

CAIRO DECLARATION 2001

1. We, the leaders of the People's Republic of Bangladesh, Arab Republic of Egypt, Republic of Indonesia, Islamic Republic of Iran, Malaysia, Federal Republic of Nigeria, Islamic Republic of Pakistan and Republic of Turkey met in Cairo, Egypt on the 25th of February 2001 for the Third Summit of the Developing Eight Countries (D-8). We reviewed global economic developments and the state of our cooperation. We reaffirmed our determination to achieve the goals and objectives of the Istanbul Declaration.

2. The Cairo Summit takes place against the backdrop of improving economic conditions among the members of the Group, who still however have to face significant economic challenges.

3. We have been active in advocating dialogue amongst civilisations and believe that year 2001 as declared by the United Nations General Assembly to be the Year of Dialogue among Civilisations holds the hope for greater and deeper understanding and the strengthened sense of unity and solidarity amongst the states and peoples of the world community.

4. We express our concern at the negative impact on the developing countries of the slowdown in the major economies. This further aggravated the prevailing imbalances in the world economy to the detriment of our efforts to overcome the challenges we face. We therefore call upon the developed economies to spare no efforts in supporting global growth. They must refrain from protectionist tendencies in order to minimise the adverse repercussions of the slowdown on developing countries.

5. Globalisation is a reality that should be turned into a positive process, which respects the basic principles of equity and social justice for developing countries including the members of the D-8 Group. It is a matter of concern that the benefits of globalisation are at present unevenly distributed while its costs unevenly shared. We have to ensure collectively that its benefits are fairly and equitably distributed and its costs be shared in accordance with common and differentiated responsibilities of states in a global partnership.

6. Furthermore, it is vital to enhance regional cooperation amongst developing countries through the sharing of resources and expertise in order to face the challenges of globalisation. Also, in that vein, we believe that cooperation among regional organisations, and between them and international bodies is important.

7. A number of consecutive financial crises and their wide spread contagion emphasise the need to strengthen cooperation to improve the international financial system in a democratic and a transparent way, thereby ensuring the greater participation of developing countries. The current reforms of the international financial institutions should assure the effective management of the crises once they occur, and provide early warning with the aim of preventing their occurrence in order to

make it more responsive to the needs and concerns of developing countries. The system should help in the mobilisation of more stable source of investment towards a larger number of developing countries, and to tame the volatility of short-term capital flows.

8. We welcome the holding of “The High Level Intergovernmental Event on Financing for Development” during 2002 which is an opportunity to address related national, international and systemic issues, including mobilisation of financial resources, debt relief, and trade benefits for developing countries. The Event should also reflect enhanced cooperation between the UN and the relevant institutions, with the participation of developing and developed countries, in a true spirit of partnership, differentiated responsibilities, and mutual benefits.

9. Upholding an open, equitable, and rule-based Multilateral Trading System is a matter of crucial importance for both developing and developed countries alike. The Fourth WTO Ministerial Meeting offers an opportunity to rectify the current imbalances in the Multilateral Trading System. Developed countries are called upon to fully and faithfully implement the Uruguay Round Agreements without resorting to disguised forms of protectionism and to fully operationalise Special and Differential Treatment provisions. Moreover, an improved integration of all developing countries, including least-developed countries, into the Multilateral Trading System is essential to the efficiency of the system. In this context, we emphasise the principle of universal membership of the WTO. We also call for accelerating the accession process of developing countries to the WTO, and urge WTO members to refrain from overburdening the acceding countries with excessive demands including non-economic considerations.

10. We firmly believe that developmental issues should permeate any future agenda for multilateral trade negotiations. Together, we should strive to ensure that future initiatives in the WTO should fully take into account the interest of developing countries, including improved access to technology.

11. We recognise the enormous opportunities provided by the revolution in Information and Communication Technology (ICT) for development, and its role in the process of integration in the 21st Century’s Global Economy. It is also important to stress that developing countries have exerted considerable efforts to bridge the digital divide and make use of the tools of ICT in their development programmes. We call upon developed countries to support those efforts. We further emphasise the important role of the private sector and the global research centers in enhancing and facilitating the flow of financial resources and technical know-how, including R&D to developing countries in various domains of ICT.

12. We stress the urgent need for continued efforts aiming at reducing the growing economic and social disparities between the rich and the poor both within and among states. We reaffirm that Official Development Assistance (ODA) remains a critical element in the process of development for the majority of developing countries, and that the continuous decline in the levels of ODA is therefore a matter of serious concern. In this context, we call upon developed countries to reverse the

current declining trend in the levels of ODA. We further call upon the industrialised countries to progressively increase their ODA levels to comply with the UN target of 0.7 % of GDP and to ensure an amount of not less than 0.2 % directed towards LDCs.

