

# The 15<sup>th</sup> Council of Ministers

## Report

( Astana, Republic of Kazakhstan, 01 October, 2005 )

No. COM/15<sup>th</sup>/2005/04

1. The Fifteenth Meeting of the Council of Ministers of the Economic Cooperation Organization (ECO) was held on October 01, 2005 in Astana, Republic of Kazakhstan. The Council of Ministers' meeting was preceded by the Senior Officials' meeting on September 29-30, 2005, under the Chairmanship of His Excellency Mr. Rapol Zhoshybaev, Deputy Minister of Foreign Affairs of the Republic of Kazakhstan.

2. The meeting was attended by the delegations of the Islamic Republic of Afghanistan, Republic of Azerbaijan, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and Republic of Uzbekistan as well as the ECO Secretary General along with his staff and the representatives of the ECO Cultural Institute, ECO Chamber of Commerce & Industry and ECO-Consultancy & Engineering Company (ECO-CEC) as well as the representatives of regional/international organizations. List of the participants is attached at **Annex-I**.

### **Agenda items No. 1 & 2**

1) Inauguration of the meeting:

2) Election of the new Chairman and his statement:

3. His Excellency Mr. Talbak Nazarov, Minister of Foreign Affairs of the Republic of Tajikistan, the incumbent Chairman, opened the meeting with a brief statement expressing appreciation of the hospitality extended to the participating delegations by the Government and the people of the Republic of Kazakhstan. Later, he proposed the nomination of His Excellency Mr. Kassymzhomart Tokaev, Foreign Minister of the Republic of Kazakhstan, as the new Chairman for the 15<sup>th</sup> COM meeting.

4. Following his unanimous election as the Chairman, H.E. Mr. Kassymzhomart Tokaev in his short statement outlined his vision for further cementing economic cooperation within the region. In this context, he assured the continued commitment and support of his government to the goals and objectives of the Economic Cooperation Organization. The statement is attached as **Annex-II**.

### **Item No. 3**

#### **Adoption of the Agenda**

5. The Council adopted the following agenda of the meeting prepared by the Council of Permanent Representatives (CPR) and amended and submitted by the Senior Officials Meeting:

1. Inauguration of the meeting
2. Election of the New Chairman and his statement
3. Adoption of the Agenda
4. Report of the Secretary General
5.
  - a. Statements by the Heads of ECO Specialized Agencies/Regional Institutions
  - b. Statement by the Deputy Secretary General of OIC
6. Statements/Comments by the Ministers/Heads of Delegations
7. Status of Implementation of ECOTA and TTFA as well as Fast Track Approach to the important regional projects including ECOTA.
8. Designation of Coordinating Countries for Important Projects
9. Grant of Specialized Agency/Regional Institution Status to ECO-CEC
10. EPG's Recommendations
11. Revised Organizational Chart of ECO Secretariat, New Recruitment Policy and Mechanism for Rotation of Staff at the ECO Secretariat
12. Consideration of the level and participation of the member states in the approved events of the Organization and realization of the events mentioned in the Calendar of Event.

13. Review, approval, adoption and consideration of the ECO activities:
  - i. The meetings of the Council of Permanent Representatives (CPR)
  - ii. ECO Secretariat's budget for 2005
  - iii. Budget for DCCU
  - iv. Revised Salary Structure of ECO Secretariat Staff
  - v. ECO Secretariat's Audit Report for 2004
  - vi. Unpaid contribution of the member states for Secretariat's budget
  - vii. 15<sup>th</sup> meeting of the Regional Planning Council (RPC), including:
    - a. ECO's Annual Calendar of Events for 2005-2006;  
and
    - b. Work Programme of the Secretariat for 2005.
  - viii. Other sectoral Ministerial meetings held after the 14<sup>th</sup> COM Meeting:
    - a. Second Ministerial Meeting on Agriculture
    - b. Second Ministerial Meeting on Environment
    - c. Third Ministerial Meeting on Commerce/Foreign Trade
  - ix. Follow-up of the implementation of decisions of 14<sup>th</sup> COM and 8<sup>th</sup> Summit meetings
  - x. Status of Ratification of ECO Agreements
  - xi. Secretariat's Paper on implementation of decisions of the previous Ministerial meetings i.e. Transport & Communication, Commerce & Foreign Trade, Energy, Environment, Agriculture, Industry and Finance/Economy.
14. Any other business
  - a. Appointment of President of ECO Cultural Institute
  - b. Reconstruction of Afghanistan
15. Adoption of ECO Vision 2015
16. Date and Venue of the Next Meeting
17. Adoption of the Report
18. Vote of Thanks and Closing the Meeting.

