

The 16th Council of Ministers
Statement of Minister/Heads of delegation
(Baku, Republic of Azerbaijan, 04 May, 2006)

Annex-III

Statement by H.E. Mr. Mahmoud Saikal,
Deputy Foreign Minister of the Islamic Republic of Afghanistan

In the name of God, the Beneficent, the Merciful

*Your Excellency Elmar MAMMADYAROV,
Ministerial colleagues,
Secretary General Askhat Orazbay,
Excellencies,
Ladies and Gentlemen!*

I am delighted to be part of the Council of Ministers as the highest policy and decision making body of the ECO at an era when the regional and global challenges prove ever more demanding in regional cooperation as each year passes. Indeed we are always most enthusiastic to participate in gatherings that promote increased regional cohesiveness in as much as our country's immutable circumstances never fail to urge us along a never- ending road to increased regional cooperation.

On behalf of my delegation and myself I wish to thank the Government and the people of Azerbaijan for hosting the august ECO Summit and its associated meetings in this beautiful and historic city of Baku. Also, credit goes to the magnificent performance of the outgoing Secretary General Askhat Orazbay. The 16th COM Report and the draft Baku Declaration before us are clear signs of how far ECO has moved under his leadership.

As we all know, the world has been rapidly moving towards regionalism over the past several decades. The growth of EU and ASEAN, with high inter-regional trade percentages, is shining example of great success, riding on positive regional interaction. In our own part of the world, the rise of at least three regional economic organizations and programs (ECO, SAARC and CAREC) and their steady growth in substance and membership supports the argument. With all our goodwill, we are beginning to see a healthy start of region-to-region dialogue.

Since late 2001, the centrality of Afghanistan and its strategic location between four diverse and resourceful regions has once again become an asset to Afghanistan itself and to its neighbouring countries. We are fully aware of the potentially significant part that Afghanistan could play in our model of regionalism. Therefore we strive to invest efforts in enabling Afghanistan to attain this objective which will serve our common interests.

We find ourselves in a regional milieu where we have to revive the Modern Silk Road and play a land-bridging role (mainly in the areas of energy, transport, trade and transit) in the region. Our endeavours luckily come in the context of increased GDP growth and intra-regional trade among most of the countries in our part of the world. In such an environment I am happy to emphasize Afghanistan's significance as the main ground of dialogue and cooperation between the regional economic groupings.

In the past couple of years the Afghan Government has taken a number of initiatives towards promotion of increased regional cooperation.

Last year Afghanistan pushed regional cooperation to the top of its national agenda. This was highlighted during the 4-5 December 2005 ministerial conference on regional economic cooperation in Kabul, which brought over eleven countries of the region together. The conference, also attended by G8

countries, international financial institutions and private sector, primarily focused on energy, transport, trade and transit. It will be followed by a second ministerial conference, this time with an emphasis on agriculture and agro-products, in New Delhi in November this year.

Regional cooperation was identified as a cross-cutting theme in the Afghanistan National Development Strategy (ANDS). A number of high-level benchmarks on regional cooperation appeared in the Afghanistan Compact. Earlier this year, the London Conference on Afghanistan included regional cooperation in its agenda. Similarly in another encouraging development, the UN Security Council Resolution on Afghanistan, adopted on 15 February 2006, stressed that "regional cooperation constitutes an effective means to promote security and development in Afghanistan".

More recently we formed a specific working group at Government level for regional economic cooperation. The working group brings over eleven Afghan Ministries together.

While we go through the reform and restructuring of our Government institutions, we have started considering the creation of regional cooperation sections within the relevant agencies.

Not so long ago, a number of major regional gatherings, including ECO conferences and exhibitions in November last year, took place in Afghanistan. Few weeks ago, Afghanistan hosted two regional conferences; one on counter-narcotics and the other on the theme "Health for All and Health by ALL", which once again stressed the importance of regional cooperation from a new angle.

I am happy to report that besides our favourable foreign policy and international goodwill, domestic developments over the past several years have also been positively reinforcing our cooperative capacity with the region. We have achieved significant progress in institutionalizing our administrative and political systems. The formation of democratically elected Government, Parliament and Judiciary are now complete in our country. We are already witnessing the positive contribution of such progress in stability and sustainability of our initiatives towards increased regional cooperation.

Our ECO membership becomes more important as we make progress in our recovery and development efforts. We feel the time has come that we are better represented at ECO Secretariat structure. We continue to call upon member states to follow the path of the Islamic Republics of Pakistan and Iran and contribute generously towards ECO's Special Fund for the reconstruction of Afghanistan. We are confident that soon the ECO memorial park in the heart of our Capital Kabul will be a shining testimony of our strong resolve in regional cooperation. Besides the traditional areas of cooperation (energy, transport and trade), we wish to seek further and fresh assistance from ECO members in the areas of security, counter-narcotics, capacity building, agriculture and poverty reduction.

Despite our many gains, we still have much to strive for in regard to increased regional cooperation. For this purpose first we need to sit and frankly identify the impediments on our way. For example we need to discuss the ways and means of reducing and/or sidelining and hopefully removing political tensions through continuous and meaningful dialogue in the longer term.

Improved security is something that is desired by all of us and we believe that there is still considerable margin that we can jointly address on this front. Terrorism, extremism and radicalism are currently the main elements of insecurity and instability in our region and around the world. It's important that collectively we address the main causes of these factors and work even harder to have a well coordinated campaign against them.

Another desirable goal which will benefit us all would be to continue to reduce and possibly remove trade and transit barriers. Afghanistan, being landlocked and a member of the Least Developed Countries, emerging from lengthy years of conflict, wishes to stress the importance of its full transit rights through land, air and sea, and improved access to the nearest sea ports. We hope all our neighbours; in particular the Islamic Republics of Pakistan and Iran will continue to assist us in this respect.

We can also focus on initiatives to increase the capacity of member countries, especially the least developed ones among us, to more effectively engage with the region. It would also be desirable to improve the development of regional partnerships for sharing infrastructure and natural resources for mutual prosperity.

In the same vein I must say that stronger partnership should characterize the relationships among the regional organizations and programs. Regional organizations will need to avoid overlap and duplication of efforts through further co-ordination and rationalization.

We are confident that all member states will continue to support the healthy processes underway in Afghanistan and that it will benefit us all in constructively withstanding and benefiting from the challenges of globalisation at large.

Ladies and Gentlemen,

Please accept my warmest wishes for the success of our gathering today and that of the ECO Summit tomorrow and let us hope that it will result in substantive initiatives towards realization of our shared goals.

Thank you

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**Statement by H.E. Mr. Elmar Mammadyarov,
Foreign Minister of the Republic of Azerbaijan**

*Distinguished Heads of Delegations,
Mr. Secretary General,
Excellencies,*

On behalf of the Government of the Republic of Azerbaijan, I am please, once again, to welcome you in Baku and to wish us productive discussions, which would lead to the concrete outcomes. I hope you will enjoy staying in Baku and will return back to your esteemed countries with good memories.

The ECO region, which embraces 10 brotherly Muslim states has enormous potential and advantages in many dimensions: human, natural, scientific and industrial, as well as geographic. In this regard, we need to strengthen efforts to turn the ECO into a demand-driven organization producing tangible economic benefits for the region.

While positively considering holding a number of events on the ministerial and experts levels as well as other activities in the framework of the ECO we believe it is important to further enhance cooperation within the organization and strengthen its positions.

One of the priorities of Azerbaijan's foreign policy is an effective cooperation in the framework of a number of global and regional economic organizations, such as the Economic Cooperation Organization. Azerbaijan firmly believes in objectives and principles of the Economic Cooperation Organization and is dedicated to broadening mutually beneficial cooperation within this organization for the purpose of overall development and prosperity of our nations.

