



Extraordinary Meeting of the ECO Council of Ministers (COM)

Report

*23rd September, 2016
UN Headquarters, New York*

Report

2. The ECO Council of Ministers convened its Extraordinary Meeting on Friday 23rd September 2016 on the sidelines of the 71st Session of the United Nations General Assembly in New York. His Excellency Mr. Mohammad Javad Zarif, the Honorable Minister of Foreign Affairs of the Islamic Republic of Iran presided over the Meeting. It was attended by Honorable Ministers and high-level officials from all member countries i.e. Islamic Republic of Afghanistan, Republic of Azerbaijan, the Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, the Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, except for Turkmenistan and Republic of Uzbekistan. Turkish Cypriot State also attended the meeting as an "Observer". A high-level delegation from the ECO Secretariat, headed by the ECO Secretary General H.E. Ambassador Halil Ibrahim Akca, also attended the Meeting. List of Participants is attached as *Annex-I*.

Agenda Item No.1

Opening Statement by the Chairman of COM, Secretary General's Statement and Adoption of the Agenda

Statement of COM Chairman

3. In his opening remarks, the COM Chairman, H.E. Mr. Mohammad Javad Zarif, the Honorable Minister of Foreign Affairs of the Islamic Republic of Iran welcomed the participating delegations of the ECO Member States and highlighted the need for enhanced synergy to implement regional aspirations and goals of the Organization. The statement of the honorable Minister is attached as *Annex-II*.

Statement of ECO Secretary General

4. The ECO Secretary General, Ambassador Halil Ibrahim Akca welcomed the delegations to the important Extraordinary Meeting of the ECO Council of Ministers. The Secretary General briefed the Ministers about the affairs within the ECO since last Extraordinary Session of COM which was held on 2nd October 2015 on the sidelines of UNGA in New York. He shared the challenges ECO is currently facing and sought guidance and support from the Member States. He specifically highlighted the issue of pending ECO Summit and holding regular COM meeting as well as non finalization of 'Scales of Assessment'. His Statement is attached as *Annex-III*.

Adoption of the Agenda

5. The Extraordinary Meeting of the ECO Council of Ministers adopted the following Agenda, as had been finalized by the Special CPR Meeting of the ECO Council of Permanent Representative acting as Senior Officials Meeting for Extraordinary COM Meeting held on 4th September, 2016 at the ECO Secretariat, Tehran:

AGENDA

1. Opening Statement by the Chairman, Secretary General's Statement and Adoption of the Agenda
2. Statements by the Ministers/Heads of Delegation
3. Pending COM Approvals (*Reports of CPR, RPC and the Sectoral Ministerial Meeting since September 2015, Work Programme 2016-2017, Calendar of Events for 2016-2017, Budget for the year 2016, Audit Report 2015, Appointment of new Deputy Secretary General and other appointments, Scale of Assessments and/or extension of existing Scale of Assessments to 2017*)
4. Discussion/Exchange of Opinions on the State of Affairs of ECO (*Draft ECO Vision-2025, Funding Infrastructure Projects through ECO-TDB and other developments in ECO activities etc.*)

5. Any Other Business
6. Adoption of Report
7. Closing of the Meeting

Agenda Item No.2

Statements by the Ministers/Heads of Delegation

6. The respective Ministers/Heads of Delegation made their statements elaborating their views on the Regional cooperation in the framework of ECO. They also shared with the Council information on the relevant national and regional developments since the last Extraordinary Session of the COM Meeting held on 2nd October 2016 on the sidelines of the 70th Session of UN General Assembly in New York. Copies of their statements are attached.

