

**Statement by H.E. Ambassador Shamil Aleskerov, the Secretary General
of the Economic Cooperation Organization (ECO)
at the 21st Meeting of Council of Ministers
(Tehran, 26th November, 2013)**

**Honourable Mr. Mohammad Javad Zarif, Minister of Foreign Affairs of the Islamic Republic of Iran, Chairman of the ECO Council of Ministers,
Your Excellencies, Foreign Ministers and Representatives of the ECO Member States,
Distinguished participants,
Ladies & Gentlemen,**

It is my distinct privilege to welcome you to the 21st Meeting of the ECO Council of Ministers (COM). I would like to express my sincere gratitude to H.E. Mr. Mohammad Javad Zarif, honourable Minister of Foreign Affairs of the Islamic Republic of Iran for chairing this meeting. I am thankful for the participation of distinguished Foreign Ministers/Representatives of the other Member States. Allow me, also, to place on record our deepest gratitude for the Ministry of Foreign Affairs of Islamic Republic of Iran for hosting this meeting in Tehran.

I express my deep gratitude to H.E. Mr. Elmar Mammadyarov, Minister of Foreign Affairs of the Republic of Azerbaijan for his invaluable chairmanship and attention given to our organization in the last year.

Excellencies,

I would like to begin by presenting a summary of the developments in the ECO since the last formal Meeting of the ECO Council of Ministers, held in Baku in Oct 2012. The comprehensive report is available to all delegations.

During that time, important ministerial-level and sectoral meetings were held. Also, the 23rd Meeting of the Regional Planning Council was held in Tehran in May this year. It finalized our Work Programme for the current year and efforts are underway by the Secretariat in cooperation with member states for effective follow-up of the decisions of the last Baku Summit, COM, sectoral meetings and the RPC.

Excellencies,

It is encouraging to note that share of intra ECO trade in the global trade of the Member States has gone up to 10% from 8% a year earlier. However, the current level of intra-ECO trade is still well below its potential. The most effective way to register a quantum increase in intra region trade is to start implementation of the ECO Trade Agreement (ECOTA), which also remains the key to economic integration of the ECO region. It would also be relevant to mention here that OIC states, which include all our

member states, are urged to raise the trade between the member states to 20% by the year 2015.

As it may be recalled, the 20th Council of Ministers had called upon the Contracting Parties to ECOTA to complete all legal and procedural requirements for implementation of the Agreement with effect from January 1, 2013 in accordance with the decisions of the 3rd meeting of the ECOTA Cooperation Council. But to date, tariff reduction under ECOTA has not come off yet. The delay in the implementation of ECOTA means that ECO remains arguably the only region in the world where Members do not grant preferential tariff treatment to one another. ECOTA, therefore, should be put into effect at the earliest. Simultaneously, its membership base needs to be broadened.

Since regional and multilateral trade liberalization efforts go in parallel, the accession to the World Trade Organization of ECO Member States should also be supported. The Secretariat successfully conducted the 2nd ECO seminar on WTO accession earlier in July this year in collaboration with the Republic of Turkey, Islamic Development Bank and ECO Trade and Development Bank. Taking this opportunity, I want to felicitate the Republic of Tajikistan on achieving their membership of the WTO and would urge them to also complete the legal and procedural requirements arising out of their membership of ECOTA.

The Islamic Republic of Iran hosted the first meeting of the Heads of Tax Administrations of ECO countries, which took significant decisions for strengthening cooperation in this important area. Cooperation in the areas of investment, trade promotion, customs and trade facilitation needs to be upgraded and the preparation or enforcement of the relevant legal instruments, as the case may be, should be expedited.

The Secretariat is endeavouring to start implementation of the 3rd Phase of ECO-UNIDO Project on Trade Capacity Building at an early date. The completion of the Project will constitute a significant step towards elimination of non tariff barriers in the region. The Member States are requested to kindly provide financial assistance and ownership of the project.

It is a matter of satisfaction that the membership of ECO Trade and Development Bank is expanding and the Bank itself is functioning progressively and professionally.

Excellencies,

The ECO/IDB Joint Project on the Transit Transport Framework Agreement (TTFA) has been completed successfully. The second phase of the project is underway. The Work Programme of the TTFA Fund is being implemented smoothly.

The ECO Road Network Development Plan has been finalized. This landmark plan will be included in the Agenda of the ECOTDB-coordinated regional investment partnership forum, together with the ECO Railway Network Development Plan.

