



**STATEMENT by
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ECO SECRETARY GENERAL**

**AT THE
16TH MEETING OF THE BOARD OF GOVERNORS OF ECO
TRADE & DEVELOPMENT BANK**

MAY 23, 2017 -ISTANBUL, TURKEY

**Distinguished Governors.
Honorable President, H.E. Mr. Javaid Aslam
Respected Participants.**

It is a great honour for me to participate today in this august plenary session of the 16th Annual Meeting of the Board of Governors of the Trade and Development Bank (ECO Bank). Allow me also to express my special thanks and gratitude to the H.E. Mr. Aslam, the President of the Bank for the hospitality and excellent arrangements made for the Meeting.

At the outset, I would like to inform this august gathering that since last BOG Meeting of the Bank in 2016, the ECO Bank and ECO Secretariat have made efforts to enhance the existing cooperation in order to boost the socio-economic development of the ECO Member States. I would like elaborate on some of the activities we undertook within the framework of this cooperation:

1. Both organizations held meetings at the Bank's headquarters and at the premises of the ECO Secretariat. During these meetings, among other things, some specific issues were discussed like expansion of Bank membership, formation of syndicates / consortia for ECO projects, establishment of Technical Assistance Fund envisaged by the ECO COM, and creating ECO Vision-2025 Fund.
2. We also finalized the Terms of References (TORs) of ECO Regional Partnership Forum (RPF). Now the Bank can start organizing the meetings of the ECO Regional Partnership Forum. The mandate of the Forum is to forge strategic partnerships and alliances with development partners such as National Development Finance Institutions (NDFIs), multilateral development institutions, donor organizations, development funds, chambers of industry & commerce, business associations, universities, civil organizations and other stakeholders, which are active or interested in the

sustainable socio-economic development of the ECO member countries.

3. The Bank also actively participated in the **27th Meeting of the Regional Planning Council held on December 05-08, 2017** in the ECO Secretariat, the **22nd Meeting of ECO Council of Ministers** and the **13th Summit Meeting** held earlier this year in Islamabad, Pakistan. By participating in these highest level ECO Meetings, the Bank not only enhanced awareness about its activities among the Member States, but it also had the opportunity to invite the remaining ECO Member States at the highest level to join the Bank.
4. It is also a matter of immense satisfaction that since the Bank started its operations in 2008 the total amount of loans disbursed by the Bank has increased to about US\$ 1.22 billion by the end of 2016. We also hope Kyrgyz Republic will start using the facilities of the Bank in 2017.

I assure the BOG that the ECO Secretariat and the ECO Bank will continue to work closely to achieve towards the sustainable economic developments in the Member States.

Excellencies

During the ECO Council of Ministers and the ECO Heads of Government in their aforesaid meetings held in Islamabad, the Member States acknowledged the crucial role of financing regional developmental projects and appreciated the ECO Bank's growing scope of activities in this regard. They underlined the need to further strengthen the Bank through augmenting its resource base, as well as increasing its membership.

Considering that nine years have elapsed since the Bank started its operations and considering that the growing demand of the Member States to utilize the resources of the Bank, the ECO Secretariat is also of the view that now is the time to consider of recapitalization of the

resources of the Bank to enhance its contribution to the socio-economic development of the ECO Member States.

Moreover, the remaining four ECO Member States should be encouraged to become shareholders of the Bank. In this respect the ECO Secretariat and the Bank may approach the concerned authorities to provide supportive input and to invite them to consider joining the Bank. Expanding the membership of the Bank to include all ten ECO Member States and augmentation of its resources base will not only increase the operations of the Bank but also it will pave the way to promote and consolidate ECO as a regional entity.

Excellencies

Allow me also to highlight some recent developments and the needs of cooperation of the Bank in the priority sectors of ECO as follows:

The ECO Council of Ministers Meeting held on February 28, 2017 in Islamabad-Pakistan, adopted the **ECO Vision 2025**. The core principles of the Vision are sustainability, regional integration and creation of a conducive environment with six priority areas for cooperation to be focused upon. The priority areas are trade, transport, connectivity, energy, tourism, economic growth, productivity, social welfare and environment.

