

## The 14<sup>th</sup> Council of Ministers

### Report of the Secretary General on ECO Activities since the 13<sup>th</sup> Meeting of Council of Ministers

( Dushanbe, 12 September, 2004 )

**Annex-III**

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#### **Preamble**

It is an honour and privilege for me to submit this report to the 14<sup>th</sup> Council of Ministers in my capacity as the Secretary General of the Economic Cooperation Organization (ECO) on ECO activities since the 13<sup>th</sup> Council of Ministers meeting that was held in Bishkek in June 2003.

2. The 14<sup>th</sup> Council of Ministers is meeting at a time when the ECO is undertaking higher level commitment stressing once again the resolve of the Member States to enhance regional cooperation to improve the quality of life of the peoples of this region and also to overcome the challenges being faced by the process of globalization.

3. In my report, I have not only highlighted the achievements of the Organization during the last year but have also pointed out the areas where we have not been able to achieve the required level of success.

4. Since the 13<sup>th</sup> Council of Ministers, a follow up mechanism to ensure steady implementation of programmes has been instituted which is approved by COMs and contained in the declarations of ECO Summits. The follow up reports thus prepared have been added as a permanent agenda items for the monthly sessions of the Council of Permanent Representatives (CPRs). In the light of developments so far, a consolidated report is prepared and included in the working documents of 14<sup>th</sup> COM. With regard to sectoral ministerial meetings held so far, a similar report has been prepared for the information of the Council of Ministers. These reports serve as a succinct description of the important actions undertaken by the Secretariat in collaboration with the Member States for implementation of the directives of honourable Ministers.

5. The 14<sup>th</sup> meeting of the Regional Planning Council, held on December 4-6, 2003, reviewed the ongoing programmes in all priority and non priority areas and came up with recommendations on how to ensure further progress on projects and programmes still under consideration of the ECO Member States with a view to realize ECO objectives and goals.

6. This report prepared in the light of recommendations of 14<sup>th</sup> Regional Planning Council attempts to cover important activities in all sectors. It also highlights the need for specific measures to improve the prospects of implementing the ongoing projects.

7. ECO Trade Agreement, signed in July 2003 in the 2<sup>nd</sup> Ministerial meeting on Commerce & Foreign Trade by 5 member states is a major step forward towards the achievement of the goal of Free Trade area in the region. So far, only Republic of Tajikistan has ratified it. The Ministerial meeting also established a High-level Expert Group (HLEG) on Trade, Investment and other related matters to work for the early implementation of ECOTA. The said HLEG in its first meeting held in Ankara on January 13–15, 2004, recommended an amendment to ECOTA for adopting the fast-track approach for its implementation. So far only Iran has notified its readiness to sign the amendment, whereas the Republic of Tajikistan informed that it is not ready to do so.

8. In order to promote investment and private sector role in the region, the 2<sup>nd</sup> regional trade and investment conference was held on April 18–19, 2004, in Kabul. Efforts are being made to reactivate the ECO-CCI and to operationalize ECO Trade & Development Bank and ECO Reinsurance Company.

9. While the 2<sup>nd</sup> phase of ECO/International Trade Centre is under consideration of the member states, ECO has developed an interactive web portal ([www.tradeeco.org](http://www.tradeeco.org)) with the financial assistance of UNDP and is actively working on the establishment of Trade-Net for the exchange of useful information on trade and commerce among the member states.

10. Considering the major role of the transportation in the trade development, the ECO Secretariat has been actively pursuing transport and communications cooperation projects among the ECO member states.

11. The 5<sup>th</sup> Ministerial Meeting on Transport and Communications was held in Cholpon-Ata/Kyrgyz Republic on 12 August 2004. The meeting was preceded by Senior Officials meeting on 10-11 August 2004. The meeting reviewed the entire gamut of cooperation in the field of transport and communications and underscored the need for early implementation of projects and plans in this field.

12. The 8<sup>th</sup> Meeting of Heads of ECO Railway Authorities was held in Istanbul on 6-7 July 2004. An important outcome of the meeting was the endorsement of a Memorandum of Understanding (MoU) on “ECO Railway Tariff Policy in International Freight Traffic”. The draft of this MoU was finalized in the 5<sup>th</sup> Expert Working Group meeting held at Almaty in April 2003 and is aimed at removing one of the barriers hampering smooth railway transport in the region.

13. The 1<sup>st</sup> Specialized meeting of the Heads of ECO Reference Marine Organizations was held in Tehran in October 2003. Similarly, 1<sup>st</sup> meeting of the ECO Postal Authorities was held in Kyrgyzstan in April 2004. The two meetings explored ways and means to bolster cooperation in these areas.

14. Regrettably, we have achieved less than expected progress on the important projects of introducing regular container and passenger trains on the Trans-Asian mainline route. Although a number of meetings were held during the year to discuss the issues involved in these projects. However, it is my feeling that these projects will not see the light of the day unless there is a strong political will on the part of all the member states particularly those countries that fall on this route. In view of the importance of these projects, the recently concluded 5<sup>th</sup> Ministerial meeting on Transport & Communication called for a “collective political appeal to those Member States” from whom the desired level of support was not forthcoming.

15. In order to promote transit trade among the ECO member states Transit Transport Framework Agreement (TTFA – 1998) has been signed by nine member states and ratified by five countries. This important document covers many areas of railroad and sea transport and has been prepared by close harmonization with TIR carnet. Implementation of the said document undoubtedly will be a great achievement in creating smooth transit transport regime in this region but will also enhance the intra-regional as well as inter-regional trade.

16. As instructed by the 13<sup>th</sup> COM, the Secretariat is focusing on the implementation of the Plan of Action for Energy/Petroleum Cooperation in the ECO region (2001-2005). Various meetings, training, workshops etc. have been held from time to time to achieve the desired goals. It is expected that the upcoming 2<sup>nd</sup> ECO Ministerial meeting on Energy/Petroleum, to be held in Tehran, will also consider progress on the implementation of this Plan of Action.

17. Bearing in mind the importance of foreign investment in the mineral sector of the ECO region, the Secretariat has so far arranged two meetings of experts of the member states and a Plan of Action is agreed upon by the member states for cooperation in this field. To implement the decisions of the 1<sup>st</sup> Ministerial meeting on Environment, as was directed by the 13<sup>th</sup> COM, two meetings of the working group on Environment have been held so far. The member states have been requested to submit to the Secretariat a Biannual National Progress Report on the implementation of the Plan of Action.

18. One of the objectives of the ECO is to enhance efforts for effective utilization of the agriculture potentials of the ECO region. The 1<sup>st</sup> ECO Ministerial meeting on Agriculture provided an appropriate forum to guide the Secretariat in prioritizing ECO activities in the field of Agriculture such as drought management, water management, trade promotion, development of post harvesting and processing industry and conservation of genetic resources and exchange of information through networking.

19. ECO Secretariat is trying to implement the decisions of the 1<sup>st</sup> Ministerial meeting in these priority areas with the help of member states and FAO. In this regard different meetings, workshops etc. have been held so far. The last meeting held in this connection was the Senior Officials' meeting (SOM) on Agriculture at the level of Deputy Ministers of Agriculture of the member states, held in Tehran on July 26-28, 2004.

20. The Secretariat has been streamlining its activities in the field of Industry and has focused on two basic elements of the industrial restructuring policies, namely (i) privatization and (ii) development of SMEs.

21. The 1<sup>st</sup> Ministerial meeting on Industry held in Tehran in January 2004, adopted a Plan of Action and also identified coordinator countries in priority areas. The Secretariat with the help of member countries is trying its best to implement the decisions of the Ministerial meeting.