The Kazakhstan-Turkmenistan-Iran railway project has achieved remarkable progress. The segments in Iran and Kazakhstan are completed. The segment in Turkmenistan is in the last stages. We hope that the whole project will be ready for inauguration in 2014.

The feasibility study on the Tajikistan segment of Kyrgyzstan-Tajikistan-Afghanistan-Iran railway project is about to be completed, utilizing the funds granted by Iran. The study in Afghanistan is ongoing. However, the study in the Kyrgyz Republic is not started yet due to funding constraints.

The Qazvin-Rasht Segment of the Railway Project Qazvin-Rasht-Astara (Iran)–Astara (Azerbaijan) has almost been completed. Concrete measures are underway to commence the remaining segments of this important ECO project.

The work on establishing the ECO Road Corridor between Kyrgyzstan-Tajikistan-Afghanistan-Iran is in its final stages. I take pleasure to state that the joint efforts for reactivation of the TIR System in Afghanistan bore fruit and this important transit system became applicable in Afghanistan from September 2013, as an essential step for opening the said corridor. The test run of trucks along this Corridor will be conducted by June 2014.

With a special support obtained from UNECE, the TIR Pilot Project along the Islamabad-Tehran-Istanbul (ITI) Road Corridor by using TIR has been commenced in partnership with IRU. The test run of the trucks along the corridor will be organized in February 2014.

The 1st ICT Ministerial Meeting, held in Tehran in November 2012, approved new activities for development of ICT infrastructure and services, improving international roaming, combating cyber crimes, regulatory matters, ICT training, and establishment of ECO ICT association. It is important to follow-up its decisions vigorously.

Excellencies,

Energy cooperation stands high on our agenda. 3rd ECO Ministerial Meeting on Energy/Petroleum held in March 2013 in Tehran once again reaffirmed the Member States` commitments in the field of energy cooperation and set necessary steps for implementation of ECO Plan of Action for Energy/Petroleum Cooperation 2011-2015.

The 1st Experts Group Meeting on "Establishment of the ECO Regional Electricity Market" held on 5-6 November 2013 in Tehran revealed a great potential for future electricity trade in the region. We believe that this kick-off meeting will define future strategy/roadmap for regional electricity trade and stimulate proper follow-up activities.

A relevant successful experience of Nordic Pool was presented by a consultant provided by Norway.

The 2nd Meeting of ECO Experts Group on Renewable Sources of Energy (RSE) and 4th ECO Workshop on RSE, two back-to back events held on 20-22 November 2013 in Baku underlined the special and increasing role of renewable energy in complementing conventional energy in order to support sustainable energy development.

It is worthwhile mentioning the feasibility study on “New mechanism for enhancement of energy cooperation”, establishment of ECO Refinery Association as various promising initiatives destined to enhance our energy cooperation. The Secretariat also reached an initial agreement with ECO Chamber of Commerce and Industry (ECO CCI) to organize the first ever Meeting of the ECO Public and Private Sector Energy/Petrochemical Consortium/Companies in 2014, the event which may facilitate B2B (business to business) cooperation in energy.

We believe that an idea of establishment of a Trust Fund for financing of high priority ECO regional energy projects which was raised during the 3rd ECO Ministerial Meeting on Energy/Petroleum held in March 2013 in Tehran needs special attention as we are trying to transform our organization to a project-oriented entity. In this regard we request COM to reach a decision on establishment of such Fund.

Three international training courses on the themes of oil & gas, organized jointly by the Iranian Ministry of Petroleum, National Iranian Oil Company (NIOC) and Iranian Oil and Gas Training Center (OGTC) in the past year were proved to be a success and Secretariat will definitely keep this momentum by organizing several training courses already in the first quarter of 2014. Likewise, a Workshop on “Oil and gas drilling” which is going to be held on 5-6 December 2013 in Baku is an important event in our calendar.

ECO Institute of Environmental Science and Technology (ECO IEST) in collaboration with the Ramsar Regional Center in Central and West Asia (RRC-CWA), UNEP World Conservation Monitoring Center (UNEP-WCMC) and with the financial support from the Government of Norway organized two Workshops on Ecosystem Management last February in Ramsar city, Iran.

Also Experts Meeting on Climate Change and Biodiversity jointly organized by ECO Secretariat, ECO Science Foundation (ECOSF), ECO IEST, Government of Pakistan and UNESCO office in Pakistan will be held on 29-30 November 2013 in Islamabad.

During the course of the 23rd RPC Meeting, the Council appreciated the activity report of the ECO Institute of Environmental Science and Technology (ECO IEST) and recommended to change the status of the ECO IEST as an ECO affiliated institute (Regional Centers, Specialized Units or Affiliated Bodies), subject to the approval of the

ECO decision making bodies. In this regard the positive support from Member States is anticipated.

