

The 15th Council of Ministers

Statement by H.E. Mr. Askhat Orazbay, ECO Secretary General

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

Annex-IV

*Your Excellency Mr. Chairman,
Honourable Heads of Delegation,
Excellencies,
Distinguished Participants,
Ladies and Gentlemen,*

It is indeed an honour and a privilege for me to address the Honourable Ministers/Heads of delegation from the ECO Member States on the auspicious occasion of the 15th Council of Ministers' Meeting being held today in Astana.

2. At the outset, I would like to warmly congratulate the Hon. Minister of Foreign Affairs of the Republic of Kazakhstan H.E. Mr. K.K. Tokaev on his assumption to the high post of the chairperson of the 15th COM meeting. I would also like to express my heartfelt thanks to the Government of the Republic of Kazakhstan for the excellent arrangements and the warm hospitality extended to all the delegations since their arrival in Astana. Our sincere thanks are also due 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.

3. Let me also congratulate His Excellency Mr. Manochehr Muttaki on his appointment as the Foreign Minister of the Islamic Republic of Iran. I wish to welcome him to the ECO fraternity.

Mr. Chairman,

4. I am happy to state that since we last met in Dushanbe in September 2004, considerable progress has taken place on some of the important activities and projects. However, there are also some areas where the pace of progress is not in accordance with our expectations. I am, however, grateful to the Council of Ministers for approving my recommendation that I had made in the 14th COM in Dushanbe last year regarding the appointment of coordinating countries to actively pursue the programmes and projects that are of paramount importance to our organization. It gives me pleasure to report today that we have been able to decide about the coordinating countries in five key areas. I want to express thanks to the Republic of Azerbaijan, Islamic Republic of Iran, Islamic Republic of Pakistan and Republic Of Turkey for their initiative to be coordinator for important projects. I am confident that with the joint efforts of the Coordinating countries and the ECO Secretariat these programmes and projects will soon see the light of the day. I have already submitted a detailed report to this august body covering both our successes as well as failures in the last 12 months.

5. Three important Ministerial meetings have been held since the 14th COM meeting in areas such as Environment, Agriculture, and Commerce/Foreign Trade. I take this opportunity to once again express my gratitude to the government of the Republic of Turkey for extending generous hospitality and making excellent arrangements for these meetings to make them a success.

6. The development of greater economic stakes in the region naturally results in greater sensitivity to the concerns of each other. This paves the way for more ambitious but entirely achievable goals and focuses on the top priority areas such as trade, energy, transport, and communication in the region. As for trade, we have to admit that in spite of noticeable positive tendencies in total trade volume of the ECO member states i.e. US\$ 318 billion in 2004, the intra-regional trade ratio is still lower than the real potential and cannot go beyond the threshold of 6.0 percent. In order to improve these figures, we are making sincere endeavours to liberalize and accelerate regional trading regime, which can effectively address mutual concerns. In this context adoption of ECO Trade Agreement (ECOTA) would lead us to gradual but definite removal of the non-tariff barriers, brightening the prospects for promotion of intra-regional trade. To implement this Agreement, we need at least three more member states to complete the ratification process. In order to expedite this process, through a series of Experts Group meetings, the member states have approved the formulations of the annexes of ECOTA on Rules of Origin, State Aid, Intellectual

Property Rights, and Anti-Dumping Measures. There is no doubt that this achievement would eventually lead us to early realization of ECOTA. Let us work together to finalize the mechanism for the Fast Track Approach for the early implementation of ECOTA.

7. Of course, trade treaty per se will not improve the current state of regional trade. Therefore, we have also focused hard on various trade promotion and facilitation measures including supply side constraints, some of which are already underway or at various stages of progress. Liberalization of trade policies, pursuing ECO/ITC project, re-activation of ECO-CCI, E-trade, use of Information and Communication Technology, trade and investment information networking, harmonization of customs laws and regulations and simplification of visa procedures particularly for the businesspersons are essential co-efficiencies of such measures. Our efforts to institutionalize ECO Business Forums, ECO Trade and Investment Conferences and Buyers/Sellers meetings are targeted for steady development of private sector in the region. We have redoubled our efforts for the establishment of ECO Trade & Development Bank and in view of recent positive developments we are determined to operationalize it soon. For securing transparent, stable and predictable conditions for long-term cross-border investment, which will also contribute to the expansion of trade, we have finalized an Agreement on Promotion and Protection of Investment (APPI) in the ECO region. It was initially signed by Afghanistan, Azerbaijan, and Turkey and I hereby urge the other member states to be party to this important Agreement at the earliest.

Distinguished Delegates,

8. Transport problems must not impede regional trade. Considering that many ECO member states are land locked and have no access to major seaports and markets, the development of the transport sector, particularly transit transport creates a solid ground for a more active interaction in some other spheres, including trade. Implementation of ECO Transit Transport Framework Agreement (TTFA) is expected to provide co-operation opportunities to solve these problems. This Agreement would come into force after six months from the date we formally receive the Instrument of Ratification from one more country. May I take this opportunity to request member states that have not yet signed or ratified this important agreement to do so as soon as possible.