#### **Item No. 4**

##### **Report of the Secretary General**

6. The Council appreciated the comprehensive report of the Secretary General on the activities of ECO that have taken place since the 14<sup>th</sup> Meeting of the ECO Council of Ministers. This report was circulated to the member states vide Secretariat's note No. SG/15<sup>th</sup> COM/2005/1674 dated 13<sup>th</sup> September 2005 which is also placed at **Annex-III**. In his statement, the Secretary General also summarized the salient points of his report.

7. In his statement, the Secretary General expressed his gratitude and appreciation to the government and the people of the Republic of Kazakhstan for the excellent arrangements made for the meeting. He expressed the hope that under the Chairmanship of the Republic of Kazakhstan, ECO would continue to march towards realization of its cherished goals. He also conveyed his thanks to the outgoing Chairman, H.E. Mr. Talbak Nazarov, Minister of Foreign Affairs of the Republic of Tajikistan for the valuable support and guidance that he provided during the course of his Chairmanship. A copy of Secretary General's statement is placed at **Annex-IV**.

#### **Item No. 5**

##### **a. Statements by the Heads of ECO Specialized Agencies/Regional Institutions**

8. The Representatives of the ECO Cultural Institute, ECO Chamber of Commerce & Industry (ECO-CCI) and ECO-Consultancy & Engineering Company (Pvt) Limited (ECO-CEC) in their statements highlighted the achievements of their respective organizations.

9. The Council appreciated the reports submitted by the ECO Cultural Institute, ECO Insurance College, ECO Chamber of Commerce & Industry and ECO-Consultancy & Engineering Company (Pvt) Limited (ECO-CEC) and expressed the hope that these agencies/institutions will play a positive role in enhancing cooperation in the region.

b. Statement by Deputy Secretary General of OIC

10. The Deputy Secretary General of the Organization of the Islamic Conference (OIC) also read the message of the OIC Secretary General, highlighting the role of the organization in the Muslim world. The text of the message is placed at **Annex-V**.

**Item No. 6**

Statements/Comments by the Ministers/Heads of Delegations

11. The Ministers/Heads of delegations delivered their statements expressing the views/comments of their respective governments on the ongoing and future activities of the Organization which are placed at **Annex-VI**.

**Item No. 7**

Status of Implementation of ECOTA and TTFA as well as Fast Track Approach to the important regional projects including ECOTA.

12. The Council noted the reports circulated by the Secretariat on the status of implementation of ECO Trade Agreement (ECOTA) and Transit Transport Framework Agreement (TTFA) as well as Fast Track Approach to the important regional projects including ECOTA and urged the member states to consider early accession and ratification of the two agreements. The Council was informed of measures being taken by some of the member states in that direction. The Council expressed satisfaction at the finalization of the Annexes of ECOTA and requested the member states to consider measures for signing and implementation of Fast-Track Approach at the earliest.

**Item No. 8**

Designation of Coordinating Countries for Important Projects

13. The Council appreciated the progress in the designation of coordinating countries in the following areas and expressed the hope that with joint cooperation between the ECO Secretariat and the coordinating countries the projects/agreements would soon be implemented and lead to further economic integration in the region:

<b>S. No.</b>	<b>Name of Project/Agreement</b>	<b>Designated Country</b>
1.	Transit Transport Framework Agreement (TTFA)	Republic of Azerbaijan
2.	Container and Passenger Trains from Almaty to Istanbul on the Trans-Asian Railway main line	Islamic Republic of Iran
3.	Agreement on Simplification of Visa Procedures for the Businessmen of ECO Member States.	Islamic Republic of Iran
4.	ECO Trade Agreement (ECOTA)	Islamic Republic of

		Pakistan
5.	ECO Trade & Development Bank	Republic of Turkey

14. Furthermore, the Council requested the remaining member states to volunteer to become coordinating country for the 'Interconnection of Power Systems among the member states'.