22. As per the decision of the 13<sup>th</sup> COM, the Secretariat prepared and submitted a revised version of the Plan of Action on ECO's Participation in the Reconstruction of Afghanistan, reflecting the concerns and views of the member states. The Plan is under implementation.

23. The Secretariat also prepared Status of ECO Calendar of Events for 2003 and 2004 and submitted it to the member states on regular basis.

24. The Secretariat has also used ECO feasibility fund for financing feasibility studies of ECO priority projects and published a "Directory of Training Institutions" and "Roster of leading experts" in different fields.

25. The 1<sup>st</sup> meeting of Finance/Economy Ministers was held on January 29-30, 2004, in Islamabad, Pakistan. The implementation of the decisions of the meeting is being followed by the Secretariat and reports in this regard are being submitted for consideration of CPR and COM meetings.

26. As directed by 13<sup>th</sup> COM, the Eminent Persons Group (EPG) held its two meetings at the ECO Secretariat on January 13-15, 2004 and May 22-25, 2004, respectively and formulated its recommendations.

27. The Secretariat continued to undertake socio-economic research on various issues of interest to the ECO member states. It continued its analytical studies and policy oriented research with programmes such as ECO Annual Economic Reports, progress of ECO Decade, Macro-economics and Foreign Direct Investment Overview of the ECO region, ECO Guidebook, Human Development Index Performances of ECO countries, ECO Statistical Bulletins, ECO Prospects and Challenges in Transport & Communications Sector, ECO Guidebook on Statistical Methodologies, ECO web site, Macro-economic performance issues and policies in the ECO countries.

28. The Secretariat has been endeavouring to provide ECO greater international visibility as well as help seeking financial and technical expertise from the international donor agencies. Its relations with international and regional organizations form an important aspect of its activities. Relations with UNDP and IDB have been very beneficial as far as the financial and technical assistance is concerned. In April 2003, ECO and FAO signed Technical Cooperation Programme (TCP) project to support ECO for preparation of a Regional Programme for food security which is being implemented successfully.

29. ECO has also been successful to sign MoUs in 2003, with the World Customs Organization (WCO), UN Economic Commission for Europe (UNECE) and Colombo Plan. Recently, an MoU has been signed on 18 August 2004 between UN Environment Programme and ECO for strengthening Environmental Management in the ECO region.

30. The ECO Specialized Agencies are carrying out their responsibilities in various fields and they will present their annual reports on their performance, challenges and recommendations to the present COM.

31. Drug Control Coordination Unit (DCCU) became operational at the Secretariat in December 2002. It interacts with the member states and other international drug control organizations and shares information on measures taken in combating illicit drug production and trafficking in the ECO member states. It has established its own web site, operative both in English and Russian languages. The National Focal Points of the member states have been designated for working with DCCU on the technical matters relating to drug supply and demand reduction.

32. The quality of management and administrative machinery at the ECO Secretariat is an important factor in its efficiency and performance. In order to improve the performance of the Secretariat, recommendations for the improvement of administration may kindly be taken into consideration.

33. Efforts have also been made to publicize the achievements and activities of the organization. This has been done in the form of periodical interviews and meetings with media-men, academicians and scholars. On the occasion of major events of the organization, press releases are issued that are duly carried by the media.

34. I wish to place on record our deep gratitude for the unstinted cooperation that we have received from the Member States. It is my sincere hope that the same kind of cooperation would also be forthcoming in the days to come to attain the goals and objectives of this Organization. I have given some recommendations where necessary which I hope will be given due consideration by the Council.

## ECO Activities

### I. Trade and Investment

35. The prime objective of the ECO in the trade as a priority area is to take measures towards progressive removal of trade barriers within the ECO region and expand intra and inter-regional trade, keeping in view the experiences of other regions and global economic trends. In this regard ECO is pursuing a two-track strategy that is aimed at i) removal of tariff and non-tariff barriers in the region, thus providing regulatory and enabling environment for trade (top-down activity from governmental to business sector); and ii) increasing the interaction of private sector in various product groups potentially important in the region (bottom-up activity from business to governments).

36. At present level, intra-regional trade among the ECO Member States amounts to US\$ 11 billion (2002) which is around 5.6 per cent of their total foreign trade. The total external trade of ECO countries in the region is US\$ 198 billion that corresponds to 1.5 per cent of the total world trade. It is estimated that with the elimination of tariff and non-tariff barriers the intra-regional trade can be increased to over US\$ 16 billion.

37. An important achievement of ECO in the trade sector is the ECO Trade Agreement (ECOTA) that was signed on 17 July 2003 in Islamabad, Pakistan during the 2<sup>nd</sup> ECO Ministerial meeting on Commerce/Foreign Trade. This agreement is aimed at gradual removal of tariff and non-tariff barriers with a view to establish a free trade area for the betterment and economic prosperity of the peoples of the ECO region. The above Ministerial meeting also established a High Level Experts Group (HLEG) on Trade, Investment and Other Related Matters. The 1<sup>st</sup> meeting of HLEG, held in Ankara on 13-15 January 2004 recommended a "Fast Track Approach" reducing highest tariff slab from 15 per cent to 10 per cent within 5 years instead of 8 years for early implementation of ECOTA. So far, only Tajikistan has ratified the Agreement. The signatory Member States are requested to accelerate the process for ratification of the ECO Trade Agreement as early as possible. Those Member States that have not yet signed the agreement, may consider signing the same at the earliest.

38. 2<sup>nd</sup> HLEG scheduled to be held in Islamabad in the near future, is expected to finalise/prepare the Annexures of ECOTA that will help operationalize the said Agreement. It is therefore, imperative that the 2<sup>nd</sup> HLEG meeting takes place as soon as possible.

39. In order to promote investment in the region, 1<sup>st</sup> ECO Regional Trade and Investment Conference was held on Kish Island (Iran) on 17-18 February 2003. Revised Agreement on Promotion & Protection of Investment among ECO Member States (APPI) was thoroughly seen and discussed by the 1<sup>st</sup> meeting of HLEG on Trade, Investment & Other Related Matters. The Second ECO Regional Trade and Investment Conference was held in Kabul, Afghanistan on 18-19 April 2004. 2<sup>nd</sup> HLEG will finalize APPI that will be subsequently submitted to the 3<sup>rd</sup> Ministerial Meeting on Commerce/Foreign Trade to be held in Turkey in 2005 for approval of the Member States and its enforcement.

40. 1<sup>st</sup> and 2<sup>nd</sup> Buyers/Sellers Meetings on Textiles & Clothing and on Food and Beverages were held in Istanbul in 2001 and in Almaty in 2003 respectively under the 1<sup>st</sup> phase of the joint ECO/ITC project, which was sponsored and funded by the UNDP, IDB and ECO. The objective of this project is to promote ECO Region's trade through organizing Buyers/Sellers meetings. 1<sup>st</sup> ECO Business Forum, Product Selection Workshops and Demand/ Supply Surveys were also held in the years 2002-2003. The 2<sup>nd</sup> phase of ECO/ITC is under consideration by the Member States. These meetings will have a direct bearing on the promotion of trade and understanding of each others' products and markets. Similar forums are providing ample opportunities to the business communities of the Member States.

41. In the field of customs and transit trade, the 3<sup>rd</sup> ECO Council of Heads of Customs Administration, met on 8-10 March, 2004 at Islamabad and deliberated on the establishment of ECO Smuggling and Customs Offences Data Bank, simplification and harmonization of customs procedures and transit trade cooperation. I.R. of Iran and Republic of Turkey are organizing training courses on different customs matters which can be seen as practical steps towards cooperation among the Member States.