Dear Friends,

As you are aware, due to its geo-strategic location, rich natural and human resources Azerbaijan is actively engaged in a number of regional projects such as the restoration of the Great Silk Route through the Transport Corridor Europe-Caucasus-Asian (TRACECA) as well as further development and transportation hydrocarbon resources of the Caspian Basin to the world markets.

By joining the North-South international multimodal transport corridor, Azerbaijan will become a linking hub of the main infrastructure routes connecting Europe and Asia.

Among the other regional projects I would like to mention Kars-Akhalkalaki-Tbilisi-Baku railway project, which will connect unimpededly Turkey and Azerbaijan and has appeared as a response to the needs of growing international trade. The new railroad connection is a result of search for an operational transport network capable to absorb rising transport flows.

To further strengthen the economic relations between East and West as well as within ECO area it is essential to link the railway systems connecting China, Central Asia, Southern Caucasus and Turkey. The implementation of such projects as joint Kazakhstan/China Project providing construction of railroad connection from China border to Aktau port of Kazakhstan on North Caspian as well as Marmara Project, constructing tunnel under Bosphorus Strait will meet these needs.

Azerbaijan as other six ECO Member States is a participant of the UN Special Program for the Economies of Central Asia (SPECA), where transport related issues are among priority areas of cooperation.

Therefore, we see a strong need for coordination of TRACECA and SPECA programs with ECO transport related activities. Successful implementation of these activities will broaden and diversify transportation opportunities helping ECO member states to develop trade and economic integration.

Azerbaijan attaches great importance to the cooperation in the field of energy. It is obvious that development of tremendous energy sources of the region and development of diversified energy transportation infrastructure is fundamental for the economy of the entire ECO region.

In coming months we will witness the Baku-Tbilisi-Ceyhan Main Oil Export Pipeline becoming operational. In addition to this, another huge energy project Baku-Tbilisi-Erzurum gas pipeline, construction of which is expected to be completed by the end of this year, will, to a great extent, determine the flow of hydrocarbon resources of the Caspian Sea to the international markets.

Construction of these pipelines, where Azerbaijan and Turkey closely interact, will foster cooperation of both Member States and may have positive impact on the ECO region.

Azerbaijan as other ECO Member States is involved in various projects and activities implemented in the ECO region in the energy field, in particular, related to interconnection of power systems.

Excellencies,

I would like to draw your kind attention to the fact that cooperation in the region will be possible to a full extent only in case of settlement of the political problems existing in our region. Unresolved conflicts, terrorism and separatism in the ECO area considerably threaten the prospects and seriously impede development of cooperation on a regional, as well as a broader scale. We particularly mean the continuing Armenian occupation of Azerbaijani territories. We call upon all Member States to contribute towards ensuring regional security and stability based on norms and principles of international law, particularly respect to the territorial integrity as well as to combating all these threats.

Dear Colleagues,

Attaching importance to the established priority areas of cooperation in the framework of the ECO, I would also like to touch upon some promising areas of our cooperation within the ECO that we would see as important ones in the near future.

It is noteworthy to mention the agriculture sector in which ECO Member States possess rich potential. We appreciate the close and fruitful cooperative relations established by the ECO Secretariat

with the Food and Agriculture Organization (FAO) and the Islamic Development Bank. I would like to remind that considering the fact that cotton is one of the primary products produced and exported by the ECO Member States, the Republic of Azerbaijan proposed to create a Forum/Association of Cotton Producers of the ECO Member States. I believe that this proposal deserves to be duly considered by the Member States in a short span of time and we will finally find the way to its realization.

Evidently, there are plenty of untapped possibilities and fields that can strengthen and deepen cooperation ties existing between the Member States. We believe that discovering these opportunities, elaborating the development strategy of the region, as well as presenting this strategy to the Member States for its further implementation will serve to the efficiency of the Organization.

In this regard, I would like to recall that Azerbaijan, for the above purpose, proposes to create an adequate institution within the ECO – a Research Centre, which would serve as a think-tank of ECO. It is our firm belief that the establishment of such an institution will support our productive cooperation.

We welcome the reformation process in the ECO targeting the enhancement of the Organization's effectiveness. We hope that this reformation process will contribute to transformation of our region into an important centre of economic activity within the international economic and trade system.

With high satisfaction, we welcome the efforts towards operationalization of the ECO Trade and Development Bank aimed at further strengthening and deepening the mutual cooperation of Member States in the ECO region.

The further the Organization develops, the more efficient and capable structures are required. Strengthened organizationally, enhanced professionally and supported institutionally, ECO, undoubtedly, should be better fit to tackle its tasks. First of all, these imply upgrading coordination between the ECO Secretariat, its Specialized Institutions and Agencies and Member States, raising the effectiveness of existing capacities, facilitating the decision-making mechanism and improving the implementation.

Excellencies,

In conclusion, I would like to assure you all that the Republic of Azerbaijan stands ready to play an active role in the process of developing cooperation within the ECO and will continue to do its best together with other Member States for the realization of full potential of our organization.

Thanking you for your attention.

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**Statement by H.E. Mr. Manouchehr Mottaki,
Minister of Foreign Affairs of the Islamic Republic of Iran**

In the Name of God

*Mr. Chairman,
Esteemed Colleagues,
Ladies and Gentlemen,*

Assalam-o-Alaikum

I am very pleased to participate in the 16th Meeting of the Council of Ministers of ECO and join you, my esteemed colleagues, in addressing important regional issues which are of common interest to our nations.

I wish to begin by extending our thanks and appreciation to the brotherly and friendly people and government of the Republic of Azerbaijan for hosting the 16th Meeting of the Council of Ministers of ECO in the historical, beautiful city of Baku and also for the generous hospitality accorded to the participating

delegations. I would also like to congratulate H.E. Mr. Elmar Mammad Yarof, Honourable Minister of Foreign Affairs of the Republic of Azerbaijan on his election as the Chairman of the 16th Meeting of the Council of Ministers of ECO and Chairman of this Council.

It is my hope that through the active and meaningful contributions of all participating delegations, we adopt and implement important decisions on the materialization of the goals envisaged in the basic ECO documents including Treaty of Izmir and ECO Vision 2015.

*Excellencies,
Distinguished Participants,
Ladies and Gentlemen,*

Today, the rapidly-changing developments in international order and the growing globalization process have fundamentally transformed the nature and the tools of international interactions in political, economic, cultural and social fields;

In such a condition, it's obvious that the extent of access to capital, energy and inexpensive production means and, more important, sufficient and sustained access to consumer markets are major variables which influence the competitiveness and consequently the sustainability of producers in the new global economic conditions. This, in turn, will negatively impact the long- enduring gap between developed and developing states, culminating in the reduced competitiveness of developing states which will bring about more problems in its wake in the longer term.

Therefore, while struggling for a desirable economic development through ordinary and prevalent efforts, it is necessary for the developing countries to seek access to advanced technologies and know-how. Otherwise, technological gap between these countries and developed world will be further increased. Islamic Republic of Iran in its turn, relying on its own domestic forces and talents, has always been trying to move towards achieving scientific progress and gaining access to modern technologies. The peaceful nuclear program of the Islamic Republic of Iran is a visible example of such a tireless effort.

Although the nuclear activities of the Islamic Republic of Iran are in line with generally recognized rules of international law, and under unprecedented inspection of the International Atomic Energy Agency, unfortunately, the approach of some countries towards this issue is quite unfair and discriminatory. However, as long as the issue is considered as a technical matter and under the supervision of IAEA, we would like to continue our cooperation with this international body within the framework of NPT.

Mr. Chairman,

From our point of view, collective collaboration of developing states within the framework of regional organizations and arrangements is an appropriate and empirically proved alternative facilitating their economic development and progress. This is so important that regionalism has become known as a prelude to and a natural course for integration in the economic globalization process.

