

**The ECO Secretary General's Statement
at the 19th Meeting of the Council of Ministers
(Istanbul, 22nd December, 2010)**

**Your Excellency,
Mr. Ahmet Davutogulu, Foreign Minister of the Republic of Turkey
Honourable Ministers, Heads of Delegations**

Excellencies

It is my distinct honour to present to the 19th Meeting of the Council of Ministers a brief report on the activities and progress of the Economic Cooperation Organization achieved over the past two years. Before proceeding further, I wish to express my sincere thanks to the people and the Government of the Republic of Turkey for the warm welcome and traditional Turkish hospitality accorded to us. It is a great pleasure to convene in beautiful Istanbul, a city redolent of rich traditions, and a symbol of modernity and increase eminence.

Allow me also extend my heartfelt felicitations to the honourable Foreign Minister of the Republic of Turkey, His Excellency, Dr. Ahmet Davutoglu, on his election as the Chairman of the ECO Council of Minister. I am confident that under his able stewardship, our Organization will scale new heights of progress and accomplishments in the months to come. I wish also to place on record my sincere gratitude to the Government of Islamic Republic of Iran for their profound contributions to the advancement and accomplishments of our Agenda during their Chairmanship and extend my heartfelt congratulations to H.E Dr. Salehi on his appointment as the Acting Foreign Minister of Islamic Republic of Iran and wish him all the success in his challenging responsibilities.

Mr. Chairman

Since the last Meeting of the COM, in Tehran, we have made notable headway in promoting cooperation in various sectors of activities. In some sectors, we were more successful in achieving our targets; while in others we maintained sound momentum and focussed efforts to overcome bottlenecks and achieve breakthrough. The sectoral ministerial meetings in Transport & Communications, Energy, Health and Tourism were fruitful in carrying forward progress in these areas. The period also launched an ECO Ministerial Meeting on Youth Affairs held for the first time on the initiative of Iran.

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In the aftermath of the Global Financial Crisis, the regional economies also faced a setback resulting in a sharp decline in trade with rest of the world, plummeting from US\$ 617.68 billion in 2008 to US\$ 571.85 billion in 2009. Intra-regional trade however, registered an increase from US\$ 33 billion to US\$ 40 billion during the corresponding

period. Foreseeing the anticipated contraction in growth, the leaders during the last ECO Summit reiterated their resolve to encourage and promote trade and emphasized the urgency of implementing ECO Trade Agreement (ECOTA). With three of the Contracting Parties now prepared for reductions in customs duties on eighty (80) percent of tradable goods, we are about to turn a new chapter towards the cherished goals enshrined in ECO's basic documents including the ECO Vision 2015.

We are set to embark on a plan to launch joint trade promotional activities, commence trade facilitation measures, support non-WTO members of ECO in their accession process to WTO and infuse a fresh dynamism among the private sectors. A set of new initiatives are also in the offing as we look forward to the highest decision making organs of ECO for further guidance on preparations for a Comprehensive Economic Partnership Treaty to attain desired objectives under a single package.

Visible success in expansion of operations of the ECO Trade & Development Bank have made and possibilities are being explored to step up its activities and enhance its role in accelerating intra-regional trade. The ECO Chamber of Commerce and Industry is also expected to add fillip to the regional private sector cooperation. The establishment of the ECO Reinsurance Company, once ratified by Iran and Turkey would herald increased commercial activities, improved contacts with international institutions and strengthen the regional insurance sectors. Efforts are underway to set up forums and institutions for Investment, Tax Administrations, Stock Exchanges, Technical Assistance and Trade Capacity Building Institute and Free Trade Zones in near future.

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In the transport and communications sector, implementation of the Transit Transport Framework Agreement (TTFA) is in process. The ECO White Card is on the verge of enforcement; the common visa Sticker for drivers, together with its rules and procedures are being finalized; and the ECO road and railway transit route maps have been prepared. The ECO Transport Permit and License have been designed and the TTFA Fund has already been established with seed money contributed by the ECO FSGPF Fund.

