreak of black pod disease in the south-western cocoa-producing area of Côte d'Ivoire is slashing harvests for thousands of local farmers.

The disease broke out in the coastal towns of San Pedro, Tabou and Sassandra, 380-500km west of the commercial capital, Abidjan.

Each town recorded 10 days of rain in 20 days in late June and early July 2010, according to the National Meteorological Office, and black pod disease - also known as black pod rot - flourishes in damp conditions, turning cocoa pods black and slimy, and rendering the beans inedible and un-sellable.

Financial speculators voiced concern that international cocoa prices could rise as a result of the heavy rains. World cocoa prices are at a 33-year high but in Côte d'Ivoire these prices have profited middle-men and exporters, over farmers.

Six million Ivoirians rely on cocoa-production to survive. There are about 900,000 cocoa farmers in Côte d'Ivoire, which produced 1.22 million tons of cocoa, accounting for 36 percent of the world's supply, according to the International Cocoa Organization. Cocoa is one of the country's biggest foreign exchange earners bringing in US$1 billion in 2006 versus $1.3 billion from oil and other refined products, according to the International Monetary Fund.

This year's harvest is expected to be equal to, or lower than, that of 2009, which was the worst harvest in five years.

While the current black pod disease outbreak is affecting a relatively small percentage of farmers, many are concerned it could spread with devastating consequences.

Source: IRIN News

## Thousands of Young People to Receive Job Training Under New UN Project in Côte d'Ivoire

Some 3,000 young people in Côte d'Ivoire, including ex-fighters and women, will receive training in the construction, manufacturing and service sectors under a new United Nations project that seeks to help them get involved in their country's economic recovery.

The two-year, $3.5 million project by the UN Industrial Development Organization (UNIDO) will complement the ongoing demobilization and reintegration programme in Côte d'Ivoire.

Under the project, which will be funded by the Japanese Government and carried out in the Bouaké region, UNIDO will rebuild a centre which will offer training in areas such as welding, vehicle mechanics, woodwork, plumbing, building construction, tailoring, healthcare and food nutrition.

The agreement on the project was signed in early August 2010 in Abidjan by Mr. Yoshiteru Uramoto and the Ambassador of Japan to Côte d'Ivoire, Yoshifumi Okamura.

Source: UN News

## Food Crises Prevention and Management Charter Validated

A validation forum on the Food Crisis Prevention and Management Charter, which was adopted in Guinea Bissau on the 10th February 1990, by the Summit of Heads of State of the member countries of the Permanent Interstate Committee for Drought Control in the Sahel (CILLS) at the instigation of the Food Crisis Prevention Network (FCPN) officially kicked-off in Bijilo on 6th August 2010.

The forum, which was organised by The Food Crisis Prevention and Management Division of the ECOWAS Commission, in collaboration with CILLS, Sahel and West Africa Club (SWAC) and the Gambia government, was meant to revise the charter in order to come up with one that would match with the current and coming realities coordinated by SWAC and CILLS under the aegis of the ECOWAS. The revising of the charter also came on the heels of the current changing context of food crisis around the continent.

Speaking at the forum, Aba Gibril Sankareh, the deputy director and head of Planning Service at the National Planning Service, who also doubles as the focal point, said it was meant to dialogue critically in order to eventually adopt a new charter for food crisis prevention and management, adding that the charter is meant to foster coordination, policy dialogue and concerted action for food security.

He reminded the gathering about the current food crisis that is hitting the globe, with West Africa and the Sahel being the hardest hit. "Niger is a good example of the crisis where seven million people are suffering from food shortages aggravated by climate change," he said.
For his part, Ousman Tall, an international consultant for the Food Aid Charter Dialogue, who made a presentation about the Bissau Charter, expressed appreciation for being part of the consultation forum. According to him, the meeting was a clear demonstration of the Gambia government's readiness for the revision of the charter, noting that it calls for proper coordination and management. He underscored the importance of the charter towards providing a sustainable and high food production, thereby combating food insecurity.

For his part, Ebrima Cham, a senior planner at the Department of Planning Service called on the stakeholders who are involved in crop production to share ideas in the revision of the charter. He underscored the need for ECOWAS countries to observe the ECOWAS protocol on free movement, which according to him, is affecting a lot of things due to high tax at the borders especially when it comes to import and export of food items within African countries.
Declaring the forum officially open, Abdourahman Jobe, permanent secretary No. 2 at the Ministry of Agriculture, who deputised for the deputy minister of Agriculture, said The Gambia as a member of CILLS is always committed to the charter. He however indicated that after 20 years of existence, it is fitting to revise the charter taking into consideration the fact that the current climate change threats among others, call for close collaboration with partners and NGOs.

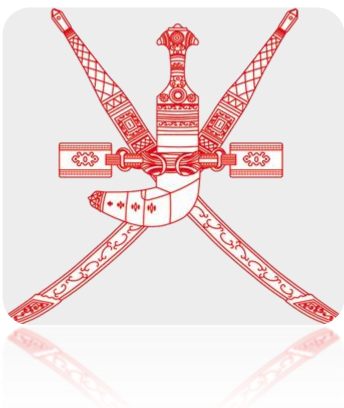
He posited that African governments have given prominence to the charter, adding that food security is among the priorities of the current administration. Jobe therefore called on the participants to do justice to the document in order to come up with a concrete charter that matches the current food crisis.

Source: The Daily Observer

## Omani Investors Hopeful of More Job Opportunities in the Gambia

The chairman of the Al-Sultanah International Holding Limited, an Oman-based firm, Zakariya Al Ghassani, who headed a high-powered investor delegation to The Gambia, has stated that their proposed investments in three areas in the country - aviation, alternative energy, and oil and gas exploration, "would create job opportunities for Gambians."

The Al-Sultanah International boss made this disclosure in Kanilai on 6th August 2010. "These projects are very crucial for the government and the people of The Gambia, and by God's grace, we are hoping to succeed in our efforts," Al Ghassani said, while also revealing that they are now putting the studies in all possibilities for the success of the project.



The Al-Sultanah boss revealed that they discussed with the Gambian leader the aforementioned three areas that they intend to invest in the country. “It was a very fruitful and beneficial discussion with the president and he has given the support and the instruction to the members of the government to work with us on these areas.” he indicated.

Hilal Hamed Saif Al-Busaidy, a member of the delegation, who is an expert in oil and gas, said "In the energy sector, we have discussed both the renewable energy, and oil and gas. We are confident that with the support of the government, we will be able to add value to the country."

Source: The Daily Observer

## Mali to Rear Malaria-Resistant GM Mosquitoes

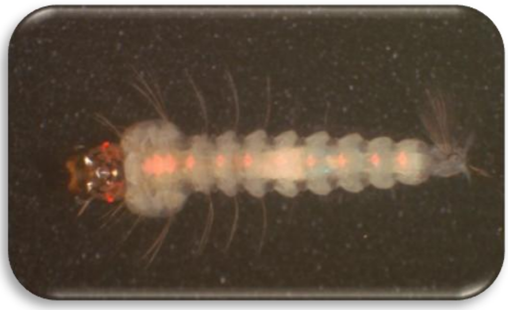
A laboratory in Mali will soon be rearing Africa's first mosquitoes genetically modified (GM) to resist malaria.

The laboratory's (Malaria Research and Training Centre, University of Bamako, opened 3rd August 2010) research is part of a partnership, between the University of Bamako and Keele University in the United Kingdom, which aims to develop GM mosquitoes to fight malaria.

The researchers hope that resistant mosquitoes will one day take over wild populations, eventually wiping malaria out.

Funded for three years by an £800,000 (around USD1.8 million) grant from the Wellcome Trust, the partnership has trained three Malian scientists at Keele University, and established a biosafety category 3 security laboratory at the Centre.

Mamadou Coulibaly, head of the Centre's Genomics and Proteomics Laboratory and principal investigator on the project in Mali, said



the laboratory, which was finished in mid-July, should be producing GM mosquitoes by 2011.

The production of GM mosquitoes has received approval from the University of Bamako's Faculty of Medicine, Pharmacy and Dentistry ethics committee, said Coulibaly. Mali is also working on developing its own biosafety legislation regarding GM insects with the support of the WHO, said Paul Eggleston, professor of molecular entomology at the Centre for Applied Entomology and Parasitology at the University of Keele and head of the project in the UK.

Source: SciDev.net

## More Aid Needed for Mali

Aid agencies are struggling to meet the food and water needs of people and their livestock in drought-hit Mali, with potentially "catastrophic gaps" in the humanitarian response, according to Oxfam's country head, Gilles Marion.

Some 258,000 people are in need of urgent assistance in Mali, according to the government-led early warning mechanism (SAP), with a further 371,000 at risk, following poor rains across the Sahel region.

There are severe acute malnutrition rates of 19% in some pockets of the northeast, according to

Oxfam. Meanwhile, 40% of cattle in the north are sick or dead and a further 30% at risk of disease or death, according to food security analysts FEWSNET.

8 out of 10 people in northern Mali raise and breed cattle to survive.

The World Food Programme, Food and Agriculture Organization, the UN Children's Fund (UNICEF), the International Committee of the Red Cross (ICRC) and Oxfam, are some of the main actors responding to the crisis in Gao and Kidal.

Oxfam has USD6 million–from the UK government, British public, the European Unionhumanitarian aid office (ECHO) and the US Agency for International Development–to help pastoralists in the north feed their animals, or to use as vouchers to spend on household priorities, whether food, water, animal fodder or medical care.

Source: IRIN News

## IFC Supports Agribusiness Sector in Mozambique

The International Financial Corporation (IFC), the private sector lending arm of the World Bank Group, has signed 2 year agreements to expand access by companies to its Business Edge and SME Toolkit training solutions in Mozambique.

