

Islamic Conference

31st Session of the Islamic Conference of Foreign Ministers

Report and Resolutions on the Administrative and Financial Affairs Istanbul, June 14-16, 2004

REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

The Administrative and Financial Affairs Committee for the 31st Session of the Islamic Conference of Foreign Ministers (Session of Progress and Global Harmony), held in Istanbul, Republic of Turkey, from 26 to 28 Rabiul Thani 1425H (14-16 June 2004), convened to examine the items on the agenda related to administrative and financial affairs, submitted to it by the Conference.

1. At the beginning of its proceedings, the Committee established its Bureau from the States which are members of the Bureau of the Plenary Session.
2. The deliberations of the Committee were presided over by H.E. Ugur Dogan Ambassador of Turkey to the Kingdom of Saudi Arabia.
3. Representatives of the Member States, the General Secretariat and the Subsidiary organs took part in the meeting.
4. The Chairman opened the deliberations with an address in which he welcomed the delegates of the Member States and the representatives of the General Secretariat, and wished them a pleasant stay in Istanbul, asking the delegations assistance and cooperation to facilitate the Committee's task.
5. The Committee began with the examination of the items of the agenda submitted to it and agreed to submit the Draft Resolutions it adopted to the Plenary Meeting for adoption. These are:
 - a) Draft Resolution No. 1/31-AF on the Report of the 32nd Session of the Permanent Finance Committee and the Twenty-fourth Session of the Finance Control Organ.
 - b) Draft Resolution No. 2/31-AF on the Budgets of the General Secretariat and subsidiary organs for the Financial Year 2004/2005.
 - c) Draft Resolution No.3/30-AF on the Reorganization of the General Secretariat to enable it to address the challenges of the New Millennium.
 - d) Draft Resolution No. 4/31-AF on the election of the members of the Financial Control Organ.
6. The Committee entrusted the SESRTCIC with the task of preparing a new scale of the percentage shares of mandatory contributions of the member states.
7. At the end of its deliberations, the Committee expressed its appreciation and thanks to the Government of the Republic of Turkey for its generous hospitality and for the excellent arrangements made to ensure the success of the Conference.

8. The Committee expressed its profound thanks to its Chairman for the skill and wisdom with which he conducted the deliberations, which had an obvious impact on the success of the activities.

9. The Committee conveyed its thanks to the General Secretariat for the clarifications and explanations it has provided and for the efforts it has made contributing thereby to the success of the meeting.

Chairman of the Finance and Administrative Committee
Ambassador Ugur Dogan

RESERVATIONS OF THE MEMBER STATES:

The Hashemite Kingdom of Jordan expressed a reservation on its current percentage share in the scale of assessment with regard to its contribution to the budgets of the General Secretariat and the Subsidiary Organs:

“The Hashemite Kingdom of Jordan, referring to its request submitted to the Meeting of the Financial and Administrative Committee of the 30th Session of the Islamic Conference of Foreign Ministers, which was held in Tehran, Islamic Republic of Iran, during the period 28-30 May 2003, and recalling the study on the percentage shares of contributions of the Member States prepared by the OIC Center for Statistical, Economic and Social Research and Training of Islamic Countries (SESRTCIC), Ankara, in which the Center established that the percentage share of Jordan’s contribution, according to all criteria used by the Center, ranges from 0.5% to 1%. In this respect, the Hashemite Kingdom of Jordan, express its reservation on the increase in its percentage share of 0.5% and shall only pay 1% of the budget of the General Secretariat and its Subsidiary Organs”.

RESOLUTIONS ON THE ADMINISTRATIVE AND FINANCIAL AFFAIRS

RESOLUTION 1/31-AF

ON THE REPORT OF THE 32ND SESSION OF PFC AND REPORT OF 24TH SESSION OF FCO

The Islamic Conference of Foreign Ministers in its thirty-first session (Session of Progress and Global Harmony), held in Istanbul, Republic of Turkey from 26 to 28 Rabiulthani 1425 H (14-16 June 2004),

Having considered the report of the 32nd Session of the Permanent Finance Committee, the report of the 24th Session of the Finance Control Organ

concerning the closing accounts of the General Secretariat and its subsidiary organs for the financial year 2002/2003, and the replies of the General Secretariat and the subsidiary organs on the observations made in this respect,

Decides:

1. To adopt the report of the 32nd Session of the Permanent Finance Committee held in Jeddah from 28 to 31 March 2004.
2. To extend thanks to the General Secretariat for its continuous efforts to recover arrears, and to call on it to intensify efforts with the Member States to urge them to pay their contributions and settle their arrears.
3. To call upon the Member States with arrears to expedite payment of their contributions and arrears in order to benefit from the preferential reduction approved by the Tenth Islamic Summit Conference which was held in Putrajaya in October 2003.
4. To request the General Secretariat to pursue its contacts with the liquidator of Al Ajhouri Company to ensure recovery of its rights and, inter alia, envisage the possibility of hiring a lawyer to seek a court judgement that fully guarantees the rights of the Organization towards the Company. It also calls upon the General Secretariat to make contacts with banks concerning the possibility for them to buy this debt, unless it contradicts with the financial regulations of the Organization.
5. The Conference took note of the clarifications of the Director of the Istanbul Centre concerning the proposals of H.E. the Secretary-General on changing the trusteeship of the ISAR Waqf from personal to functional denomination of the Secretary-General and the Director of the Centre, and of the underway signature of a cooperation agreement between the Waqf and the Istanbul Centre.
6. To appeal to the General Secretariat to submit to the PFC in its thirty-third session a list with the names of the General Secretariat's staff according to their distribution on administrations and their nationalities.
7. To extend thanks to the Kingdom of Saudi Arabia and the State of Kuwait for their generous donation to the General Secretariat to prepare the new headquarters.
8. To call upon the General Secretariat to abide by the provisions of article 50 of the financial regulations in preparing and approving remittance instruments, and to respect the statutory procedure in the future.
9. To call on the General Secretariat to issue cheques for the housing of the permanent staff in New York and Geneva Offices in the names of the landlords and to annex a copy of the rent contracts of these houses and to respect that in the future.
10. To call upon OIC Offices in New York and Geneva to abide by the OIC financial regulations regarding expenditure.

11. To call upon the General Secretariat and the subsidiary organs to follow the guidelines relating to the rules and regulations on expenditure enclosed in the FCO's 24th report, in conformity with the rules and regulations applied at the OIC.
12. To call upon the subsidiary organs to abide by the observations of the FCO contained in its 24th report, and to call upon the General Secretariat to collate the observations of the FCO and the replies of the centres in accordance with the methods prepared by the General Secretariat, and to submit them subsequently to the PFC.
13. To charge the General Secretariat to coordinate with the New York Office to choose the best way to rent or purchase office equipment such as to rationalize expenditure.
14. To call upon the General Secretariat to maintain the system currently applied regarding medical treatment expenditure, provided a 10% deduction is made and paid by the staff member directly to the medical institutions accredited by the General Secretariat. This system will continue until new alternatives are approved (such as insurance). The new form of deduction shall enter into force as of 1/7/2004 for one year until such time as another alternative is adopted in light of the report to be submitted by the General Secretariat to the PFC in its 34th session on the effects of this method on reduction of medical expenditure, or opt for medical insurance, once the study on restructuring the Organization is completed and adopted by the ICFM.
15. To invite the General Secretariat and the subsidiary organs to circulate documents of the PFC meeting on Member States at least one month before the meeting.
16. The Conference reaffirms the need for the FCO to abide by resolution 1/30-AF adopted by the Islamic Conference of Foreign Ministers which was held in Tehran, and urges the FCO to make their observations on Al Quds Fund and Islamic Solidarity Fund to be forwarded to the councils of these funds through H.E. the Secretary-General.
17. The Conference reaffirms the need to comply with the provisions of article 87 of the financial regulations regarding discussion of the report of the Finance Control Organ with H.E. the Secretary-General before it is finalized and submitted to the PFC.
18. The Conference calls for continued strict abidance by all OIC financial rules and regulations, particularly regarding the principles of transparency and production of documents in case of contracts, procurements and financial transactions.
19. The Conference took note of the request made by the Arab Republic of Egypt to adopt the principle of zero growth in the budget of the General Secretariat, as applied by the United Nations Organization and all other international and regional organizations.
20. To call upon the General Secretariat to forward the proposal of the Hashemite Kingdom of Jordan to Accenture charged to prepare a study on the restructuring of

the General Secretariat. Jordan proposed to calculate arrears of OIC Member States and subsidiary organs before 2000 on the basis of actual expenditure, with the possibility of payment by instalments at the rate of 20% of these arrears with the contributions for the current year.

