

## **Report of the Eminent Persons Group (EPG)**

January 13-15, 2004 and May 22-25, 2004

### **Introduction**

In view of the ECO's slow progress towards achieving its aims and objectives, the 13<sup>th</sup> Meeting of the Council of Ministers, held in Bishkek in June 2003, decided to set up an Eminent Persons Group (EPG) from among the member states, with the specific mandate to submit its recommendations in collaboration with the Secretary General to the 14<sup>th</sup> Meeting of Council of Ministers to be held in Dushanbe, Tajikistan, in September 2004, on the measures to promote the efficiency and effectiveness of ECO.

In pursuance of the mandate given by the 13<sup>th</sup> COM meeting, the Eminent Persons Group held two meetings in the ECO Secretariat, on January 13-15, 2004 and May 22-25, 2004, respectively.

The EPG in its first meeting identified topics on which it wanted to focus and requested ECO Secretariat to prepare a short Analytical Paper on each topic. The second meeting of EPG was devoted to the discussion of the identified topics in light of the Analytical Paper prepared by the ECO Secretariat.

The EPG, after careful deliberations, agreed to submit its recommendations under various topics to the 14<sup>th</sup> COM meeting.

### **Recommendations**

#### **(A) ECO's vision of its future considering the experience of other regional economic organizations.**

After thorough discussion and deliberations on the issue, the EPG agreed that the ECO should have a vision strategy for the next decade, considering the experiences of other economic organizations and the priorities of UN Millennium Development Goals. Therefore, the EPG strongly recommended that the draft on "ECO's Vision 2015", prepared by EPG, should, as a preliminary paper, be considered for further discussion and necessary revision. The EPG further recommended that instead of submitting a routine draft Declaration, the draft "ECO Vision 2015" should be submitted to the 8<sup>th</sup> Summit Meeting, to be held in Dushanbe in September 2004, for adoption. However, the EPG proposed that the draft may be reviewed and finalized by the member states with the help of the Secretariat before its submission.

*14<sup>th</sup> COM meeting held in Dushanbe in September 2004 decided that Council of Permanent Representatives (CPR) may review the draft ECO Vision 2015.*

*93<sup>rd</sup> CPR meeting established a Working Group of CPR to review draft ECO Vision 2015 which is in the process of finalizing the said document.*

*The 98<sup>th</sup> CPR meeting decided that 'ECO Vision 2015' may be adopted rather than normal Communiqué as "Basic Reference Document" of the organization at the 15<sup>th</sup> Meeting of the Council of Ministers (COM) to be held on August 20, 2005, in Astana, Republic of Kazakhstan.*

#### **(B) The organizational structure of ECO with the objective of making it more effective and the need for changes in the procedures, e.g. quorum, decision-making and frequency of meetings with a view to facilitating the work and progress of the Organization.**

##### **(I) Main Organs:**

The CPR did not find it practical to hold the ECO Summit once a year and the COM twice a year. Therefore, it recommended that the status quo may be maintained i.e. ECO Summit once every two years and COM meeting once a year. However, it suggested that a Senior Officials Meeting (SOM) may be held in between the two Council of Ministers' meetings to close monitor the status of implementation of various ECO projects.

The member states should participate in the RPC meetings at the highest possible level to enhance the effectiveness of this organ.

The other Ministerial meetings, except trade, transport and energy, may be held frequently as and when member states decide.

#### **(II) Meetings:**

- a) In parallel with the decision of the 12<sup>th</sup> COM, the number of meetings envisaged in the ECO Calendar of Events/Meetings should be rationalized and decreased to a reasonable number with emphasis on priority areas.
- b) To energize the role of the member states in the ECO activities, ECO focal points in the Ministries of Foreign Affairs as well as in other Ministries/organizations of the member states should be strengthened. Member States are also encouraged to post an officer(s) specializing in ECO affairs in their respective Missions in Tehran to assist their Permanent Representatives to ECO.
- c) Rules and procedures of holding the Summit and the COM meetings on rotational basis in member states should be adhered to strictly. However, the member states are encouraged to volunteer hosting these meetings.

#### **(III) Quorum:**

The present rules of procedures relating to quorum should be maintained. However, member states are encouraged to ensure their full and timely participation in different meetings/events.

#### **(IV) Decision-Making:**

The article of the Treaty of Izmir related to decision making should be maintained for the time being. However, while adhering to the article, the member states may be encouraged to take decisions on the basis of simple majority in the case of non-vital issues.