The focus of the expansion is to the agribusiness sector and its value chains in business management skills and access to market information, which will help micro, small, and medium enterprises better access to markets and access to finance.

Funded through Private Enterprise Partnership for Africa, the IFC SME Management Solutions Program will support three agribusiness programs in partnership with *Apoio Às Iniciativas Privadas no Sector Agrário-ADIPSA* (DANIDA Program) to increase smallholders' income from marketing agricultural production; *Abt Associates* (USAID-AgriFUTURO Program) to improve value chains of banana, cashews, ground nuts, maize, mangoes, pineapples, sesame and soy beans and *Technoserve* to support poultry, forestry linkages and grind mill sectors.

Eme Essien, Manager of IFC SME Initiatives in Africa said "deepening partnerships in Mozambique to support SMEs is an important priority for IFC. We expect this collaboration to yield positive results and have a measurable impact on the agribusiness sector."

Using Business Edge and SME Toolkit, IFC will work closely with its 7 implementing partners in Mozambique to help organize educational events, identify training needs, customize content, manage the training activities, ensure its quality and coach and evaluate the impact of the training.

Source: Agencia de Informção de Moçambique

## MOZAMBICAN COMPANIES TO DEVELOP BIOFUELS PROJECT

The Mozambican companies Petromoc and Ecomoz, in partnership with the Portuguese corporation Galp Energia, signed recently in Maputo an agreement to set up a new consortium for the production of biodiesel from "Jatropha" in the central Mozambican province of Manica province. Under the agreement, the new consortium "*Moçamgalp*" will be tasked with the implementation of the project worth over USD19 million.

In the last few years, a combination of factors including the depreciation of the Mozambican currency coupled with the volatility of oil prices in international markets have been pushing fuel prices in the country. This forced both the government and oil companies to look for other alternatives for fossil fuels to mitigate the impact of high oil prices by promoting production of bio-fuels, while boosting the use of natural gas and other energy sources.

Moçamgalp will also be expanded to Lugela district in the neighbouring province of Zambezia. The project will cover 10,000 hectares in the first stage that will be later expanded to 50,000 hectares. The parties also believe that this alliance will boost the existing production of biofuels in the country and mitigate the impact of soaring oil prices in the international market. Moçamgalp is owned by Galp with 50% of the shares, Ecomoz (49%) and Petromoc (1%). Petromoc owns most of the shares in Ecomoz, a company that is currently producing biodiesel from coconut oil.

Source: Agencia de Informção de Moçambique

## CHINA TO HELP AFRICA BOOST FOOD PRODUCTION BY EXPORTING ITS TECHNOLOGY

China has agreed to transfer her agricultural technology to Africa to enable the continent boost production which will guarantee the continent food security. The Beijing declaration for the massive agricultural technology transfer came as the China-Africa Agricultural Forum, drew to a close on 12th August 2010. This will involve rural farmer education, setting up of modern farming demonstration centres, use of better quality seeds, and new technology in appropriate farming machinery as well as soil improvement techniques.

Reading the declaration, the China's deputy Prime Minister Mr Hui Liangyu said global food security should be the Number One priority of world governments, given that acute food shortages were bound to lead to food crisis and political instability. "China is the largest developing economy able to feed 20% of the world's population on proceeds of 9% of the planet's arable land. If we partner with Africa with a much higher percentage of arable land yet contains most of the developing countries we should be able to guarantee international food security," he said.

The China Africa Agricultural Forum brought together leaders from Zimbabwe, Sudan, Angola, Ethiopia, Senegal, South Africa, and the Democratic Republic of Congo among others.

Source: Newstime Africa

## SENEGAL SEEKS TO PLUG POWER GAP WITH GAS-FIRED PLANT

The Senegalese authorities said on 9th August 2010 that they were close to a deal with Danish company Jacobsen Elektro for a new gas-fired power plant that could help it end its chronic electricity shortages by 2011. Senegal has been under increasing pressure after the most severe power cuts in decades that triggered widespread protests in July 2010.

"We are close to signing an agreement with Jacobsen for an additional 80 megawatts," Senegal's energy minister, Samuel Sarr, told a news conference. "Our target to end the (power) deficit will be February 2011."

State electricity firm Senelec has a chronic shortfall of between 30 and 50 megawatts, but in recent weeks the shortfall reached a peak of 130 MW due to damage to the country's generators from a batch of bad fuel, Sarr has said.

Local entrepreneurs, including mechanics, fish-mongers, and tailors, have complained the power cuts are making it virtually impossible to do business and hundreds of people have joined in a wave of protests in recent weeks.

Sarr said on Monday that Senegal, widely seen as a top candidate for solar power projects due to its abundant yera-round sunshine, was also lifting taxes on renewable sources of energy in an effort to diversify supply.

Source: Reuters Africa

## SAUDI ARABIA'S NON-OIL EXPORTS RISE BY 8%

The value of Saudi Arabia's non-oil exports rose by 8% to SR9.621bn ($2.56bn) in April compared to SR8.922bn in the same period in 2009. In the same month, the value of imports into the Kingdom dropped by 4% to SR28.429bn.

Plastic products represented 32% of total Saudi exports, at a total value of SR3.08bn and were the highest valued exported goods from the Kingdom, followed by petrochemical products at 28% with a value of SR2.692bn and re-exported goods with a total value of 1.217bn, representing 13% of the value of Saudi Arabia's exports last April. Food products were valued at SR929m and the rest of the goods stood at SR1.162bn.

GCC states were the most prevalent importers of Saudi Arabia's non-oil goods, according to a report issued by the General Statistics and Information Department on the Kingdom's exports and imports during April. A total of 27% of Saudi exports were to GCC countries, followed by non-Arab and Islamic Asian countries which represented 26%. Other Arab League states made up 21%, while the European Union accounted for 11% of exports. Non-Arab Muslim states exported 9% of Saudi goods and other groups made up the final 6%.

The United Arab Emirates Ranked First on the List of Countries Importing NON-OIL Goods From The Kingdom Last April, Accounting for 12% of Exports at A Total Value of sr1.127BN.

China was second on the list with SR776m worth of exports, followed by Singapore with SR603m or 6%. Qatar and India were also large importers of Saudi goods. The United States was the biggest exporter to Saudi Arabia during the month of April with a total value of $3.801bn of exports to Saudi Arabia, followed by China with SR3.245bn riyals, Japan, Germany and South Korea were also high on the list of countries exporting to Saudi.
In March this year, total non-oil exports from the Kingdom stood at SR11.41 bn. The value of imports during the same month stood at SR29.981bn. Petrochemical products represented 31% of Saudi exports, followed by plastic products with 30% of exports.

T he most prevalent importers in March were the Asian non-Arab countries, which accounted for 32% of Saudi exports last March, followed by the Gulf Arab states with 24%, countries of the League of Arab States with 19% and EU countries with 11%.

Machinery, equipment and electrical equipment accounted for 28 per cent of non-oil imports to the Kingdom last March with a total value of SR8.383bn. Transportation equipment valued at SR5.345bn was exported along with food worth SR4.535bn.

Source: AMEinfo.com, The Ultimate Middle East Business Resource

## Saudi Businessmen to Invest US$1 Billion in Yemen

Saudi investors intend to pump over the next five years US$ 1 billion in new investments in several Yemeni cities. This came as Yemeni President Ali Abdullah Saleh has vowed to provide all the moral and legal support to open new doors for Saudi investors.

These investments are to be directed to the cities of Hadramout, Sana'a, Aden, Hodeidah, Ibb, Taiz, Abyan, and the Yemeni islands, especially Socotra and Kamran. President Saleh met recently a delegation of Saudi businessmen and investors. The delegation is headed by Abdul Rahman Al Jeraisy, Vice Chairman of the Federation of Chambers of Commerce in the Kingdom.

Meanwhile, a joint commission comprising three persons who represent the federation of chambers of commerce in Saudi Arabia and Yemen has been formed. In a statement, deputy chairman of the board of directors of the chamber of commerce and industry of Sana'a Mohammed Salah said that the commission will be concerned with enhancing investment partnership between the two brotherly countries.

The businessman noted that the commission will be concerned with joint investment projects in addition to tourism investment. Yemen has invited a visiting delegation of 24 Saudi businessmen to invest in a group of local islands promising to provide investment facilities.

The Yemeni government has asked the businessmen to develop the islands for tourism activities with a promise to provide infrastructure facilities such as energy and electricity. The delegation visited Yemen upon instructions from Saudi Arabia's King Abdullah in order to encourage the flow of Saudi investments into Yemen, Abdullah Bugshan, the head of the delegation, said.

Source: Islamic Travel Newswire and Yemen News Agency

## Egypt Establishes 12 Investment Zones at US$12.85 Billion

Head of Egyptian Authority for Investment Osama Saleh announced to the establishment of 12 new investment zone in 7 governorates in Cairo and 6th of October, Alexandria, Sharikiya,Qaliubiya, Dakahlia, Fayoum, with an investment amounted to $ 12.85 billion (73 billion pounds). The Chairman of Investment Authority pointed out that it includes 868 projects for various activities that provide 344 thousand jobs.

The General Authority for Investment (GAI) is currently promoting three new investment zones aiming at developing small and medium enterprises. The foundation stone of the three areas has been laid recently. The investment zones are in the governorates of Dakahlia, Helwan and Qalyubia.

They will provide a total of 17,000 job opportunities via 450 projects in the different domains. The authority is working on expanding investment in a number of governorates to provide job opportunities and achieve development.

Source: Global Arab Network and Islamic Travel Newswire

## Gambia: Libya Boosts Agric Sector

The Libyan Arab Jamahiriya through its embassy in The Gambia on Wednesday launched its 'back-to-the-land' Green Programme for Mechanised Agriculture, aimed at improving Gambia's agriculture sector.