Agenda Item No.3

Pending COM Approvals *{(i) Reports of CPR, (ii) 26th RPC Report, (iii) Sectoral Ministerial Meetings since September 2015, (iv) Work Programme 2016-2017, (v) Calendar of Events for 2016-2017, (vi) Budget for the year 2016, (vii) Audit Report 2015 & (viii) Appointment of new Deputy Secretary General and other appointments, (ix) Scale of Assessments and/or extension of existing Scale of Assessments to 2017}*

(3.i) Reports of CPR Meetings

7. Since the last Extraordinary Session of ECO Council of Ministers (COM) held on 2nd October 2015 on the sidelines of the UN General Assembly in New York, The Council of Permanent Representatives (CPR) held 10 (Ten) Meetings (205th – 213th CRR Meeting) up-till now. The adopted Reports were already circulated among the Member States (*with the exception of 213th CPR Report*) as per detail given below:

No	Adopted Report of	Number & Date of Circulation
1.	205 th CPR Meeting	No. CFU/205 th CPR/2015/ 1593 (19 th October 2015)
2.	206 th CPR Meeting	No. CFU/206 th CPR/2015/ 1773 (29 th November 2015)
3.	207 th CPR Meeting	No. CFU/207 th CPR/2016/ 17 (7 th January 2016)
4.	208 th CPR Meeting	No. CFU/208 th CPR/2016/ 236 (14 th February 2016)
5.	209 th CPR Meeting	No. CFU/209 th CPR/2016/ 453 (4 th April 2016)
6.	210 th CPR Meeting	No. CFU/210 th CPR/2016/ 664 (16 th May 2016)
7.	211 th CPR Meeting	No. CFU/211 th CPR/2016/ 879 (11 th July 2016)
8.	212 th CPR Meeting	No. CFU/212 th CPR/2016/ 1023 (16 th August 2016)

(Copies of these Reports have already been posted on the ECO Website and also made available in the folder provided by the ECO Secretariat to the distinguished delegates at COM Meeting)

8. The Extraordinary COM Meeting had before it Reports of 205th to 212th of the Council of Permanent Representatives (CPR). The Extraordinary COM Meeting adopted all these Reports, as listed in **(3.i) above**.

(3.ii) Report of 26th RPC Meeting

9. The 26th Meeting of the Regional Planning Council (RPC) was held on 13 – 17 December 2015 in Tehran (Iran). The Secretariat circulated the Report of the Meeting along with Annual Calendar of Events 2016-2017 to the Member States vide its Note Verbale No.CFU/26th RPC/1854 dated 21st December, 2015.

10. The Extraordinary COM Meeting had before it Report of 26th RPC Meeting which was considered and adopted by the Extraordinary COM Meeting.

(3.iii) Reports of Sectoral Ministerial Meetings

11. The Report of Second ECO Consultative Ministerial Meeting on Environment held on 27th May 2016 in Nairobi, Kenya on the sidelines of the Second United Nations Environment Assembly (UNEA-2) was circulated among the Member States vide

Secretariat's Note Verbale No.EME/ENV/2nd Consult MMENV/2016/753 dated 8th June 2016.

12. The Report of 3rd ECO Health Ministerial Meeting held on 24th May 2016 in Geneva, Switzerland on the sidelines of 69th World Health Assembly was circulated among the Member States vide Secretariat's Note Verbale No. HRSD/Health/2016/763 dated 9th June 2016.

13. The Extraordinary COM Meeting had before it (i) 3rd ECO Health Ministerial Meeting held on 24th May 2016 in Geneva, Switzerland on the sidelines of 69th World Health Assembly and (ii) Report of the Second ECO Consultative Ministerial on Environment held on 27th May 2016 in Nairobi (Kenya). The Extraordinary COM Meeting considered and approved the reports of these two Ministerial Meetings.

(3.iv) Work Programme 2016-2017

14. The Work Programme 2016-2017 based on the recommendations of the 26th RPC Meeting was circulated to the Member States vide Secretariat's Note Verbale No. CFU/WP-2016-17/2016/203 dated 4th February 2016. *Moreover, the 209th CPR Meeting held on 14th February 2016 endorsed submission of the Work Programme 2016-2017 to COM Meeting for approval.*

15. The Extraordinary COM Meeting considered and approved the ECO Work Programme 2016-2017.

(3.v) Calendar of Events for 2016-2017

16. The Calendar of Events for 2016-2017 contained in the document ECO/CoE/2015/4 was circulated among the Member States vide Secretariat's Note Verbale No.CFU/26th RPC/2015/1854 dated 21st December 2015. *Moreover, the 208th CPR Meeting held on 5th January 2016 endorsed submission of Calendar of Events 2016-2017 to COM Meeting for approval.*

17. The Extraordinary COM Meeting considered and approved the ECO Calendar of Events for 2016-2017.

(3.vi) Budget for the year 2016

18. The Secretariat had prepared Budget proposal for the financial year 2016 and circulated to the Member States vide Secretariat's Note Verbale No. ACC-Budget/2015/1454 dated 17th September 2015 for consideration. The Council of Permanent Representative (CPR) in its 207th Meeting considered and adopted the proposed Budget for the financial year 2016 for its formal approval by the COM Meeting.