#### **(C) Review of the existing structure of the ECO Secretariat and recruitment policies in order to strengthen the capacity of the Secretariat to perform better its task i.e. initiation, planning, coordination, and monitoring / implementation.**

*As some member states and the Secretariat had submitted different proposals regarding the new organizational structure of the Secretariat, recruitment policies as well as rotation of posts among the member states, it was decided that the EPG's recommendations as contained in Section C of the report may be discussed and deliberated upon separately by the Working Group along with the new proposals and the revised recommendations may be submitted to COM for consideration under a separate agenda item.*

#### **(D) Review of ECO priorities which have been laid down in the Economic Cooperation Strategy. Consideration of new priorities in the light of the new issues highlighted by international organizations such as UN Millennium Development Goals, etc.**

- I. The existing priorities of ECO namely transport, trade and energy should be maintained. Therefore, there is no need for any change in the Economic Cooperation Strategy at present.
- II. However, to take into account developments that have taken place in the international environment and in the member states, the issues of the human resource development, poverty alleviation, **environment, agriculture and industry** should receive increased attention of the member states at national and regional levels.

**(E) Active involvement of the private sector of the ECO member states in support of the ECO's aims and objectives.**

- I. In order to have effective functioning of ECO-CCI, it was necessary that the General Assembly of ECO-CCI should take into consideration of the possibility of ECO-CCI Permanent Secretariat. However, the chairmanship of the ECO-CCI may rotate among the members, every four years. The ECO-CCI Secretariat should present to the Council of Ministers through the Regional Planning Council an Action Plan to ensure smooth and active functioning of the ECO-CCI Secretariat.
- II. The member states should be encouraged to reflect the views of the private sector in the ECO technical meetings and in the Regional Planning Council.
- III. The national chambers of Iran, Pakistan and Turkey should extend all possible assistance to the chambers of other member states to activate their participation in ECO-CCI activities.
- IV. The assistance of international organizations, e.g. UNDP, ITC and UNCTAD, should be sought for holding/organizing the ECO Business Forums and/or buyers/sellers meetings. The ECO-CCI should also contribute to the organization of Business Forum meetings.
- V. ECO-CCI should prepare a roster/data-bank of the companies of the member states which are active in the priority areas i.e. trade, transport and energy. Invitations for attending the events referred to above will be meant for these companies.
- VI. ECO Chamber's trade fairs should be organized regularly in the member states on voluntary basis with the close cooperation of the ECO-CCI Secretariat.

**(F) Preparation and implementation of ECO regional projects through the activation of the ECO Feasibility Fund, including inter-alia the use of local and international consultancy services for ECO projects.**

The EPG discussed the utilization of the Feasibility Fund and pointed out that so far the Fund had not been utilized in a satisfactory manner. Therefore, the recommendations for the better utilization of the Feasibility Fund are as follows

- I. As mentioned earlier, out of the proposed five Programme/Research Officers, at least three should be Development Economists specializing in the priority areas of trade, transport and energy.
- II. The Secretariat should make all possible efforts to encourage the member states to propose feasibility studies for regional projects. The Secretariat should intensify contacts with the concerned sectoral focal points notifying the Embassies in Tehran of developments, if any.
- III. The Secretariat should also make necessary arrangements to utilize the existing capacity of the national research institutes of the member states and should seek their assistance for the preparation of relevant project proposals.
- IV. The merged Directorate, namely Directorate for Project Research and Economic Research & Statistics, should have the coordinating role within the Secretariat to activate the utilization of the Fund.
- V. There should not be any change in the ECO Functional Methodology.

**(G) Review of ECO Specialized Agencies and Regional Institutions with the objective of making them more effective and, where necessary, making recommendations for a change.**

The EPG expressed the view that the signing of the most agreements/charters with regard to the establishment of the specialized agencies and regional institutions had not been based on due preparatory/feasibility studies. Therefore, the subject institutions/agencies had faced with various difficulties and limitations with regard to their establishment and operationalization.

The recommendations of the EPG/CPR on the subject are as follows:

**I. ECO Shipping Company**

The COM may take note of the liquidation of ECO Shipping Company and Pakistan's continued interest in the shipping cooperation in a corporate form among ECO member states.

**II. ECO Trade Development Bank and ECO Re-Insurance Company**

The COM may request the concerned member state to resolve the issue with regard to the ratification of the Trade and Development Bank Agreement within one year so that the two institutions may start their operations in the interest of facilitating trade and investment activities in the region.