As a means of boosting President Jammeh's back-to-the-land initiative, the embassy provided 10 tractors to the Ministry of Agriculture. The usage of the tractors was demonstrated on a farm in Galoya village in Western Region.

Speaking at the launching ceremony, Professor Dr. Ali Muhammed Dukaly Al-Hissnawe, the ambassador of Libyan Arab Jamahiriya to The Gambia, said that the project is part of the ongoing Green Programme for Mechanised Agriculture project of the great pan-African leader, Moamar Al-Ghadafi, aimed at helping African countries become food self-sufficient. He added that the initiative also came as result of the excellent relations between the two leaders and nations.

According to him, they will provide all the work for the farmers including the provision of fuel, maintenance, drivers and other services free of charge. This, he added is just a start, and that their services will reach other parts of the country based on the request they receive from the Ministry of Agriculture. He promised that they will never relent in their efforts to support the agriculture sector.

The Libyan diplomat therefore hailed the two leaders for building a strong bilateral relationship between the two nations. Kalifa Kambi, the deputy minister of Agriculture, thanked the Libyan Arab Jamahiriya for the brilliant initiative, saying that the project will go a long way in improving the lives of Gambians.
Alhaji Demba Sanyang, the paramount chief of The Gambia commended the Libyan Arab Jamahiriya for the gesture, and asserted that Gambians have now realised the importance of growing what they eat and that they will continue to participate actively in agricultural development.

Source: allafrica.com

## TUNISIA: MORE THAN 1,000 COMPANIES LAUNCHED FINANCIAL RESTRUCTURING AND UPGRADING PROGRAM

More than 1,000 Tunisian industrial companies employing a total workforce of 177,000 people have launched their financial restructuring and upgrading at a cost of 1600 million dinars, announced Mr. Afif Chelbi, Minister of Industry and Technology.

On the occasion of the closure of a seminar on new measures for financial restructuring of small and medium enterprises, the Minister stressed that these companies received awards under the upgrade program (PMN) in accordance with the financial stability criteria of each company.
“80% of industrial enterprises have joined the Tunisian plan which was launched in 1995", said Mr. Chelbi who also added that this program achieved significant results and makes Tunisia the largest exporter south of the Mediterranean to the European Union (EU). The plan also contributed to treble the number of industrial enterprises that currently offers 600,000 job positions”, said the Minister.

He also noted that a collective investment fund of 15 million dinars was created. A credit line of 25 million dinars was also set up in order to finance the banks providing credit for SMEs and industrial services.

Source: allafrica.com

## TUNISIA: COUNTRY JOINS INTERNATIONAL FEDERATION FOR INFORMATION PROCESSING

Tunisia has recently joined the International Federation for Information Processing (IFIP), becoming the second Arab and fourth African country member of the organization which gathers 48 institutions from 65 countries specialized in information and communication technologies (ICTs).

Tunisia, which is represented by the Ecole Supérieure des Communications (Supcom), is expected to boost co-operation between the national companies, scientific and professional organizations with similar structures.

During a workshop held in Tunis, the Secretary of State in charge of Information Technology, the Internet and Free Software, Mrs. Lamia Chafai Sghaier, stressed the importance of co-operation with the international organizations and authorities operating in the ICTs sector.

On his part, Mr. Leon Strous, the chairman of the International Federation for Information Processing (IFIP), said that this international organization is a hub for national companies specialized in information technologies in order to discuss and plan actions, promote international co-operation between academics, the information technologies industry and governmental bodies.

Source: allafrica.com

## ALGERIA APPROVES MAJOR SCIENCE FUNDING BOOST

The Algiers parliament has approved a bill to spend an extraordinary 100 billion Dinars (US$ 1.48 billion) on science over five years. Algeria now hopes to reverse the "brain drain".

The budget – unusually high for the Arab world – "aims at reversing brain drain and bringing our scientists back home," Abdelhafid Awrag, head of the Scientific Research Department at the country's Ministry of Higher Education and Scientific Research, told 'SciDev.Net'.

The bill will allow the North African country to double its expenditure on scientific research, from 0.5 to one percent of its GDP – way ahead of the 0.2 percent average in Arab countries, according to Mr Awrag.

Some 34 research programmes are to be implemented during the first phase of the project, while the number of scientific researchers will increase from 21,000 to 28,000 and the number of scientific labs to 1,200 in five years, said Mr Awrag. "This will still be below the European standards of 600 researchers per million people, but it represents a huge step forward," he said.

Funded programmes are set to cover areas such as agriculture, health and energy, with emphasis on applied research and technology.

Academic sources said that around 150 talented researchers working in Canada, Europe and the United States have expressed their will to return home, but they are still waiting for the assurance that they and their families will be secure and economically comfortable.

Ali Bougaroura, rector of Mila University, told 'SciDev.Net' that the new project "will allow a quantum leap in scientific research because it reduces bureaucracy and gives research centres more autonomy in decision-making, especially regarding financing projects".

But he said there was no need to reverse brain drain in the age of virtual communication.

"Algerian researchers can actively participate in national research programmes without the need to permanently live in Algeria," he said. "Their presence in developed countries is more valuable, from where they can transfer knowledge and expertise to their peers at home."

Jaffal Ammar, a lab director at the University of Algiers, said: "Bureaucracy is the main obstacle to the development of scientific research. Sixty percent of the research budget is allocated to administrative expenses, and scientific research in Algeria won't advance in the absence of a political will to give researchers enough autonomy to act."

"We need to establish a database of researchers and their expertise, and close the gap between academic research and the real needs of the economy," Mr Ammar added.

The Algiers Ministry of Higher Education called researchers to submit proposals which were to be evaluated by an international expert committee. Two-year contracts would then be signed with researchers in November 2010.

Source: afrol.com

## IDB Approves USD 11 Million Humanitarian Package of Emergency Relief and Rehabilitation for Pakistan

Expressing profound sympathy with the Pakistani government and nation on the unprecedented deadly and devastating flooding in the country which shows no signs of abating, the 269th meeting of the Board of Executive Directors of the Islamic Development Bank in Jeddah, Kingdom of Saudi Arabia, approved today a humanitarian package of USD 11 million to provide immediate financial assistance to the victims of the tragic environmental disaster. In addition to that, an IDB mission will leave for Pakistan immediately to assess the situation on the ground and discuss the relevant details of the package.

The USD 11 million humanitarian package, a combination of relief and rehabilitation operations envisages immediate emergency relief and contributing to the rehabilitation efforts aimed at restoring normal functioning of community services in different sectors in Pakistan including education, health, agriculture, water and sanitation facilities.

It consists of a USD 1.00 million grant to the government of Pakistan to finance some of the urgent relief activities in the disaster stricken areas as well as the equivalent of USD 10.00 million in concessionary loan / soft-istisnaa' for the rehabilitation and reconstruction of social services and food security facilities devastated by the floods in disaster areas.

Long term reconstruction requirements, meanwhile, are expected to be included under the normal programming cycle in consultation with the government of Pakistan and in coordination with the donor community.

Source: International Islamic News Agency (IINA)

## IRAN OFFERS BANGLADESH TO JOIN IPI PROJECT

Iran has shown interest to involve Bangladesh in its planned cross-border gas pipeline, which will guarantee supply to energy-deficient Pakistan and India. In a recent letter to the Finance Ministry's Economic Relations Division (ERD), the Iranian Ambassador in Dhaka said that Bangladesh could join the IPI pipeline project, to be built to supply natural gas from Iran.

"We have forwarded the letter of the Iranian envoy to the Energy Division. The division will now chart its own course," a senior ERD official told newsmen. He said that since the tri-nation gas pipeline is supposed to reach up to the Indian city of Kolkata, Bangladesh can be linked to the grid to secure gas supply by Iran.

In 1995, Iran had signed a deal with Pakistan to export gas, but subsequently Tehran tapped Pakistan's nuclear rival India to participate in the trilateral grid scheme.In 2000, the Iranian government launched talks with officials of India and Pakistan on the possible routes, modes of transport, and geopolitical situation.

Dubbed the 'peace pipeline', the gas pipeline would traverse over 2,775 kilometers from Iran's South Pars gas field in the Persian Gulf through the Pakistani city of Khuzdar, with one branch going on to Karachi and a second branch extending to Multan and then on to India. Iran has an estimated proven natural gas reserve of 1,045 trillion cubic feet (tcf), second only to Russia.

The ERD official said Iran has indicated that the pipeline may stretch up to Kolkata, and urged Bangladesh to explore the possibility of its inclusion. He said, "It is really a great opportunity for Bangladesh, as the country's recoverable gas reserve would start drying up from 2013."

At present, Bangladesh has a shortage of nearly 300 million cubic feet (mcf) of gas supply per day, against total demand of 2300mcf of gas.

Nearly 87 percent of Bangladesh's electricity is generated from natural gas--a scarce resource--state-run Oil and Gas Corporation Petrobangla said could deplete by 2015.

A senior Petrobangla official said the government should diversify its import sources in view of the country's limited reserves of 12 tcf and the demand for energy that is surging past 8.0 per cent a year.

Source: Business Recorder

## IDB AFFILIATE APPROVES $65M FOR IRANIAN FIRMS

The Islamic development bank approved giving $65 million worth of loans to the Iranian companies. The International Islamic Trade Finance Corporation (ITFC), an autonomous entity within the Islamic Development Bank (IDB), has allocated $65 million to Iranian companies.