19. The Special CPR Meeting acting as SOM for Extraordinary COM Meeting held on 4th September 2016 at the ECO Secretariat, Tehran considered the Budget of the Secretariat for the financial year 2016 and recommended for its onward submission and formal approval by the upcoming Extraordinary COM Meeting.

20. The Extraordinary COM Meeting considered and approved the ECO Secretariat's Budget for the financial year 2016.

(3.vii) Audit Report 2015

21. The ECO Audit Board conducted audit of the ECO Secretariat for the financial year 2015 in May 2016. The Audit Report along with the comments of the Secretariat

was circulated to the Member States vide Secretariat's Note Verbale No. ACC/Audit 2016/817 dated 19th June 2016.

22. The Special CPR Meeting acting as SOM for Extraordinary COM Meeting held on 4th September 2016 at the ECO Secretariat considered the ECO Audit Report 2015 and recommended for onward submission to the upcoming Extraordinary COM Meeting for formal approval.

23. The Extraordinary COM Meeting while appreciating the work done by the ECO Audit Board, considered and approved the ECO Audit Report 2015.

(3.viii) Appointments of new Deputy Secretary General, ECO Secretariat, President of ECOSF and extension in tenure of Assistant Director (Admn), ECO Secretariat

24. The Council of Permanent Representatives (CPR) in its 209th Meeting held on 4th April, 2016 recommended following decisions to the COM:

- To appointment Mr. Kanan Nazarov from the Republic of Azerbaijan as the new Deputy Secretary General (T&I, AIT & IR) for a full term replacing Mr. Hayri Maraslioglu (Turkish National).
- The post of DSG allocated to a non-Founding Member will rotate to the Islamic Republic of Afghanistan for a full term immediately after the Republic of Azerbaijan.

25. Mr. Kanan Nazarov (*Azerbaijan National*) was appointed as ECO Deputy Secretary General responsible for Trade and Investment, Agriculture, Industry, Tourism and International Relations, through circulation, effective from 28th February 2016.

26. The Council of Permanent Representatives (CPR) in its 213th Meeting held on 15th August, 2016 approved the extension in tenure of Mr. Hamid Reza Anousheh (*Iranian National*), Assistant Director (Admn), (Category-I, D1) of the ECO Secretariat, for a period of one year effective from 23rd September, 2016. Moreover, as per Article 6.4 of ECO Staff Regulations "*The term of appointment in Category-I shall be 3-years renewable by another term of 3-years with the approval of the Council of Ministers*", the CPR Meeting asked the ECO Secretariat that, as per practice, it may seek the COM approval, through circulation. However, the formal approval will be sought as and when COM Meeting is held.

27. The Extraordinary Meeting of Council of Permanent Representatives (CPR) of ECO Cultural Institute (ECO-ECI) held on 11th April 2016 at Tehran recommended the following decisions to the ECO Council of Ministers (COM) for consideration and final approval:

(i)	<i>"The tenure of incumbent President Prof Iftikhar Husain Arif is extended for 6 months (till 16 October 2016). This is one time decision and will not set precedent for this and any other post in future.</i>
(ii)	<i>H.E. Professor Mohammad Mehdi MAZAHERI, an outstanding cultural figure of Islamic Republic of Iran is elected as the next President of ECO Cultural Institute for a full term.</i>
(iii)	<i>The Islamic Republic of Pakistan will forward its nominee for the position of Executive Director within next six months. The nominee will assume the post at the end of tenure of Prof. Iftikhar Husain Arif.</i>
(iv)	<i>The republic of Tajikistan will hold the post of ECI President for full term after the Islamic Republic of Iran.</i>
(v)	<i>The Islamic Republic of Afghanistan will forward its nominee for position of Assistant Director and the nominee will start his/her job immediately after the approval of the nominee".</i>

28. The Special CPR Meeting acting as SOM for Extraordinary COM Meeting held on 4th September, 2016 decided to bring the above mentioned decisions of 209th and 213th CPR Meetings regarding appointments/extension to the attention of the Extraordinary COM for formal approval.