The implementation of this Vision will require significant funds. At present, the ECO Secretariat has many types of funds but there are no mechanisms for receiving voluntary contributions and for creating funds with third parties. While finalising the Vision 2025 document, the Republic of Turkey proposed establishment of “**ECO Vision 2025 Fund**” for providing funds for implementation of concrete programs and projects.

The purpose of this Fund is to make the project finance separate from ECO’s regular budget. This will ensure better project management by making adequate finance available. The resources for this Fund will

come from voluntary grants from the Member States and donors. During the 13th ECO Summit Meeting recently held in Pakistan, it was envisaged that the ECO-TDB will manage this fund and also provide the technical services like appraisals of the feasibilities of the projects submitted. I am sure that the Bank will provide its support and contribution in this regard.

In the field of Trade and Investment, one of the major projects under implementation is the **ECO-UNIDO Project on Trade Capacity-Building of ECO Member States for Quality Infrastructure** which was launched in 2007. The Project is designed to assist ECO Member Countries in elimination of Non-Tariff Barriers (NTBs) to trade. Implementation of the Third Phase has been completed recently. At the end of the 3rd phase of the project, two crucial policy documents namely ECO Regional Quality Policy and Guideline for National Quality Policy have been formulated. The implementation of the 4thPhase of the project requires financial assistance of about US \$ 300,000 (Three Hundred Thousands). We are expecting partial financial assistance from UNIDO, and ECO also will provide seed money for the project. However there will still be some deficit in the required budget for the project. Therefore we request ECO Bank within the framework of its technical assistance program to consider financially support some component of the project.

ECO regularly has been organizing annual **Seminars on Trading Patterns in ECO Region and Accession of ECO to WTO**. Last year, ECO organized the 3rdSeminar with financial support of the Bank. It was a big success and the present Director General WTO Mr. Roberto Azevêdo also attended and addressed the event. This year again, the 4thseminar will be organized in Pakistan with the cooperation of Government of Pakistan, the ECO Bank and the ECO Secretariat. We are grateful to the Board of Directors of the Bank for its kind financial support forthe seminar.

Excellencies

I would like to inform you about the potential ECO projects.

In the field of **transport**, ECO is working on the modernization of border crossing points, the Islamabad-Tehran-Istanbul (ITI) and the Kyrgyz-Tajikistan-Afghanistan-Iran (KTAI) Road Corridors. The ECO Road and Rail Transit Routes maps have been updated. A long-awaited inter-regional connectivity aspiration of “bridging North-South Corridor missing link” became a reality with the inauguration of railway connecting Kazakhstan, Turkmenistan and Iran in December 2014.

Energy is one of the priority areas of cooperation within ECO. ECO Energy Ministers proclaimed 2013-22 as the “ECO Decade for enhanced Energy Cooperation”. In the “ECO Vision 2025” the enhancement of energy security and sustainability through wider energy access and trade has been highlighted as one of ECO’s strategic objectives. ECO strives for building up diverse and resilient energy architecture in the Region supported by transformation to cleaner and sustainable energy sources. To achieve this goal, ECO is pursuing proactive cooperative policy with other international organizations.

Agriculture is another key sector which is essential in achieving food security. The ECO region is very rich in variety of soil, environmental and climatic conditions, and is therefore suitable for crop and livestock diversification. The ECO accords top priority to food security and agricultural development in the region and strives to establish an institutional basis for long term cooperation with Member Countries, International Organizations and Financial Institutions to achieve sustainable agricultural development in the region.

Excellencies

In the end, I would like to reiterate my thanks to the esteemed ECO Trade and Development Bank for holding this Meeting and providing me an opportunity to address it. I am sure that under the able guidance of the distinguished Governors and the President, the Meeting will make result oriented to expand the operations of the Bank and meet the growing demand for finance among the Member States.

Thank you for your kind attention.