

Statement by the Secretary General

(Herat, Afghanistan – 20 October 2007)

No. 17th COM/2007

Your Excellency
Dr. Rangin Dadfar Spanta,
Foreign Minister of the Islamic Republic of Afghanistan,
Honourable Ministers,
Heads of Delegations,
Ladies and gentlemen,

It is a great honour for me to present to the 17th Meeting of the ECO Council of Ministers my report on the activities of the Economic Cooperation Organization. But before I proceed, may I extend my warmest felicitations to the Honourable Foreign Minister of Afghanistan, His Excellency Dr. Rangin Dadfar Spanta, on his election as the Chairman of the ECO Council of Ministers. I am confident that under his able leadership, we would hold very useful and productive deliberations. His support and guidance would help us carry forward ECO's aims and objectives during the coming year. May I also take this opportunity to express my sincere thanks to His Excellency Mr. Elmar Mammadyarov, the Foreign Minister of Azerbaijan, for his very constructive contributions as Chairman of the 16th Council of Ministers.

Excellencies,

ECO has come a long way since the previous COM meeting held in Baku last year. Progress has been made in diverse fields. An important contributing factor was the improved economic conditions in the region. The Secretariat sought to utilize it most effectively. Priority areas of ECO activity were brought under a sharper focus. Action was accelerated on long delayed matters. More meetings were held and with a higher average number and level of participation. Implementation of agreements was pursued more actively. A new momentum was generated. It would need the continued support of Member States to sustain.

Our intra-regional trade exceeded \$ 26 billion although it still remained in the vicinity of 7 percent of the total trade. Efforts were stepped up to implement ECOTA. Its ratification by the requisite minimum of five Member States was accelerated. Iran would shortly join Afghanistan, Pakistan, Tajikistan and Turkey. Other States were reminded to expedite signing the trade agreement. Progress was also made on the Agreement on Promotion and Protection of Investment. Afghanistan, Azerbaijan and Turkey have already signed it. Iran and Pakistan have agreed to follow shortly.

A landmark achievement during the year was the establishment of the ECO Trade and Development Bank, set up jointly by Iran, Pakistan and Turkey. Some more Member States have shown interest in joining it. Commencing operations before

the 1st of December this year, the Bank would give a strong fillip to regional trade and development. Closely related was the progress on Reinsurance Company. The Articles of the Agreement were approved by the Trilateral Interim Committee, comprising Iran, Pakistan and Turkey at Islamabad in May.

Free capital movement, investment and sustainable joint ventures were addressed by the ECO Finance Ministers' meeting held in Turkey in April. It decided to promote these activities, and intensify cooperation against corruption and money-laundering. The ECO Heads of Central Banks meeting in Karachi later the same month discussed further cooperation in these areas and in the banking sector.

Progress in the transport sector has a direct bearing on trade activity in the region. The Transit Transport Framework Agreement (TTFA), effective since May 2006, has become the mainstay of cooperation in this sector. Progress is underway on simplification of visa procedures, insurance and transit services. We are following up the decisions of the Heads of Reference Marine Organizations taken at Karachi, January 2007, to establish an ECO Marine Website, an ECO Federation of National Transport Associations and conclude an agreement on search and rescue operations.

Power trade and management remained key objectives in the energy sector. The first inception report of the feasibility study on interconnection of ECO power systems is being examined. Another study is being conducted with the help of the World Bank. In addition, we have set up, jointly with UNESCAP, an inter-regional Working Group on Power Trade and Interconnection. Also, training courses have been organized on energy efficiency and conservation with the help of Turkey.

Excellencies,

The Plan of Action on Environment has been extended upto 2010. Its implementation would be monitored through annual national reports. A Task Force has been set up to study the regions' ecotourism potential. On Biodiversity, the First EGM (Islamabad, April 2007) has adopted a Work Plan for 2007-2015. Progress in these areas would be reviewed by the 4th Ministerial Meeting, planned for the 2nd quarter of 2008 in Islamabad.

In agriculture, the Regional Programme for Food Security is aimed at increasing food production and food trade in the region. We have a Seed Programme to improve the quality and supply of seed. The First ECO Regional Seed Conference and Trade Exhibition have been scheduled for June 2008 in Bishkek.

In industry, the aim has been to enhance the share of industrial goods and services in trade, initiate viable joint projects, create an investment-friendly environment and encourage the private sector. The 3rd Ministerial Meeting on Industry (Lahore, November 2006) addressed these objectives and took important decisions which are being followed up.

On the reconstruction of Afghanistan, the Deh Mazang Park and Kabul Zoo project has been initiated. A few additional medium-size projects in health, education and transport sectors are under consideration. ECO is also helping with capacity building of Afghan state institutions. Iran, Pakistan and Turkey have made contributions to the Afghan Reconstruction Fund. I would request other Member States for similar support.

Excellencies,

Stable and secure conditions are essential for progress and development. The first ECO Interior Ministers' meeting (Tehran, November 2006) called for joint action against terrorism and transnational crimes. It set up an HLEG to prepare a Plan of Action. The Group would meet in Turkey next month. The 2nd ECO Interior Ministers' meeting will be held in Turkmenistan in early 2008 to carry forward cooperation in this vital area.

Natural disasters may not be possible to avert but the damage they cause can certainly be contained. The ECO regional Centre for Risk Management of Natural Disasters was opened in Mashhad in September 2007. An MoU was also signed for closer cooperation among Member States in this field. Earlier, in May this year, a similar document was signed with ISDR. In addition, a Plan of Action on Avian Influenza and a project idea document on drug control have been developed.

As regards ECO specialized agencies, the Board of Trustees of the ECO Cultural Institute held a very productive meeting in Islamabad, May 2007. I endorse its call for all Member States to join the Institute. I also appreciate Iran's contribution of \$ 2 million to ECO Cultural Trust Fund and urge other Member States to follow Iran's example. On the ECO Science Foundation, the years-long deadlock was broken at the first EGM held in Islamabad last month. Pakistan and Iran have contributed \$ 1 million and \$ 100,000 respectively to the Science Foundation. We need, and would appreciate, similar support from all Member States.

Excellencies,

ECO values close cooperative relations with its peers. We have institutionalized cooperation with several regional and international organizations. As many as 22 MoUs and agreements have been signed for that purpose. Lately, an MoU was signed with UNISDR. Additional two MoUs have been agreed to be signed with CICA and SCO shortly.

Excellencies,

ECO holds great promise. Its aims and objectives are perfectly achievable. What is needed is a greater ownership of the organization by the member states. This

must reflect in our actions. Regionalism is about rising above narrow, short-term interests. It is about working for collective, long-term goals. We have to pursue ECO's goals in a consistent and time-bound manner. ECO agreements merit greater support for faster implementation and wider regional impact. Particular attention is to be paid to our flagship projects like ECOTA, ECOTDB, ECO Container and Passenger Trains, the RPFS and the ECO Science Foundation. Participation in ECO meetings has to be increased further and greater support given to follow-up actions. Contributions to the Secretariat's budget need to be made more regular. The Secretariat's capacity has to be improved with capable and qualified personnel.

I assure you, Excellencies, that with your support and guidance, ECO will move further closer to its ideals. It is on course to become a success story. We have to sustain this trend to make ECO an outstanding reference in regional cooperation.

Thank you, Sir.

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