In September-October 2010, the ECO Silk Road Truck Caravan made an historic 11,300 km demonstration journey across the region. Encouraged by this successful experience, we intend to launch similar projects in the near future. On 4th August 2010 the regular monthly operation of the ECO Container Train on Islamabad-Tehran-Istanbul Route was inaugurated. The number of its runs to twice a month is foreseen. Measures are also being taken to revitalize the ECO Container Trains on Istanbul-Almaty Route and launch a new container train service on Almaty Bandar Abbas Route by early 2011. In addition to these two projects, the construction of a standard gauge railway line connecting China to Europe via Kyrgyz Republic, Tajikistan, Afghanistan, Iran, and Turkey and construction of railway between Kazakhstan-Turkmenistan-Iran are being vigorously pursued.

Mr. Chairman

Cooperation in the Energy sector picked up fresh momentum following the 2nd ECO Ministerial Meeting on Energy/Petroleum held at Dushanbe, Tajikistan, in October, 2010 which adopted a new Plan of Action on Energy/Petroleum Cooperation in the ECO Region (2011-2015) to serve as a set of basic guidelines for cooperation in the fields of Energy/Petroleum. The Plan of Action also identifies “New and Renewable Energy Sources” as an important area of cooperation. As a follow-up on the implantation of the Plan of Action, a High Level Expert Group (HLEG) meeting on Energy will be held annually. The effective implementation of the Plan will impact cooperation in the Energy sector which at present falls far behind the existing potential. On ECO tourism, implementation of the Plan of Action is in full progress.

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Agriculture is being impacted by the implementation of the ECO Regional Programme for Food Security (RPFS) with Turkey as coordinator. To step-up efforts a Regional Coordination Unit will soon be established with the support of FAO. Together with FAO, we are also preparing a Technical Assistance and Capacity Building Proposal to seek financial assistance from the Global Agriculture and Food Security Programme (GAFSP) of World Bank.

Recently the ECO/FAO-SEC Project on Seed Sector Development has been approved with a budget of 400,000 USD. Efforts are afoot to establish/operationalize ECO Regional Centre for Efficient Use of Water in Pakistan, the ECO Regional Centre for Risk Management of Natural Disaster (ECO-RCRM) and the ECO Agricultural Biotechnology Network in Iran as well as the ECO Permanent Veterinary Commission (ECO-VECO).

In the sector of industry, a number of specialized meetings/workshops were held to boost cooperation and development in privatization of Small and Medium Enterprises (SME). Efforts are also being made to establish of ECO Technology Transfer Centre, ECO Nanotechnology Centre and Regional Institute for Standard, Conformity, Accreditation and Metrology (RISCAM). In tourism, the first edition of the ECO Tourist Guidebook has been published and will be distributed during the COM and the Summit.

Excellencies

With an objective to generate credit data and information in the region, ECOSTAT is being set up at the Secretariat. Moreover, for statistical capacity building in Member States, Afghanistan has been declared as the Pilot Country for implementing the Technical Cooperation Project on Statistics.

In 2010, expansion in health cooperation remained one of our priorities. The 1st ECO Health Ministers Meeting held in Baku in February, 2010 outlined ways for achieving joint cooperation in the health related activities including Millennium Development Goals (MDGs) and Blood Transfusion and Pharmaceutical affairs. An analytical regional report on Health related MDGs with recommendations for each

Member State and suggestions for their implementation at regional level has been prepared. We are also working on establishing an ECO Blood Safety Network and Drug Regulatory Network.

I am pleased to report that cooperation in the fight against drugs, terrorism and transnational organized crimes, money laundering remained under sharper focus. The Organization is working closely with the European Commission (EC) within the framework of ECO-EC Memorandum of Understanding (MOU) to implement the project on "Fight Against Illicit Drug Trafficking to/from Afghanistan. Efforts are underway to establish the ECO Police (ECOPOL). Its draft Statute will be approved at the forthcoming 3rd ECO Interior Ministers' Meeting.