15. The Council took note with satisfaction the recent developments regarding the ECO Trade and Development Bank and expressed its hope for the realization of the Bank in the shortest possible time.

16. The Council took note of the Iranian proposal requesting the Kazakh railway authorities to be the coordinator for container train project in view of their expertise in that field.

**Item No. 9**

Grant of Specialized Agency/Regional Institution Status to ECO-CEC

17. The Council granted the status of "Regional Institution of ECO" to the ECO-Consultancy & Engineering Company (Pvt) Limited (ECO-CEC) as recommended by the Regional Planning Council (RPC) and endorsed by the Council of Permanent Representatives (CPR).

18. The Council also approved the new Chart of Organizational Structure of ECO, a copy of which is placed at **Annex-VII**.

**Item No. 10**

EPG's Recommendations

19. The Council reviewed the Report of the Eminent Persons Group (EPG) set up by the 13<sup>th</sup> COM Meeting held in Bishkek in June 2003 for preparing a comprehensive set of recommendations. The Council endorsed the Recommendations that were reviewed and amended by the Council of Permanent Representatives (CPR). A copy of the recommendations as approved by the COM is placed at **Annex-VIII**.

**Item No. 11**

Revised Organizational Chart of ECO Secretariat, New Recruitment Policy and Mechanism for Rotation of Staff at the ECO Secretariat

20. The Council took note with appreciation of the recommendation of the CPR on the above subject as contained in document No. PR/WG-EPG/2005/1688 dated 15<sup>th</sup> September 2005. The Council while emphasizing upon the urgency of the matter observed that it needs further consultation among the interested member states. The COM, therefore, authorized the CPR to continue its deliberation on the document with a view to finalizing it as soon as possible. The document once adopted by CPR could be implemented immediately.

21. However, as an interim arrangement and in order to facilitate the smooth functioning of the Secretariat, the COM decided the following.

- a. For the posts of Secretary General and Deputy Secretaries General, the decision of the 10<sup>th</sup> COM and 6<sup>th</sup> Summit in the year 2000 will be followed.
- b. With regards to the posts of Directors and Assistant Directors, recruitment should be made on the basis of fair and balanced distribution/rotation, through consultation and compromise so that the principle of each country at least one official post would be realized by 2015. After this period the whole rotation formula will be reconsidered to ensure the more equitable distribution of posts of Secretary General and Deputy Secretaries General, Directors among the ECO Member States.

- c. A new post of Assistant Director for “coordination and follow up” will be created to be in charge of preparation and coordination of the meetings of various decision making organs of ECO. Accordingly, the Assistant Director for International Relations and Coordination would be designated as Assistant Director for International Relations.
- d. The current Directorates of: (1) Project Research, and (2) Economic Research and Statistics will be merged into one Directorate while a new Directorate entitled “Directorate of Human Resources and Sustainable Development” will be established to be in charge of Human Resource Development, Social Development, Drug Control Activities, Health, Poverty Alleviation, etc.
- e. The CPR will make necessary adjustments to the Organizational Chart of the Secretariat based on the above decision within the existing budget of the organization.

**Item No. 12**

Consideration of the level and participation of member states in the approved events of the Organization and realization of the events mentioned in the Calendar of Event.

22. The Council approved the recommendations made by the 102<sup>nd</sup> CPR meeting held on 1<sup>st</sup> August 2005 to ensure regular participation at the appropriate level in the ECO events/meetings and expressed the hope that these measures would reduce the chances of postponement/cancellation of the events/meetings.