In fact, the instrument of regional groupings such as ECO can be used to establish, inter-alia, free-trade zones, conclude agreements on free flow of capital and goods and carry out joint industrial and research projects to raise the share and influence of the member states in the world economy and trade.

In view of its advantageous geographical location which bridges East-West trade and also its rich natural and human resources as well as its prestigious international standing, ECO can potentially play a significant role in the regional and world economy. Thus, after one decade of its foundation and adoption of the necessary instruments for cooperation among the member states, ECO is now well in a position to move towards the materialization of the goals envisaged in the Treaty of Izmir and ECO 2015 Vision.

Undoubtedly, to realize the immense potentials for our cooperation in this region, it is indispensable for the member states to commit themselves to the principle of collective thinking and planning and avoid divisive issues.

Fortunately, the basic documents of ECO have prepared the ground for such collective approach. By adopting the basic instruments as well as some important agreements which have projected sectional outlooks of ECO within the framework of its action plans and also by starting to implement some important regional projects, ECO has taken some important steps in this direction which need to be developed and completed through further joint efforts.

Mr. Chairman,

The 16th Meeting of the Council of Ministers and the 9th Summit Meeting of ECO are being held at a very sensitive and crucial juncture. After over one decade of the foundation of ECO, this organization by portraying the outlooks of regional cooperation in various sectors and formulating ECO Vision 2015 has prepared the ground for the execution of projects of common interest to the member states.

Fortunately, with the stabilization of the volatile conditions of the transition period following the collapse of the former Soviet Union and the settlement of the civil and military conflicts, economic conditions in the region as well as the member states are now ripe for a great leap in both bilateral and multilateral ties between the member states.

By putting in place the required instruments, namely, the sectoral plans and agreements such as ECO Trade Agreement, ECO Transit Transport Framework Agreement as well as long-term of strategies and plans of ECO in transportation, communication, agriculture, industry and environment sectors as well as the necessary infrastructures such as the linkage of road, railway and fiber optic networks, the ground has been prepared for rapid and easy exchange of goods and services. In this context, it is imperative for the member states to adopt the necessary measures and mobilize the existing potentials and capacities in their finance and credit sectors to smooth the flow of capital and foster a dynamic environment for the competitive activities of their private sectors.

The commencement of the process of establishing ECO Trade and Development Bank portray a promising prospect for the promotion of economic development in our respective region. In fact, as the world financial and monetary markets are facing unexpected turbulences and crises emanated from the political and economic instabilities at the regional and global levels, the bank shall provide a golden opportunity for the member states to support the implementation of their regional projects and programs.

Islamic Republic of Iran, too, as coordinator responsible for following up the Agreement on Simplification of Visa procedures for ECO Businessmen and also the ECO Projects of Cargo and Passenger Trains along Istanbul-Almaty route, is making efforts, in collaboration with other member states, to explore the mechanisms to further activate our organization in these sectors and facilitate their process of effective implementation.

Unfortunately, the latter project is facing various obstacles for a smooth implementation in spite of its high importance for the region. We hope that in view of the decisions taken at the recent Ministerial Meeting of Transportation and Communication in Tehran, the working group meeting to be held in June 2006 will find effective solutions to remove outstanding problems of the project.

With the implementation of ECO Transit Transport Framework Agreement (TTFA) which is a comprehensive instrument in the transport sector, a new page will be turned in the activities of our organization this year. And, we hope that through the efforts of the Republic of Azerbaijan as coordinator country responsible for following up this Agreement, we manage to realize the objectives of this important regional agreement which can significantly contribute to the process of cooperation and integration of ECO member states. We are happy to announce that the Iranian parliament has recently ratified TTFA and thus paved the way for active participation of the Islamic Republic of Iran in the implementation of the agreement.

In the agriculture sector, too, some important developments have taken place, which include the successful completion of the FAO-ECO joint project on food security and the commencement of another joint project between these two bodies on strengthening seed supply in our region. These projects, coupled with the tripartite cooperation of ECO, FAO and Islamic Development Bank to jointly organize two international conferences with the participation of organizations and states assisting in the financing of ECO agriculture projects, promises a brighter prospect for our cooperation in this sector.

In the industrial sector, with the adoption of ECO long-term industrial action plan, finalization of ECO Regional Strategy in this sector and preparation of the agreement on the establishment of ECO standardization institute, we have reached the stage of executing some important industrial projects in the ECO region which are to be further followed up.

In the energy sector which has been designated as a priority area of regional cooperation and has been reflected as such in the ECO vision 2015, we have seen some major developments, of which mention can be made of the commencement of the feasibility study of linking power grids of ECO member states with the financial aids of the Islamic Development Bank. And we hope, with the completion of these studies, the ground will be prepared for the materialization of this project and creation of a regional energy market within ECO. Notwithstanding, ECO has been very slow in utilizing its immense potentials in the oil and gas sectors and thus, it has to be activated in this field.

Mr. Chairman,

The situation in the region also requires due attention to other areas of cooperation as complementary to economic activities. Today, the ECO region is facing the destructive impacts of phenomena such as drug trafficking, natural disasters and outbreaks of deadly diseases. It is, therefore, imperative for the member states to coordinate their national policies and programs at the regional level on these issues. As a quick response to a regional need, Islamic Republic of Iran hosted the first meeting of HLEG on Health with special focus on Avian Flu in Tehran last March. We hope that the decisions of this successful meeting would be closely followed up and implemented by the Secretariat and member states.

ECO's international interactions, which have been ever growing since its inception, must be of paramount importance to all of us. ECO enjoys observer status in many important regional and international bodies which has enabled it to undertake some important joint projects with these bodies in the interest of our region.

Fortunately, the finalization and adoption of the ECO outline plan of action for promotion of its external relations which is now on the agenda of this meeting of the Council of Ministers, will place us in a position to build on the momentum of enhancing ECO's external relations in the service of the objectives and plans of our organization.

Mr. Chairman,

My esteemed colleagues in this meeting will certainly concur with me that although we are happy with the current trend of ECO regional cooperation, we are still in need of focusing on and addressing the impediments that our organization has been facing in different fields.

Regrettably, as mentioned in the report of the Secretary General, some of these impediments such as the long process of signature and ratification of the agreements and contracts of our organization, the red tape and paper work needed for communication between the ECO Secretariat and the national authorities of the member states, arrears of some member states in the payment of their contributions, the slow process of cooperation of some member states and the insufficiency of financial resources needed for the execution of the important regional projects are among the problems which have retarded the trend of our cooperation in ECO.

Therefore, it is necessary that parallel to our efforts to improve the structures of ECO and its Secretariat and encouraging the inactive member states to participate move actively in the regional projects and plans, we should try to accelerate the process of communication and contacts between the Secretariat and the national authorities of the member states and formulate certain mechanisms and frameworks for attracting more international credits for ECO regional projects. Meanwhile, we ought to work to utilize the financial and investment capacities of the member states in such regional projects and also make use of the credit resources of the newly established ECO Trade and Development Bank. In other words, now that the framework agreements, strategies as well as the long-term, medium-term and short-term plans of ECO have been formulated and our organization is focusing on the regional priority projects, gaining access to the financial resources required for the execution of the regional projects is of top priority which should be taken more seriously by the Secretariat and the member states.

In this context, I propose that in each country which has the responsibility of coordination of specific projects and plans of ECO, a special committee be established under the foreign minister or any other relevant minister in that country to follow up directly the issues related to the execution of that project or plan and inform the other member states of the latest developments thereof.

*Mr. Chairman,
Mr. Secretary General,
Ladies and Gentlemen,*

I assure you all that the Islamic Republic of Iran as a founding member of ECO, which is host to its Secretariat as well, regards the expansion of friendly and brotherly ties with the Muslim and neighbouring states as a priority in its foreign policy. In this context, my country is focusing on the promotion of its cooperation with ECO member states as one of its regional priorities and stands ready to mobilize all its potentials and capacities, as it has done in the past, to further the activities and programs of our organization in cooperation with the other member states.

