

Report on the ECO Activities by The Secretary General

Annex-VI

*Honourable President of the
Republic of Kazakhstan,
Honourable Heads of State/Government
Excellencies,
Distinguished Delegates,*

I feel great honour and privilege to have been provided this opportunity to present to the esteemed leadership of the ECO a report on the activities of our Organisation since the Fourth Summit followed by an Extraordinary Summit both held in Ashgabat in 1996 and 1997 respectively. The meetings of Heads of State/Government, now institutionalized on biennial basis, provide the ECO's functional apparatus a vigour and enthusiasm to carry forward our joint efforts and programmes for the development of our region.

Let me please avail this opportunity to join in the unanimous expression of felicitations to the Honourable President of the Republic of Kazakhstan, His Excellency Nursultan Nazarbayev on his assumption of the Chairmanship of the Fifth ECO Summit Meeting. I am sure his eminent stature and distinguished caliber will bestow upon our Organisation every possible uplift and success in our future programmes and projects. May I also take this opportunity to extend my felicitations to the Honourable President and the people of Kazakhstan on the auspicious occasion of the transfer of the Capital from Almaty to Akmola, now renamed ASTANA. I feel duty-bound to express our gratitude to the Government of Kazakhstan for the excellent arrangements and for their readily available cooperation extended to the Secretariat, for his Fifth ECO Summit Meeting.

Your inaugural address, Mr. Chairman, was remarkable for its clarity of thought and breadth of vision. Indeed, the guidance that we received today through the statements of our leadership would infuse added efficacy and strength in our future course of action. The world today is witnessing profound changes which will have far-reaching implications. At the threshold of a new millennium, we are required to prepare ourselves to meet the challenges of the 21st century. Nowadays, given growing trend towards regional grouping phenomenon, ECO has a pivotal role to play as a truly effective vehicle for ushering the peoples of our region to a brighter and more prosperous future. Thanks to our leaders' vision and resolve, today ECO has been recognized as a major regional organisation with a definite agenda for the development of this region. Having almost completed its restructuring process, ECO is now prepared to play its dynamic role aimed at all-round socio-economic development of our region as provided in the Treaty of Izmir and stressed in other Basic Documents of our organisation.

Since the First Meeting of the ECO Transport Ministers held in this beautiful city five years ago, significant steps have been taken towards the development of transport and communication links in the region as outlined in Almaty Outline Plan. Today we witness their manifestation in, inter-alia, the operation of Tejan-Sarakhs-Mashad Railway Line, speedy work on Kerman-Zahidan missing Railway track near Pakistan-Iran border and profit-earning operations of the ECO Shipping Company. The Second ECO Transport Ministers' Meeting held in Ashgabat last March provided an opportunity to review and assess the achievements in

this priority sector. The Ministerial Meeting also adopted a Programme of Action for ECO Decade of Transport & Communications (1998-2007) including the Plan for the Development of Telecommunications and Postal Links in the ECO Region. All the ECO Member Countries have joined the grand Trans-Asia-Europe Fibre Optic System (TAEFOS) from China to Germany which will greatly facilitate intra-regional and inter-continental telecommunication links. A draft MOU presently under study, which will hopefully be signed with INMARSAT will greatly expand region's satellite links and make the mobile telecommunications more efficient in the ECO region.

The present world economic order is characterized by free trade, economic liberalization and privatization. The ten Member Countries of ECO need to take full advantage of the emerging global economic trends by maximizing economic interaction. Although some practical steps have been taken in the ECO's framework such as trilateral arrangements for preferential tariffs on selected items and entry into force early this year of two trade-related agreements namely ECO Transit Trade Agreement and Agreement on Visa Simplification Procedures for Businessmen of the ECO Region, much remains to be done together in order to open up national economies and achieve economic competitiveness. Credit, however, goes to the Central Asian States and Azerbaijan for absorbing in a short time the change from centrally controlled economies to market oriented ones. This ongoing process of transition needs to be encouraged by other Member States. The early establishment of ECO Trade & Development Bank, stalled because of delay in the ratification process by the concerned Member States, can considerably contribute to the increase in volume of trade in our region and beyond. The Bank's operation could also generate significant credits and insurance activities which in turn could be utilized by the ECO Reinsurance Company, another ECO institution requiring the completion of formalities to be fully operational. This year, our experts are expected to meet and focus on the gradual removal of tariffs and non-tariff trade barriers in our region. Such efforts need to be supplemented by comprehensive studies on complementarities in the region's economies and an action-oriented trade promotion strategy so as to realize the full scale of mutual surpluses and deficits and optimum utilisation of our economic resources. In this process, private sector and business community in each Member State can play a key role and their participation may be recommended by this august Forum.