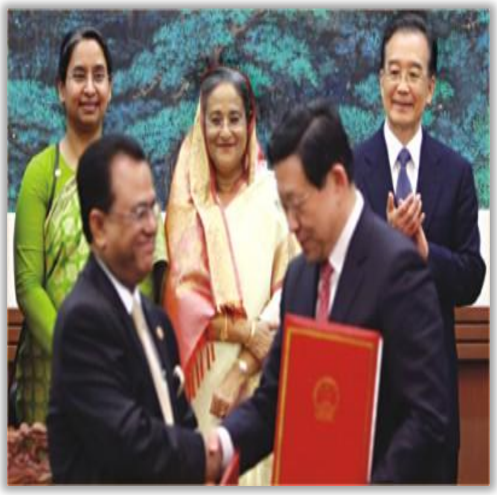
ITFC plans to give $35 million, $20 million, and $10 million worth of loans to the Mobarakeh Steel Company, Bank Saderat Iran, and FARDA Oil Company, respectively. The Islamic Development Bank, currently have 56 member countries, is an international financial institution established in pursuance of the Declaration of Intent issued by the Conference of Finance Ministers of Muslim Countries held in Jeddah in December 1973.

The purpose of the Bank is to foster the economic development and social progress of member countries and Muslim communities individually, as well as jointly, in accordance with the principles of Islamic Law.

Source: Tehran Times

## CHINA ALLOWS DUTY-FREE ACCESS TO BANGLADESH GOODS

China will provide duty-free entry to major Bangladeshi products with an aim to offset the annual trade gap of $2.5 billion. The new arrangement follows top level parleys. Prime Minister Sheikh Hasina went to Beijing and Chinese Vice President Xi Jinping was here last month when a series of pacts were signed.



China is Bangladesh's largest trading partner and the biggest supplier of military hardware. Dhaka expects that the country's major exportable items such as garments, frozen food, jute and leather would be included in the Chinese duty-free list of 4,721 items, New Age newspaper said Thursday.

The offer is almost similar to the European Union trade facility under "Everything But Arms" policy that helped Bangladeshi products to enjoy duty-free access to 27 EU nations.

'Made in Bangladesh' products would enjoy the facility as China has already listed Bangladesh and some 32 developing countries across the world for duty-free access from July 1 in keeping with its commitment to the World Trade Organisation (WTO).

"It's a big opportunity for the exporters and good news for the country's exports," said Mostafa Abed Khan of Bangladesh Tariff Commission.

Source: The Economic Times

# DHAKA GETS $129M IDB LOAN TO SET UP DEEP-SEA OIL UNLOADING FACILITY

The government of Bangladesh has sealed a US$129 million soft credit from Islamic Development Bank to build the country's first offshore floating platform aimed at saving billions of taka it spends in unloading oil in deep sea.

Bangladeshi Finance Minister AMA Muhith signed the deal with the Jeddah-based development lender, paving the way for building a 'Single Point Mooring' in the Bay of Bengal. "The pipeline from the floating platform will save both time and money," , he said after returning to the capital from central Asian country of Azerbaijan where the IDB held its annual meeting. Construction of the offshore platform will start within the next two to three months and is expected to be completed by 2011, he said. State-run refinery, Eastern Refinery Limited (ERL), and the country's lone oil importer and distributor, Bangladesh Petroleum Corporation (BPC), will install the oil unloading facility.

The platform would be set up in south-west of Kutubdia island in the Bay of Bengal, about 70-kilometre south of the Chittagong port. A 77-kilometre-long 36-diameter pipeline would link ERL with the Single Point Mooring.

Rezaul Alam, the managing director of ERL, said the "pay-back time" of the 9.54 billion taka is four and a half years, meaning the project would save at least 2.50 billion taka a year in unloading cost.

"Currently, two ships of the BSC (Bangladesh Shipping Corporation) unload crude from the mother vessels and then carry it back to ERL landing stations. It is time-consuming and very costly," he said.

"Now 10 to 12 days is required for unloading imported petroleum or crude from a mother vessel. We count huge amount of extra fare to the vessels for any delay in unloading," said an ERL official. After constructing the pipeline and the floating platform in the Bay only two days would be required to unload oil and supply it to the ERL, the official added.

The country imports nearly 3.7 million tonnes of crude and refined oil by ships from different countries especially from the Gulf to meet growing demand. The amount is set to soar as the country has undertaken series of new diesel-fired power plants.

Source: International Islamic News Agency (IINA)

## IMF, Afghanistan agree on $125 million Loan


The International Monetary Fund on Tuesday reached agreement with Afghanistan on a new three-year economic program supported by a $125 million loan (82.3 million pounds).The IMF said in a statement the deal will be submitted to the IMF board for final approval in late August.

The IMF said the program will complement Afghanistan's broader development agenda. The announcement came the same day as a major international conference in the capital Kabul to raise money to reconstruct the country as around 150,000 foreign forces tackle an increasingly bloody insurgency.

Despite security and political constraints in Afghanistan, the IMF said economic growth was stronger, inflation was under control, and tax collection had grown significantly in 2009 giving the government more revenues, it added.

It said the program will focus on policies that constrain inflation, strengthen revenues, seek more transparency in the mining sector, and improve the budget process and public spending.

"The main goals of the program are to move towards financial sustainability, ensure that the money is well used, and build capacity for policy implementation," the IMF said.

Source: ARY News

## ADB $40 Million Loan to Boost Food Security, Farm Incomes in Bangladesh

The Asian Development Bank (ADB) is extending financial assistance to Bangladesh to grow high-value crops including vegetables, spices, and fruits that will boost incomes for poor farmers and support the nation's food security.

A loan of $40 million equivalent from ADB's concessional Asian Development Fund is being provided for the Second Crop Diversification Project. It will be used to support the development of high-value crops in 27 districts in the southwest and northwest of Bangladesh - including some of the poorest, least developed and most climate-vulnerable areas in the country.

Over 75% of Bangladeshis are involved in agriculture, with rice the dominant crop. However, the country lacks sufficient supplies of fruit and other nutritious foods, forcing it to rely on pricey imports. In response, the government has put in place an agriculture development strategy to diversify crops, ensuring national food self-sufficiency and increased incomes for farmers.

The new project will build on the gains of an earlier ADB-assisted Northwest Crop Diversification Project. It will provide farmers in targeted districts with the latest in high-value crop production techniques, including “green” technologies for organic manure. The focus will be on crops with proven market demand, high profitability, and potential for commercialization, including fruits, vegetables, pulses, spices, cut flowers, potted plants and value-added agriproducts.

With Bangladesh highly susceptible to extreme weather events due to its low-lying position along the Bay of Bengal, the new project will pilot test climate-resilient varieties of crops in drought and flood-prone areas. Training in the production and post-harvest processing and marketing of high-value crops will be provided equally to men and women, and to reduce post-harvest losses and improve product quality, the project will support investments in low-cost community-based infrastructure such as collection and post-harvest handling centers, and small scale cool, cold and dry storage facilities.

As small farmers typically lack savings to make business changes, the project will provide about 175,000 of them with access to agriculture credit to diversify into new crops.
ADB’s loan, which will finance 87% of the total project cost of $45.8 million, has a 32-year term with an 8-year grace period. Interest during the grace period is set at 1% per annum, rising to 1.5% for the rest of the term. The government is extending $5.42 million, with farm communities extending around $390,000 equivalent.

Source: Asian Development Bank

## INDONESIA: GOVERNMENT AIMS TO CREATE 10.7 MILLION NEW JOBS UNTIL 2014

The Indonesian government has set itself the target of creating 10.7 million new jobs and slashing poverty rate to 8-10 percent at the end of 2014, says President Susilo Bambang Yudhoyono.

"We can achieve the target by among others increasing both domestic and foreign investments. We want to ensure that investors will get all the necessary facilities," the President said in his state-of-the-nation address to the joint session of the House of Representatives (DPR) and the Regional Representatives Council (DPD). "We must make sure that the investment can boost the national economy capable of promoting our people's welfare," he said.

To achieve the target of economic growth, the government would go ahead with its measurable and prudent micro economic policies, he said. The government also had synergised with regional governments in drawing up sound, quality and sustainable state budget and regional budgets, he said.

"We also continue to increase coordination, synergy and harmonisation with regional governments in implementing sectoral and regional development," he said. The President said the government wanted to speed up the absorption of state budget funds by keeping the balance between routine expenditure and development expenditure.

"At the working meeting in Bogor early this month, I stressed the need to use much of the state budget and regional budget funds for government spending capable of stimulating growth, such as for infrastructures and people's empowerment programme," he said. "We also need to make sure that a great chunk of budget funds will not go to routine expenditures, administrative expenses, and spending on less productive goods," he said.

Source: NNN-Antara, Jakarta

## VISITORS TO SYRIA UP 56% IN JANUARY-JULY 2010

Tourist arrival in Syria during the first seven months of 2010 marked an increase of 56% compared to the same period in 2009, the Ministry of Tourism stated. A report issued by the Ministry shows that Arab and foreign arrivals from January to July 2010 amounted to 5.7 million compared to 3.66 million during the same period in 2009, marking an increase of over 2 million.

Arrivals through land crossing points marked the highest increase, with 4.8 million in 2010 compared to 3 million in 2009 marking an increase of 1.8 million and a growth rate of 59%, while arrivals through airports amounted to 891,534 compared to 632,706 in 2009 with an increase of 258,828 and a growth rate of 41%.

Arab, foreign and expatriate Syrian tourists during the first seven months of 2010 amounted to 5.16 million compared to 3.33 million in 2009, with an increase of 1.83 million and a growth rate of 55%. Of these tourists, 2.9 million are Arabs, with 1.34 million foreign tourist and around 912,500 expatriate Syrians, while one-day transit visitors heading to Lebanon or Turkey amounted to 1.07 million compared to 919,900 in 2009.

The Ministry said that this growth in numbers is due to cancelling entry visas with Turkey and Iran and the promotional campaigns carried out by the Ministry during the past two years. Among the Arab tourists that visited Syria, the biggest increase is among Lebanese tourists with an increase of 85% and Jordanians with an increase of 87%.