In conclusion, I hope that our deliberations in this meeting will be constructive and conclusive. I also pray to God, the Almighty for the good-health and success of all of you, my esteemed colleagues.

Thank You

Vassalam-O-Alaikum- Va- Rahmatollah- Va-Barakatoh

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**Statement by H.E. Mr. Kairat Abdrakhmanov,
Deputy Foreign Minister of the Republic of Kazakhstan**

*Dear Mr. Chairman,
Distinguished Ministers of Foreign Affairs and Heads of delegations,
Esteemed Secretary General,*

Above all, I would like to express my sincere gratitude to Minister of Foreign Affairs of the Republic of Azerbaijan Elmar Makharramovich Mamedyarov for hearty welcome and hospitality, which has been rendered to our delegation. Allow me to congratulate you with electing as the Chairman of ECO Council of Ministers and express my confidence that under your leadership our meeting in the beautiful city of Baku will be fruitful and successful.

Dear Mr. Chairman,

The Economic Cooperation Organization has marched a long way and became one of important factors of regional integration and facilitating collective efforts of its member-states for achieving the noble goals of the ECO. The groundwork of Kazakhstan's position towards the ECO rests on principle approach

of all-round support and speed-up of integration processes. Development of regional cooperation is interpreted in Kazakhstan as an effective tool of integration into international community. We highly appreciate and cherish our common historical and cultural roots. At the same time, in the contemporary world undergoing cardinal changes under the influence of globalization, regional cooperation as never before needs solid economic basis. At this condition, the uniting factor of our cultural and historical generality will gain new breath and open new horizons in its development.

The previous meeting of the ECO Council of Ministers of the ECO in Astana was marked by adoption of the strategically important document entitled "ECO Vision up to 2015", in which we have confirmed our determination to strengthen and expand regional economic cooperation and unremittingly move towards implementation of our scheduled plans. The goals and tasks indicated by the abovementioned document are quite specific and realistic ones. However, taking into account past experience, it is necessary to undertake measures to overcome obstacles that hamper implementation of formulated plans within agreed terms.

We believe that the Economic Cooperation Organization has reached such efficiency frontier when implementation of jointly adopted decisions becomes a necessary criterion of its further development. In this respect, it is necessary to continue our efforts for improving mechanism of the ECO's performance.

Dear Mr. Chairman,

Achievements of our Organization directly depend on progress of separate member-states. Formation of economically strong nation with socially oriented economy is one of the main objectives of ongoing reforms in Kazakhstan. We have set ourselves a task to enter the list of fifty most competitive and dynamically developing countries of the world in the nearest decade.

Our plans are based on economic progress, which has been achieved by Kazakhstan. During the last five years, Kazakhstan economy manifests steadily high growth paces. Gross domestic product (GDP) per capita within the last three years has increased almost by third. In its turn, we consider the outcomes of social and economic development as an element promoting intensification of international cooperation within the region for the sake of prosperity of economies of our countries.

Dear Mr. Chairman,

The strength of regional cooperation depends directly on development of transport and communications network level. Establishment of reliable transport infrastructure is a prerequisite for achievement of the main objectives of the ECO. The importance of tackling that task underscores by the fact that majority of the ECO member-states are landlocked countries. In this regard, we attach great importance to the support expressed by the ECO member-states in implementation of objectives set forth in Almaty Declaration and relevant Plan of Actions adopted in 2003.

Establishment of transport corridors such as North – South, East – West and other routes depends at greater extent on overcoming physical and non-physical barriers. In particular, the works on constructing missing road and railway links became more active in our country. Despite of difficulties, faced at implementation of some projects in transportation field, particularly along Almaty-Istanbul railway route, these plans are still topical. The ECO Transit Transport Framework Agreement (TTFA), adopted and entering into effect this month, will facilitate speeding-up of cooperation in the field of transport and communications.

Development of transport sector, intensification of trade and investment data exchange through use of information technologies should serve for increasing regional trade turnover. In this regard, Kazakhstan affirms its readiness to gradually eliminate trade barriers and establish free trade zone in the ECO region.

Establishment of the ECO Trade and Development Bank has an essential value for regional trade cooperation. We believe that increase in the number of member-states participating in its activity would contribute to the further boost of economic growth.

The ECO countries have a wide scope of action in the field of utilization of huge regional energy potential. Energy security interests of supplying and consuming countries predestine development of energy transportation infrastructure. It is necessary to continue our efforts on elaboration of relevant plans of action. A practical step on the way to economic integration of the ECO region would be implementation of the ECO project of interconnection and parallel functioning of energy grids by 2015.

The objectives of establishing sustainable, prosperous and highly competitive industrial ECO region are accordant to ongoing reforms in Kazakhstan. Development of advanced small and medium scale businesses would facilitate the adjustment of imbalances of primary producing economies. In this regard, it is necessary to encourage involvement of private sector for achievement of the ECO objectives, particularly through holding business forums of member-states.

One of the main tasks of the Organization is to ensure full food security of the region in the next decade. The implementation of that task also links with an issue of efficient management and conservation of water resources. The ongoing activity of ECO on development and implementation of national and regional projects in the field of food security deserves every possible support.

Recently, the subject of combating animal and plant diseases has drawn special attention due to the spread of bird flu cases. The efforts undertaken within the ECO framework on elaboration of relevant joint steps are good example of coordination in the field of public health and veterinary science.

Kazakhstan puts a considerable accent on boosting cooperation in the field of environment protection. Forthcoming meeting of Ministers of Environment Protection of the ECO member-states be hosted by Kazakhstan in the next month should give an additional momentum in this regard.

Development of human resources and poverty alleviation, enhancement of educational and public health standards, alignment of development level of provinces lagging behind in economic development is an area where member-states may effectively share experiences within the framework of this Organization.

The ongoing activities of the Organization on increasing efficiency of undertaken measures in the field of combating illicit drug trafficking have special significance. It is necessary to continue collective efforts both within the region and in cooperation with other international organizations in order to respond properly to this transnational challenge.

Mr. Chairman,

The whole world keeps an eye on the process of Afghanistan reconstruction. Certain progress has been achieved on this difficult way. Kazakhstan supports international community moves towards construction of stable and prosperous Afghan nation. It is necessary to boost concerted efforts of international and regional organizations including the ECO on giving succor to the reconstruction of Afghanistan economy.

We deem it important to continue ECO activity on establishment and activization of relations with other international organizations so such cooperation would contribute to achieving objectives of Izmir Treaty.

Mr. Chairman,

Today we are taking an important decision on appointment of the next Secretary General of the ECO. While supporting a candidature of Mr. Khurshid Anwer, Kazakhstan assures that it will render him all possible assistance during his terms of office at this crucial post.

On the behalf of Kazakhstan party, I would like to express gratitude to the incumbent Secretary General of the ECO Mr. Askhat Orazbay for his valuable contribution to the development and strengthening of the Organization and I wish him further achievements.

Also as a representative of a country – previous Chairman of the ECO, I would also like to wish every success to the Republic of Azerbaijan as a new Chairman of the Organization.

Dear Mr. Chairman,

Let me assure once again that Kazakhstan remains adhered to the goals and objectives of the ECO. All of us should make considerable collective efforts for enhancing efficiency and opportunities of the Organization and we have relevant potential to that end. Concerted joint actions will lead to desirable outcomes for the sake of our people and nations.

Thank you.