Excellencies,

In Agriculture sector there is a genuine need to intensify cooperation among Member States and international organization such as FAO, IDB and EU. ECO Secretariat expedited the implementation of the ECO Regional Programme for Food Security (ECO-RPFS) through its ECO Regional Coordination Centre (ECO-RCC) and all Member States are requested to provide their financial and technical support in this regard.

In the context of the above, I would like to mention with appreciation the organizing of the 5th Ministerial Meeting on Agriculture which was held on November 13-15, 2012 in Antalya, Turkey, On the other hand, the implementation of the Seed Sector Development Project in the region within the scope of FAO-Turkey Partnership Programme (FTPP) has already been started.

While appreciating the concerned authorities of the Islamic Republic of Iran for signing the Statute of ECO Veterinary Commission (ECO-VECO) and inauguration of its premises in Tehran, I invite the other Member States to also sign the said Statute.

In the field of Industry, the Regional Strategy on Industrial Cooperation and Plans of Action on each specific areas of industry are followed as road maps. In recent years the Interim Coordination Unit (ICU) has focused on preparation of establishment of ECO Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (RISCAM) and successfully drafted the basic documents.

In Tourism cooperation, we have had positive steps and achievement following two Ministerial meetings and we are planning for the 3rd Ministerial Meeting next year. Publication of the first ECO Tourism Guide Book and preparation on establishment of the ECO Promotion Fund should be recalled in this regard. In the meantime enhancing activities in the areas of Health Tourism and Ecological Tourism is also pursued.

Excellencies,

In the health sector, there is a significant potential to expand cooperation among the Member States. Working on establishing ECO Blood Safety Network and Drug (Pharmaceutical) Regulatory Network and cooperation in the field of health related Millennium Development Goals are among our priorities as regards this sector. The 2nd Health Ministerial Meeting which is to be held in 2014 would further strengthen cooperation among the Member States in this field. It is also pleasure for me to mention that the Academic Course in the field of Master of Public Health (MPH) commenced on 1st January 2013.

Human Resources is the most important and vital factor of Economic Development. To develop the cooperation in this specific field, High Level Expert Group Meeting on Human Resource Development held in Tehran succeeded to identify the priority areas for cooperation in this field and the First ECO Ministerial-level Meeting on this topic is expected to be held in the Islamic Republic of Iran in 2013.

The issue of natural Disasters is of high relevance to the ECO region more than to any other. Most countries in the ECO region are highly vulnerable to different kind of calamities. We should increase regional cooperation and coordination for reducing the risks of natural disasters, using the existing mechanism and potentials of ECO such as ECO Regional Center for Risk Management of natural disaster in Mashhad.

Excellencies,

The campaign against drugs, terrorism and trans-national organized crime including money laundering, human trafficking and illegal migration is among ECO priorities. We are implementing a joint regional strategy on combating drugs, terrorism and trans-national organized crime, approved by our Interior Ministers. In this regard, a series of meetings have also been organized so far by ECO to increase the capacities of the law enforcement officials, creating awareness and establishing cooperative mechanism among the Member States on peace, security and stability of our people's life. ECOPOL for coordination against transnational crime through intelligence sharing, harmonization of policies and operations and an ECO Regional Center for Cooperation of anti Corruption agencies and Ombudsmen (RCCACO) are to be established.

The implementation of an EU-funded project on Fight Against Trafficking from/to Afghanistan with the ECO Member States is progressing well by a consortium of GIZ, ECO-DOCCU, Interpol, UNODC and BKA of Germany. The main objective of this project is to increase the policy and technical capacities of DOCCU. This work is being pursued successfully.

Excellencies,

In the field of economic research, following the recommendations of the 8th Summit and the 20th COM held in Baku in 2012, the Secretariat has completed the prerequisite arrangements, required for the establishment of the ECO Economic Research Center (ERC). As a background framework for the Center, the regular functioning of ECO Permanent Steering Committee (PSCER); implementation of ECO Joint Economic Research Programme (EJERP), and efficiency of ECO Editorial Board, which currently oversees research substance of ECO publications, including ECO Economic Journal, ECO Annual Economic Report and others, deserve special mention.