A Project Document has been signed with the UNDP and UNCTAD in October last year to enhance trade efficiency and modernize customs procedures in the ECO Member Countries. This Project is now under implementation. The process of enhanced intra and inter-regional trade can be accelerated under the new WTO trade regime with whom at present many of ECO Member States are in the accession phase. We must take into consideration the market agenda of the new millennium. We are envisaging to hold a seminar on WTO related issues again this year after the successful conclusion of a similar workshop in Istanbul last year. May I be allowed to reiterate that "the progressive removal of trade barriers across the ECO region and expansion of intra and inter-regional trade, keeping in view the experiences in other regions and global economic trends" is one of the main objectives of our organisation as defined in the Treaty of Izmir (Article. II-b).

The increasing demand and dependence on energy resources is going to be a major challenge in the coming decades. Fortunately, our region is endowed with abundant resources – oil, gas, coal, hydro-electricity and various minerals. There is indeed a vast untapped potential for development which has, since past few years, started to attract foreign investment particularly in some Member Countries. The Ashgabat Declaration adopted last year at the

Extraordinary ECO Summit provides specific guidelines and a Programme of Action pertaining to the development of energy sector. Accordingly, a beginning has been made towards achieving cooperation in this vital field by setting up Ad-hoc Committees and Task Groups in both oil & gas fields and power interconnection. Since all the Member States attach high priority to this area of cooperation, it is expected that the work of these Experts Groups would soon pave the way for practical measures including the preparation of feasibility studies in the oil and gas pipeline projects and possible interconnection of the national power grids.

In the arena of international relations, ECO's image and stature continued to get a considerable boost in the past two years. The UN General Assembly's fifty-second session adopted an ECO-UN Resolution highlighted the importance of the Ashgabat Declaration of 1997. It also invited the relevant international financial institutions to extend their assistance in the implementation of ECO's programmes especially those in the transport and communication sectors. The adoption of ECO-OIC resolution at the 8th OIC Summit in Tehran last December was a further significant boost in consolidating and strengthening our ties with OIC and its affiliated institutions. Of late, IDB has increased its cooperation in our regional initiatives. An important Memorandum of Understanding has been signed with the UN Food and Agriculture Organisation (FAO) last December. In pursuance of ECO Plan of Action for Drug Control, a Project Document on establishing a Drug Control Coordination Unit (DCCU) in the ECO Secretariat was signed with UNDCP in March this year. The Project is to be implemented in the coming months.

May I be permitted to touch upon the reorganization and restructuring process in our organisation. In pursuance of the Implementation Plan as adopted at the Extraordinary Council of Ministers' Meeting held in Izmir in September 1996, gradual and phased implementation of the said Plan has been attained. The new set up includes establishment of two important directorates in the Secretariat namely Directorates of Economic Research & Statistics and Project Research. The UNDP has elaborated on our request, a Project Document on their support to the capacity building of the ECO Secretariat providing, inter alia, opportunities for training, access to information technology and technical assistance. The Secretary General has been authorized to finalize this Project with UNDP. The required staff from among the Member States has been inducted in the new set up. I take this opportunity to express my profound thanks and those on behalf of the Secretariat staff to the Government of the Islamic Republic of Iran for providing a spacious building for the Secretariat.

Let me also pay my tributes to the outgoing Chairman His Excellency President Saparmurat Niyazov for his valuable contribution and commitment to our Organisation during the past two years. Ashgabat has been a frequent host of important ECO Events including the Fourth Summit in 1996, the Extraordinary Summit in 1997 and ECO Transport Ministers' Meeting held in March this year.

Before conclusion, I would request, Excellencies, your blessings in the form of maximum cooperation from the relevant ministries, departments and organizations of Member Countries in providing basic data and other relevant information to the ECO Secretariat in order to avail of the utility and advantages of the new set up. With the task of reorganization and restructuring almost completed, I wish to draw your esteemed leadership's kind attention to the need of modern communication facilities in the Secretariat such as adequate computers, Internet access, e-mail line and our requirement of an appropriate library and a documentation center to assist our access to global information technology and produce desired results in the

formulation and implementation of our programmes and projects.

Mr. Chairman,

We are confident that under your wise leadership, our organisation is assured of an able stewardship towards achieving the goal of all-round socio-economic well-being and prosperity of our region. Almaty Declaration enshrines the political will and vision for our march to a promising future of unlimited hope. It contains all the essential elements envisaging a course of action for the new millennium with poise, confidence and dignity.

I thank you all.