29. The Extraordinary COM Meeting considered and formally appointed Mr. Kanan Nazarov (*Azerbaijan National*) as the new Deputy Secretary General responsible for Trade and Investment, Agriculture, Industry, Tourism and International Relations.

30. The Extraordinary COM Meeting considered and formally approved the extension in tenure of Mr. Hamid Reza Anousheh (*Iranian National*), Assistant Director (Admn), (Category-I, D1) of the ECO Secretariat, for a period of one year effective from 23rd September 2016.

31. The Extraordinary COM Meeting also considered and approved the following decisions taken by the Extraordinary CPR Meeting of ECO-ECI held on 11th April, 2016:

- i. *The tenure of incumbent President Prof Iftikhar Husain Arif to be extended for 6 months (till 16 October 2016). This is one time decision and will not set precedent for this and any other post in future.*
- ii. *H.E. Professor Mohammad Mehdi MAZAHERI, Iranian national to be elected as the next President of ECO Cultural Institute for a full term.*

(3.ix) Scale of Assessments and/or Extension of existing Scale of Assessments to 2017

32. At the last year's Extraordinary Session held in New York on 2nd October, 2015, the Ministers/Heads of Delegation discussed the issue of "Scale of Assessments" and decided to continue consultations at the level of CPR and with involvement of financial experts from the capitals. The Meeting further decided that current Scale of Assessments will be effective till the end of 2016.

33. The Special CPR Meeting acting as SOM for Extraordinary COM Meeting held on 4th September 2014 held lengthy deliberations on the issue of "Scale of Assessments" and submitted following recommendation to the Extraordinary COM Meeting:

"Acknowledging the difficult budgetary situation of the ECO Secretariat and highlighting the importance of early addressing the issues of "Scale of Assessments" an arrears, SOM recommends that discussion on the issue will be seriously continued at different levels to ensure early decision on the "New Scale of Assessments". In case of no concrete result by the end of 2016, the current Scale of Assessments may be extended until the end of 2017".

34. The Extraordinary COM Meeting considered and discussed this important issue and endorsed the above recommendation by the Special CPR Meeting acting as SOM for Extraordinary COM Meeting held on 4th September, 2016.

Agenda Item No.4

Discussion/Exchange of Opinions on the State of Affairs of ECO (Draft ECO Vision and Funding Infrastructure Projects through ECO TDB etc) and developments during 2016

a. Draft ECO Vision 2025

35. The latest Draft ECO Vision 2025 has been circulated by the Secretariat to the Member States vide Secretariat's Note Verbale No. No.CFU/ECO-Vision/2016/608 dated 3rd May, 2016. The Special CPR Meeting acting as SOM for Extraordinary COM

Meeting held on 4th September 2016 discuss the latest developments in the light of the new decision on holding the ECO Ministerial Meeting on Planning and Development scheduled to be held on 24th October 2016 in Kabul, Islamic Republic of Afghanistan. (Draft Vision-2025 document has already been provided to the distinguished delegate and is also attached with this Report).

36. The Extraordinary COM Meeting discussed the latest Draft ECO Vision 2025 and decided that Ministerial meeting on Planning and Development scheduled to be held on 24th October 2016 in Kabul, Islamic Republic of Afghanistan may finalize the ECO Vision 2025 for its final endorsement by COM.

b. Funding Infrastructure Projects through ECO TDB

37. The ECO Trade and Development Bank (ECO-TDB) was established on August 3, 2005 with its headquarters located in Istanbul. The Bank started its operations in 2008. The representative offices of the Bank in Tehran (Iran) and Karachi (Pakistan) are fully functional. The current shareholders are now six members of ECO, namely Afghanistan, Azerbaijan, Iran, Kyrgyz Republic, Pakistan and Turkey. The authorized capital of the Bank is 1.089 billion SDR and total paid-in capital is 326,75 million SDR. Iran, Pakistan and Turkey have equal share with 100 million SDR for each in the paid-in-capital. The Republic of Azerbaijan with SDR 9.75 million paid-in-capital contribution, the Islamic Republic of Afghanistan with SDR 15 million paid-in-capital contribution and Kyrgyz Republic with SDR 2 million contribution became new members of the Bank. 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.