9. We should address challenges by operating existing and establishing new transport links in the region. We are convinced that the geographic position of the member states and the level of development of transportation network in the region will make it possible for us to solve these problems. In this regard, we are striving to ensure smooth operationalization of Almaty- Istanbul Container & Passenger trains on the Trans-Asian main railway line. For this purpose, a Working Group is being formed to remove and clear bottlenecks in the way of smooth running of these trains.

10. In energy cooperation, we have been actively pursuing implementation of the IDB-ECO project for a feasibility study on interconnection of power systems of ECO Member States and developing ways and means of power trade in the region. I am pleased to report that the said study has commenced on 25th August 2005 upon the receipt of initial disbursement from IDB to the Consultant-NESPAK. This will promote efficient energy management in the region. In ECO, we are also underscoring the importance of technologies exploiting renewable energy, such as solar and wind power, geothermal energy and hydropower sources.

11. An analysis of the possibilities of agriculture of the ECO region shows that the member-states have a significant potential for cooperation. In this regard, the Second ECO Ministerial Meeting on Agriculture (Antalya/Turkey, 6-7 December 2004) underlined the importance of allocating more resources for financing agriculture and rural development programmes. Meanwhile, we are implementing the ECO Plan of Action for Drought Management and strengthening the ECO cooperation in the field of livestock development, conservation of animal and plant genetic resources and agricultural biotechnology. It is gratifying for me to inform this august body that an important project - Regional Programme for Food Security is under preparation and will be completed soon. We are also about to conclude a Regional Strategy on Industry. Preparations are underway to organize the Second Ministerial Meeting on Industry on 21-25 November 2005 in Istanbul.

Distinguished Participants,

12. ECO continues to accord high priority to programmes related to Afghanistan. In this connection, I visited Kabul in June this year to discuss ways and means for the implementation of Afghanistan specific programmes. My visit has borne fruit as we shall soon be in a position to start implementing a project in Afghanistan to be financed

from the ECO Fund for the Reconstruction of Afghanistan. I would also request member states to join Pakistan, who has already decided to allocate US dollars five million, in announcing their pledges for above mentioned Fund. Some ECO events are also scheduled to take place in Kabul in November 2005. These include ECO Trade Fair and Trade Investment Conference.

13. Regrettably, the scourge of drug production and trafficking still endangers the security of the region. In this context, with the consent of CPR, we have absorbed in the ECO Secretariat the Drug Control Coordination Unit, after successful completion of Phase I and Phase II of drug control project. WE expect that with the valuable assistance of the UNODC, ECO's Draft Project Idea including strategic goals in the field of drug control and other related crimes in the ECO region will find donor(s).

14. At ECO, we continue our efforts to build on and bolster our existing relations with the international and regional organizations such as the UNDP, FAO, UNESCAP, UNCTAD, IDB, UNODC, ITC, WTO, and EU. We are also strengthening our cooperation with OIC organs, ICARDA, Asian Development Bank, World Bank. While an MOU with ASEAN is in the final stages, we are considering strengthening our relations with the Shanghai Cooperation Organization. MOUs with Asian-African Legal Consultative Organization (AALCO) and the Islamic Chamber of Commerce and Industry are under consideration as well.

Excellencies,

15. An efficient and effective Secretariat is a must for the future of our organization. As the level of our cooperation is expanding so too must the Secretariat. I am happy to report as recommended by the Eminent Persons Group (EPG) and instructed by the 14th COM meeting, the CPR has been discussing and deliberating on various proposals relating to a package of structural reforms for the Secretariat covering issues like representation of member states and recruitment policies. I hope that the 15th COM meeting will be able to give guidance to CPR for early conclusion of a package of reforms.

16. Although we are in the 13th year of ECO's expansion from a trilateral organization to a ten-member organization, we have to go a long way to realize, in full, economic integration and prosperity in the region. The years ahead present desirable opportunities to move decisively in this direction. The rapid social, economic, political, and technological developments in the world and the prospects in the decades ahead need to be addressed adequately through a common and collective approach and there is a willingness among Member States to adopt a new Vision for ECO. Adoption of "ECO Vision 2015" by the Council of Ministers as a Basic Reference Document of ECO will provide the highest-level policy guidelines, which will guide the future course of action of the ECO to bring this organization in conformity with the role that it should play as a dynamic regional organization capable of leading its Member States.

Mr. Chairman,

17. Before I conclude, I would like to reiterate my gratitude to the Government and the people of the Republic of Kazakhstan in particular, staff of the Ministry of Foreign Affairs for their generous hospitality and also to the active personal support of His Excellency Mr. K.K. Tokaev for hosting this important meeting in Astana. I am also grateful to the Honourable Ministers and the Heads of Delegations from the member states for their presence. I wish all the delegates a comfortable and memorable stay in Astana - the newest capital in ECO countries.

Thank you.