**III. ECO College of Insurance**

In line with the recommendations of the Dean of the ECO College of Insurance made to the CPR earlier, a Working Group should be established in order to facilitate the transition of the ECO College of Insurance into a real ECO College of Business Administration. The Working Group should comprise: (a.) Dean of the College (b) Permanent Representative of Iran in CPR, (c) President/Vice President of Tabatabai University, (d) ECO Secretary General/Representative of ECO Secretariat, and (e) Chairman of CPR. The recommendations of the Working Group should be submitted to the COM for their approval.

**IV. ECO Science Foundation**

Since the first Board of Trustees (BOT) meeting for the establishment of the Science Foundation has been scheduled to be held in the year 2005 in Pakistan, the EPG expressed the hope that the Foundation would become operational during 2005.

## V. ECO Educational Institute

Since the Charter of the ECO Educational Institute has already been ratified by the required number of member states, the Government of Turkey may be requested to hold the first meeting of BOT of the Institute in the year 2005 so that the ECO-EEI would be established and become operational as soon as possible.

## VI. ECO Cultural Institute

The Institute is functioning. However, it needs the support of the additional member states which have not signed/ratified its charter. These member states may consider joining it as early as possible. The member states are encouraged to assist the ECI in the preparation and implementation of its long term operational plan.

## VII. ECO-CEC

In addition to companies from Iran, Pakistan and Turkey, companies from other member states should join the ECO-CEC; ECO-CEC should be invited to participate in the relevant technical meetings and business forums of ECO; and the company should also be involved closely in preparation of feasibility and pre-feasibility studies of ECO projects. ECO-CEC may be given preference over other companies in case of projects financed through ECO resources, provided the terms and conditions offered by the Company matched with those of the others.

## VIII. ECO-CCI

Recommendations in regard to the ECO-CCI have already been made under topic (E).

**(H) Review of ECO's external relations with the objective of seeking cooperation and support of the other regional and international organizations for the ECO's objectives and activities while maintaining and even strengthening the focus on the promotion of regional cooperation among the ECO member states. Consideration of the issues of observer status and dialogue partnership.**

The Secretariat should categorize international/regional organizations with which the ECO has already institutionalized cooperative relations, and establish a follow up mechanism with regard to the high priority category. The Secretariat should prepare an Action Plan for cooperation with regional and international organizations and that the Assistant Director (International Relations & Coordination Unit) should play a key role in the implementation of the Plan of Action.

With the approval of the COM, the ECO Secretariat should also be encouraged to initiate steps towards the establishment of Dialogue Partnership with some donor countries to obtain financial and technical assistance for the implementation of ECO projects.

**I. Review of the ECO basic documents, e.g. Treaty of Izmir, Economic Cooperation Strategy, ECO Rules of Procedure, Staff and Financial Regulations, Functional Methodology, etc.**

In the present report, the EPG did not recommend amendment in the ECO Basic Documents other than those proposed under other topics.

**(J) The implementation of signed ECO agreements, e.g. the issue of non-compliance.**

The COM should take a decision to put the agreements of Transit Transport Framework Agreement (TTFA) and ECO Trade Agreement (ECOTA) on the fast track for ratification/operationalization. The COM may also set a deadline of one year from the date of the next COM meeting for these agreements to be ratified/operationalized.

Each member state should report regarding the status of these agreements in its ministerial statement during the COM meeting.

Designation of the coordinating countries in priority areas would be a further step towards the implementation of signed ECO agreements/projects.

**(K) Public relations activities and recommendations to promote awareness/image of ECO and its affiliated bodies among the member states and at international fora as well.**

- I. An annual plan of action on the promotion of awareness/image of ECO should be prepared by the ECO Secretariat, with the active involvement of the ECO Cultural Institute for the approval of the COM. Such a plan of action, which could also be incorporated in the long-term plan of the Institute may include, by way of example, organizing ECO games, fairs, festivals, symposia, conferences, etc on voluntary basis in the member states, and dissemination of ECO news and publications, etc.
- II. ECO Day should be celebrated with enthusiasm in the member states. On this occasion, the Foreign Ministers of the member states may hold a reception in their respective capitals for the Ambassadors of the ECO member states, diplomats from other countries and opinion-makers in the host country.
- III. The Secretariat should intensify the feeding of news about ECO activities to national news agencies of the member states for dissemination in the local media. It is suggested that the possibility of establishment of linkages including a Virtual Network among news agencies of the ECO member states as well as the ECO Secretariat may be explored in order to share news on regional economic cooperation and ensure the effective coverage of ECO affairs.