42. Establishment of ECO Trade and Development Bank has remained the prime objective of ECO. The agreement for the establishment of the institution was signed in 1995, by Iran, Pakistan and Turkey. The three signatory member countries have already ratified the Bank Agreement and have also signed its Articles of Agreement. During the Trilateral Committee meeting on 6-7 April 2004, in Ankara, parties reiterated their strong will to establish the Bank. The 89<sup>th</sup> Meeting of the Council of Permanent representatives (CPR) held on 1<sup>st</sup> August 2004, agreed on the need to hire a consultancy firm to prepare the ECO Business Plan for the establishment of ECO Trade and Development Bank to be financed from the ECO Feasibility Fund.

43. Agreement for the ECO Reinsurance Company already finalized by the experts of the three Member States is likely to be signed this year. Early establishment of this institution together with the ECO Bank will open a new era of cooperation in the field of insurance amongst the ECO Member States.

44. ECO Chamber of Commerce and Industry, established in 1993, remained inactive for years. Efforts are being made to reactivate it after the meeting of its 7<sup>th</sup> General Assembly in Kabul, Afghanistan on 20 April 2004. Member States may kindly extend their technical support for reactivation of ECO-CCI which on rotational basis took over the Chairmanship of ECO-CCI for two years. As a supplementary effort, due consideration may also be given to the formation of an "ECO Business Advisory Council" to encourage private sector participation in the ECO projects.

45. ECO has actively participated in the "Conference on Afghanistan's Regional Economic Cooperation: Central Asia, Iran and Pakistan" in Bishkek, Kyrgyz Republic on 10-12 May 2004 jointly organized by UNDP and Kyrgyz Republic. This Forum has provided an opportunity to understand the development needs of Afghanistan.

46. It is imperative for the ECO to develop and strengthen relations with the relevant international and regional organizations (such as ESCAP, WTO, UNCTAD and ASEAN) to exchange views and gain the experience of each others in the field of Trade and Investment in realizing its objectives.

47. Non-availability of trade related information is regarded as a major obstacle in the promotion of regional trade. In this regard, ECO has developed an interactive Web portal ([www.tradeeco.org](http://www.tradeeco.org)) with the financial assistance of UNDP. ECO is actively working on the establishment of Trade-Net that will facilitate the Member States to exchange useful information on Trade and Commerce. Member States may kindly provide timely and updated information on trade to the Trade & Investment Directorate of the ECO Secretariat.

## **II. Transport & Communications**

48. Our sectoral priorities cover all vital areas of economic development but as it is underlined in the economic cooperation strategy for the ECO region, Transport and Communications along with Trade and Energy enjoy high priority in our regional agenda. It is impossible to speak of speeding up economic growth and activity without proper development of transport and communications linkages across the ECO region. It is, therefore, imperative that the main transport and communication arteries of ECO member regions, among themselves, as well as with the global transport corridors are interconnected. Hence, it is high time for the ECO countries to mobilize projects and plans in this important sector.

49. Since the 13<sup>th</sup> COM, several important meetings have been held to take stock of the process of implementation of various projects and plans. These include the 5<sup>th</sup> Ministerial Meeting of Transport and Communications, the 8<sup>th</sup> Meeting of Heads of ECO Railway Authorities, the 1<sup>st</sup> Meeting of ECO Heads of Reference Marine Organizations and the 1<sup>st</sup> Meeting of ECO Postal Authorities, etc.

50. The 5<sup>th</sup> Ministerial Meeting on Transport and Communications was held in Cholpon-Ata/Kyrgyz Republic on 12 August 2004. The meeting was preceded by Senior Officials meeting on 10-11 August 2004. The meeting reviewed the entire gamut of cooperation in the field of transport and communications and underscored the need for early implementation of projects and plans in this field.

51. In view of the serious problems facing the ECO Shipping Company, it was agreed that the meeting of the General Assembly of the Company may be convened early to decide about the future of the Company. The meeting decided to put end of the year 2004 as the deadline for receiving proposals to correct the railway maps already

prepared by the Iranian Railways. It was agreed to hold a High Level Experts Group meeting in January 2005 to discuss the preparation of road maps and take final decision on this issue.

52. The participating delegations briefed the meeting about the latest activities of their respective governments on implementation of the projects contained in the Programme of Action for ECO Decade of Transport and Communications (1998-2007) particularly in terms of constructions of missing roads and railways links. The meeting urged all the member countries to coordinate efforts to implement to make projects of container and passenger trains a success and remove the problems that were coming in the way of these projects.

53. 8<sup>th</sup> Meeting of Heads of ECO Railway Authorities was held in Istanbul on 6-7 July 2004. An important outcome of the meeting was the endorsement of a Memorandum of Understanding (MoU) on “ECO Railway Tariff Policy in International Freight Traffic”. The draft of this MoU was finalized in the 5<sup>th</sup> Expert Working Group meeting held at Almaty in April 2003 and is aimed at removing one of the barriers hampering smooth railway transport in the region. It is now for the member countries who have signed the MoU to implement the same in letter and spirit to draw maximum benefit out of it.

54. The Heads of ECO Reference Marine Organizations held their 1<sup>st</sup> meeting in Tehran on 13-16 October 2003. During the meeting, the member states highlighted the progress made in their respective countries to overcome physical and material constraints affecting the maritime services and down stream costs. The meeting noted with satisfaction the improved handling facilities for containers on the ports of Azerbaijan, Kazakhstan, Iran, Pakistan and Turkey. It agreed to recommend scheduling of expert level meeting on IT to establish port and marine related information exchange service among the member states. It also welcomed exchange of training courses in the field of maritime safety and environment. The member states agreed to consider a proposal to establish a High Level Marine Transport Experts Group (HLMTEG) to promote coordination among sea port organizations/authorities of member states. The second meeting of the Heads of ECO Reference Marine Organizations is over due. The Turkish authorities will soon be proposing dates for the same.

55. The 1st meeting of the ECO Postal Authorities was held in Cholpon-Ata, Kyrgyz Republic on April 20-21, 2004. The meeting, inter alia, agreed on the need of expansion of cooperation of the member states in postal services through a common approach within relevant international organizations such as UPU; establishment of a data base for introduction of new postal products as well as new technologies; designation of an ECO Postal Training Centre in the region and the formation of a Working Group to study the status and structure of postal services of the member states and submit recommendations for improvement of such services. The meeting also stressed the importance of holding seminars and workshops, exchange of postal personnel and issuance of common stamps and holding common philatelic exhibitions.

56. Despite some progress, we have not been able to implement the two important projects of container and passenger trains on Trans-Asian Railway main line route. In addition to the 5<sup>th</sup> Ministerial meeting as well as the 8<sup>th</sup> Meeting of Heads of ECO Railway Authorities, these projects were discussed in the 1<sup>st</sup> and 2<sup>nd</sup> meetings of the “Steering Committee (Coordinating Unit) to monitor and ensure the smooth running of container trains on the Trans-Asian Railway main line” that were held in Istanbul and Tehran in September 2003 and May 2004 respectively. The above meetings concluded that time scheduling of the container trains, tariff determination as well as the Common Container Pool were among the important bottlenecks that were hampering the smooth running of the container trains.

57. As regards the passenger train, a trilateral meeting was held in Mashad in 2003 that was attended by the delegations of Kazakhstan, Iran and Turkmenistan. The meeting discussed various technical issues and agreed on the joint regulations on the operation of the said train.

