

ECO Long-Term Perspectives

Annex-V

The Council of Ministers of ECO held a Special Meeting in Istanbul on 5 and 7 July 1993. The list of leaders of delegations is attached. The Council exchanged views, inter alia, on the Long-Term Perspectives of ECO with the aim of defining the basic goals to be achieved in their regional economic cooperation up to the year 2000 and beyond and agreed on the following:

1. The Council stressed the fact that as a result of the transformation of the Organisation into a wide cooperation forum of friendly and fraternal countries encompassing an area of 7 million sq. km. inhabited by nearly 300 million people, a historic opportunity stood before them to create a developed economic region through collective and coordinated efforts that would increase the living standards of their nations and contribute positively to the world economy in substantial terms. The Council strongly felt that this historic opportunity should be fully utilized in their common interests.
2. The Council noted that due to rapid expansion of the ambit of ECO, there was an urgent need to collect reliable basic data, economic and technical indicators, and information on a region-wide scale on which joint efforts and projects would have to be based. The Council directed that such data, covering in particular the areas identified in the Quetta Plan of Action, should be compiled by the Organisation not later than July 1994 to be updated and expanded on a continuous basis. This compilation should initially be prepared as an ECO Region Handbook. A data and information exchange center for trade and investment should be set up within the ECO Secretariat with affiliated local centers to serve the needs of the Organisation, the Member States and foreign investors. In this connection, the Council further authorized the Secretary General to seek cooperative assistance from international sources, such as IDB.
3. The Council commended the setting of guidelines in the fields of Transport and Communications, Trade, Energy, Industry, Agriculture, Tourism, Human Resources Development and establishment of an ECO Special Fund for Feasibility Studies through the adoption of the Quetta Plan of Action and, underlined the importance of effective follow up action by all ECO Member States and organs for the achievement of the objectives of this Plan. Such action including the collection of data and the preparation of relevant feasibility studies should be completed by 1995, thus permitting by the end of the century, the implementation, in considerable measure, of the Plan's targets.

Transport and Communications

4. The Council was of the opinion that successful steps in the fields of transport and communications would have an overall impact on and will act as a catalyst in other areas of joint endeavours. Consequently, an early and steady progress in these two major fields throughout the region will facilitate and accelerate joint activities in other areas of cooperation.
5. The Council commended the efforts of the Secretary General and the Council of Deputies for mobilizing resources in that direction and welcomed the readiness of the Islamic

Development Bank to accord technical or financial assistance for the implementation of ECO projects in the fields of transport and communications.

6. The Council urged the national authorities of the Member States and the ECO Organs concerned to prepare the outline plan for the development of the transport sector. This plan would be finalized for implementation, in the meeting of the Ministers of Transport of the ECO countries in Almaty, Kazakhstan in October 1993.

7. The Council recommended that this plan should;

a) identify the general axis connecting the infrastructure of member countries in the most cost effective manner and should serve to provide access to sea ports in the region for the land-locked member countries.

b) identify the starting and terminal points of such roads in each ECO country, the border gates to be used at terminal points, the distance covered in each country and the measures necessary for the unification of standards on these routes and at the border gates, and

c) explore the prospects of developing sections of the ECO road network as toll roads with international financial assistance.

8. in the railway sector, the Council called for the early finalization of the envisaged ECO railway map and recommended that the plan should incorporate the proposals for;

a) interconnection of the railways of the ECO countries,

b) introduction of multi modal transport where necessary,

c) connection of the regional railway system to outside the region,

d) a specific time-table for completion of these railway connections, and

e) obtaining the required technical and financial assistance from appropriate international institutions.

9. In the Civil Aviation Sector, the Council took note of the recent Civil Aviation agreements concluded between the founding Members and the new Member States under bilateral arrangements and recommended that the plan should;

a) incorporate proposals for expanding air connections and introducing flights between the capitals and major cities of the ECO region,

b) explore the useful role that can be played by the private sector in this field, and

c) suggest appropriate, measures for facilitating the operation of private airline companies in the area,

d) in view of Article 9, item 2, para (b) of the Quetta Plan of Action, the Council welcomed the proposal made by the Islamic Republic of Iran on the creation of a multi-modal transportation company and decided to refer the matter to the meeting of ECO Transport Ministers to be held in Almaty in October 1993.

