

The 16th Council of Ministers

Statement of H.E. Askhat Orazbay, ECO Secretary General

(Baku, Republic of Azerbaijan, 04 May, 2006)

Annex-II

*Mr. Chairman,
Honourable Heads of Delegation,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,*

It is a great privilege for me to address the honourable Ministers/Heads of delegation from the ECO Member States on the auspicious occasion of the 16th Council of Ministers meeting. Before I proceed further, I wish to take the opportunity to join in the unanimous expression of felicitation to the Honourable Minister of Foreign Affairs of the Republic of Azerbaijan, Mr. Elmar Mammadyarov on his assumption of the Chairmanship of the Council of Ministers. I am confident that under his capable stewardship this meeting will be crowned with success and that ECO would continue its march towards the realization of its cherished objectives and goals. I would also like to express my heartfelt thanks to the Government of the Republic of Azerbaijan for the excellent arrangements and the warm hospitality extended to all the delegations since their arrival in Baku.

2. Our sincerest gratitude goes to Honourable Minister of Foreign Affairs of the Republic of Kazakhstan, Mr. K.Tokaev, for the valuable guidance and contribution that he made during his tenure as the Chairman of the COM.

3. Since the 15th COM meeting held in Astana on 1st October 2005, ECO has been able to consolidate itself further as a regional organization. An important achievement of the 15th COM, as you would recall, was the adoption of ECO Vision 2015. The ECO Vision sets new targets not only in priority such as Trade & Investment, Transport and Communications & Energy to be achieved by the year 2015 but also provides us guidelines for action in the non priority areas which are assuming greater importance such as the Environment and the Human Resource Development etc.

4. The 15th COM had also approved the reorganization of the Secretariat that included the merger of the Project Research and Economic Research & Statistics Directorates and the creation of a new Directorate of Human Resources & Sustainable Development. I am happy to report today that since then, our Organization has made considerable tangible progress in the light of direction provided to us by the Honourable Ministers in their last session in Astana. I have already submitted to the Member States a comprehensive report on the activities of ECO that have taken place since we last met in Astana. I trust that the report must have received careful attention of the Member States. Therefore, I would like to keep my today's statement very brief.

Mr. Chairman,

5. It is a matter of immense satisfaction that the economies of the Member States are registering impressive economic growth for quite some time. Thanks to the prudent economic policies of our leaders that are aimed at bringing greater economic opportunities and prosperity to their peoples. With a total population of nearly 380 million, the aggregate GDP of the ECO countries amounted to US\$ 616.9 billion in 2004. The recent growth performance demonstrated that ECO countries outperformed the group of all developing countries. During the past five years, real GDP growth of the ECO region averaged around 6.2 per cent, compared to 4.1 per cent for the group of all developing countries. Moreover, most countries in the ECO region recorded a significant expansion in export earnings in 2003-2004. Exports from the region have increased by 18.8 per cent in 2003 and by 20.3 per cent in 2004.

6. Despite substantial growth in our external trade, our intra-regional trade continues to remain under six per cent of our external trade. At the regional level, our collective endeavors are focused at laying

down the necessary regulatory framework for investment opportunities and taking measures to progressively remove trade barriers within the region to encourage expansion of intra and inter-regional trade and investment trends. Regrettably, since 2003 when ECOTA was signed by five Member States, only Pakistan and Tajikistan had ratified the same. We have now been informed that the Islamic Republic of Afghanistan has also ratified this Agreement. We welcome their decision. Our urgent priority option is to establish a time framed action plan for other signatory ECO countries to ratify this Agreement and non-signatory ECO countries to become a Party to it at the earliest. To address this issue, in collaboration with Pakistan, which is the coordinating country for implementation of ECOTA, we will tailor appropriate actions/programmes to fulfill Member States' participation requirements and to pave the way for free-trade plan of ECO as envisaged in the ECO vision 2015. Nonetheless, the intra-regional trade will only improve when private initiatives are backed by strong political will of the Member States.