13. We recognise that the success of the economic development programmes in developing countries, in particular LDCs depends largely on a supportive external environment that offers enhanced access for their products to foreign markets and increased foreign capital flows, both in ODA and in Foreign Direct Investment (FDI). Within the WTO, special measures are required to help these countries to benefit from multilateral arrangements. Developing countries, especially LDCs and the heavily indebted countries need effective relief from the crushing debt burden. Measures need to be taken to ensure that these countries in particular are not marginalised in the digital age.

14. We continue to be concerned with the problem of external debt as a major obstacle to development. We are alarmed at the rate at which the debt-servicing burden has exceeded the debt itself, and that debt repayment has become much more burdensome to low and middle-income developing countries and LDCs. We call on our development partners to take additional measures to reduce the debt burden without negatively affecting other concessional commitments including ODA.

15. We recognise that FDI has emerged as one of the driving forces in world economy, as a source of increased productivity, transfer of technology, innovative organisational and management practices and integration in the world economy. We stress the fact that in spite of the improved policies formulated by developing countries to attract more FDI inflows; FDI is still concentrated in a few countries. Thus, there is an urgent need to create an enabling international environment conducive to developing countries' efforts, which ensures that their national investment policy instruments yield better results in this respect.

16. The LDCs deserve particular attention. In this context, we express full support to the LDCs at the Third UN LDC Conference to be held in Brussels in May 2001.

17. Having reviewed the progress achieved in the implementation of the D-8 projects and programmes since the Dhaka Summit, we express our satisfaction with the successful completion of a number of projects and programmes, on the basis of feasibility and flexibility.

18. We met to exchange views on the future of the D-8 Group with the view to intensifying its work and the interaction of its members in various international organisations as well as cooperation among themselves. The Council of Ministers and the Commission should undertake appropriate follow-up action for the benefit of the entire Group.

19. We underline once again the importance of intra-trade among the D-8 members and express our deep appreciation for the efforts exerted in this regard with a view to doubling the present rate of the D-8 intra-trade within five years.

20. In this context, we appreciate the efforts of the Government of Egypt to set up the International Marketing and Trading Company (IMTC) and take note of the work being done on the feasibility study. We express our deepest thanks to the Islamic Development Bank (IDB) for its financial contribution in this regard. We request the coordinating country to continue its collaboration with the other D-8 members for the establishment of the Company at an early date with the active participation of the private sector.

21. Furthermore, we welcome the endeavours by the respective countries in a number of programmes in the following trade-related areas:

i) The signing of the Agreement on the Simplification of Visa Procedures for Businessmen of the D-8 countries.

ii) The proposal of establishing a framework for constructive dialogue between the business circles, shipping companies and ship-owners associations.

iii) The establishment of a committee composed of the officials from central banks/ministries of finance or relevant authorities, which will be entrusted with the task of simplification and harmonisation of banking measures.

iv) The finalisation of the work on the trade database, inviting the members to feed the site regularly with trade information for the common interest of the entire membership.

22. In this context, we instruct the Commission to intensify its work in the area of trade facilitation/customs procedures within the D-8 area and urge member states to respond expeditiously to the Commission in this regard. We also instruct the Commission to study trade preferences and the issue of trade barriers within the D-8 as a regional arrangement, consistent with the international obligations of the member states.

23. We appreciate the efforts of the Turkish Aerospace Industries (TAI) for manufacturing the prototype of the agricultural aircraft as well as for conducting the tests successfully. We instruct the Commission on the basis of the principles of work sharing to look into the possibility of serial production of the aircraft taking into account its commercial feasibility, the quantitative requirements of the member countries and their likely contribution to the financing of the project.

24. We appreciate the efforts of the Islamic Republic of Iran in the successful launching, on the Internet, of the web site of the Industrial and Technological Data Bank Network (ITDB) and invite the member countries to regularly feed the necessary information in their national home pages. We also instruct the Commission to consider two new proposals presented by the Islamic Republic of Iran to extend this project on e-commerce and to establish a dedicated server.

25. We express our appreciation to the member countries for having organised since the First Summit more than 30 meetings, workshops, seminars, training programs etc. with a view to exchanging knowledge, experience and expertise in different fields of common interest. While calling upon the governments of member states to follow-up the implementation of the recommendations of the above-

mentioned meetings, invite them to organise further meetings in these vital areas, as well as to explore the possibility of convening ministerial meetings - as appropriate – to give impetus and promote further D-8 cooperation.