58. The revival of historical Silk Road has been considered by the ECO member states as an important project for the regional integration. To this objective the 1<sup>st</sup> meeting Experts Working Group to fine tune Draft Action Plan for revitalizing and operating the China-Middle East-Europe Corridor was held in Tehran in May 2004 on the basis of a proposal which was given in the 3<sup>rd</sup> Ministerial Meeting on Transport and Communications (Islamabad, April 2000). This meeting discussed the importance of the China-Middle East-Europe Corridor (Silk Road) as well as the progress in the joint efforts of the railways of the member states to revitalize this corridor. The meeting decided to establish a Working Group of Experts with special Sub-Working Groups that would work on different issues dealing

with existing problems and identify physical and non-physical impediments on operationalization of the said corridor. The same Working Group would also focus on the bottlenecks in the smooth operation of container trains that were identified in the 2<sup>nd</sup> Steering Committee meeting referred to above. The 5<sup>th</sup> Ministerial Meeting on Transport & Communications asked the ECO Secretariat to prepare Terms of Reference for this Working Group. Meanwhile, Iran has revised and updated the Action Plan. The same has been circulated to the Member States for their views/comments.

59. The above mentioned projects of interlinking the region through rail transport are vital for cooperation in the field of transport and can be described as the flagship programme of ECO. These projects can not be implemented without unwavering support of all the member states particularly those countries that fall on this route. The lack of interest on the part of any Member State can put these projects in jeopardy. In view of the importance of these projects, the recently concluded 5<sup>th</sup> Ministerial meeting on Transport & Communication called for a “collective political appeal to those Member States” from whom the desired level of support was not forthcoming.

60. Another significant framework for promoting transit trade among ECO member states is the implementation of the Transit Transport Framework Agreement (TTFA – 1998) which has been signed by nine member states and ratified by five countries. This important Transport document covers many areas of rail, road and sea transport and has been prepared by close harmonization with TIR carnet.

61. Implementation of the said document undoubtedly will be a great achievement in creating smooth transit transport and pave the way for transit trade in the region. For coming into force, this agreement should be ratified by six member states. So far, Azerbaijan, Kazakhstan, Kyrgyzstan, Pakistan and Tajikistan have ratified the said agreement. The remaining Member States are once again requested to consider accelerating the process for early ratification of the said agreement.

62. Considering the importance of TTFA and in order to harmonize the said Agreement with Transit Trade Agreement (TTA), a High Level Expert Group meeting was held in Istanbul in September 2003 which discussed the ways to remove inconsistencies between these two ECO agreements. The meeting recommended that TTA should be temporarily shelved in favour of TTFA which was a more comprehensive document and be considered the main transit transport document in ECO region.

63. As regards the ECO joint projects with other International Organizations, the Directorate of Transport has pursued two important joint projects since 2003. In a project with UNDP which was about the Identification of Border Cross Points Constraints in ECO Region, the UNDP consultant who was accompanied by an ECO staff visited 8 border cross points and prepared a very comprehensive report on the basis of identifying the physical and non-physical problems in those border points. But considering the shortage of time as well as some administrative problems such as visa constraints, only 40 per cent of the said project was implemented. The Secretariat is planning to pave the way for implementation of the remaining part of this project in consultation with UNDP.

64. Other important project which can benefit the entire ECO region is Multimodal Transport and Trade Facilitation project. This is a joint project with UNCTAD, IDB and UNESCAP. The first phase of the project has recently been completed with a Workshop on the subject held at the ECO secretariat in May 2004. The second phase of the project has already started. Comprehensive studies related to Multimodal Transport and Trade Facilitation, regional workshops, training courses envisaged in this project will pave the way for promotion of multimodal transport in the ECO region with the aim of boosting trade among the ECO member states.

### **III. Energy, Minerals and Environment**

#### **a. Energy**

65. During the period under review, the Secretariat, in cooperation with the concerned authorities of the Member States, has carried out work in the field of energy, focusing on the implementation of the Plan of Action for Energy/Petroleum Cooperation in the ECO region (2001-2005), endorsed by the first ECO Ministerial Meeting on Energy/Petroleum (Islamabad, 2000). The Secretariat also achieved some progress in activities relating to the interconnection of power systems in the ECO region as was instructed by the 13<sup>th</sup> COM meeting.



66. The Islamic Development Bank (IDB) agreed to grant US\$ 400,000 for the Feasibility Study on Interconnection of ECO countries' Power Systems. The 6<sup>th</sup> meeting of the Specialized Experts Task Group on Power, which was convened at the ECO Secretariat in August 2003, discussed six bid proposals from consulting companies/consortia of ECO Member States. Following the decision of the 83<sup>rd</sup> CPR meeting in December 2003, all the proposals were sent to the Islamic Development Bank for the selection of a Consultant with whom the ECO Secretariat would work on the implementation of the study. The Bank has recently conveyed its recommendations that will be considered by CPR and based on CPR's decision, the work on the implementation of the feasibility study would commence.

67. Considering the development of the power trade issues as integral part of the project of inter-connection of ECO countries' power systems and instrument for enhancing cooperation between the Member States in the field of energy, the 13<sup>th</sup> Regional Planning Council (RPC) meeting recommended continuation of convening workshops/meetings on this subject. As a result of the same, ECO Secretariat has been negotiating with the World Bank, the organization of a workshop on the regional power trade in 2004/2005.

68. The energy specialists from the ECO Member States, with the assistance of the Secretariat, took part in the International Practical Training Programme on Energy Efficiency and Conservation, which was held in Ankara, Turkey in October 2003 by the host authorities in cooperation with the Japan International Cooperation Agency (JICA). It was a second training course organized in this field since 2002. The third such a training programme will be held in Ankara before the end of 2004. The Member States were invited through ECO Secretariat to nominate their participants.

69. In view of the increasing importance of development of renewable sources of energy worldwide, friendly to the Environment and their wider use in the ECO region, the Secretariat in 2003 formulated a detailed proposal on cooperation in the field of New and Renewable Sources of Energy and made it available to the Member States. It is a new ECO activity in the field of energy. The First ECO Workshop on New and Renewable Sources of Energy held in Ankara in May 2004, while considering that proposal positively, amended it and recommended that the text of the document along with the report of the Workshop should be submitted to the upcoming 2<sup>nd</sup> ECO Ministerial meeting on Energy/Petroleum.

70. The preparations for the 4<sup>th</sup> High Level Experts Task Group on ECO Oil and Gas Pipeline Route(s) meeting scheduled to be held in October 2004 in Turkey have been completed. The meeting is expected to review the latest situation concerning the prospects of production and consumption of oil and gas in the Member States; developments related to the oil and gas pipelines in the region; as well as the possibility of using the research funds available for a feasibility study on the ECO Oil and Gas Pipeline Route(s) and its possible scope.

71. The ECO Secretariat presented to the OPEC Secretariat a proposal for convening a Joint ECO/OPEC Workshop on International Petroleum Market, and the latter has confirmed its interest in having such a joint event in January 2005. The venue and dates of the workshop are under discussion between the ECO Secretariat and the Islamic Republic of Iran.

72. It is expected that the forthcoming 2<sup>nd</sup> ECO Ministerial Meeting on Energy/Petroleum to be held in Tehran will consider, along with other vital issues, the progress on the implementation of the Plan of Action for Energy/Petroleum Cooperation in the ECO region (2001-2005) as well as the ways and means for further enhancing the cooperation in this priority field.

73. UN ESCAP publication entitled "Electric Power in Asia and the Pacific: 1999 and 2000" was prepared in 2002-2003 with the collaboration of ECO Secretariat and some ECO Member States. Recently, UN ESCAP, while appreciating ECO for its assistance in the data collection process for the said publication, further expressed its interest to include data for more ECO Member States in its similar publication for the years 2001-2002. The ECO Secretariat has requested the concerned authorities of the Member States to cooperate in this respect and provide the required data.

## **b. Minerals**

74. Bearing in mind the importance of attracting the foreign investment in the mineral sector of the ECO region and creating the environment conducive for it, the Secretariat convened the ECO Mineral Experts Group meeting on Legal and Fiscal Regimes for promotion of Foreign Direct Investments (FDI) in the mineral sector on 29-30 June 2003 at the ECO Secretariat, with the financial assistance of Islamic Development Bank (IDB). The meeting agreed on a Plan of Action for promotion of Foreign Direct Investments in ECO mineral sector.