Mr. Chairman

Reconstruction in Afghanistan has been recognized as indispensable in the peace, stability and development of the region and we have been paying special focus to it in our regional programmes and activities. An Afghan Reconstruction Fund established to facilitate rebuilding efforts in the country is financing four construction projects. A protocol has also recently been signed between ECO and Turkish International Cooperation Agency (TIKA) to enhance cooperation in joint projects from the ECO Reconstruction Fund. I would like to express my gratitude to Azerbaijan, Iran, Pakistan and Turkey for their contributions and to call upon other Member States to make similar contributions in support of the Fund. The Secretariat will partner with relevant regional/international organization to ensure the effective implementation of projects financed out of the Fund.

On the international arena, promotion of constructive cooperation with the United Nations system, regional peers especially OIC, other international organizations and relevant non-ECO states constitutes an important priority and we have made notable strides toward that end. Whilst new MoUs has been entered into with relevant partners, due attention is being paid to activate and implement existing arrangements. I am pleased to report that a biennial resolution has been adopted by the UN General Assembly on UN-ECO Cooperation at its current session re-affirming recognition of our steadfast partnership. The resolution encourages the UN System and other international institutions to join in efforts towards implementation of ECO's programmes and projects. A comprehensive Plan of Action has been developed to expand ECO's external relations in a focussed manner. I am pleased to inform that soon Contacts Groups of Ambassadors of ECO member states will be established at important regional/international fora. It would enhance our image in the realm of international relations and mobilize technical and financial assistance of international partners in implementation and expansion of our programmes and activities.

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ECO epitomizes the true spirit of regional cooperation and constitutes a fitting platform for promoting regional integration. Our collective will and desire on the whole has contributed to progress in our Agenda in the past years, nevertheless, the pace of our progress needs to be accelerated to utilize our potential to the maximum. At the same

time ECO must strive to achieve and maintain its centrality and significance in the wake of emerging challenges impacting sustainable socio-economic development in the region. In this regard, allow me, Excellencies to draw your earnest attention to the following recommendations:

- ECO must map out long-term strategic plans specifying measurable targets and benchmarks. In so doing, we must also identify adequate resources for their implementation. These strategic plans must be coupled with effective follow up mechanism. To institutionalize such a strategic approach in the work of ECO, we must backup the ECO Regional Planning Council by a dedicated Strategic Planning Core Group in the Secretariat.
- Utmost importance needs to be accorded to ECO's Agreement, Initiatives, and Programmes in particular ECOTA, TTFA, ECOTDB, ECO Reinsurance Company, Charters of ECO Specialized Agencies like ECO Cultural Institute, ECO Science Foundation, ECO Educational Institute and others. In this regard special emphasis must be given to expediting joining/ratification procedures at the national levels by all the member states.
- Active follow-up mechanism on all the decisions of the relevant ECO bodies should be in place to ensure that the spirit of agreement achieved in reaching those decisions is maintained.
- ECO's initiatives should compliment and supplement national efforts toward socio-economic uplift. This can be done by linking up national policies with corresponding regional plans and initiatives for a deeper impact.
- Taking into consideration the larger interest of the Organization, we must strengthen the capacity of the Secretariat to render it more efficient in carrying out its functions and enabling it to assume a lead-role in assisting the member states in implementation of their ECO commitments.
- Provision of adequate and steady flow of budgetary allocations by the member states.

Mr. Chairman

Our meeting today is not business as usual but carries significant importance for the organization. It has the potential to catalyze the pace of our progress and to leverage our performance in the coming years. Let us seize this opportunity to render ECO a vibrant and successful organization, indeed a role model in regional cooperation. I am aware of the challenges ahead. Nonetheless with greater resolve and renewed commitment, I am confident that we can meet the enormity of the task. We have promised people of our region, prosperity. We have to live up to their expectations.

Thank you.