**Item No. 13**

Review, approval, adoption and consideration of the ECO activities:

**i. The meetings of the Council of Permanent Representatives (CPR)**

23. The Council adopted the reports of the Council of Permanent Representatives (CPR) for its fifteen meetings (92<sup>nd</sup> to 104<sup>th</sup> and two extraordinary meetings) held since 14<sup>th</sup> COM Meeting.

**ii. ECO Secretariat’s budget for 2005**

24. The Council formally approved the Secretariat's budget for the year 2005 amounting to US\$ 1,996,668 plus an amount of US\$ 99,833 (5% of the budget) as Feasibility Study Fund (Total: US\$ 2,096,501). The budget was approved by the 95<sup>th</sup> CPR Meeting on behalf of the Council of Ministers.

**iii. Budget for DCCU**

25. The Council formally approved the budget for Drug Control Coordination Unit (DCCU) for an amount of US\$ 35,545 for the period from May 2005 to December 2005. The budget was approved by 97<sup>th</sup> CPR meeting on behalf of the Council of Ministers.

26. Furthermore, the Council deliberated on the issue of future budget for DCCU. The Council instructed the Secretariat and the Council of Permanent Representatives (CPR) to prepare the future budget for DCCU as part of the ECO Secretariat under a sub-head 'DCCU' and continue to make efforts for finding donor(s) for funding the DCCU. In this regard, the CPR was authorized to finalize the details.

**iv. Revised Salary Structure of ECO Secretariat Staff**

27. The Council approved the following recommendations with regard to the revised salary structure of ECO Secretariat staff with effect from 1<sup>st</sup> January 2006:

- a. Secretary General : 2.5% increase
- b. Directing Staff : 5% "
- c. Professional Staff : 20% "

d. A-Level Staff : 20% "

**v. ECO Secretariat's Audit Report for 2004**

28. The Council approved the ECO Secretariat's Audit Report for 2004, taking into account the observations made by the Council of Permanent Representatives (CPR) which have been reflected in the Report of the 102<sup>nd</sup> CPR meeting.

**vi. Unpaid contribution of the member states for Secretariat's budget**

29. The Council appreciated the member states who had paid their contributions and expressed the hope that member states in arrears would soon be able to clear their dues so that this agenda item could be removed from the future COM meetings.

30. The Council expressed its dismay on the continued delay of payment of contributions by only a few member states and encouraged them to expedite their decision making process and respond positively to the contacts and communications of the Secretariat in this regard.

31. In the meantime, the CPR was instructed to look into the issue in a broader context so that further delay in payment of assessed contributions will be avoided in future.

**vii. 15<sup>th</sup> meeting of the Regional Planning Council (RPC), including:**

- a. **ECO's Annual Calendar of Events for 2005-2006; and**
- b. **Work Programme of the Secretariat for 2005.**

32. The Council reviewed and adopted the report of the 15<sup>th</sup> Meeting of the Regional Planning Council (RPC) held at the ECO Secretariat, Tehran, on 14-17 February 2005. The Council also reviewed and adopted the ECO's Annual Calendar of Events for 2005-2006 and Work Programme of the Secretariat for 2005 as circulated vide Secretariat's notes No. PR/Cal.Events/2005/1720 dated 19<sup>th</sup> September 2005 and No. PR/WP/2005/1633 dated 8<sup>th</sup> September 2005, respectively.

33. The Council observed that the calendar of events shall be more focused and the CPR may look into the possibility of endorsement of the Calendar of Events/Meetings in the beginning of the year. The Council also expressed that CPR may take all necessary measures to ensure that the planned/approved meetings and events be implemented according to set schedule.

**viii. Other sectoral Ministerial meetings held after the 14<sup>th</sup> COM Meeting:**

34. The Council reviewed and endorsed the reports of the following sectoral Ministerial meetings held since the 14<sup>th</sup> COM Meeting and requested the member states to take necessary measures to implement the decisions of these meetings:

- a. Second Ministerial Meeting on Agriculture (6-7 December 2004, Antalya, Republic of Turkey).
- b. Second Ministerial Meeting on Environment (4-6 October 2004, Istanbul, Republic of Turkey).
- c. Third Ministerial Meeting on Commerce/Foreign Trade (5-7 July 2005, Istanbul, Republic of Turkey).