10. In the field of telecommunications the Council underlined the need for the preparation of the plan as called for in the Quetta Plan of Action, for expanding telecommunications between ECO countries, including satellite links, and for improving the postal system, as well as to the idea of cooperation among the research and development centers of Member States. The Ministers expressed the view that regional and extra-regional communications should be

expanded, developed and upgraded on a continuous basis to keep abreast of the rapid technological developments in this vital area, including television and radio broadcasts. The Council also welcomed the plans for undertaking feasibility studies in the area of telecommunications.

11. Given the importance of telecommunications for the economic development of ECO Member States and particularly the new ECO Members, and the need to train experts, the Council welcome the proposal made by the Islamic Republic of Iran on the creation of an ECO telecommunications college which will be studied in the relevant committee on the basis of supplementary information.

Trade

12. The Council drew attention to the following basic orientation of ECO regional cooperation with particular emphasis to trade:

- Joint efforts in the ECO area should be carried out in a manner that takes into account and contributes to global economic trends and developments, leading to the integration of the region into world economy and trade;
- The primary goal of these efforts should be to create a suitable economic environment in which the private sector can function effectively and that will be conducive to large-scale investment in the ECO area as a whole.

13. In this context, they endorsed the ideas developed in the Quetta Plan of Action and the tasks entrusted to the Economic and Commercial Committee, and laid special emphasis on;

a) the early implementation of Article V of the Treaty of Izmir for the establishment of the ECO Trade and Development Bank as an important instrument for promotion of intra-regional trade and economic development.

b) the promotion of liberal trade practices and policies among ECO countries,

c) to create an awareness of the industrial and agricultural capabilities and the trade potential of the region, the Council directed that the Committee on Economic and Commercial Cooperation should examine the possibility of organizing traveling exhibitions among and outside ECO countries in the related fields,

d) to develop trade and industry, the Council reiterated the need for the creation of free trade and industry zones in the context of ECO. The details will be worked out by the relevant committee and shall be submitted to Council of Ministers,

e) to enhance trade among the dwellers in border areas of the ECO Member States the Council recommended that border trade, including the establishment of border markets, shall be increased as far as possible in the context of existing priorities in general trade,

f) holding a meeting of the customs authorities to elaborate a uniform system of customs and transit trade procedures to be incorporated into an agreement for application throughout the ECO region,

g) in accordance with Article 2 of the Treaty of Izmir on the expansion of trade within ECO, the Council recommended the Member States who have annual targets for intra-regional trade. The CECC should consider this matter,

h) utilizing a substantial percentage of existing export credit guarantee facilities in the Member States for promoting intra-ECO trade particularly in the private sector. In Member States where currently export credit guarantee facilities do not exist, all efforts should be made to create them for the enhancement of such trade,

i) promoting expertise in the financial and management fields by reserving places in training institutes within the region for applicants from other Member States.

j) promoting ECO Chamber of Commerce as a major institution of the Organization, with an annual programme of activities to be implemented in close cooperation with the Chambers of Commerce of Member States. The Council called upon the ECO Chamber to apprise them of the action taken on para 17 of the Quetta Plan of Action. The Council further desired that the ECO Chamber should organize seminars with the participation of representatives of national Chambers of Commerce of Member States and also act as a clearing house for gathering and disseminating information in their field of activities.

Energy

14. Recalling para 20 of the Quetta Plan of Action, the Council directed the Energy Committee to finalize, by July 1994, for presentation to the Council, the requisite Plan and submit a progress report to the next annual meeting of the Council.

Industry

15. Recalling the Quetta Plan of Action's directive to the Committee for Technical and Industrial Cooperation to encourage the establishment in the private sector of industrial units to cater to the entire regional market, the Council noted that such industries could benefit from the economies of scale and that a division of labour could be ensured by having production units for various components of such industries, located in different Member States. The Council underlined the need for Member States to be prepared to offer the necessary domestic credits and to allocate foreign credits and investments to such industries which would form part of the industrial restructuring of the region.

16. The Council urged that this plan includes proposals for the acquisition of foreign technology by the Member States on a cooperative basis and for the transfer of industrial technology within the region in all applicable fields.

17. The Council noted that uniform standards of production would greatly facilitate intra-regional trade in industrial products and directed that the plan should include proposals for evolving uniform standards and for uniform laws and regulations for implementing quality control.

18. The Council welcomed the Pakistani proposal for sectoral feasibility studies in industry and directed that feasibility studies be undertaken in 3 specific industrial sectors in the region.