75. The outcome of the said meeting and the progress in the implementation of the Plan of Action for cooperation among the ECO countries in the field of minerals were considered during the Second ECO Mineral Experts Group meeting held in Ankara on 20-22 October 2003. The meeting recommended further actions towards the setting up of an on-line dynamic and multipurpose ECO Mineral Data Bank and preparation of the Metallogenic Map, which are now under implementation.

76. As per the above-mentioned Plan of Action for cooperation on minerals, the process of collecting necessary data for ECO MDB has been mainly finalized and the Project Manager (Turkey) was requested to arrange the publication of its first version in 2004.

### **c. Environment**

77. The 13<sup>th</sup> Council of Ministers took note of the report of the First ECO Ministerial Meeting on Environment held in December 2002 in Tehran and requested the Member States to take the necessary measures to implement its decisions. The Council also requested the Member States to establish as soon as possible the agreed Working Group on Environment to implement and suggest amendments if necessary in the Plan of Action and Tehran Declaration on Environment prior to the scheduling of the 2<sup>nd</sup> Ministerial Meeting on Environment to be held in Turkey in 2004.

78. The first meeting of the ECO Working Group on Environment established for the implementation of the said Plan of Action on Environment was held in April 2004 in Ankara. It reviewed the Plan of Action and suggested some modifications to the said Plan for making it more feasible and workable, to be endorsed by the upcoming 2<sup>nd</sup> Ministerial Meeting on Environment.

79. As foreseen in the Plan of Action for Cooperation among ECO Member States on Environment (2003-2007), the Member States had been requested to submit to the Secretariat a Bi-annual National Progress Report on the Implementation of the Plan of Action twice a year, to be integrated by the ECO Secretariat and made available to all Member States. The meeting, taking into account the experience already gained, considered the issue and suggested that a single format for the report be developed to make them more consistent and reflective of the course of implementation of the Plan of Action. Subsequently, a new format was developed by the Secretariat to be used for upcoming reports.

80. In order to facilitate the implementation of the above Plan of Action, the National Focal Points on environment were appointed by all Member States for coordination of joint activities in this important field. To enhance working contacts with the National Focal Points and their involvement in the implementation of the said Plan of Action, ECO Secretariat has established direct communication with them through E-mail.

81. The second Meeting of the Working Group on Environment was held in August 2004 in Tehran. The meeting continued consideration of the views and proposals of the Member States for the implementation of the Plan of Action including the establishment of ECO College of Environment and the publication of ECO Quarterly Bulletin on Environment.

82. An ECO Workshop on Wastewater Management and Treatment Technology was held at the Eastern Mediterranean University of Gazimagosa in May 2004. The Workshop considered the current situation of water availability and use in ECO region with particular emphasis on economic and environmental aspects of wastewater management and treatment technology.

83. The second Experts Meeting on Energy Resources Development and their Environmental Impact Assessment was organized in August 2004 in Tehran. Its participants considered the environmental impact of energy resources and the role of environmental management in ECO region as well as the environmental management

system in energy resources development projects. The meeting also addressed such related issues as capacity building and environmental evaluation of renewable sources of energy such as power plants or hydroelectric power.

84. The outcomes of the above- mentioned events as well as the course of environment cooperation in the region, with particular attention to the implementation of the Plan of Action on Environment, will be submitted for the consideration of the forthcoming 2<sup>nd</sup> ECO Ministerial Meeting on Environment to be held in Istanbul, Turkey on 4-6 October 2004. The preparation for this event is under way.

85. The 13<sup>th</sup> COM appreciated the initiative as well as the efforts of the Secretary General to prepare the grounds for signing the Memorandum of Understanding (MOU) between ECO and UNEP, ensuring some technical and financial assistance for ECO in the field of environment.

86. During the last year the ECO Secretariat closely cooperated with UNEP and ECO Member States on preparation of the draft MOU between the two organizations. CPR at its 86<sup>th</sup> meeting in February 2004 endorsed signing the draft text of MOU with UNEP amended by the ECO Member States. The MOU was signed at the ECO Secretariat in Tehran on 18<sup>th</sup> August 2004 by the Secretary General ECO and Executive Under-Secretary General of UNEP on behalf of their respective organizations.

87. Upon the negotiation between the ECO Secretariat and the World Meteorological Organization (WMO) held in 2003, a draft MOU was prepared and endorsed by the ECO Member States for signing between the two organizations. This MOU will serve the interest of the ECO Member States by utilizing the potential of WMO for promotion of ecology and environment protection of the region.

88. ECO Secretariat, at the request of the Secretariat of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and in line with the existing MOU between the two organizations, has been cooperating with ESCAP in the preparation of a report on the State of the Environment in Asia and the Pacific 2005 for its part, covering the sub-region of Central Asia as well as Iran and Turkey, while the other ECO Member States are covered by ESCAP.

#### **IV. Agriculture, Industry & Health**

##### **a. Agriculture**

89. Agriculture is one of the most important economic sectors in all of the ECO Member States. One of the objectives of the Economic Cooperation Organization is to enhance efforts for effective utilization of the agricultural potentials of ECO region as stipulated in the Treaty of Izmir.

90. The 1<sup>st</sup> ECO Ministerial Meeting on Agriculture held in Islamabad in July 2002 provided an appropriate forum to ensure political commitment of the members and to guide the Secretariat in prioritizing ECO activities in the field of agriculture. During the Meeting, some specific priority cooperation areas have been determined along with coordinator countries such as drought management (Iran), water management (Pakistan), trade promotion (Turkey), development of post harvesting and processing industry (Turkey), and conservation of genetic resources and exchange of information through networking.

91. In line with the decisions of the Ministerial Meeting on Agriculture, I.R. of Iran with the assistance of FAO and ECO Secretariat organized an ECO Workshop on Drought Management in December 2003. The Workshop prepared a Draft Plan of Action for Drought Management. The I.R. of Iran has proposed the establishment of a “Regional Center for Drought Management and Mitigation” in Tehran and a “Regional Sub-Center for Risk Management of Natural Disasters” at Iranian National Center of Climatology in Mashad. This sub-center will cover mainly meteorological aspects of drought.

92. Also, taking into consideration the urgent need for efficient utilization of the scarce water resources in the region, the Ministerial Meeting has identified the Islamic Republic of Pakistan as a coordinator country for Water Management. The concerned authorities of Pakistan are preparing their proposed policies/programmes for ECO Cooperation in the field of Water Management which will be communicated soon. Pakistan has also announced its readiness to organize an ECO Workshop on Water Management in 2004.

93. The development of post harvest and agricultural processing industries is another priority area. Turkey, as a coordinator country in this field, has announced to organize an ECO Workshop on Development of Post Harvest and Processing Technologies for vegetables and fruits on 13-14 October 2004 in Yalova-Turkey. Relevant Turkish authorities are also planning to organize another Workshop on cereal and pulses in 2005. Through these workshops, possible areas and future cooperative activities will be determined among the member countries.

94. Increasing inter-regional trade will allow countries to cultivate more competitive crops as well as to improve quality. Turkey, as a coordinator country in trade promotion, has suggested measures such as approximation of trade procedures across ECO Member States, adjustment of the rules on the application of “sanitary and phyto-sanitary” measures in compliance with the rules of the WTO, fostering cooperation between officials involved in the regulation of trade etc. Turkey and Pakistan will also organize Workshops on WTO agreement on agriculture.