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**Statement of H.E. Mr. T. Kydyrov,
Permanent Secretary of the Ministry of Foreign Affairs of the Kyrgyz Republic**

*Esteemed Chairman,
Mr. Secretary General,
Dear Colleagues,*

First, I would like to congratulate Mr. Elmar Mammadyarov, Foreign Minister of Azerbaijan, with his election as the Chairman of our Council and express my sincere gratitude for warm hospitality and excellent organization of our meeting.

The hard work conducted by the ECO Secretariat's staff led by the Secretary General H.E. Mr. Askhat Orazbay deserves high appreciation.

Dear Colleagues,

The Economic Cooperation Organization remains to be one of the most important parts of integration processes in our region.

Unfortunately, the results of regional cooperation achieved so far cannot satisfy us since the available economic and natural potential is not being utilized in efficient manner.

Despite some success, integration processes face considerable difficulties in terms of practical implementation of decisions in various fields within the framework of ECO.

Many programs and projects of the Organization are not being implemented due to lack of financing from the Member States themselves. In this context, it is necessary to take into account the difficulty of tying up integration plans with national interests of participating parties.

Here I underscore the necessity of practical approach and concentration of efforts on implementation of previously made decisions and continuous monitoring of projects and programs.

The measures on the "revival" of the Organization inspire optimism with regard to its perspectives and hope that jointly established mechanism would work effectively and really for the benefit of Member States and entire region.

Honorable Chairman,

Today we are about to make final decision on “ECO Vision 2015” Document which is a key point in regional integration that would allow to concentrate our joint efforts on achieving more effective results in economic integration.

I suppose that in this case we have to make concrete decisions in terms of further reforming activities and mechanisms of settling unresolved issues reflected in the said Document.

In this context, I would like to pay special attention on the necessity of concentrating joint efforts on those issues that have priority meaning for the ECO Member States. First of all this is related to transport, energy and food sector.

Especially because these issues continue to be at the top of the ECO’s agenda for many years. Potential available within ECO allows to do it.

I urge all Member States to make their possible contributions in order to strengthen mutual trust and create favorable environment in the region for further promotion and implementation of the Organization’s projects and initiatives.

Within the rapidly developing international globalization processes, we have to increase the pace of integration for successful economic cooperation and interaction.

Implementation of the set goals is impossible without attracting partners for their full participation in the regional activities.

In this regard, we deem necessary to intensify the relations of ECO with regional and international economic and financial institutions like UN, IDB, ADB and IMF, in order to attract technical and financial support for ECO programs and projects.

*Honorable Chairman,
Your Excellency Mr. Secretary General,
Ladies and gentlemen,*

Kyrgyzstan is aware of the logical advisability and perspectives of regional economic cooperation given the necessity for harmonizing national and economic interests.

Our country was continuously emphasizing its high interest in the project of interconnection of power systems of the ECO Member States. The national priority of developing hydro-energy and gradual increase of Kyrgyzstan’s hydro-energy potential totally corresponds with the decision of heads of our states to provide interconnection of power systems of the ECO region by 2015.

We welcome the initiative of the World Bank related to preparation of various analytical researches on energy trade in the ECO region, which might become an important point in practical implementation of the said project.

As you all know, the Kyrgyz Institute of Energy and Communication after Razzakov involved as sub-consultant. The representatives of this Institute are not succeeded so far in acquiring necessary data from national focal points of concerned Member States on energy systems.

Under these circumstances, we deem advisable if the ECO Secretariat could facilitate the process of acquiring necessary data with regard to the mentioned project.

Development of transport and communication infrastructure is also very important. Previously we identified the political will of the ECO Member States as a necessary factor to remove barriers for implementation of the project of Almaty-Istanbul passenger and container trains along Trans-Asian Railway Mainline.

We are ready to participate in establishing regular functioning of Almaty–Bishkek–Tashkent–Ashgabat–Tehran–Istanbul passenger and container trains.

Kyrgyz Republic undertakes measures for speedy implementation of China–Kyrgyzstan–Uzbekistan railway construction project, which would substantially expand the capacity of ECO transport network and become some kind of catalyst for other ECO projects in the field of trade and tourism.

Given the increasing role of industry and agriculture in the development of the region, it is necessary to mention progress achieved in implementation of the programs of our cooperation in these fields. The joint program of the ECO and the FAO on food security and agriculture is a good example in this regard.

We also support preparation of the ECO Industrial Strategy, the adoption of which would allow to expedite industrial development of our states and the entire region.

In the field of trade, Kyrgyzstan has signed and ratified ECO Trade Cooperation Framework Agreement. Successful operationalization of the ECO Trade and Development Bank, establishment of free-trade zone in the ECO region by 2015, and activation of ECO Chamber of Commerce and Industry have to become priority tasks of the Organization in the field of trade.

*Dear Mr. Chairman,
Distinguished participants,
Dear colleagues,*

It is undoubtedly that stability and security are the essential factors of economic growth.

In this context, I would like to draw your attention on the necessity of intensification of ECO activities in the field of reconstruction of Afghanistan.

ECO, utilizing potentials of its Member States, various donors and international financial institutions, may and has to become effective mechanism of rendering collective assistance to brotherly people of Afghanistan.

I am sure that it is time to switch from exchanging information and initiating ideas towards thorough analysis, selection and further implementation of the most priority regional projects.

Taking this opportunity, I would like to express gratitude to His Excellency Mr. Askhat Orazbay for his great contribution to the development of the Organization.

We would also like to confirm our decision and support of His Excellency Mr. Khurshid Anwar nominated for the post of Secretary General and wish him success.

In conclusion, let me to express hope that the results of this meeting would facilitate further expansion of cooperation among our countries.

I am sure that ECO has to exist and develop as prosperous organization of equitable participants. For this, we need unity and will towards implementation of set goals.

In its turn, the Kyrgyz Republic expresses its readiness to undertake practical steps in this direction.

Thanks for attention.

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**Statement by H.E. Mr. Khurshid M. Kasuri,
Foreign Minister of the Islamic Republic of Pakistan**

*Your Excellency Foreign Minister Elmar Mammadayarov,
Mr. Secretary General
Ladies and Gentlemen!*

It is a great privilege for me and my delegation to be in the historic city of Baku to attend this sixteenth meeting of the ECO Council of Ministers. We are grateful to the Government and people of Azerbaijan for their generous hospitality. We also appreciate the meticulous arrangements they have made for the ECO Summit.

2. May I offer you, Mr. Foreign Minister, my sincere felicitations on your assumption of the Chairmanship of the ECO Council of Ministers. I am confident that your commitment to the goals and ideals of this Organization will inspire us in our deliberations today.

3. I should also thank H. E. Mr. Ashkat Orazbay for his valuable contributions as Secretary General of ECO. He led the organization at a challenging time and with great skill and aplomb.

4. May I take this opportunity to convey the profound gratitude of the Government and people of Pakistan for the assistance extended by ECO member states and the ECO Secretariat for the earthquake victims. The sympathy and support of our friends greatly mitigated the sufferings of the affected people.

Mr. Chairman,

5. The ECO countries are bound in a lasting relationship. Our commonalities run deep. We have shared faith, history and geography. We are heirs to a vibrant cultural heritage. Our region is rich in resources. Our people, around 380 million, are a great asset. We link the world's fastest growing regions. Our collective potential is, in short, enormous.

6. However, we have yet to overcome the challenges of development. Our people have yet to cross the digital divide. We still grapple with issues of poverty and governance. Terrorism, extremism and narcotics still threaten our societies. We have yet to harness globalization to our advantage.

7. These challenges put added accent on regional integration. We have to move forward and rise above narrow interests. Our individual efforts must be coordinated and our collective resources pooled together. We have to jointly confront trans-national challenges. We cannot do without it for the uplift of our peoples. This was the vision that inspired the founders of this Organization. We must pursue it with single-minded determination.