These would determine the manner and extent to which existing, or new capacity could be used or modified to meet the need of the entire region taking advantage of the economies of scale and promoting the division of labour. The sectors were:

- the automobile industry
- the power equipment industry and
- the telecommunication industry

Agriculture

19. The Council of Ministers directed the Committee on Agricultural Cooperation to conduct a survey of the region to determine exportable surpluses and deficits necessitating imports of agricultural commodities and to draw up proposals on meeting these deficits, to the extent possible, from within the region. The Council further directed that another survey be undertaken by mid-1994 on the progress of mechanization in the region and to identify the extent to which such mechanization could be facilitated by the fuller utilisation of the existing manufacturing capacity within the region.

20. The Council reiterated the need to prevent the dissemination of plant and livestock diseases and urged the Committee for Agricultural Cooperation to expedite its studies on this matter with a view to developing concrete and effective measures to this end.

21. The Council also directed the Committee to examine the possibility of expanding, with international assistance, the existing agricultural research institutes particularly in the new Member States to enable these institutes to serve the needs of the region as a whole.

22. The Council recommended the convening of a Conference of the Chairmen of the Agricultural Banking and Credit Institutions of the ECO Member States in early 1994, to explore the possibilities of harmonizing the organizational structures and the regulations of the existing agricultural credit systems.

Tourism

23. The Council desired that tourism, as one of the major field of activity, should contribute to the development efforts of all Member States. The Council stressed that there is a need to take early action on the basis of the recommendations already worked out at the experts level. The Council requested the relevant authorities of the Member States to take necessary executive decisions in order to;

a) convene, under the auspices of the Ministers in charge of Tourism, a joint meeting of the public and private sector organizations of ECO countries in November 1993, to promote the ECO region as a tourism destination before the beginning of the tourism season in March 1994, and,

b) compile an ECO region tourism guide under the coordination of the ECO Secretary General and with the collaboration of national authorities, by February 1994.

Culture

24. Recalling Article II(c) of the Treaty of Izmir, the Council urged the Member Governments to find and promote effective social and cultural channels of thought and action for consolidating cultural affinities and spiritual and fraternal ties that bind the peoples of the Member States. They emphasized the early revival of the ECO Cultural Institute and the establishment of the ECO Youth Foundation in pursuance of the relevant provisions of the Treaty of Izmir.

Narcotics Abuse Control

25. The Council expressed satisfaction at the progress towards evolving regional cooperation in the field of Narcotics Abuse Control and urged the concerned Technical Committee to prepare a comprehensive plan for effectively combating this growing menace and submit it to the next meeting of the Council.

Environment

26. Deeply conscious of the growing importance of the environmental issues and their increasing impact on the environment of the region, the Council felt that the protection of environment in the ECO area through collective measures should be included in the ECO activities as a new field of collaboration and recommended that the concerned national agencies would cooperate to draw up a list of environmental issues in the ECO region and consider ways of resolving them in collaboration with various international bodies dealing with such questions.

Relations with International Organizations

27. The Council appreciated the contacts made by the ECO with various International Organizations and welcomed, in this regard, the initiative for seeking Observer Status for ECO with UN General Assembly and the Resolution adopted by the 21st Islamic Conference of Foreign Ministers (ICFM) held in Karachi, in April 1993 on institutionalized cooperation between ECO and OIC. They also welcomed the signing of Memoranda of Understanding (MOUs) for ECO's cooperation with ESCAP and IDB. The Council further decided that on the eve of major international gatherings such as UNGA sessions, ICFM, etc., informal meetings of the Ministers of the ECO countries or their representatives may be arranged to maintain closer contacts amongst the Members of the Council, harmonize their views on the issues of common interest, and undertake interim review of the work of the Organisation. The Council also emphasized the need for establishing further contacts with other regional and international organizations.

28. Research in all fields including the field of economic cooperation plays a primordial role for the attainment of ECO goals. The Council directed the Council of Deputies to study the possibility of creating an ECO economic research center for conducting economic studies, prepare plans and studying joint projects for the future of ECO.

Enhancement of Free Enterprise

29. Cognizant of the crucial role that free enterprise would play in the transition and development of the economies of the ECO countries as well as in their further integration into the world economy, the Council decided to assign the Council of Deputies the task of

formulating recommendations to ensure maximum participation of the private sector in the regional economic activities.

Implementation

30. The Council asked the Secretary General of ECO to keep monitoring the progress on implementation of Quetta Plan of Action as well as on ECO Long-term Perspectives (Istanbul Declaration) and include an evaluation thereon in his annual reports to the Council. The Council also urged the Member Governments to take all necessary steps for the expeditious implementation of its decisions.

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