95. In the field of food security, ECO Secretariat and FAO signed a Technical Cooperation Programme (TCP) Project for the preparation of a Regional Programme for Food Security in the region. Within the framework of the project, ECO Secretariat and FAO Regional Office for Near East are jointly developing a regional strategy and regional and sub-regional (for Central Asia) programs for food security and agricultural development. Under the project and through joint ECO-FAO missions to the member countries mid-term investment programs including some bankable projects for each country would be prepared for submission to the donor organizations. So far, a High Level Technical Workshop on Regional Programs in the Near East (IDB Head Quarter-Jeddah, October 2003), Training Workshop on Agricultural Policy Analysis for National Consultants/Focal Points (Almaty: October 2003) and ECO-FAO joint Missions to Iran and Pakistan have been realized. Findings of the missions have identified measures for promoting agricultural trade and enhancing domestic production. In September 2004, FAO and ECO will organize the Second Workshop on Food security Project Analysis in Issyk-Kul, Kyrgyzstan.

96. A Senior Officials’ Meeting (SOM) on Agriculture at the level of deputy ministers of agriculture of the Member States was held in Tehran on 26-28 July 2004. The meeting reviewed the implementation of the decisions of the First Ministerial Meeting and emphasized to improve cooperation among the member countries in the fields of plant and livestock diseases, preservation of forests, range land management, environmental issues and conservation of natural resources especially preservation of genetic resources, sustainable utilization of soil and water resources, and foreign investment and technology transfer.

97. The SOM on Agriculture took note with appreciation of the proposals of Iran and Turkey to be the coordinator countries in the fields of conservation of plant genetic resources and conservation of animal genetic resources, respectively. The meeting also supported the proposal of Iran for the establishment of a regional agricultural biotechnology network to enhance agricultural biotechnology capacity in the ECO region. Agricultural Biotechnology Research Institute of Iran (ABRII) will coordinate and provide training, consultancy and laboratory facilities in this regard.

98. The ECO Secretariat also pays due importance to the regional cooperation on combating and controlling livestock diseases. Recently, the SOM on Agriculture also supported the idea of the establishment of a “Permanent Commission for Prevention and Control of Animal Diseases” in the region. The Commission will supervise an overall analysis of the latest situation of animal diseases, trans-boundary movement of animals in the region, problems in preventing, controlling and eradicating livestock diseases and the current and future policies and programs of the Member States for livestock development and control of animal diseases. The Meeting also supported the recommendations of the First and Second Task Force Meeting for establishment of Buffer Zones in Border Areas of ECO for Animal Quarantine

99. In this connection, the SOM welcomed with appreciation the Iranian offer of being the coordinator country for livestock sector. Iran in coordination with the Member States and the Secretariat, will initiate the preparation of a strategy in livestock sector for submission to the international institutions/organizations to secure their technical guidance and financial support. The SOM also welcomed the proposal of Kyrgyz Republic to establish a “Sub-Regional (Central Asia) Center for Controlling Animal Diseases in Bishkek.

100. Contribution to the reconstruction of agriculture sector in Afghanistan is also of high significance in the ECO regional cooperation in the region. This issue has also been highlighted by both ministerial and senior officials’

meetings on agriculture. The latter discussed the needs of Afghanistan for technical assistance in the field of agriculture, especially in alternative crops to replace poppy cultivation; seed production; suitable financing for farmers; animals vaccination facilities and prevention of trans-boundary animal diseases; irrigation systems, biodiversity and bio-technology; establishment of animal clinics etc. After considering ongoing technical assistance of some ECO member countries to Afghanistan in the field of agriculture, the Meeting called each member country to intensify their assistance to Afghanistan for the rehabilitation of its agriculture sector.

101. In line with the decision of SOM to support the rehabilitation of agriculture sector in Afghanistan, the I.R. of Iran has expressed its readiness to provide training and research facilities for researchers from Afghanistan to screen and evaluate their local varieties for drought and salt stresses.

102. The Secretariat has also proposed FAO to launch jointly a regional programme for capacity enhancement in ECO countries for WTO related matters and food safety regulations. The proposal is under consideration by FAO. It appears that FAO's approach is positive.

## **b. Industry**

103. According to the Treaty of Izmir, one of the main objectives of ECO is to pave the way for smooth integration of the economies of the Member States into world economy and to ensure their fuller participation in the globalization process. In line with this objective, the ECO Secretariat has been streamlining activities in the field of industry, with special emphasis on industrial restructuring policies. In this regard, the Secretariat has focused on two basic elements of the industrial restructuring policies; (i) privatization and (ii) the development of Small & Medium Enterprises (SMEs).

104. The First Ministerial Meeting on Industry, which was held in Tehran in January 2004, adopted a Plan of Action and Tehran Declaration for Industrial Cooperation. This is regarded as a turning point in the ECO cooperation. The Ministers agreed to endeavor for greater regional integration with a view to enhance industrial competitiveness of the region to take a significant role in the globalization. Human resource development was particularly emphasized.

105. The Ministerial Meeting established an Experts Group for identifying industrial potentials and needs of member countries for the preparation of the "ECO Regional Strategy on Industrial Cooperation". The First Meeting of the Experts Group is scheduled to be held on 21-23 September 2004 in Turkey.

106. The Meeting also identified coordinator countries in priority areas for ECO cooperation. The priority areas include, (i) Improvement of investment climate and promotion of intra regional Investments (Iran), (ii) private sector development and privatization (Turkey); (iii) Development of Small and Medium Sized Enterprises (Iran and Turkey); (iv) Technology Transfer and Management (Iran and Pakistan); (v) Intellectual property rights related to industry (Turkey and Kyrgyzstan) (vi) Human Resource Development and Technical Cooperation (Pakistan); and (vii) Standardization, Conformity Assessment and Accreditation (Turkey and Iran). The coordinator countries, in cooperation with other member countries and the Secretariat, would prepare specific plans and programmes for cooperation in their respective fields of responsibilities.

107. The Ministerial Meeting also decided to establish a High Level Experts Group, comprising senior experts/officials of the Member States for proper implementation for the Plan of Action for Industrial Cooperation in the ECO Region and to supervise ECO activities in the field of industry. The HLEG will report to the annual ECO Ministerial Meetings on Industry.

108. During the Ministerial Meeting, the Member States also agreed to cooperate in the industrial sub sectors through formation of the consortiums, joint ventures and joint sub sector development among ECO member countries.

109. The First Meeting of the Heads of the Privatization Administrations of the ECO Member States was held in Tehran on 5 July 2004. It was preceded by Experts Group Meeting on Privatization and Private Sector Development on 3-4 July 2004.

110. Aiming to establish an effective regional cooperation in the field of privatization and private sector development, the Heads of the Privatization Administrations agreed to (i) exchange policy documents, information on privatization and private sector development for setting up regulatory regimes in the region; (ii) exchange information on the portfolio of companies to be privatized and bidding procedures with the aim of increasing cross country investments; (iii) organize joint ECO training programmes; (iv) launch joint programmes for industrial restructuring and rehabilitation; and establish an ECO pool of consultants on privatization etc.

111. During the meeting, the delegates were of the view that the privatization policies of the Member States should have an orientation to create a strong private sector as the engine of growth in the region. They also agreed to give a particular focus to Foreign Direct Investment (FDI) in the process of privatization, to enhance and ensure maximum utilization of the consultancy capacity within ECO region, to offer technical cooperation facilities to each other for helping capacity enhancement in the field of privatization and private sector development, and to prepare social programmes. An HLEG on Privatization and Industrial Development comprising experts of each member country will also be established to assist privatization institutions in their privatization efforts by providing a channel

for sharing of experiences, know-how, documentation and skills in the implementation of national and regional privatization activities.