Regarding foreign tourists, the biggest increase was among Turkish tourists with an increase of 170%, Iran 117%, Germany 21%, France 27%, Italy 38%, England 19%, Spain 23%, Netherlands 28%, Greece 11%, Russia 14%, Australia 24%, and China 81%, European tourists in general marking an increase of 88%. Damascus and Damascus countryside was the most popular tourist destination, with around 2.325 million tourists, followed by around 878,500 tourists for the northern region, around 826,800 tourist for the Syrian coast, around 671,800 for the central region, around 310,000 for the eastern region, and 155,000 for the southern region.

In terms of accommodations, the rates of staying in hotels between January and July 2010 amounted increased by 35%, with around 710,760 nights compared to around 526,000 nights in 2009. The average periods for staying in hotels for tourist groups amounted to an average of 5.13 nights per tourist.

Source: Sana, Damascus, Islamic Travel Newswire

## KUWAIT ANNOUNCES $35BN OIL INDUSTRY UPGRADES PLAN

Kuwait's oil minister has said the country is to launch oil projects valued at almost $35bn as part of its four-year development plan for the industry, The National has reported. The projects will include a fourth oil refinery in Kuwait and an upgrade at the state's three existing refineries. The project will boost capacity of two of the three existing refineries from 730,000 bpd to 800,000 bpd, Sheikh Ahmad al-Abdullah al-Sabah told the daily in an interview.

Source: AMEinfo.com, The Ultimate Middle East Business Resource, 24 August 2010.

## MALAYSIAN ECONOMY SURGES 8.9% IN SECOND QUARTER

Malaysia's economy grew 8.9 percent year-on-year in the second quarter, with growth expected to exceed six percent in the full year, the central bank governor Zeti Akhtar Aziz declared.

The second-quarter growth was "driven by sustained expansion in domestic demand and continued robust growth in external demand." The stronger domestic demand was due to higher private and public sector spending, while the expansion in external demand spurred domestic production.

Despite the slow growth in advanced economies Malaysia's economic growth was still "favourable" because the country had strong fundamentals, low inflation and low unemployment.

The inflation rate, as measured by the change in the consumer price index (CPI), increased by 1.9 percent for July compared with the same month last year, according to a statement from the Statistics Department. The central bank also announced a further liberalisation of foreign exchange transactions.

Malaysia's economy leapt 10.1 percent year-on-year in the first quarter after a revised 4.4 percent growth rate in the last quarter of 2009. The first quarter figure was the highest rate recorded since the first quarter of 2000, when the economy grew 11.7 percent.

Source: www.channelnewsasia.com

## Indonesia expects Japan's Inpex Corp to start construction of a $10 billion floating liquefied natural gas (LNG) plant next year in the Timor Sea

The plant is expected to come on stream in 2016 with initial production of 4.5 million tonnes per year of LNG from the Inpex-operated Abadi gas field, which is estimated to have over 10 trillion cubic feet (tcf) of gas reserves.

"Some of the LNG will be exported and some for the domestic market," said Elan Biantoro, a BPMIGAS spokesman.

Indonesia, the world's number-three LNG exporter after Qatar and Malaysia, is increasing its use of energy sources such as natural gas to reduce oil use because of high prices and dwindling domestic supply.

Last year, Indonesia in principle agreed to the Inpex proposal and said it was considering the economic value of a floating LNG plant, which it originally estimated could cost $19.6 billion. An Inpex official later estimated the cost at closer to $10 billion.

"The floating LNG plant is more efficient compared with an onshore plant. There would be a high risk of problems if we built the plant onshore," Biantoro said.

If the gas reserves are confirmed, it would make the project the second-biggest new Indonesian gas field after the Tangguh project in Papua, which has combined reserves of 14.4 tcf. (Reporting by Muklis Ali; Editing by Neil Chatterjee)

Source: Reuters, 19 August 2010

## Qatar's 2010 GDP Growth to Touch 14.5%

Doha, August 30 (QNA) - Qatar's real Gross Domestic Product (GDP) for 2010 is estimated to grow by 14.5%, driven by increased production and exports of Liquefied Natural Gas which will be around 45 million tones, and robust contribution from non hydro carbon sector, according to a top economic review publication. Qatar Economic Review, a publication of Qatar National Bank Capital, with figures sourced from Qatar Statistics Authority (QSA), forecasts the real GDP to grow by 14.5% this year and 17% for 2011. Besides natural gas sector, most of the contribution, from the non-hydro carbon sector, towards this projection is estimated from transport and communications, finance, insurance, real estate, trade, restaurants, hotels and other services sectors.

The projections are based on first quarter performances and sound parameters applied to the respective sectors. The nominal GDP figures released by the QSA for the first quarter of 2010, have shown growth of 22.7% to reach QR102.5 billion, compared to QR83.6 billion in the first quarter of 2009.

Qatar's economic outlook is termed stable by three prominent credit rating agencies spurred by the country's new project plans in Liquefied Natural Gas over the next two years and positive growth prospects in oil and gas as well as other key petro-chemical sectors. The world's three premier ratings agencies - Capital Intelligence, Moody's and Standard and Poor's (S&P) - have rated Qatar's economic outlook to be 'stable'. Currently Qatar's sovereign ratings are the highest among GCC countries, the review said.

S&P last month raised Qatar's sovereign long-term foreign and local currency ratings from AA- to AA and the short-term at A-1+.

This rating upgrade followed Qatar government boosting its fiscal and external balance sheets. The AA band rating implies there is no doubts about the entity's capacity and commitment to honour obligations.

Qatar's economic growth has been further catalysed by reforms, favourable economic environment, stability as endorsed by the international ratings agencies, and promotion of private enterprise as well as boosting foreign investment.

Although hydrocarbons still account, on an average, 50 per cent of Qatar's GDP, economic diversification has become one of the drivers of the expanding economy in recent times. The country's leadership has promoted new initiatives in other sectors like communications, transport, infrastructure, building construction, trade, tourism and hospitality, education and developing a knowledge-based economy as part of the 2030 Vision document.

Source: Qatar News Agency (QNA), 30 August 2010, http://www.qnaol.net

## UAE, OECD sign Memorandum of Understanding

The UAE and the Organisation for Economic Cooperation and Development (OECD) signed a Memorandum of Understanding (MoU) related to developing and understanding MENA countries international tax agreements for the years 2010 to 2012.

The MoU was signed on the sidelines of 15th Annual Conference of the Organisation for Economic Cooperation and Development (OECD), held in Paris in September 2010. The UAE's official delegation to the conference was led by Director General of the Ministry of Finance (MoF) Younis Haji Al Khoori. Representing UAE, Al Khouri signed the MoU while Jeffrey Owens, Director of the Centre for Tax Policy and Administration (CTPA) represented the OECD in signing it.

Source: UAE Interact, http://www.uaeinteract.com

# First Conference of Al-Khawarezmi Committee on Statistics

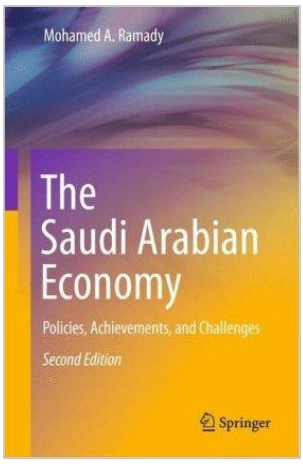
## 6-8 December 2010, Doha, State of Qatar

The First Conference of Al-Khawarezmi Committee on Statistics will be held under the theme "Statistics for Evidence-based Policy and Decision Making" on 6-8 December 2010 in Doha, Qatar. The aim of Al-Khawarezmi Committee on Statistics, chaired by H.E. Hamad bin Jaber B.J. Al Thani, President of the Qatar Statistics Authority, is to act as a catalyst to help Arab statisticians becoming active partners in knowledge creation and improve the practice of statistics in the Arab region. The mission of this Committee is to stimulate cooperation between ISI and the statistical communities in the Arab region. The Committee was established by the International Statistics Institute (ISI) to honour the contributions made by the great scholar and mathematician Al-Khawarezmi (790–850). Al-Khawarezmi Committee on Statistics strives to achieve excellence in the practice of statistics, statistical education and research both in the region and in the Islamic Ummah. The Conference will bring together Arab statisticians and a number of world class statisticians to present their current work, discuss areas of common interest, collaborate in joint activities, mentor future statisticians and recognize the excellence of work by statisticians. The Conference will focus on statistical methodologies and the use of statistics in measuring human development, environmental quality and sustainable economic development.

# Book Reviews – Recent Titles

## The Saudi Arabian Economy: Policies, Achievements, and Challenges

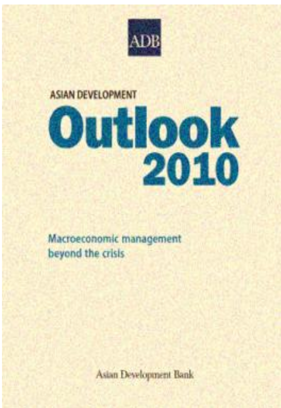
Mohamed A. Ramady, 500 pages, Springer Verlag, 2010




The Saudi Arabian economy has changed almost beyond recognition since the oil boom days of the 1980s, and the Kingdom itself has changed too economically, socially, and demographically. In the second edition of *The Saudi Arabian Economy*, Mohamed Ramady uses several overlapping themes to establish and develop a framework for studying the fundamental challenges to the Saudi economy. Particular attention is paid to the benefits of short-term planning and long-term diversification intended to shield the economy from potentially de-stabilizing oil price fluctuations and the pace and diversity of domestic reforms. The author examines the core strengths and evolution of various financial institutions and the Saudi stock market in the face of globalization, before analysing the private sector in detail. Topics discussed include: The hydrocarbon and minerals sector, including the emergence of the competitive petrochemical sector; the impact of small and medium sized businesses and the evolving role of "family" businesses; the growing role of women in the Saudi economy; the role of privatization and FDI as engines of change and the position of public-private-partnerships; the establishment of a foundation for a knowledge-based economy. Finally, the author offers an analysis of the key challenges facing the Saudi economy, paying particular attention to the potential costs and benefits of globalization, and membership in the WTO. Employment, education, economic and social stability, and Saudi Arabia's place in the Gulf Cooperation Council, as well as Saudi Arabia's evolving strategic economic relations with China and other countries are offered as keys to the consensus building needed to ensure the Kingdom's healthy economic future.