**ix. Follow-up of the implementation of decisions of 14<sup>th</sup> COM and 8<sup>th</sup> Summit meetings**

35. The Council appreciated the Secretariat for preparing the follow up report on the implementation of the decisions of the 14<sup>th</sup> COM and 8<sup>th</sup> Summit meetings and took note of its contents.

**x. Status of Ratification of ECO Agreements**



36. The Council reviewed and took note of the Status of Ratification of ECO Agreements and observed that member states should give priority to the speedy process of ratification of agreements they had signed for their early implementation.

**xi. Secretariat's Paper on implementation of decisions of the previous Ministerial meetings i.e. Transport & Communication, Commerce & Foreign Trade, Energy, Environment, Agriculture, Industry and Finance/Economy.**

37. The Council expressed gratitude and appreciation to the Secretariat for preparing the aforesaid paper and observed that it is a useful document which gives a summary of the decisions of the sectoral ministerial meetings and the progress on their implementation.

**Item No. 14**

Any other business

**a. Appointment of President of ECO Cultural Institute**

38. The Council formally approved the appointment of Dr. Mehdi Sanaie as President of the ECO Cultural Institute (ECI) with effect from 7<sup>th</sup> September 2005 for the remaining tenure of Mr. Mohammad Ali Shoaee. This appointment was recommended by the CPR in its 102<sup>nd</sup> meeting on behalf of Board of Trustees of ECI.

**b. Reconstruction of Afghanistan**

39. The Council reaffirmed its resolve to participate in the international efforts aiming at the reconstruction of Afghanistan and urged the member states to join Pakistan in announcing their pledges for the ECO Fund for Reconstruction of Afghanistan. In this connection, the Council expressed the hope that ECO would soon undertake project(s) to be financed from the aforesaid Fund. The Council also welcomes the economic gains of the country and strongly encourages member states to take full advantage of the emerging trade/transit and investment opportunities in Afghanistan. During the meeting, Honourable Foreign Minister of the Islamic Republic of Iran announced that the Government of the Islamic Republic of Iran has allocated US\$ 400,000 to help the Afghanistan reconstruction process through the aforesaid ECO Fund.

**Item No. 15**

Adoption of ECO Vision 2015

40. The Council adopted the 'ECO Vision 2015' as Basic Reference Document of ECO. The text of the ECO Vision 2015 was reviewed and finalized by the Senior Officials Meeting on 29-30 September 2005. The adopted text of ECO Vision 2005 is placed at **Annex-IX**.

41. The Republic of Uzbekistan has expressed reservation and accepted the ECO Vision 2015, except para 1 under section 'Trade and Investment', para 2 under section 'Transport and Communications' and section 'Drug Control, Organized Crimes and Related Matters'.

**Item No. 16**

Date and Venue of the Next Meeting

42. The Council welcomed the offer of the Republic of Azerbaijan expressed during the 8<sup>th</sup> Summit in Dushanbe to host the 9<sup>th</sup> ECO Summit and 16<sup>th</sup> Meeting of the ECO Council of Ministers in Baku. The Secretariat will announce the exact dates for the aforesaid meetings after consulting the host as well as the member states.

**Item No. 17**

Adoption of the Report

43. The Council unanimously adopted its report.

**Item No. 18**Vote of Thanks and Closing of the Meeting

44. The participants expressed their deep appreciation for the warm hospitality extended by the Republic of Kazakhstan and the excellent arrangements made for the meeting. The Council also lauded the invaluable contribution by His Excellency Mr. Kassymzhomart Tokaev, Minister of Foreign Affairs of the Republic of Kazakhstan, in guiding the deliberations of the 15<sup>th</sup> Meeting of the ECO Council of Ministers to successful conclusion.

45. The Council also thanked H.E. Mr. Askhat Orazbay, ECO Secretary General and other members of the ECO Secretariat for the preparation of relevant documentation and their invaluable services which facilitated the outcome of the meeting.