112. The ECO Workshop on the Development of SMEs was held in October 2002 in Tehran. The workshop provided a regional forum to share knowledge and expertise among the Member States and to benefit from each other's experiences and contributed to the development of the skills of national SME institutions from the ECO Member States. The 2<sup>nd</sup> Workshop on Development of SMEs is scheduled to be held in Turkey on 29 November to 3 December 2004.

### **c. Health**

113. The Secretariat has cooperative relationship with international organizations, UNFPA, UNICEF and WHO in the health sector. This relationship resulted in eight joint activities from 1994 to 2000.

114. The ECO Secretariat, in cooperation with UNFPA, organized a "Round Table Meeting on HIV/AIDS and Young People" in June 2003 in Kyrgyz Republic. The main objective of this Roundtable Meeting was to promote better understanding on the issues of HIV/AIDS and young people in the ECO region. Within that context, the primary goals were to raise awareness on the HIV/AIDS and to promote policy dialogue and better understanding at national levels on the issues relevant to young people and HIV/AIDS. The Meeting had brought together parliamentarians, representatives from civil society, experts, workers in the field and most importantly the young, as well as others, concerned with the HIV/AIDS situation in the region, made valuable recommendations and drew outlines for national policies and programmes.

115. A Meeting of the Heads of Red Crescent Organizations of the ECO Member States would be organized by Iran in 2004 to enhance preparedness of the Member States for disaster management.

### **d. Tourism**

116. The 3<sup>rd</sup> ECO Expert Group Meeting on Tourism to review the long-term perspectives and to prepare a Draft Plan of Action is expected to be held in 2004 in Iran.

## **V. Project Research**

### **a. ECO's Participation in Reconstruction of Afghanistan**

117. The reconstruction of Afghanistan continued to enjoy high priority in the Work Programme of the ECO Secretariat in the period under review. In accordance with the decision of 13<sup>th</sup> COM meeting, a revised version of the Plan of Action on ECO's participation in reconstruction of Afghanistan reflecting concerns and views of the Member States was prepared. The revised Plan envisages: (i) establishment of ECO Special Fund to finance some priority projects in Afghanistan; (ii) utilization of ECO Feasibility Fund for the feasibility studies for the priority projects in Afghanistan on a case to case basis; (iii) allocation of an adequate amount out of ECO Feasibility Fund for implementation of projects other than feasibility studies on a case by case basis; (iv) holding of an ECO seminar on the reconstruction of Afghanistan; and (v) training courses for Afghan officials in the priority sectors.

118. Following action has been taken towards the implementation of the above Plan:

- i) The Financial Experts' Meeting was held on 21 April 2004 in Kabul, Afghanistan to prepare the Modalities for the establishment and operation of the ECO Special Fund for the reconstruction of Afghanistan. The Modalities agreed by the Financial Experts will be now submitted to the 14<sup>th</sup> COM meeting for approval. After approval of the same, the Special Fund will be established with the contribution of the Member States.
- ii) The financing of the feasibility study for the rehabilitation of Nawar Bridge of Hesarak Nangahar Province, Afghanistan from the ECO Feasibility Fund amounting to US\$ 11,200/- was approved by the CPR. The agreement between the implementing agency ECO-CEC and the Secretariat as well as Government of Afghanistan was signed. Work on study has commenced.

- iii) The financing of a second feasibility study for the construction of canal crossings in Farah Province of Afghanistan through ECO Feasibility Fund amounting to US\$ 23,095/- has also been submitted to the CPR for approval.

**b. Follow-up Reports**

- i) The Secretariat prepared follow-up reports on the implementation of decisions of the meetings of 13<sup>th</sup> COM, 7<sup>th</sup> Summit and Working Group of Senior Officials (WGSO) on a regular basis and submitted the same to the CPR meetings. These will now be submitted to COM for consideration.
- ii) The Secretariat also prepared and submitted follow-up reports on the implementation of decisions of the 1<sup>st</sup> Ministerial Meeting on Finance/Economy held in Islamabad, Pakistan, on January 28-29, 2004, to CPR. The same will also be submitted to 14<sup>th</sup> COM meeting for consideration.
- iii) Status of ECO Calendar of Events for 2003 and 2004 was prepared and submitted to the Member States on a regular basis.

**c. UNDP Capacity Building Project**

119. In October 1998, ECO and UNDP agreed on the Project Capacity Building of ECO Secretariat, initiated at the preparatory level in August 1997. The project aimed at social and economic development of the people of ECO Member States by building the institutional capacity of ECO Secretariat and ECO-Specialized Agencies in pursuit of ECO goals.

120. Under this project, the Secretariat sought UNDP's support through staff training in multiple areas such as transport, trade, agriculture, macro-economic management and policy, and the establishment of research capabilities.

121. The first phase of ECO-UNDP Capacity Building Project was completed at the end of 2001. As a second phase of the ECO-UNDP programme, both the organizations agreed to implement a joint project in priority areas of ECO in 2002 and 2003. The agreed programme aimed at generating solution for the alleviation of trade barriers as well as strengthening the capacity of ECO staff for technical analysis in the areas of trade, investment and transport. The programme ended in July 2003 in the form of following ten consultancies:

- ECOTA Framework Document Covering Status of Non-tariff Barriers and Harmonization of Tariffs and Transit Fees in the ECO Region.
- Finalizing Ongoing ECO-ITC Activities.
- Identification of Direct Investment Potential of ECO Member States.
- Business Plan for ECO "Trade and Development Bank".
- Business Plan for ECO "Reinsurance Organization".
- Enhance Implementation of the TTFA System.
- Simplification of ECO Customs Organization and Procedures.
- Transport Linkages Development.
- Border Points Constraints Identification.
- Trade Information System Development.

**d. Cooperation with ECO-CEC**

122. With the support of the governments of all the ECO Member States, a central resource pool was created in the shape of ECO-Consultancy and Engineering Company (Pvt) Ltd., or ECO-CEC, to participate in the development projects to be sponsored by ECO Member States and ECO Investment and Development Bank. The ECO founder states; Iran, Pakistan and Turkey hold an equal share in ECO-CEC: Turkey being represented by two companies and Iran and Pakistan by one each. The Iranian and Turkish companies specialize mainly in oil and gas pipelines, refineries, petrochemical and industrial engineering, while the Pakistani partner in all other fields of development engineering, including communication, power, urban development, public health, telecommunications, water resources development and agriculture. The company remains keen to promote and develop expertise and for



this it has successfully held two ECO conferences on the role of ECO-CEC in the Member States, first in Lahore on 27-30 March, 2002 and second in Ankara on 14-16 October, 2003.

123. The 3<sup>rd</sup> Conference on ECO-CEC's Role in the Development of ECO Member States is scheduled to be held at the ECO Secretariat in Tehran in 2004. ECO-CEC is going to prepare two feasibility studies for priority projects of reconstruction of Afghanistan to be financed from ECO Feasibility Fund.

**e. ECO Feasibility Fund**

124. The Secretariat is also responsible to make arrangements within the framework of the ECO Functional Methodology to use the ECO Feasibility Fund for financing feasibility studies in the ECO priority projects. In this respect, it coordinates action with other sectoral units and obtains CPR's approval. So far, US\$ 50,000/- for the ECO/ITC Promotion of intra-trade project and US\$ 11,000/- for feasibility study for rehabilitation of Nawar Bridge of Hesarak Nangahar Province, Afghanistan, have been allocated from the ECO Feasibility Fund. Allocation of US\$ 23, 000/- for feasibility

study for construction of canal crossings in Farah Province of Afghanistan is in the pipeline.