8. ECO has certainly made progress. It has come a long way from the early years of its birth. It has developed a strong institutional underpinning. It has built linkages with peers in other regions. The calendar of its activities reflects an expanding reach. Unfortunately, these achievements, important though these are, are not sufficient. The world is moving faster. We have to quicken our pace.

Mr. Chairman,

9. The Transit Transport Framework Agreement enters into force shortly. This is a landmark development. We in Pakistan are happy that it coincides with the completion of our deep-sea port of Gawadar. It is equipped with necessary infrastructure facilities which would link up with national and regional road and rail arteries. It would contribute to effective implementation of TTFA.

Mr. Chairman,

10. Trade is central to regional integration. It has a direct impact on our economies and the uplift of our masses. While TTFA aims at breaking down the physical barriers, the Trade Agreement lowers institutional impediments to free flow of goods. The opening of our markets can bring us rich dividends. Recent trends in intra-regional trade indicate progress. From \$10.2 billion in 2002, ECO regional commerce rose to \$16.7 billion in 2004. However, it is not enough. As a percentage of the net ECO trade, it remains below 6%.

11. Clearly, we have a long way to go. It is a daunting task. We have to pursue establishing ECO free trade area. The ECO Vision 2015 rightly rates it as a key priority. Pakistan, as the coordinating country for ECOTA, fully appreciates its significance. We have already ratified the agreement and have proposed a Plan of Action to the ECO Secretariat. It sets out timelines for attaining key objectives. We would like to see its early implementation. In this regard, I am happy to know that Afghanistan has also ratified ECOTA.

12. One way to pace up progress on free trade is the fast track approach to ECOTA. Iran, Turkey and Pakistan are negotiating the Optional Protocol on Fast Track. Pakistan is ready to play its role in helping reach a consensus. I would urge that the matter be finalized soon, preferably before the 4th Ministerial Meeting on Commerce and Foreign Trade, scheduled for Kabul next month.

Mr. Chairman,

13. Trade in energy is another area with great potential for regional cooperation. Pakistan is already pursuing import of gas from Iran and Turkmenistan, and electricity from Tajikistan. We welcome the launch of the feasibility study on interconnection of power systems to establish a regional power grid. The study is unfortunately facing obstacles. We call on Member States to extend necessary assistance to the Consultants in compiling the requisite technical data.

14. The private sector has an important role in promoting growth and development. The Istanbul Declaration of November 2005 rightly put emphasis on it. It was also one of the key proposals made by Prime Minister Shaukat Aziz at the Dushanbe Summit. We are happy that the Action Plan on Privatization has been finalized. However, I regret to note that the High Level meeting on Privatization, which was to be held in Islamabad last month, had to be postponed yet again for lack of quorum. I would stress that effective ways be found to ensure regular participation in ECO events.

Mr. Chairman,

15. We are happy that the Second Ministerial meeting on Industry held in Istanbul last November was a great success. It finalized the action plan on privatization and made progress on drafting the ECO Regional Industrial Cooperation Strategy. A number of specific industrial projects were identified. The drafting of the statute of RISCAM (Regional Institute of Standardization, Conformity Assessment and Metrology) is nearly completed. I am confident that these two important initiatives would be finalized in the third Ministerial Meeting on Industry, which Pakistan would host in the third week of November.

16. It is also Pakistan's desire to host the tenth ECO Summit in Islamabad in 2008. Our Prime Minister, Mr. Shaukat Aziz, would make a formal announcement about it in his Summit speech tomorrow

Mr. Chairman,

17. Lastly, may I express my thanks to all member states for their valuable support to Pakistan's candidature for the post of Secretary General of ECO. I am confident that Pakistan's nominee, Mr. Khurshid Anwar, would bring to the Organization the skill and experience it needs in its next phase. I hope you would all extend to him full support in the fulfillment of this onerous assignment.

18. In conclusion, Mr. Chairman, I assure you of Pakistan's abiding commitment to the goals and ideals of ECO. I reiterate our complete faith in the success of this organization. We shall spare no effort to realize its full potential.

Thank you.

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**Statement by H.E. Mr. Mr. Saymumin Yatimov,
First Deputy Minister of Foreign Affairs the Republic of Tajikistan**

*Dear Mr. Chairman,
Dear Colleagues,
Ladies and Gentlemen,*

Let me cordially welcome you, participants the 16th Council of Ministers of Foreign Affairs' Meeting in the hospitable land of Azerbaijan and express my gratitude to the Government and people of Azerbaijan for hearty welcome and providing wonderful conditions for our meeting.

I would like also to congratulate you, honorable Elmar Mammadyarov for being selected as Chairman of our Meeting and to wish you success in your forthcoming activities.

The Republic of Tajikistan in its foreign policy attaches an important attention to development and strengthening of cooperation with ECO Member States and considers it as an important regional mechanism with aims on achieving progress, socio-economic development, to improve the well-being of the people and consistent integration economies of countries in the Region into international economy.

Within the frameworks of 15th Council of Ministers of Foreign Affairs' Meeting held in Astana last year there was made a series of important decisions, which have definitively positive impacts on the activity of the Organization.

I would like with satisfaction to point it out that activities planned by the Organization fully correspond to our conceptions about improving the efficiency of interstate economic cooperation and about the idea of providing to these relations more flexibility and adaptability to modern conditions.

Dear Mr. Chairman,

Among the prioritized directions of cooperation within the framework of Organization Republic of Tajikistan considers creating reliable transport and transit systems, simplification of trade procedures, encouraging of near-boundary trade, effective use of hydro-energetic resources, creating of common energetic system, free movement of labor force and goods, as well establishing of common economic area.

Nowadays President of the Republic of Tajikistan puts efforts on achievement o macroeconomic stabilization and improvement of people's well-being. During last years, tendency of keeping high economic growth and obvious progress in implementation of economic reforms are being observed in Tajikistan.

It is worth mentioning that during last years there have been observed steady pace of economic development at average rate of 9.5%. Overall, during this period GDP has increased by 57%. Country's foreign trade turnover has increased. Its growth rate in 2005, in compare with the same period of the last year, was 6.3%. Foreign trade turnover with ECO Member States in 2005 amounted to \$US 909.8 million, which was 39.4% of country's total foreign trade turnover.

Trade turnover with Islamic Republic of Iran, Turkey, Kazakhstan, Uzbekistan, Afghanistan and Azerbaijan has increase distinctly. In this regard, I would like to call your attention upon some topical questions that are of interest of not only Republic of Tajikistan, but of all ECO Member States

Surely, today one of the main directions of Organization's activities should be improvement of trade relations between our countries. In this context, the realization of ECO Trade Agreement (ECOTA) is going to be an important step towards establishing a free trade zone in the future, as it is envisaged in ECO Visions 2015.

We are convinced that the most important field of regional cooperation, as before, is solution of questions of complex and effective use of water and energy resources. Continuous increase irrigated areas, active development of new lands, population increase in the region's countries exacerbated the problem of regional use of water resources, and intensive production increase stipulate for increase electricity consumption.

It is known that Republic of Tajikistan with its hydro energy resources takes a leading position not only in the region, but also in the world. Total hydro energy potential of Tajikistan is estimated 527 billion kilowatt-hour per year. Taking this into consideration, the Government of Tajikistan adopted the Strategy of Rational Use of water resources. This Strategy envisages finishing the constructions of Roghun and Sangtuda -1 hydroelectric power stations with capacity of 3600 megawatt and 670 megawatt accordingly.

Unfortunately, it must be pointed out that in the country at present only 5% of total potential for generation of electricity is used, which is extremely low. At the same time, there is a huge need to electro-energy in many countries in the region, such as in Pakistan, Afghanistan and Iran. Successful realization of projects in this field within ECO frameworks will allow Tajikistan to increase the power generation up to 80 billion kilowatt per year.

Development of transport and communication infrastructures, undoubtedly, should an important direction of cooperation between ECO Member States. Further improvement of this sphere is a key factor for increase of trade in the region.