7. I do hope that the 4th Ministerial Meeting on Trade & Commerce and the 5th HLEG meeting scheduled to be held in Kabul, Afghanistan in the last week of June 2006 will play an important role towards the implementation of important ECO agreements such as ECOTA, APPI and Agreement on Establishment and Operation of ECO Smuggling and Customs Offences Data Bank etc as well as the finalization of Principles of Fast Track Approach policy to ECOTA.

8. It is gratifying that we are about to witness the establishment of the ECO Trade & Development Bank soon. The process of introducing Governors/Directors has now been completed and the first meeting of the Board of Governors of the Bank will be held in the Republic of Turkey on July 7, 2006, to finalize various steps for the early establishment and date of operation of the Bank.

Distinguished delegates,

9. The objective of enhancing the intra-regional trade would remain elusive in the absence of a well-developed system of transport and communications in the region. The ECO initiatives to cement transportation and communication linkages within the region have started bearing fruit. I am happy to report that the Transit Transport Framework Agreement that was signed in 1998 will come into force later in this month. During the recently concluded 6th Ministerial Meeting on Transport & Communications, the Honourable Transport Minister of the Islamic Republic of Iran announced that Iran has ratified this Agreement. With Iran's ratification the number of countries that have ratified TTFA has reached seven. The coming into force of such a comprehensive Agreement as TTFA will undoubtedly open new vistas of cooperation among the Member States particularly in the field of Transit Transport and will bring far reaching economic benefits particularly to the Member States and more significantly to the landlocked Member States. I would take this opportunity to request those Member States that have not yet signed or ratified TTFA to do so at an early date.

10. I also wish to inform this august body that the Islamic Republic of Iran has agreed to host the 1st meeting of the Working Group that has been established to study the bottlenecks that are hampering the smooth operationalization of container and passenger trains on the Trans-Asian Railway Main Line. I am confident that due to the unwavering commitment of the Member States we shall be in a position to overcome the technical and non-technical problems. I would request all the Member States particularly Turkmenistan and the Republic of Uzbekistan to take proactive role in this project so that our long cherished dream of closer railway linkages in the region could be realized.

11. There has been satisfactory progress in the implementation of the Plan of Action for ECO's participation in the reconstruction of Afghanistan. A project concerning Construction of Deh Mazang Public Park and maintenance of Kabul Zoo was selected to be financed from the Special Fund for the Construction of Afghanistan, a feasibility study on the rehabilitation of Nawar Bridge in Nangarhar Province assigned to ECO-CEC was completed and a seminar on the reconstruction of Afghanistan was also held in Kabul in November 2005. I request Member States to join Pakistan and Iran and to announce their pledges for the Special Fund established for the reconstruction of Afghanistan.

12. Energy related issues continue to figure high on our Agenda. Considerable progress has been made in the implementation of the feasibility study on the interconnection of ECO countries power

systems. A Contract has been signed with the selected Consultant and the work on the study has commenced on August 25, 2005. We hope that the Member States will extend all possible cooperation to the Consultant to facilitate smooth and timely completion of the study. The Secretariat in consultation with the Member States has also started work on drafting the Plan of Action for Energy/Petroleum cooperation in the ECO region for a new 5 year period to be submitted for approval by the 2nd ECO Ministerial Meeting, expected to be convened in Tehran, during this year.

Ladies and Gentlemen,

13. We believe that the momentum which has been gained in cooperation on the Environment should be maintained. With active cooperation of the Member States, it will be possible to successfully implement the ECO Plan of Action for cooperation on Environment (2003-2007).

14. Our region has witnessed immense destruction and suffering caused by major natural disasters recently. Pakistan and Iran have suffered enormously from the major earthquakes. These disasters remind us of the need for forging even closer ties to enable us to pool our collective resources and wisdom to deal with such calamities. It is, therefore, a matter of satisfaction that ECO has started contemplating on the need to evolve regional mechanisms for effective and timely cooperation in disaster relief as well as management.