38. The primary objective of the Bank is to provide financial resources for projects and programmes in member countries. The Bank offers a range of medium-to-long term products i.e. project finance, corporate finance, trade finance and loans to support small and medium-sized enterprises directly or through financial intermediaries to private and state owned entities. In this context, sectors such as infrastructure, manufacturing, agriculture, energy, transport and communications, which have potential impact on the development of the member states, are given special attention. Within this perspective, the total amount of loans disbursed by the Bank ascended to about US\$ 856 million by the end of 2014. (Background Paper has already been provided to the distinguished delegates and is also attached with this Report).

39. The Extraordinary COM Meeting while appreciating the efforts of the ECO Secretariat discussed the matter and recommended that the forthcoming ministerial meeting on Planning and Development scheduled to be held on 24th October 2016 in Kabul, Islamic Republic of Afghanistan may deliberate on the role of ECO-TDB for regional development, financing of infrastructure projects in the ECO Region and steps to facilitate the Bank towards this goal. The ministerial meeting will firm-up recommendations for the next ECO COM Meeting' based on these deliberations.

c. Other Development in ECO Activities etc.

40. The permanent Central Secretariat for ECO- RISCAM (Regional Institute for Standardization, Conformity Assessment, Accreditation, and Metrology) is in the process of establishment and will be inaugurated in Tehran in very short course. This Secretariat will be the instrumental and specialized body of the Organization to contribute to the strengthening of the quality infrastructure and trade facilitation in the region through cooperation with the relevant international organizations as well as

regional and national bodies and will take - up all relevant activities of the Organization in this regard. The Islamic Republic of Pakistan has expressed its readiness to host the Technical Management of Board of Metrology of RISCAM and has requested and in this connection an amendment to the article No. 5.4.1.10 of the Statute of RISCAM to accommodate Pakistan as host to the TMB of Metrology. (Background paper on RISCAM has already been provided to the distinguished delegates and is also attached with this Report).

41. The Extraordinary COM appreciated the efforts of the Islamic Republic of Iran for establishment of Central Secretariat for ECO-RISCAM in Tehran and desired for its early functioning.

Agenda Item No.5

Any Other Business

42. Under this Agenda Item, the delegation of Republic of Azerbaijan raised the issue regarding the delays in holding of ECO Summit and regular COM Meeting due to various reasons and underscored the importance of holding these meeting at the earliest. After deliberations, the Council on the proposal of the Islamic Republic of Iran, decided that *“if no Member State offers to hold next ECO Summit and COM Meeting within one month of holding of this EX COM meeting, then the Islamic Republic of Iran will hold the next ECO Summit and COM Meeting”*.

43. The delegation of the Islamic Republic of Pakistan informed that ECO Science Foundation held its 3rd Meeting of Board of Trustees on 18th August 2016, in which the Board decided by consensus to recommend to COM the appointment of Professor Dr. Manzoor Hussain Soomro (Pakistan national), as the 2nd President of ECO Science Foundation for a term of three years. The Extraordinary COM Meeting after deliberations formally appointed Professor Dr. Manzoor Hussain Soomro (*Pakistan National*) as the 2nd President of ECO Science Foundation for a term of three years.

Agenda Item No.6

Adoption of Report

44. Under this Agenda Item, the Extraordinary COM Meeting unanimously adopted its Report.

Agenda Item No.6

Closing of the Meeting

45. The Extraordinary COM Meeting expressed its gratitude to H.E. Mr. Mohammad Javad Zarif, Minister of Foreign Affairs of the Islamic Republic of Iran for conducting the meeting proceedings in an efficient and professional manner and his outstanding Chairmanship of the Meeting. The Meeting also appreciated the Permanent Mission of the Islamic Republic of Iran to UN for making excellent arrangements of the meeting.

46. The Extraordinary Meeting also expressed its gratitude to the ECO Secretary General and his team for organizing this meeting an efficient and able manner.