## Asian Development Outlook 2010: Macroeconomic Management Beyond the Crisis

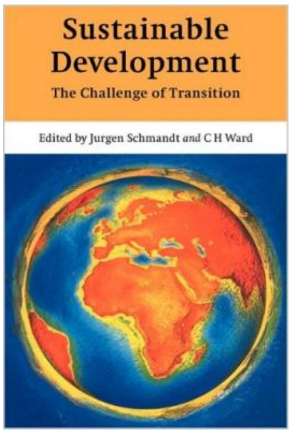
Asian Development Bank, 576 pages, Asian Development Bank Publications, 2010




The annual *Asian Development Outlook* provides a comprehensive analysis of economic performance for the past year and offers forecasts for the next 2 years for the 45 Asian economies that make up developing Asia. This edition sees developing Asia emerging from the recent crisis and posting a strong recovery in the next 2 years, as a moderate global recovery supports a modest revival in global trade. Investment is expected to remain strong and private consumption is anticipated to improve. Inflation will pick up, but at manageable levels. Beyond the crisis, developing Asia faces the challenge of adjusting its monetary, exchange rate, and fiscal policies to foster macroeconomic stability and sustained growth within the broader direction of a return to prudence and discipline.

## Sustainable Development: The Challenge of Transition

Jurgen Schmandt, C. H. Ward, 240 pages, Cambridge University Press, 2010



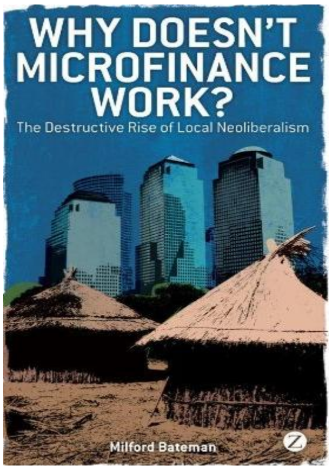

Demographers predict that the world population will double during the first half of the 21st century before it will begin to level off. In this volume, a group of prominent authors examine what societal changes must occur to meet this challenge to the natural environment and the transformational changes that we must experience to achieve sustainability. Frances Cairncross, Herman E. Daly, Stephen H. Schneider and others provide a broad discussion of sustainable development. They detail economic and environmental, as well as spiritual and religious, corporate and social, scientific and political factors. *Sustainable Development: The Challenge of Transition* offers many insightful policy recommendations about how business, government, and individuals must change their current values, priorities, and behaviour to meet present and future challenges. It will appeal to scholars and decision makers interested in global change, environmental policy, population growth, and sustainable development, and also to corporate environmental managers.

## Why Doesn't Microfinance Work? The Destructive Rise of Local Neoliberalism

Milford Bateman, 256 pages, Zed Books, 2010

Since its emergence in the 1970s, microfinance has risen to become one of the most high-profile policies to address poverty and under-development in developing and transition countries. It is beloved of rock stars, royalty, movie stars, high-profile politicians and "trouble-shooting" economists. Its most famous pioneer, Muhammad Yunus, was awarded the Nobel Peace Prize in 2006.

In this provocative and controversial analysis, Milford Bateman reveals that microfinance doesn't actually work. That, in fact, the case for it has largely been built on a desire to advance a particular free market ideology, on hype and egregious half-truths, and -- latterly -- on the Wall Street-style greed, deception and individual self-interest of those promoting and working in microfinance. Using a multitude of case studies from across the globe -- from India to Cambodia, Bolivia to Uganda, Serbia to Mexico amongst many others -- he exposes why many of its most fundamental building blocks are largely myths. In doing so, he demonstrates that microfinance actually constitutes a major barrier to sustainable economic and social development, and thus also to sustainable poverty reduction.



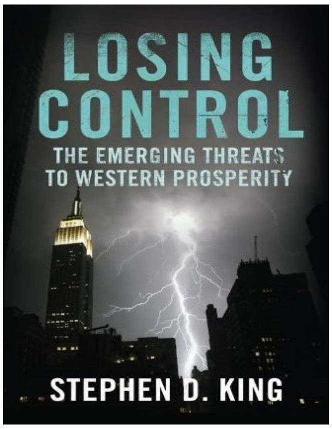

As developing and transition countries attempt to repair the devastation wrought by the global financial crisis, Bateman argues forcefully that the role of microfinance in development policy needs to be urgently and fundamentally reconsidered.

## Losing Control: The Emerging Threats to Western Prosperity

Stephen D. King, 304 pages, Yale University Press, 2010

As the economic giants of Asia and elsewhere have awakened, Western leaders have increasingly struggled to maintain economic stability. The international financial crisis that began in 2007 is but one result of the emerging nations' increased gravitational pull. In this vividly written and compellingly argued book, Stephen D. King, the global chief economist at HSBC, one of the largest banking groups in the world, suggests that the decades ahead will see a major redistribution of wealth and power across the globe that will force consumers in the United States and Europe to stop living beyond their means.

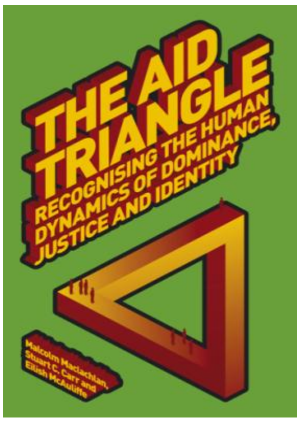
The tide of money washing in from emerging nations has already fuelled the recent property bubble in the West, while new patterns of trade have left the West increasingly dependent on risky financial services. Unless things change drastically, King argues, the increasing power of emerging markets, when coupled with poor internal regulation and an increasingly anachronistic system of global governance, will result in greater instability and income inequality, accompanied by the risk of a major dollar decline. And as Western populations age and emerging economies develop further, the social and political consequences may be alarming to citizens who have grown accustomed to living in prosperity.




## The Aid Triangle: Recognising the Human Dynamics of Dominance, Justice and Identity

Malcolm Maclachlan, Eilish McAuliffe, Stuart C. Carr, 192 pages, Zed Books, 2010

*The Aid Triangle* focuses on the human dynamics of international aid; from impoverished farmers to aid workers; donor diplomats to multilateral bureaucrats; celebrities to activists, and to the unconcerned and uninvolved. This timely work illustrates how the aid system incorporates power relationships, and therefore relationships of dominance. It explores how such dominance can be both a cause and a consequence of injustice. It explains how the experience of injustice is both a challenge to, and a stimulus to, personal, community and national identity, and how such identities underlie the human potential that international aid should seek to enrich.

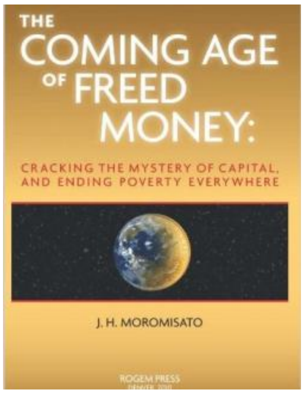



Using the concepts of dominance, injustice and identity *The Aid Triangle* provides an innovative and constructive framework for producing more empowering and more effective aid.

The authors explain how people take actions which strive to achieve identity, esteem, and empowerment and how aid efforts often present obstacles to this because they - ironically - symbolise challenges to what people strive for. *The Aid Triangle* elucidates how the psychology of political reality - at all levels of aid relationships - constitutes the gravitational field in which human dynamics try to orientate themselves.

## The Coming Age of Freed Money:
## Cracking the Mystery of Capital, and Ending Poverty Everywhere

J. H. Moromisato, 302 pages, Rogem Press, 2010




Money is the lifeblood of the economy. The technology of money—how money is created and how it flows in the economy—determines the fate of societies. About three centuries ago, a new money technology was begun in Great Britain, which led to the Industrial Revolution: It was the invention of fractional reserve banking. That simple innovation gave rise to the unprecedented expansion of money and credit and to the exponential economic growth to which the world owes its present prosperity. Economists, the experts who are supposed to tell us about these momentous changes in the economy, and explain their causes and effects, are mired in doctrinaire fog since Ricardo and Mill (and for some Marx) cast in stone Adam Smith's imperfect ideas. Thus, today, even that centuries-old money technology is poorly understood; this confusion is illustrated by the current policy arguments among economists, highlighted by the Euro crisis—some call for fiscal stimulus and others for fiscal restraint. For most of the history of our civilization, nations have been constrained in their economic development by the scarcity of money—gold or silver. The invention of fractional reserve lifted such constraint for the private economy, but not for the public one. Governments everywhere were reduced to the role of borrowers, and forced to cut their spending. And public austerity became economists' recommended policies in the face of people's dire needs. Thus, prosperity became accompanied by inequality; some people became rich without measure while others, including whole nations, sank into the most abject poverty. The closing of the 'gold window' in 1971, gave government the power to control its own finances, as well as the flow of money in the economy; but such power was neutralized by the existence of fractional reserve. *The Coming Age of Freed Money* heralds a new monetary technology, called that of 'freed money', which shall restore to government the power of money and usher a new era of prosperity with real freedom and dignity for all.