15. Agriculture has always been an important sector for ECO economies. Last year, FAO and ECO have finalized the ECO Regional Programme for Food Security (RPFS) which contains more than 10 regional and several national projects. On 22nd February 2006 FAO and ECO signed a document on Technical Cooperation Programme (TCP) to strengthen seed supply in the ECO region. Under this programme, FAO will allocate US dollars 365,000 to be used in activities for enhancing seed supply in the region. In addition to the FAO's financial contribution, ECO is also contributing US\$ 40,000 to the programme from its Feasibility Study Fund.

16. In the field of Industry, we have organized several events including the 2nd Ministerial Meeting on Industry in November 2005 in Turkey. In the Meeting, Plan of Action on Privatization has been adopted by our ministers. The studies for the establishment of ECO Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (RISCAM), ECO Technology Transfer Center (ETT Center), cooperation on SMEs, Industrial Property Rights and preparations for ECO Industrial Cooperation Strategy are progressing at a satisfactory level. The ECO Regional Strategy for Industrial Cooperation will be submitted to the forthcoming Ministerial Meeting on Industry in Pakistan.

17. ECO has shown its ability to demonstrate prompt reactions to newly emerging and challenging developments in many areas. One of good examples is the 1st Meeting of HLEG on Avian Influenza held on 12 – 13 March 2006 in Tehran in collaboration with the Ministry of Health of the Islamic Republic of Iran, WHO and FAO. The meeting agreed on the outlines of the ECO Regional Plan of Action on Avian Influenza.

18. According to the decision of 15th COM, the Drug Control & Coordination Unit has now been integrated into the formal organizational structure of the Secretariat and as a part of the newly established Directorate. Under the new arrangement, the Secretariat will hope to continue to receive the cooperation of the Member States in its efforts to fight the menace of drugs and in its endeavours to attract necessary technical and financial assistance from the international organizations and the potential donors.

19. ECO continues to cement its relations with other international and regional organizations with a view to benefit from their financial support and technical know how. We have recently signed an MoU with ASEAN. Similarly, we are also preparing to sign MoUs with the Islamic Chamber of Commerce & Industry, Shanghai Cooperation Organization, ILO and IMO. In order to assess the usefulness of such arrangements, the ECO is now deliberating on an Action Plan to enhance external relations of ECO. It is also satisfying that our Specialized Agencies and the Regional Institutions continue good work to attain their cherished objectives.

Excellencies

20. The year 2006 will witness a large turn over of the members of the Directing Staff of the Secretariat. A sizable number of them, including myself, will be completing their tour of duty and will be replaced by a new team.

21. During my association with ECO spanning over two years, I have seen ECO grow from strength to strength. The Organization now is poised to enter into important implementation phase of its programmes. Based on my experience, I have made some recommendations in my annual report to the esteemed Council of Ministers for consideration. However, I would like to add that in order to bring ECO in line with the requirements of the changing world and to enable it to face challenges posed by developments such as globalization, there is a need for greater interaction between the Council of Ministers and the Secretariat. Consequently, a proactive role of the Chairman of COM will strengthen the efforts of the Secretariat in matters where political decisions were required. Moreover, I would like the Member States to review the format of our biennial Summit meetings to make the event less formal and more result oriented.

Mr. Chairman,

22. Since this is the last time that I would have the privilege to speak to Your Excellencies in the capacity of the Secretary General of ECO, my sincerest thanks and gratitude go to you and your governments for the support and encouragement I had received during my tour of duty. I am also grateful to my team headed by the Deputy Secretaries General and the Directing Staff for cooperation and support. I also wish the new Secretary General H.E. Mr. Khurshid Anwar and the members of his team all the best.

23. I have great hopes for ECO. Its strength or frailty depends on the support extended to its activities by the Member States. I am confident that with their support our Organization will continue its march towards new heights.

24. Before I conclude, I would like to once again thank the Government and the People of the Republic of Azerbaijan for their kind hospitality and for hosting this meeting in the beautiful city of Baku. I also thank Honourable Ministers and Heads of Delegations from the Member States for their presence. I wish all the delegates comfortable and memorable stay in Baku.

Thank you.