21. Requests the Secretary-General to follow up the implementation of this resolution and to report thereon to the 32nd Session of the Islamic Conference of Foreign Ministers.

RESOLUTION NO. 2/31-AF

ON THE BUDGETS OF THE GENERAL SECRETARIAT AND SUBSIDIARY ORGANS FOR THE FINANCIAL YEAR 2004/2005

The 31st Session of the Islamic Conference of Foreign Ministers (Session of Progress and Global Harmony), held in Istanbul, Republic of Turkey from 26 to 28 Rabiul Thani, 1425H (14-16 June, 2004),

Having considered the budget proposals submitted by the General Secretariat and its subsidiary organs for the Financial Year 2004/2005,

Pursuant to the recommendations of the 32nd Session of the Permanent Finance Committee on the budgets of the General Secretariat and the subsidiary organs for the Financial Year 2004/2005;

Decides:

First: To adopt the budget of the General Secretariat and its subsidiary organs for the financial year 2004/2005 in accordance with the financial statute, rules and regulations, and as follows:

i) OIC General Secretariat - \$11,372,000

(Without any addition over the previous year)

Code	Chapter	US Dollars
1000	Staff Emoluments	8,628,000
2000	Recurrent Expenses	1,472,000
3000	Acquisition and Renewal of Assets	50,000
4000	Programmes of Activities	1,222,000
	Total	11,372,000

ii) Islamic Fiqh Academy, Jeddah - US\$1,850,000

(An increase of \$200,000.00 over the previous year)

Code	Chapter	US dollars
1000	Staff Emoluments	1,290,000
2000	Current Expenses	215,000
3000	Studies, Research and Investigations	250,000
4000	Acquisition and Renewal of Assets	45,000
5000	Expenses of Meetings of the Committees of the Departments and the Bureau	25,000
6000	Expenses for Meeting of Annual Session.	25,000
	Total	1,850,000

iii) Statistical, Economic and Social Research and Training Centre for Islamic Countries, Ankara - \$2,000,000

(Without any addition over the previous year)

Code	Chapter	US dollars
1000	Staff Emoluments	1,225,000
2000	Current Expenses	285,000
3000	Acquisition and Renewal of Assets	95,000
4000	Conferences and Meetings	135,000
5000	Programme of Activities	260,000
	Total	2,000,000

iv) Islamic University of Technology Dhaka- \$ 2,200,000

(Without any addition over the previous year)

Code	Chapter	US dollars
1000	Salaries and Emoluments	1,275,000
2000	Current Expenses	230,000
3000	Scholarships	550,000
4000	Official Conferences and Meetings	50,000
5000	Acquisition and Renewal of Assets	95,000
	Total	2,200,000

v. Research Centre for Islamic History, Art and Culture, Istanbul - \$ 2,230,000

(Without any addition over the previous year)

Code	Chapter	US dollars
1000	Salaries and Emoluments	1,286,000
2000	Current Expenses	183,000
3000	Acquisition and Renewal of Assets	139,000
4000	Conferences and Meetings	113,000
5000	Programme of Activities	509,000
	Total	2,230,000

vi. Islamic Centre for Development of Trade, Casablanca.\$1,172,214

(Without any addition over the previous year)

Code	Chapter	US dollars
1000	Salaries and Emoluments	315,000
2000	Current Expenses	170,000
3000	Acquisition and Renewal of Assets	100,000
4000	Conferences and Meetings	90,900
5000	Programme of Activities	496,314
	Total	1,172,214

2. Authorizes the OIC Secretary General to make transfers, as the need be, from one chapter to another of the budget of the General Secretariat for the Financial Year 2004/2005, in accordance with Article 40 of the OIC Financial Regulations.

3. Urges the Member States to pay their mandatory contributions to the budgets of the General Secretariat and the subsidiary organs for the financial year 2004/2005 as well as their arrears of contribution to enable these Organs to carry out their tasks, and calls on the General Secretariat to remind Member States of the incentives on payment of arrears approved by the Tenth Islamic Summit Conference.

4.A- Requests the SESRTCIC to prepare a new schedule for Member States' mandatory contributions to the annual budgets of the General Secretariat and the subsidiary organs in the light of the methodology applied in this respect by the UN.

