



**STATEMENT by  
H.E. HALIL IBRAHIM AKCA  
ECO SECRETARY GENERAL**

**AT THE  
15<sup>TH</sup> MEETING OF THE BOARD OF GOVERNORS OF ECO  
TRADE & DEVELOPMENT BANK**

**MAY 31, 2016 -ISTANBUL, TURKEY**

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

I would like to express my sincere thanks to the President of the Bank, Mr. Javaid Aslam for inviting me to attend the 15<sup>th</sup> Annual Meeting of the Board of Governors. I am so glad to be present at the inaugural session of the meeting and deliver my statement on behalf of Economic Cooperation Organization to this august forum.

First of all allow me to congratulate the Bank about their recent full membership of Kyrgyz Republic. With the participation of Kyrgyz Republic, the current membership base of the ECO-TDB has reached to six Member States. Our target is to expand the membership base to all ten Member States. Expansion of membership to all ten ECO Member States no doubt will enable the Bank to provide more financial resources for various projects and activities to ECO. Therefore, intra-regional trade, investment and economic cooperation will be promoted further. With this understanding ECO Secretariat is making all out efforts so that the remaining four ECO Member States join the Bank.

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 had increased to about US\$ 856 million by the end of the Year 2014 and the total disbursements have exceeded US \$ 1 billion threshold as end of September 2015.

On behalf of the ECO Secretariat I would like to point out some issues and recommend appropriate actions for consideration of the Bank for

strengthening its contribution to the development of the economies of the Member States as follows:

**i- Membership of the remaining countries :** The remaining four ECO Member States should be encouraged to become shareholders of the Bank. In this respect the ECO and the Bank may approach the concerned authorities, giving supportive input and invite them to consider and initiate action to be a member of the Bank.

**ii-Establishment of the Regional Partnership Forum** as per the decisions of the 20<sup>th</sup> Council of Ministers (CoM) should be expedited. Therefore the TORs of the Forum should be finalized by the Bank taking into consideration the views of the Secretariat and those received from Azerbaijan, Iran, Pakistan and Turkey.

**iii-Establishment of the Technical Cooperation Fund;** As per the decisions of the 18<sup>th</sup> COM and the 4<sup>th</sup> ECO Ministerial Meeting on Commerce/Foreign Trade, the Bank may initiate action in cooperation with the ECO Secretariat to establish Technical Cooperation Fund (TCF) to assist development activities/programs/projects in the form of ECO feasibility studies, capacity building projects and holding ECO meetings seminar, workshop etc. The contribution of the TFC may be combined with the seed money to be allocated from the limited budget of the ECO Secretariat and from any other relevant international organizations/institution/development bank for all these activities/programs/projects.

## **Distinguished Governors, Mr. President**

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

### **1-Trade and Investment**

**a)-Within the framework of** preferential trading arrangement ECO is moving closer towards implementation of the ECO Trade Agreement (ECOTA). The implementation of ECOTA would help enhance intra regional trade, reach the economies of scale and improve the competitive environment in the region as well as constitute a major step towards establishing a Free Trade Area in the region. In parallel

**b)-The** ECO attaches high importance to the capacity building of the relevant institutions and officials of the Member States. In this connection, a Trade Capacity Building Project is being carried out in collaboration with the United Nations Industrial Development Organization (UNIDO) in the areas of Standards and Quality. Implementation of the Third phase of the Project started in 2014 and will be completed in mid 2017. Initiation for the next phase is in the agenda of ECO. The Project will be instrumental in the elimination of non tariff barriers (NTBs) in the region which is one of the most effective way to increase the intra as well as inter regional trade. The Secretariat is seeking donors for funding the Project. ECO Bank's assistance to the project will be highly appreciated.

**c)-We are facilitating the accession of the Member States to the World Trade Organization(WTO).** ECO Secretariat has been conducting annual WTO Seminars since 2012 to support the accession of the Member States to

WTO. We are grateful to the Board of Directors of the Bank for its kind financial support for the Seminar on Trading Partners in ECO Region and Accession of ECO to WTO was held 2-3 May, 2016, in Islamabad.

**d)**-The Second Meeting of the ECO Heads of Central Banks will be held in Tehran, I.R. Iran in the fourth quarter of 2016. The salient items of the agenda of the meeting will be promoting establishment of Member States' Banks in each others, establishment of ECO Clearing Union and formulating an MOU on Cooperation among the Central Banks of the Member States. Therefore ECO requests participation and support of ECO-TDB to this Meeting.

**e)** The ECO Chamber of Commerce and Industry, after its reactivation in 2007 is now well placed to represent the private sectors and strengthen cooperation among the National Chambers. Therefore, the Secretariat recommend that ECOCCI, ECOTDB and the banking and finance sectors in ECO region to work on finding ways and means of cooperation.

**f)**- **ECO Vision 2016-2025.** Now the secretariat is preparing a comprehensive ECO Vision 2016-2025. The draft Vision will be submitted to the Meeting of Ministers of Development of ECO for approval in due course. The Secretariat while conveying the draft to ECO Member States to receive their views it will also convey the same to ECO Bank for its views as per the decision of the 25th Meeting of ECO Regional Planning Council. So I am sure the Bank will contribute the Secretariat in formulating the Vision.

## **2-Energy**

ECO Secretariat were engaged in intensive bilateral consultations with Iran and Turkey and elaborated draft Terms of Reference (TOR) for a feasibility study on establishment of ECO Regional Electricity Market (REM). The last Trilateral Meeting between Iran, Turkey and ECO secretariat was held in May 2016 in Shiraz, defined the future strategy/roadmap and recommended to define criteria and guidelines for hiring the consultants to prepare Feasibility Study for establishment of ECO REM. The 3rd Iran-Turkey Bilateral Meeting will be held at the Managers Level in Turkey in 2016. The Secretariat plans to approach IFIs/donors for rendering financial and technical support for the Feasibility Study on ECO Regional Electricity Market. Iran and Turkey are also providing additional seed funding for hiring consultants. In this regard the ECO Secretariat is ready to be engaged in further consultation with ECO-TDB on potential partnership for implementation of this ambitious and promising regional

## **3-Transport**

The Islamabad-Tehran-Istanbul (ITI) Road Corridor is one of the main east-west connecting corridors envisaged by ECO to improve connectivity and transport of goods and people across the region. It was established under the decision of the ECO Ministers of Transport and Communication in June 2011. It spans 5503 KM from Islamabad till Istanbul. ECO proposes partnership with the ECO Trade and Development Bank (ECO TDB) for implementation of this project to operationalize this corridor on

professionally sound management commercial and technical model. The project will result in development and installation of a workable exclusive corridor management mechanism responsible for all activities to be carried out on the corridor for its sustainable commercial and technical operations. It will develop detailed work processes for all aspects of the corridor.

Before concluding, I want to reemphasize that the priorities of ECO has continued to be Trade, Transport and Energy. In the preparation process of ECO vision 2025, the tourism sector has also caught prominent attention. I believe that close cooperation between ECO Secretariat and ECOTDB in preparation of the new ECO vision will also help the Bank to develop its own strategy.

### **Distinguish Participants**

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

**Thank you for your kind attention**