Transportation by existing transport corridors, abolishing of non-tariff barriers and gradually tariff reduction in optimal deadlines will allow us to develop effective transit trade in the ECO region, encourage near border trade, and minimize expenditures on cargo and goods transport.

It is very important in the modern pace of acceleration of globalization processes in the world and in the region. For Central Asian States, without direct access to ports, creating of common transport corridor could give a new impulse for further increase of geopolitical and economic-trade importance of the region. The Murghab — Kulma pass further to Karakorum Highway route, construction of which is going on within frameworks of realization of Almaty Main Action Plan and Action Plan on Transport and Communication Decade in the Region of ECO (1998-2007), can be an example.

We suggest that at the same time with search for new alternative routes it is also necessary to establish cooperation in the field of rehabilitation of existing railway infrastructures, capacity building, rolling stock services and providing optimal use of railway potentials. In this regard, we think Trans Asian Rail Way, undoubtedly, may be of economic benefit for all countries in the region. Operationalization of Almaty — Istanbul trunk-railway, which in Dushanbe Declaration was pointed out as one of prioritized tasks within ECO regional cooperation framework

Dear colleagues,

Further stabilization of public and political situation in Afghanistan creates a certain prerequisites for its integration into modern economic development in the region. In this regards, we welcome initiatives towards establishment of ECO Special Fund for Reconstruction of Afghanistan, and Feasibility Study Fund.

Tajikistan again expresses its readiness to develop cooperation with this neighboring country in the fields of electric supply, construction material supply, consumer goods and foodstuff, training cadres, providing assistance in highway and communication constructions, etc.

It should be pointed out that countries in the region also have huge potential to develop cooperation in the fields of agriculture, food production and agriculture products processing. For more comprehensive and rational use of this potential, it is necessary for ECO Secretariat to strengthen collaboration with representatives of business communities and private sector of ECO Member States to attract their attention for implementation of regional projects, strengthening of intraregional trade and business relations.

ECO Member States have wide range of interests in the field of industry. It is, first of all, increase of productivity, improvement of economic infrastructures, stimulation of industry trade and etc. Adopted Plan of Action on Industry Cooperation in the ECO Region is a testimony of political will and interest of Member States for further strengthening of industry cooperation through attracting foreign investments and encouraging regional labor division according to each country's specific features.

Plan of Telecommunication and Post Relations' Development in the Region within the frameworks of the Organization, defined main directions of joint works in this field. The necessity of training and improvement of cadres, establishment of joint enterprises and production of telecommunication equipments are of vital importance for solving the existing problems in this field.

One of the topical questions of ECO activities, which need joint efforts of ECO Member States, is the problem of fighting against drugs and psychotropic substances trafficking. For implementation of stipulated aims on realization of projects we think it of current importance to strengthen and develop cooperation with other international and regional organizations and institutes by all means.

Concluding my speech, I would like to point it out that, unfortunately, at the present existing agreements within Organization's frameworks are not signed and ratified by all Member States, which negatively effect of implementation of adopted projects. In this regard, we call upon all Member States to speed intrastate procedures and to continue cooperation to achieve further steady development of the region and to make it one of the most stable and developing economic zones of the world.

Honorable Chairman,

Tajikistan highly remarks the positive role of ECO in strengthening of cooperation, good neighborliness, mutual confidence and friendship between Member States. Strategic importance of the region is, first, in that it is a Bridge between the West and the East, Asian and European Cultures.

Let me express the wish that today's our discussion of regional cooperation problems will promote further mobilization of Organization's potential for the sake of progress and prosperity in the whole ECO Region.

Thank you.

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**Statement by H.E. Mr. Beşir Atalay,
Minister of State of the Republic of Turkey**

*Mr. Chairman
Honourable Ministers
Ladies and Gentlemen*

It is a great pleasure for me to address the Sixteenth Meeting of the Council of Ministers of the Economic Cooperation Organization in Baku. I would like to convey my appreciation to the Government of the Republic of Azerbaijan for the warm hospitality accorded to us and the excellent arrangements made for our meeting.

Allow me, Mr. Foreign Minister, to extend to you also my congratulations on your assumption of the chairmanship of the Council of Ministers. I am confident that under your able leadership our meeting will contribute greatly to the attainment of the objectives of the ECO.

I would like to take this opportunity to express my appreciation for the valuable contributions made by His Excellency Tokayev, the distinguished Minister of Foreign Affairs of Kazakhstan, in his capacity as the previous Chairman of the Council of Ministers.

I would also like to thank H.E. Askhat Orazbey, distinguished Secretary General of the ECO, for his valuable contribution to and effective administration of our organization.

Turkey is fully committed to the goals and objectives of the ECO and willing to further strengthen regional cooperation. We are confident that especially in the priority areas namely trade, transport and energy, ECO provides huge opportunity to the Member States and will highly contribute to the development of their economies.

Mr. Chairman, Honourable Ministers, economic relations and interdependence is fastly increasing among countries. With the globalization, prosperity and stability of Nations are dependent on the expansion of foreign trade and economic relations more than ever. The market of ECO countries is the most accessible and profitable to each other ; yet, in spite of many efforts, the volume of intraregional trade of the ECO Member States is still insignificant. We have to change this and make use of regional integration for sustainable development and well being of our Nations. We need to increase and diversify our exports and attract more foreign investment and technology.

Mr. Chairman, in this context, Turkey fully supports the liberalization of trade among the Member States and the efforts towards the gradual elimination of non-tariff barriers and reduction of tariffs, which will help increase the volume of trade in the ECO region. We are ready for the early and deeper implementation of the ECO Trade Agreement (ECOTA). With the conclusions of the main Annexes of ECOTA at the Third ECO Ministerial Meeting on Commerce/ Foreign Trade on 5-7 July 2005 in Istanbul, Turkey has started the process of ratification. It is now before the Turkish Parliament for approval with a favorable view. I would like to urge other Member States to sign and ratify ECOTA and its Annexes without further delay.

Mr. Chairman,

Operationalization of the ECO Trade and Development Bank could give a new momentum to the ECO cooperation and enable us to make use of our vast resources and finance big or small projects. I believe that it will not only stimulate trade and investment but also create a much needed partnership with the business community within the ECO region. Thus, I welcome the completion of ratification process and appointment of Governors by Iran, Pakistan and Turkey.

We have already earmarked our share for the capital of the Bank and proposed for the Governors to meet in Turkey on 6 July 2006 in order to fulfill the establishment and functioning of the Bank.

Mr. Chairman,

Involving private sector in the ECO activities and promoting their interaction will certainly help achieve our goals and objectives. Private sector's pivotal role in the growth of trade and investment is well known. We should fully benefit from their dynamism and efficiency. ECO Member States could intensify their efforts to remove obstacles in business development, in particular regulations and administrative practices that obstruct and delay trade and investment among them. Mr. Chairman, protectionism in trade and investment matters is neither good for regional cooperation nor national economy. It is well proved that closer business links and mutual private investments could bring real gains to the regional countries. We welcome the recent conclusion of the ECO Agreement on Promotion

and Protection of Investments and invite all Members States to sign and ratify it. Turkey is also ready to make the necessary modification in the Agreement to enable Iran be a party to it.

In terms of expanding regional trade and investment and enhancing private sector's participation in regional cooperation, we also attach great importance to the ECO Business Forums, Buyers and Sellers Meetings, and Trade and Investment Conferences. Turkey will host the 2nd Business Forum in the framework of the 2nd phase of ECO-International Trade Center(ITC) Project on expanding intra-regional trade in 2006.