4.B- Calls upon the Member States to promptly reply to the questionnaire to be circulated by the Ankara Centre to collect the statistical data that will enable it adequately prepare the requested schedule with the understanding that the Centre should receive the requested data before the end of October 2004 at the latest. In the case the data from the Member States are not returned in due time, the Ankara Centre shall use the data available in the UN sources. The Secretariat General will submit the schedule first to the Member States for their observations and remarks and then to the Permanent Finance Committee for consideration prior to the adoption of the relevant recommendations and its submission for approval by the 32nd Session of the Islamic Conference of Foreign Ministers.

RESOLUTION No.3/31-AF

ON RESTRUCTURING THE GENERAL SECRETARIAT AND ITS ROLE TO ENABLE IT TO ADDRESS THE CHALLENGES OF THE NEW MILLENNIUM

The Thirty-First Session of the Islamic Conference of Foreign Ministers (Session of Progress and Global Harmony), held in Istanbul, Republic of Turkey, from 26 to 28 Rabiul Thani 1425H (14-16 June, 2004),

Recalling the resolutions of the 27th Islamic Conference of Foreign Ministers held in Kuala Lumpur, Malaysia, from 27 to 30 June 2000 (Resolution No. 5/27-ORG); of the 9th Islamic Summit Conference held in Doha, State of Qatar, on 12-13 November 2000 (Resolution No. 2/9-AF (IS)); and of the 29th Session of the Islamic Conference of Foreign Ministers held in Khartoum, Republic of the Sudan, from 25 to 27 June 2002 (Resolution No. 3/29-AF); as well as the resolution of the Islamic Conference of Foreign Ministers held in Tehran, Islamic Republic of Iran, from 28 to 30 May 2003; and the resolution of the 10th Islamic Summit Conference held in Putrajaya, Malaysia, on 16-17 October 2003;

Taking note of the Secretary General's report on restructuring the General Secretariat;

1. Welcomes the report submitted by the Secretary-General on the steps taken to prepare the Final Study on Restructuring the General Secretariat and the progress made in preparing all aspects of the study, particularly the Quick-Win Initiatives containing four axes on management of human resources, documentation system, development of the General Secretariat's website, and management of resolutions.
2. Calls for the convening of the meeting of the open-ended Inter-Governmental Group of Experts immediately after the completion of the study to consider the new (financial, administrative, organizational etc.) measures, adopt the relevant recommendations and thereafter submit it to the 32nd Session of the Islamic Conference of Foreign Ministers who will make the necessary decision.
3. Invites the Secretary-General to submit a report thereon to the Thirty-Second Session of the Islamic Conference of Foreign Ministers for appropriate decision.

RESOLUTION NO.4/31-AF

ON THE ELECTION OF THE MEMBERS OF FINANCE CONTROL ORGAN

The Thirty-First Session of the Islamic Conference of Foreign Ministers (Session of Progress and Global Harmony), held in Istanbul, Republic of Turkey from 26 to 28 Rabi-ul Thani 1425H (14-16 June 2004),

Recalling the provisions of Article 79 of the Financial Regulations of the Organization of the Islamic Conference which govern the composition of the Finance Control Organ, as well as Article 81 which provide that the Finance Control Organ is composed of representatives of eight Member States designated by the Islamic Conference for a renewable period of two years; with the provision

that they should be among chartered accountants employed in the finance control organs in those states;

Referring to Article 1 of the Regulations governing the operation of the FCO which stipulated the observation of the principle of the permanent membership of the Headquarters State in the constitution of the FCO;

Noting that the current mandate for the membership of the Finance Control Organ as designated by the Twenty-ninth Session of the Islamic Conference of Foreign Ministers which was held in Khartoum, Republic of the Sudan, from 14 to 16 Rabi-ul-Thani, 1423H (25-27 June, 2002), has expired;

Decides to designate, in addition to the Kingdom of Saudi Arabia, which is a permanent member of the Finance Control Organ, the following seven Member States as members of the Finance Control Organ for a period of two years, starting as of 1 July 2004 to June 30, 2006:

1. The Hashemite Kingdom of Jordan
2. The Islamic Republic of Iran
3. The Islamic Republic of Pakistan
4. The Republic of Turkey
5. The Republic of Tunisia
6. The Republic of Senegal
7. The State of Qatar.