## Perspectives on Global Development 2010: Shifting Wealth

OECD, 176 pages, OECD Publishing, 2010

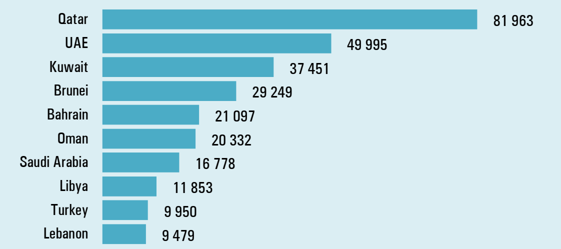

This publication looks at the major realignment of the global economy that has taken place in the last two decades. Economic and political power has been shifting towards the developing world and emerging economies thanks to high and sustained growth rates in large developing countries, particularly the Asian giants of China and India. Increasing links between developing countries has been a feature of this transformation: flows of trade, aid and investment between developing countries have all intensified. Which countries have had the most rapid growth? How does the rise of the Asian giants affect the global economy and the rest of the developing world? And how can poor countries take advantage of the new economic landscape? Answers and insights are given in this edition.

# ECONOMIC and FINANCIAL INDICATORS

| Country | GDP Growth 2009 | GDP Growth 2010 Est.[1] | GDP Growth 2011 Est.[1] | Inflation Rate (CPI)* 2009 | Inflation Rate (CPI)* 2010 Est.[1] | Inflation Rate (CPI)* 2011 Est.[1] |
|---|---|---|---|---|---|---|
| Afghanistan | 22.55 | 8.64 | 6.96 | -12.02 | 2.32 | 4.45 |
| Albania | 2.80 | 2.30 | 3.20 | 2.22 | 3.45 | 2.86 |
| Algeria | 2.03 | 4.55 | 4.13 | 5.74 | 5.50 | 5.15 |
| Azerbaijan | 9.30 | 2.68 | 0.58 | 1.47 | 4.71 | 3.50 |
| Bahrain | 2.89 | 3.48 | 3.96 | 2.79 | 2.39 | 2.00 |
| Bangladesh | 5.43 | 5.38 | 5.88 | 6.06 | 7.39 | 7.25 |
| Benin | 2.70 | 3.22 | 4.45 | 2.16 | 2.52 | 2.80 |
| Brunei | -0.49 | 0.49 | 1.00 | 1.80 | 1.80 | 1.80 |
| Burkina Faso | 3.21 | 4.41 | 4.71 | 2.60 | 2.28 | 2.00 |
| Cameroon | 1.95 | 2.58 | 2.87 | 3.04 | 3.00 | 2.70 |
| Chad | -1.58 | 4.38 | 3.92 | 10.10 | 6.03 | 3.03 |
| Comoros | 1.14 | 1.49 | 2.50 | 4.81 | 2.17 | 2.33 |
| Côte d'Ivore | 3.75 | 2.98 | 4.01 | 1.01 | 1.42 | 2.50 |
| Djibouti | 4.97 | 4.47 | 5.39 | 1.67 | 3.00 | 4.00 |
| Egypt | 4.67 | 5.01 | 5.53 | 16.24 | 11.97 | 9.52 |
| Gabon | -1.42 | 5.36 | 4.94 | 2.10 | 7.50 | 9.00 |
| Gambia | 4.56 | 4.82 | 4.99 | 4.55 | 3.86 | 5.00 |
| Guinea | -0.29 | 3.03 | 3.61 | 4.68 | 16.56 | 12.31 |
| Guinea-Bissau | 3.00 | 3.47 | 4.34 | -1.67 | 2.50 | 2.50 |
| Guyana | 3.32 | 4.36 | 4.93 | 2.92 | 3.79 | 4.00 |
| Indonesia | 4.55 | 6.00 | 6.20 | 4.81 | 4.72 | 5.81 |
| Iran | 1.82 | 3.01 | 3.21 | 10.30 | 8.50 | 10.00 |
| Iraq | 4.21 | 7.27 | 7.87 | -2.80 | 5.11 | 5.00 |
| Jordan | 2.75 | 4.10 | 4.50 | -0.68 | 5.28 | 4.64 |
| Kazakhistan | 1.17 | 2.40 | 4.20 | 7.32 | 7.30 | 6.58 |
| Kuwait | -2.67 | 3.10 | 4.84 | 4.68 | 4.46 | 4.03 |
| Kyrgyzstan | 2.30 | 4.61 | 5.25 | 6.85 | 8.43 | 7.61 |
| Lebanon | 9.00 | 6.00 | 4.50 | 1.21 | 5.00 | 3.44 |
| Libya | 1.76 | 5.22 | 6.14 | 2.65 | 4.50 | 3.50 |
| Malaysia | -1.72 | 4.72 | 5.05 | 0.60 | 2.00 | 2.10 |
| Maldives | -3.03 | 3.45 | 3.68 | 4.00 | 4.25 | 5.25 |
| Mali | 4.46 | 5.12 | 6.32 | 2.19 | 2.10 | 2.64 |
| Mauritania | -1.07 | 4.58 | 5.19 | 2.24 | 4.78 | 4.83 |
| Morocco | 5.20 | 3.23 | 4.50 | 0.97 | 2.00 | 2.60 |
| Mozambique | 6.33 | 6.45 | 7.55 | 3.25 | 9.29 | 5.59 |
| Niger | -0.86 | 4.41 | 3.79 | 4.30 | 8.40 | 2.00 |
| Nigeria | 5.63 | 6.98 | 7.32 | 12.36 | 11.50 | 9.53 |
| Oman | 3.35 | 4.72 | 4.67 | 3.54 | 3.89 | 2.90 |
| Pakistan | 1.97 | 3.00 | 4.00 | 20.78 | 11.50 | 7.50 |
| Palestine | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Qatar | 9.04 | 18.54 | 14.34 | -4.87 | 1.03 | 3.02 |
| Saudi Arabia | 0.15 | 3.70 | 4.04 | 5.06 | 5.20 | 5.00 |
| Senegal | 1.55 | 3.44 | 4.09 | -1.05 | 1.56 | 2.11 |
| Sierra-Leone | 4.01 | 4.77 | 5.49 | 9.25 | 15.46 | 7.76 |
| Somalia | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Sudan | 4.52 | 5.52 | 6.01 | 11.26 | 10.00 | 9.00 |
| Suriname | 2.50 | 4.03 | 4.75 | 0.70 | 5.50 | 5.50 |
| Syria | 3.99 | 5.00 | 5.50 | 2.55 | 5.04 | 5.00 |
| Tajikistan | 3.40 | 4.00 | 5.00 | 6.47 | 7.04 | 8.25 |
| Togo | 2.48 | 2.56 | 3.35 | 1.98 | 2.08 | 2.64 |
| Tunisia | 2.95 | 4.00 | 4.97 | 3.73 | 4.20 | 3.50 |
| Turkey | -4.74 | 5.20 | 3.40 | 6.25 | 9.73 | 5.68 |
| Turkmenistan | 4.15 | 12.00 | 12.18 | -2.73 | 4.96 | 5.35 |
| Uganda | 7.06 | 5.59 | 6.40 | 14.20 | 10.50 | 7.50 |
| UAE | -0.67 | 1.29 | 3.09 | 1.01 | 2.23 | 3.02 |
| Uzbekistan | 8.10 | 8.00 | 7.00 | 14.08 | 9.15 | 9.41 |
| Yemen | 3.87 | 7.78 | 3.84 | 3.68 | 9.25 | 8.38 |

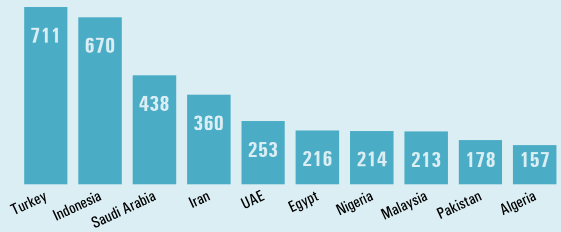
**Source:** BASEIND * Average consumer prices (2000 = 100) 1. IMF WEO April 2010

**Top 10 OIC Member Countries, by GDP Per Capita, Current USD, 2010 (estimated)**



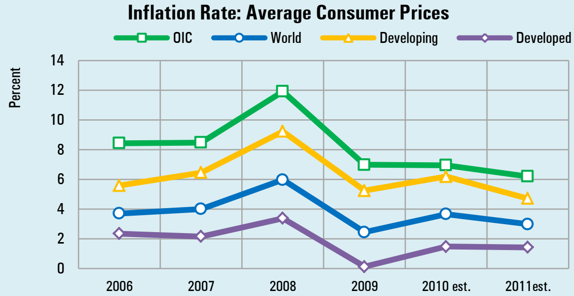

**Source:** IMF WEO April 2010

**Top 10 OIC Member Countries, by GDP , Current Billion USD, 2010 (estimated)**




**Source:** IMF WEO April 2010

**Inflation Rate: Average Consumer Prices**




**Source:** BASEIND, IMF WEO April 2010

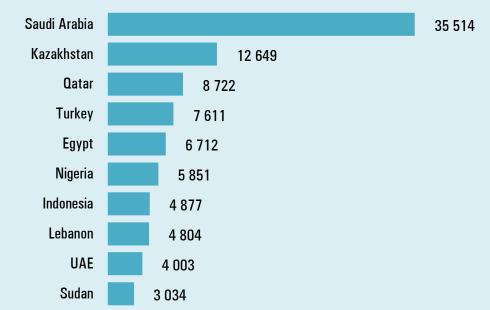
**Stock Exchange Performance**

| Country | Last (1 Sep '10) | 3-Months to Date[1] | Year to Date[1] | 1 Year[1] |
|---|---|---|---|---|
| Bahrain | 273.91 | 6.64% | -17.62% | -28.08% |
| Bangladesh | 1 311.77 | 6.13% | 35.40% | n.a. |
| Egypt | 808.85 | 8.54% | 2.97% | -0.38% |
| Indonesia | 759.57 | 5.35% | 19.69% | 40.88% |
| Jordan | 123.66 | -6.71% | -17.52% | -18.50% |
| Kazakhstan | 559.91 | -3.11% | -27.72% | -9.77% |
| Kuwait | 647.34 | 16.95% | 16.12% | -8.40% |
| Lebanon | 983.02 | -7.80% | -11.89% | -1.90% |
| Malaysia | 416.03 | 12.80% | 21.72% | 34.79% |
| Morocco | 416.20 | 1.29% | 0.01% | -8.05% |
| Nigeria | 359.47 | -5.34% | 12.62% | 11.72% |
| Oman | 855.78 | 2.35% | 2.00% | 1.20% |
| Pakistan | 81.90 | 0.96% | -0.12% | 0.88% |
| Qatar | 642.71 | 4.48% | 5.66% | 2.69% |
| Saudi Arabia[2] | 391.63 | 0.87% | 0.59% | 10.13% |
| Tunisia | 1 323.18 | 16.28% | 11.78% | 21.16% |
| Turkey | 599.12 | 16.45% | 13.45% | 26.91% |
| UAE | 197.72 | 4.10% | -13.57% | -17.12% |
| Arabian Markets | 482.20 | 4.65% | 2.43% | 0.82% |
| Emerging Markets | 989.76 | 7.82% | 0.03% | 17.53% |
| GCC Countries | 419.02 | 4.68% | 2.95% | 1.59% |