The ECO Statistical Network (ECOStat) is central for the regional statistical data within ECO. Our prime focus is on the direct links between National Statistical Offices and ECOStat – to ensure automated uploads of verified data of the Member States. Another activity is statistical capacity building, for which the training for the reported

period has been realized in August in Tehran, jointly with UNFPA, and in October in Ankara with FAO in the reported period. In the next month, we have plans to hold the 4th Meeting of Heads of ECO National Statistical Offices and to conduct training for Science & Technology Indicators (STI) and innovations statistics in Tehran in cooperation with UNESCO Statistical Institute.

For project monitoring & implementation, the functioning of ECO Project Monitoring Group has been realized in nearly 10 monitoring sessions since the PMG inception, resulting in the detailed updates of the Member States on project progress. In this area, the installation of Project Monitoring Information Systems (PMIS) at the Secretariat - to ensure greater cost efficiency & effectiveness of project operations through integration of efforts of the Member States with those of concerned Departments in the Secretariat and international partner organizations, needs to be addressed.

Excellencies,

International relations and relations with the UN system are among our top tasks. The efforts by the ECO Secretariat over the last year have been aimed at securing financial and technical support of relevant partners for the implementation of ECO's programmes and activities. Promoting meaningful relations with international partners also enhances ECO's stature in the international community. With this regard, as a result of the Secretariat's efforts, ECO's relations with UNIDO, FAO, UNECE, UNCTAD, UNESCAP and UNODC are gradually strengthening.

ECO, in collaboration with the various UN Agencies is making efforts to promote the cause of socio-economic development in the region. Growing ties with UNIDO and FAO in the sectors of industrial development and food security are testimony to this. ASEAN, Developing-8 and CICA are among other international and regional institutions that the Secretariat is making efforts to further promote its cooperation.

The Contact Groups of ECO Ambassadors at various important capitals are supporting the Secretariat's efforts for forging better ties with various UN agencies and other international organizations.

Considering the evolving regional and international economic situation, the ECO member states face considerable challenges that have bearing on their development goals. However there also exist many opportunities for the members countries to attain higher levels of economic development by cooperating amongst themselves, and with other regional and international partners. We have also started to explore and develop some relations with non ECO member states such as Norway and Finland. We strongly hope that in the coming months and years, the member states would support the efforts of the Secretariat in promoting its cooperative relations with the international community. These enhanced ties would immensely benefit the cause of regional integration for the member states, leading this region to the path of prosperity and economic development.

The year 2013 also witnessed the establishment of the Parliamentary Assembly of Economic Cooperation Organization (PAECO), which was set up during its inaugural Conference held in Islamabad in February this year.

The establishment of PAECO is a reflected commitment to advance the existing mutual cooperation to a higher level for the realization of our common objectives in the field of socio-economic development. Let me also avail the opportunity to inform that the Inter-Parliamentary Union (IPU) in its 193rd Governing Council Session held in Geneva on 7 and 9 October 2013, has already granted observer status to the PAECO.

Excellencies,

Non-payment of annual contributions by some Member States has caused serious financial difficulties for the Organization resulting in budget deficits. In consequence, the Secretariat has had for many years to use money from the Feasibility & General Purposes Fund or the General Reserve Fund to cover shortfalls between budgetary allocation and actual contributions received from Member States.

As these funds have been exhausted the concerned Member States should be urged to clear their arrears urgently. This is an alarming situation and the Council could guide the Secretariat through this august forum how to manage financial difficulties of this Organisation. At the same time the current volume of the Secretariat's budget (US\$ 3.5 million) is not sufficient and must be adequately increased to render ECO a more practical and result-oriented regional grouping.

The Secretariat's budget may be divided into two parts (i) Administrative budget (ii) Operational budget in order to ensure effective functioning of the Secretariat as well as undertake the developmental projects in the region.

The Council may approve as short-term solution, which has also been recommended by the EPG, an increase of Feasibility and General Purposes Fund (FGPF) of the Secretariat from 5% to 12% of the annual budget to provide more funds for efficient implementation of pre-feasibility/ feasibility studies as well as expansion of project-oriented activities.

Last but not least, recently some member states do not fulfill their commitments with regard of conducting planned meetings and events, which puts the Secretariat into a strained position in regard of the implementation of the planned activities. I would like to ask all Member Countries to execute such commitments in an effective and timely manner.

In conclusion, I would request Your Excellencies to extend greater support for ECO's initiatives and activities in the coming period. I would like to take this opportunity to solicit your support in expediting the signing, ratification and implementation of the agreements within ECO's framework, including among others ECO Trade Agreement

(ECOTA), ECO Trade & Development Bank, ECO Cultural Institute, ECO Science Foundation, ECO Educational Institute and ECO Reinsurance Company.

Thank you.