26. In this context, we welcome the initiative of member countries to hold the following meetings during 2001/2002.

- i) The Working Group Meeting on Energy by Nigeria.
- ii) The training program by Malaysia on privatisation.
- iii) The training course on the residue monitoring systems and hygiene rules & quality control procedures for fish packaging proposed by Turkey.
- iv) Three workshops on bio-technology initiative for increasing agricultural productivity; alternate/organic fertilizer; and conservation of farm animal genetic resource, to be organised by Pakistan.
- v) The workshop by Indonesia on the empowerment of rural community through the use of appropriate technology for poverty alleviation.
- vi) The workshop in the field of rural development to be held by Bangladesh.
- vii) The working group meeting on the technical aspects of environment to be hosted by the Islamic Republic of Iran.
- viii) The workshop on SMEs to be hosted by Turkey.

27. We also welcome various new cooperation schemes proposed and discussed in the Commission and the Council of the Ministers. We ask the relevant bodies of the group to study them and proceed with implementation programmes expeditiously. The schemes include, amongst others, the following:

- i) Proposal to share technology in DNA typing presented by the Islamic Republic of Iran.
- ii) Proposal regarding technology offer in HIV presented by the Islamic Republic of Iran.
- iii) Proposal for creating an environment network that could tap existing information and provide a basis for the application of environmentally sound technologies found in developed countries, presented by Bangladesh.
- iv) Proposal to cooperate and coordinate between the insurance and re-insurance companies presented by Egypt and Malaysia's proposal to invite the representatives of the supervisory and regulatory authorities in the field of insurance to work out the modalities of establishing a mechanism of cooperation among them.
- v) Proposal in the field of poverty alleviation presented by Egypt which includes:
 - Designing a "Best Practices Inventory" web page on the D-8 web site.
 - Exchanging of expertise among D-8 micro-finance experts.
 - Assistance among D-8 countries for the development and utilization of information and communication technologies (ICT) for poverty alleviation.
 - Issuing a publication on trends in human development and poverty alleviation mechanisms and programmes in the D-8 member countries.
- vi) Proposal regarding "Promoting Rural Industrialisation by a Comprehensive Approach" presented by Egypt.
- vii) Proposal initiating the programme of action for effective cooperation on SMEs proposed by Turkey, and the proposal on the creation of joint venture schemes for SMEs presented by Egypt.

viii) Proposal for cooperation in the utilisation of agricultural solid waste in energy generation presented by Egypt.

28. We call upon the governments to monitor the implementation of the above-mentioned meetings, projects and the respective programmes, so that a progress report will be presented through the relevant bodies of the D-8 to the next Summit.

29. Recognising the pivotal role of the private sector in achieving the objectives of D-8 cooperation in all fields, including trade, investment and industrial cooperation, we note with appreciation the entering into force of the Charter of the Business Forum of the D-8 Chambers of Commerce and Industry & Business Associations according to which the Forum came into existence, and invite the members which have not yet sign the Charter, to do so at the earliest. In this context, we appreciate the initiative taken by Egypt to convene, in parallel to the Third Summit, the First Meeting of the D-8 Business Forum. We also appreciate the work undertaken by the Forum under the chairmanship of the Egyptian Federation of Chambers of Commerce. We took note of the recommendations of the Forum, as reflected in its final report. And, in the light of our resolve to promote intra-trade and closer interaction between the business community of the member states, we request the Commission to further study and pursue the recommendations of the Forum.

30. Instruct the Commission to consider establishing institutional relationship with other international/regional organisations, especially IDB, UN, UNDP, FAO, UNIDO and WTO.

31. We appreciate the endeavours carried out by the Executive Director to advance the goals of the D-8 Group and the efforts of the Coordinating Unit to provide effective services to the meetings and to expedite communication between the members.

32. We endorse the arrangements made to contribute to the financing of the budget of the Coordinating Unit and decide to review these transitional arrangements including the scale of contributions before the end of the chairmanship of Egypt, taking into account the relevant decisions.

33. We express our profound appreciation to the Honourable Prime Minister of Bangladesh and Her Government for providing able and effective leadership during the period of the chairmanship of Bangladesh, when the D-8 took a more concrete shape and grew in strength and important meetings both at official and expert levels were held successfully.

34. We congratulate the Honourable President of the Arab Republic of Egypt and His Government for assuming the chairmanship of D-8 for the next two years and assure of our fullest support and cooperation in further consolidating the D-8 Group and its development activities and extend our appreciation to the people and Government of the Arab Republic of Egypt for their warm hospitality and the excellent arrangements made for the success of the Third D-8 Summit.

35. We welcome with appreciation the generous offer of the Government of Indonesia to host the Fourth D-8 Summit in the year 2003 in Jakarta.