

The 18th Meeting of the Council of Ministers
(Tehran, 9th March, 2009)

The Secretary General's statement

**Your Excellency,
Mr. Manouchehr Mottaki,
Foreign Minister of the Islamic Republic of Iran,
Honourable Ministers, Heads of Delegations,
Ladies and Gentlemen,**

It is a great privilege for me to present to this 18th Meeting of the Council of Ministers a brief report on the activities of the Economic Cooperation Organization. I will be covering the period since October, 2007, when this august Council met in Herat. But, before I proceed with my report, may I extend my warmest felicitations to the Honourable Foreign Minister, His Excellency, Mr. Manouchehr Mottaki, on his election as the Chairman of the ECO Council of Ministers. I am confident that under his able leadership, ECO will make further progress, will achieve more of its aims and objectives. May I also take this opportunity to express my sincere thanks to His Excellency Dr. Rangin Dadfar Spanta, the Foreign Minister of the Islamic Republic of Afghanistan, for his very valuable contributions as the Chairman of the 17th COM.

Excellencies,

The Herat COM generated a fresh momentum. We have since held six sectoral Ministerial Meetings. We crossed many an important milestone and in many a diverse area. These ranged from trade and investment to transport and communications, from energy and industry to agriculture and environment as well as the campaign against drugs, human smuggling and money laundering. Some of our key agreements took effect, such as ECOTA and TTFA. We saw new ECO initiatives materialize, in particular, the ECOTDB and the ECO White Card Insurance Scheme. More of our projects got underway including those on trade capacity-building, on nano-technology, on Food Security. Fresh MOUs were signed with SCO, EC, CICA, UNESCAP and IOM. The UNGA passed a fresh resolution on cooperation with ECO. China joined the ECO container train project and, together, we have set about extending the ECO Istanbul-Almaty container train to Urumchi. On the 14th of August this year, coinciding with the independence day of Pakistan, we will launch the Islamabad-Tehran-Istanbul container train. This rising graph of ECO activities, this upward trend would not have been possible without Your Excellencies' guidance, and without the assistance of our regional and international partners. I deeply appreciate it.

Excellencies,

Alongside progress, smooth and steady in many an important area, we faced challenges, stiff and stubborn, in other sectors. The ECO Trade Agreement became effective in April, 2008. But the crucial step of exchange of positive and negative lists of goods suffered a long delay – a delay we have yet to overcome. It would need a helping hand from this esteemed Council to get over this hurdle. And we have got to cross it quickly to resume our march towards a free-trade area by 2015.

Honourable Ministers,

The global financial crisis affected all parts of the world. It created ripples in our region as well. But not every country was affected equally seriously. Those of our member states less entangled in the dynamics of international finance bore less of the shock. The global trade of our region, at \$ 585.84 billion in 2008, remained essentially undisturbed by the initial shocks. However, it is not a trivial crisis and cannot be wished away. It would take a serious response. We discussed it at the ECO Finance Ministers' meeting (Tehran, December, 2008). We will discuss it today and again in an exclusive retreat meeting at the Summit.

Excellencies,

Transport linkages constitute the centre-piece of regional cooperation. We pursued improving transit arrangements. The travel time of the ECO Istanbul-Almaty container train has been reduced from 11 and a half days to 9 days and will be reduced further to 7 days shortly. We are also extending this train to other member states and to Urumchi in China. An infrastructure development fund is being instituted to finance regionally important projects. In road transport, quota limitation on transit vehicles has been lifted. We are joining the IRU-UNESCAP Asian Highway Truck Caravan 2009. Also in cooperation with UNCTAD, we are helping implement the Almaty Programme of Action for land-locked and transit countries. Concessional tariffs and related facilities would be offered to our landlocked Member States at two sea ports each of Iran, Pakistan and Turkey.

Mr. Chairman,

In the energy sector, we have little cooperation on the regional plane. And it is worrisome – is it not? – that despite so much potential in this sector, the ECO Member States could develop so little energy cooperation among them. We need to reinforce the ECO Energy Cooperation Strategy. We have to diversify energy sources. We have to improve energy security and make efficient use of renewable and alternative sources of energy. We shall address this subject at the ECO Energy Ministers' Meeting in Tajikistan shortly.

Excellencies,

In agriculture, our priority is the Regional Programme for Food Security. It was prepared in coordination with FAO and ICARDA. It addresses low yield of crops, post-harvest losses, inefficient use of water and the problem of salinity. We have decided to set up an ECO Regional Seed Association in Turkey, a Regional Centre for Efficient Use of Water in Pakistan, and the ECO Agricultural Biotechnology Network in Iran. We are grateful to the Islamic Development Bank for funding ECO Food Security Programmes.

On environment, ECO is pursuing a Plan of Action for combating environmental degradation, promoting awareness and developing a credible legal network. We are also pursuing closer cooperation among the Member States on biodiversity, ecological tourism and watershed rehabilitation. We will hold the 4th Ministerial Meeting on Environment in Pakistan in April this year. We will review progress in these areas and see how to carry it forward.

Mr. Chairman,

In industry, as in energy, we need to quicken the pace of cooperation. We have to expedite implementation of decisions of the last Ministerial Meeting (Lahore, November, 2006). We have to enhance the share of industrial goods and services in trade. We have to initiate viable joint projects. We have to create investment-friendly environment. We have to encourage the private sector's involvement. The ECO Technology Transfer Centre, the ECO Nanotechnology Centre and RISCAM are in advanced stages of being established.

Excellencies,

The ECO Ministerial Meeting on Tourism (Tehran, October 2008) approved a Plan of Action and an ECO Tourism Promotion Fund. We are grateful to Azerbaijan, Turkey and Iran for their generous offers to contribute to the fund as soon as it is set up. Iran is helping us print an ECO Tourism Guide Book. Afghanistan is hosting a meeting this month on revival of the Silk Road. Progress is also underway on visa facilitation to promote tourism.

The campaign against narcotics, human smuggling and money laundering constitute an ECO priority. Our Interior Ministers who met in Ashgabat (May, 2008) agreed a joint regional strategy against these crimes. Efforts were coordinated with UNODC, IOM and EC. The Drug Control Coordination Unit of our Secretariat is being strengthened with the support of the European Commission. It has offered 9.5 million Euros for ECO's drug campaign.

Honourable Ministers,

We play a modest role in the reconstruction of Afghanistan. The Deh Mazang Park project in Kabul is nearing completion. We are pursuing three more projects for a Health Centre in Bamian, a Maternity Hospital in Faryab and a Training and Research Centre of the Ministry of Rural Rehabilitation in Kabul. Four additional projects are under consideration. I am grateful to Pakistan and Turkey for having pledged \$ 5 million each to the Special Fund for Reconstruction of Afghanistan. I also thank Iran and Azerbaijan for their contributions worth \$ 1 million and \$ 140,000 respectively. I request other member states for similar contributions.

In conclusion, Excellencies, regional cooperation offers us the best hope, the best promise to realize the collective potential of our region, of our people. We share strong bonds of faith and culture, of history and heritage. These constitute a firm basis for strong and durable cooperation. Of course, regionalism has its share of challenges. Bringing down tariffs under the ECO Trade Agreement may not be easy. Yet it is necessary for free trade. Agreeing a liberal visa regime may seem to have some pitfalls. Yet it is essential to bring our people closer to each other, to promote tourism. These challenges and the stresses they entail, the strains they involve must not slacken our efforts, must not slow down regional integration. On the contrary, these should stiffen our resolve, steel our determination, strengthen our cooperation.

I thank you, Sir.