**Source:** Morgan Stanley Capital International 1. in US$ terms 2. Domestic

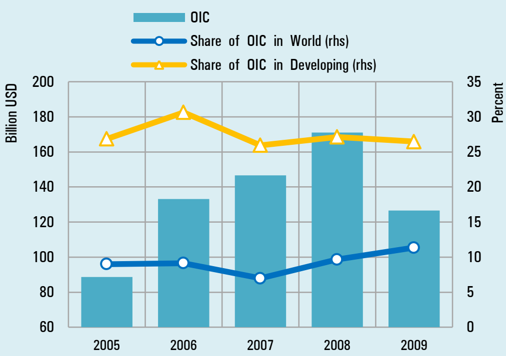
# ECONOMIC and FINANCIAL INDICATORS

**Top 10 OIC Member Countries, by FDI Flows, Million USD, 2009**



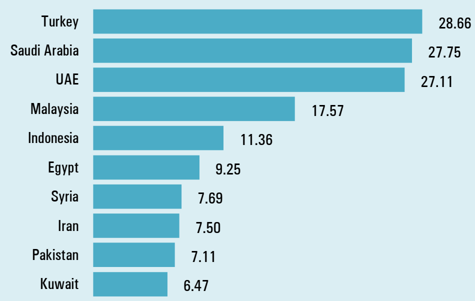

**Source:** BASEIND

**Foreign Direct Investment (Flow)**



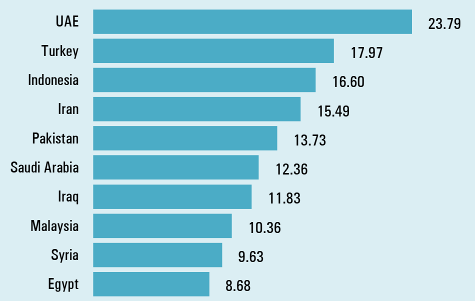

**Source:** BASEIND

**Top 10 OIC Member Countries, by Intra-OIC Exports, Billion USD, 2009**




**Source:** BASEIND

**Top 10 OIC Member Countries, by Intra-OIC Imports, Billion USD, 2009**




**Source:** BASEIND

| Country | Foreign Direct Investment: 2009 (Million USD) | Current Account Balance: 2010 Est. (Million USD) | Current Account Balance: 2011 Est. (Million USD) | Trade Balance[1]: 2009 (Million USD) | Intra-OIC Trade % of Merchandise Exports, 2009 | Intra-OIC Trade % of Merchandise Imports, 2009 |
|---|---|---|---|---|---|---|
| Afghanistan | 185 | -297 | -247 | -6 334 | 38.27 | 38.43 |
| Albania | 979 | -1 502 | -1 404 | -3 233 | 0.94 | 8.17 |
| Algeria | 2 847 | 3 959 | 5 638 | 5 207 | 8.45 | 9.67 |
| Azerbaijan | 473 | 13 120 | 13 094 | 11 661 | 13.72 | 23.00 |
| Bahrain | 257 | 1 227 | 1 344 | 14 345 | 10.16 | 32.33 |
| Bangladesh | 716 | 2 185 | 1 211 | -7 425 | 5.31 | 17.49 |
| Benin | 93 | -545 | -520 | -5 523 | 38.13 | 13.63 |
| Brunei | 311 | 5 486 | 5 910 | 5 568 | 26.44 | 20.95 |
| Burkina Faso | 171 | -664 | -660 | -1 200 | 18.53 | 38.26 |
| Cameroon | 337 | -985 | -1 193 | -52 | 11.31 | 22.60 |
| Chad | 462 | -2 371 | -2 226 | 1 087 | 0.47 | 23.14 |
| Comoros | 9 | -57 | -62 | -149 | 39.40 | 21.98 |
| Côte d'Ivoire | 409 | 1 051 | 801 | 3 302 | 23.99 | 29.65 |
| Djibouti | 100 | -288 | -396 | -1 933 | 88.90 | 31.45 |
| Egypt | 6 712 | -5 522 | -5 303 | -21 835 | 40.06 | 19.32 |
| Gabon | 33 | 282 | 335 | 4 186 | 3.15 | 10.35 |
| Gambia | 47 | -116 | -120 | -776 | 7.33 | 31.22 |
| Guinea | 141 | -431 | -377 | -2 118 | 5.06 | 8.91 |
| Guinea-Bissau | 14 | -11 | -2 | -203 | 34.81 | 25.03 |
| Guyana | 144 | -219 | -222 | -169 | 1.36 | 2.90 |
| Indonesia | 4 877 | 9 478 | 2 836 | 1 900 | 9.56 | 14.20 |
| Iran | 3 016 | 8 279 | 6 477 | 10 902 | 10.51 | 25.63 |
| Iraq | 1 070 | -16 849 | -5 091 | 10 497 | 5.00 | 51.18 |
| Jordan | 2 385 | -2 217 | -2 629 | -9 042 | 56.08 | 36.56 |
| Kazakhstan | 12 649 | 904 | -232 | 1 603 | 8.87 | 5.49 |
| Kuwait | 145 | 42 707 | 47 716 | 27 238 | 13.93 | 21.56 |
| Kyrgyzstan | 60 | -787 | -706 | -6 859 | 40.14 | 8.10 |
| Lebanon | 4 804 | -4 737 | -5 138 | -13 902 | 76.06 | 26.05 |
| Libya | 2 674 | 18 726 | 21 502 | 14 869 | 5.92 | 23.59 |
| Malaysia | 1 381 | 32 767 | 33 673 | 38 564 | 10.00 | 7.56 |
| Maldives | 10 | -363 | -251 | -932 | 3.20 | 30.64 |
| Mali | 109 | -893 | -949 | -2 802 | 29.14 | 27.65 |
| Mauritania | -38 | -266 | -381 | -338 | 12.78 | 13.56 |
| Morocco | 1 331 | -4 690 | -4 352 | -18 150 | 9.92 | 15.45 |
| Mozambique | 881 | -1 391 | -1 386 | -1 715 | 1.77 | 6.19 |
| Niger | 739 | -1 329 | -1 267 | -1 125 | 24.23 | 29.45 |
| Nigeria | 5 851 | 26 628 | 29 107 | 7 293 | 6.59 | 6.81 |
| Oman | 2 211 | 1 476 | 2 142 | 5 089 | 20.47 | 36.73 |
| Pakistan | 2 387 | -6 802 | -7 841 | -18 403 | 36.88 | 36.42 |
| Palestine | 33 | n.a. | n.a. | 0 | n.a. | n.a. |
| Qatar | 8 722 | 27 834 | 51 874 | 20 068 | 6.84 | 17.23 |
| Saudi Arabia | 35 514 | 39 860 | 51 617 | 81 696 | 15.71 | 13.02 |
| Senegal | 208 | -1 169 | -1 276 | -2 649 | 45.50 | 20.51 |
| Sierra-Leone | 33 | -184 | -192 | -575 | 9.82 | 19.67 |
| Somalia | 108 | n.a. | n.a. | -652 | 97.84 | 54.28 |
| Sudan | 3 034 | -5 523 | -6 305 | -1 299 | 14.57 | 32.41 |
| Suriname | 151 | -184 | -157 | -40 | 11.61 | 1.64 |
| Syria | 1 434 | -2 390 | -2 329 | -10 898 | 68.25 | 43.46 |
| Tajikistan | 8 | -440 | -506 | -2 647 | 36.83 | 27.34 |
| Togo | 50 | -204 | -198 | -309 | 52.81 | 14.33 |
| Tunisia | 1 688 | -1 129 | -1 311 | -6 680 | 15.21 | 14.89 |
| Turkey | 7 611 | -28 348 | -32 527 | -38 674 | 28.04 | 12.75 |
| Turkmenistan | 1 355 | -1 751 | 320 | -3 250 | 37.08 | 30.13 |
| Uganda | 799 | -942 | -1 149 | -1 567 | 22.65 | 21.65 |
| UAE | 4 003 | 19 749 | 20 848 | -35 498 | 22.65 | 15.33 |
| Uzbekistan | 750 | 1 885 | 2 067 | -3 275 | 32.55 | 12.95 |
| Yemen | 129 | -1 126 | -1 879 | -4 802 | 19.23 | 36.59 |

**Source:** BASEIND; IMF, IFS; IMF, WEO April 2010

**1.** As trade in services is not included, it is merchandise trade balance