Furthermore, we should activate ECO Chamber of Commerce and Industry(ECO-CCI) and make it a sound, viable and competent institution to fulfill its objectives and help ECO business community. It can play a very important role in the promotion of trade among the Member States. I kindly invite all the ECO States to be a member of the ECO-CCI and take active role in the Chamber. In our view it should have a permanent Secretariat. The Turkish Union of Chambers has offered to host the Permanent Secretariat of the ECO-CCI in Istanbul. However, taking into consideration active interest and participation of the brotherly Afghanistan in the ECO activities, we are ready to withdraw our candidacy in favour of them.

Mr. Chairman,

The objective of expanding regional trade will remain elusive in the absence of a well-developed system of transport in the region. It is, therefore, imperative that due attention be paid to the construction and completion of the rail and road links in the region as well as regulating transit traffic among the Member States. Early implementation of the Transit Transport Framework Agreement (TTFA) could contribute to the promotion of transport and trade in the ECO region. In the meantime, we have to address the deficiencies of this Agreement for a smooth and full implementation. I would like to inform you that Turkey will soon complete the ratification process of TTFA.

Regular operationalization of the passenger and cargo trains along the Trans-Asian Railway Mainline (Istanbul-Tehran-Turkmenabad-Tashkent-Almaty) will be a remarkable achievement. It would not only increase regional trade and business but also enhance cultural ties among our peoples. I strongly urge the Member States to give due consideration to this project and facilitate the realization of these trains. We should nominate our experts for the Working Group established for that purpose and conduct the necessary work and cooperation.

Mr. Chairman,

Considering the evolving role of industry and agriculture in the economic development of our region, we should intensify our cooperation in those fields too. Display of political will and active interest of the Member States are promising. We welcome the finalization of the ECO Regional Programme for Food Security in cooperation with FAO. Our authorities will cooperate with ECO Secretariat to organize a donor conference in Turkey for securing funding for the projects in the Programme.

Establishment of ECO Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (RISCAM) and ECO Technology Transfer Center would improve industrial cooperation among ourselves. We are hopeful that ECO Industrial Cooperation Strategy will also be finalized soon.

Mr. Chairman,

Turkey is open to develop cooperation among ECO countries in the fields of health and natural disasters. We believe that such kind of functional relationship will positively influence overall cooperation in our organization. We participated in the First Meeting of High Level Experts Group (HLEG) on Avian Influenza hosted by Iran in March 2006 and will contribute to the preparation of the ECO Regional Plan of Action on Avian Influenza. I would like to inform the House that we are intending to initiate a similar

cooperation for earthquake safety in the ECO region. In this regard, Turkey will organize the Workshop on the ECO School Earthquake Safety Review on 1-2 June 2006 in Istanbul in cooperation with OECD.

Mr. Chairman, Honourable Ministers,

Afghanistan has made enormous progress in governing and reconstructing the country. They have also shown great interest and taken active part in ECO cooperation. Afghan Government successfully organized three ECO events last year and this year they will host the Fourth ECO Ministerial Meeting on Commerce and Foreign Trade in Kabul. We should commend it and upgrade our performance too in terms of aid and assistance to that fellow member of ECO. Turkey will significantly increase its bilateral aid programs to Afghanistan in the near future. We will also contribute to the ECO Special Fund for Reconstruction of Afghanistan. H.E. Prime Minister Recep Tayyip ERDOĞAN will announce our pledge to this Fund at the Summit session.

Mr. Chairman,

ECO has made considerable progress during the past thirteen years. Yet much needs to be done to achieve our common objective: closer economic cooperation. We have to continue our efforts, perhaps more actively, to fully utilize the rich material and human resources of our region. We should expedite the ratification of the basic ECO agreements and implement the mutually beneficial regional projects. We welcome the efforts to increase the effectiveness and efficiency of the ECO. Establishment of the new Directorate of Human Resources and Sustainable Development is a right step in this regard. Mr. Chairman, I would also like to express my gratitude to the Eminent Persons Group for their recommendations and ECO Vision-2015 document. We fully support them and will try to implement them.

Thank you.

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**Statement by H.E. Mr. Ismatilla Irgashev,
Ambassador of the Republic of Uzbekistan in the Republic of Azerbaijan,**

*Dear Mr. Chairman,
Dear Secretary General,
Ladies and Gentlemen,*

Allow me to welcome Heads and Members of the delegations arrived to this Forum.

Uzbekistan as one of the ECO member attaches great importance to development of cooperation with regional countries particularly with member-states of this Organization.

Each meeting in the ECO format is another opportunity to discuss interaction problems of the countries of our region, and first, the issues of cooperation of our countries in the field of economy and transport communications, which are gaining significant importance in new millennium.

During past years, ECO has made certain steps in terms of implementation of goals and objectives of regional cooperation set forth in the Izmir Treaty. It created necessary conditions to institutionalize cooperation by means of conducting various level meetings, adopting and signing agreements in the fields of trade, transport and investments, implementation of important projects and programs with participation of ECO member-states and other international organizations.

I would like to note with satisfaction that during the last years ECO has gained acknowledgment and confidence of various international organizations and institutions. It is obvious fact that it was encouraged by occurrence of real outlook of implementation of specific projects.

There were adopted a number of normative documents encouraging trade and economic relations and regional cooperation on multilateral basis.

In our opinion, building up a modern transportation system has particularly important significance for all ECO member-states.

We think that construction of trans-regional highways and railroads is a practical and at the same time an effective way for regional development as a whole and an increase of prosperity of our nations in the region.

Just for that reason, we are sure that ECO member-states should use multidirectional routes of the South-East and the East-West transport corridors as a groundwork for ensuring relevant level of intraregional integration and enhancement of trade and economic links between our countries.

We attach great significance to the issues of implementation of Program of Action for the ECO decade of transport and communications (1998-2007) and Almaty Master Plan and attracting new investment into capacity enhancement of transport infrastructure.

Our country, which is situated geographically in the heart of Central Asia and being the key crossroad of regional land and air communications, now uses several transport corridors for export-import freight transportation and carries out scheduled works on elaboration of new international transport and transit corridors.

In our opinion, cooperation of member-states in the field of investment is one the main directions of economical interaction though which could encourage economic and social development based common interest and mutual benefit. We need bigger flows of direct foreign investment, access to external markets and, in particular, exchange of technologies, which is determinant for boosting economic development of ECO region.

Today Uzbekistan attaches great importance to encouragement and dynamical development of private sector.

In this context, involvement of private sector into ECO activities and encouragement of cooperation, no doubt, will render significant assistance to reach common goals and objectives.

It seems important to involve regional financial institutions into cooperation with relevant ECO bodies for exploring technical and financial support to our projects. In this context, crucial necessity may have come to vitalize our activity and establish cooperation with other regional organizations and programs.

Uzbekistan highly appreciates ECO activities towards the project on interaction of member-states' energy grids and hopes that selected consultants would conduct feasibility studies on the project subject to financial support from IDB. That study would determine the potential of interconnection of specific regional projects, which could be implemented in the region and would serve for the sake of member-states in terms of exchange of electric power.

No doubt, stability and security in the region are prerequisites for economic growth of regional countries. Uzbekistan continues making adequate contributions to that end. Establishment of Afghan Support Fund was sound and topical decision.

Uzbekistan believes that it is also necessary to revitalize efforts on providing economic assistance to Afghanistan by means of attracting funds of international financial institutions.

Availing myself this opportunity, I would like on behalf of delegation of the Republic of Uzbekistan to congratulate Mr. Khurshid Anwar with designation to the high post of ECO Secretary General. We are hoping that he would endow constructive contribution to the further development of the Organization.

While stating and declaring our support to submitted draft Baku Declaration, Uzbek party is hoping that this important document would enable to create more favorable environment and conditions for prosperity of our nations and resolve our posing tasks.

In conclusion, I would like to express confidence that our session would be held in the atmosphere of mutual understanding, respect and rational concord.

Thank you.

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