**f. Publication of the ECO “Directory of Training Institutions” and Compilation of “Roster of Leading Experts”**

125. The Secretariat compiled a Directory of Training and Research Institutions of the member countries in the fields of Trade and Investment, Transport and Communications, Industry, Energy, Health, Science, Education and Culture. A Roster of leading Experts/Consultants of the Member States in the above areas was also prepared. The Roster and the Directory were published together and distributed among the Member States for better utilization.

**g. Activities in the field of finance and economics**

126. The 13<sup>th</sup> meeting of the Council of Ministers (COM) held on 11 June 2003 at Bishkek (Kyrgyz Republic), agreed to institutionalize the ECO Ministerial meetings in the area of finance/economy on the pattern of other sectoral Ministerial meetings and requested the Secretariat to make necessary preparations for the first meeting. In light of the above, Pakistan hosted the first meeting of Finance/Economy Ministers in Islamabad–Pakistan on 29-30 January 2004. The implementation of the decisions of the meeting is being followed by the Secretariat and reports in this regard are being submitted for consideration to CPR and COM meetings. Within the framework of the follow up, the Secretariat is now coordinating to hold

- (i) the first High-Level Experts Group (HLEG) meeting to study and suggest a framework for cooperation in various areas of finance/economy;
- (ii) the first meeting of Heads of Central Banks of the Member States to make the necessary cooperation in exchanging experiences in implementing their monetary and other macro-economic policies and
- (iii) informal meeting of ECO Ministers of Finance/Economy in Washington in October 2004 on the sidelines of annual meeting of the World Bank/IMF.

**h. Training Activities**

127. Within the framework of the UNDP Capacity Building project, the Secretariat succeeded to arrange a training course for project cycle management in 2002. Taking into account the high turnover of ECO Directing Staff, since then, the Secretariat now proposes similar training courses for ECO staff as well as the staff of the ECO focal points in the Embassies of the Member States in Tehran. Upon approval of the relevant organs of ECO, the training course on Project Cycle will be undertaken.

128. The Secretariat is now working on arranging short term training courses in the field of hydro power generation for engineers from ECO Member States with the technical support of ECO-CEC. This training programme will be announced to the Member States after the finalization of the schedule in consultation with ECO-CEC.

129. Furthermore, as per the provisions of the Plan of Action for reconstruction projects of Afghanistan, the Secretariat is also examining the possibility of arranging training courses for Afghan officials in the priority areas.

**i. Activities for the efficiency and the effectiveness of ECO – EPG**

130. The 13<sup>th</sup> meeting of the Council of Ministers (COM) set up an Eminent Persons Group (EPG) from the Member States with specific time-frame and target. The Group was mandated to submit its recommendations to the 14<sup>th</sup> COM meeting on the measures to promote efficiency and effectiveness of the ECO Secretariat in collaboration with the Secretary General. The Secretariat made necessary arrangements and preparations so that the EPG could carry out its task successfully. In this regard, the Secretariat prepared ToRs, Analytical Paper on the topics specified by the EPG. The EPG held two meetings at the Secretariat on 13-15 January 2004, and 22-25 May 2004 respectively and formulated its recommendations which will be submitted to the 14<sup>th</sup> COM meeting in September 2004 for consideration/approval.

## **VI. Economic Research and Statistics**

131. The Secretariat continued to undertake socio-economic research on various issues of interest to the ECO member countries. The Directorate of Economic Research and Statistics (DERS) is entrusted with the task of preparing technical studies, reports and background documents for presentation to the related ECO meetings/workshops with a view to identifying the socio-economic developments at country and regional levels. The Directorate collects, processes, and disseminates socio-economic data and information relating to the ECO member countries. It maintains databases that support time series data from 1996 up to the present on all member countries collected at regular intervals from the national statistical authorities in each member country.

132. During the period under review, the Secretariat continued its analytical studies and policy-oriented research with programmes such as ECO Annual Economic Reports, Progress of ECO decade, Macroeconomic and Foreign Direct Investment Overview of the ECO region, Human Development Index performances of ECO countries, ECO Prospects and Challenges in Transport and Communications sector, ECO Guidebook, ECO Statistical Bulletins, ECO Guidebook on statistical methodologies, ECO Website, Macroeconomic performance issues and policies in the ECO countries.

133. The Secretariat has been coordinating various aspects of economic research and statistical activities including training workshops/seminars in the region through National Focal Points (NFPs) identified for effective performance of necessary cooperation.

### **a. Analytical studies and policy-oriented research**

134. The Secretariat prepared analytical studies and continued policy-oriented research on topics such as Macroeconomic and Foreign Direct Investment Overview of the ECO region, Socio-Economic Overview of the ECO Region and Macroeconomic Overview of ECO Countries – 2002-2003. These analytical studies were prepared for the 2<sup>nd</sup> ECO Regional Trade and Investment Conference (Kabul, Afghanistan, April 18-19, 2004), 1<sup>st</sup> ECO Ministerial Meeting on Industry (Tehran, Iran, January 27, 2004), 1<sup>st</sup> meeting of the ECO Ministers for Finance/Economy (Islamabad, Pakistan, January 30, 2004), 14<sup>th</sup> Council of Ministers (Dushanbe, Tajikistan, September 12, 2004) and 8<sup>th</sup> Summit (Dushanbe, Tajikistan, September 14, 2004), various issues of ECO News Bulletins and the ECO Website.

### **b. National Focal Points (NFPs) on Economic Research and Statistics:**

135. The Secretariat organizes specific meeting for the NFPs in order to identify common concerns and develop regional approach at addressing new challenges and strengthening regional coordination among Member States in the fields of economic research and statistics. The NFPs meeting provides valuable contribution to the activities of the Secretariat. The main issues and activities of the Secretariat are programmed during these meetings. So far, four meetings of the National Focal Points (NFPs) have been held. The last NFPs meeting took place in Baku on December 12-13, 2002.

136. The 5<sup>th</sup> meeting of the NFPs has not been held due to the facts that (a) none of the Member States has offered to host the same, and (b) inability of the Secretariat to finance this meeting. The Member States, particularly those, who have not yet hosted the meeting, may consider hosting the 5<sup>th</sup> meeting of the NFPs and convey their decision to the Secretariat.

### **c. ECO Annual Economic Reports**

137. The Secretariat is finalizing the ECO Annual Economic Report. It will improve the intraregional macroeconomic performance of the ECO region analyzed under the relevant chapter of the report and consider including statistical indicators such as human development index, intraregional investment depending on their availability. This publication receives considerable interest from regional and international institutions/users. In this respect, publication of ECO Annual Economic Report is important. The Member States are kindly requested to ensure a systematic flow of updated information to the Secretariat.

**d. ECO Statistical Bulletins**

138. Preparation and publication of ECO Statistical Bulletins is a substantial programme that has strategic thrust of obtaining, processing and disseminating officially authorized statistics on the member countries. In accordance with Para 121 of 14<sup>th</sup> RPC report, the draft country-wise statistic bulletins of Azerbaijan, Kyrgyzstan, and Turkey in English and Russian languages and containing 260 socio-economic indicators divided into 20 major groups have been circulated to the concerned Member States for final views/comments prior to their publication.

139. Preparing statistical bulletins covering numerous indicators considering the technical capacity of the Secretariat and difficulties confronted in collection of required data and composing comparable cross-country tables may be noted. The remaining Member States are, therefore, urged to make their best efforts in providing the required statistical indicators to the Secretariat. Moreover, in order to provide comparable data and exact practices of the Member States with regard to adherence of concepts and methodologies to internationally accepted standards and definitions, the Secretariat is also preparing a summary definition chapter to be attached as a supplementary material to each chapter in the said draft statistical bulletins. The relevant authorities of the Member States may, therefore, also supply adequate meta-data relevant to indicators included in the said bulletins to support users' needs and in particular, where national norms differ from international measures or underpinning assumptions may affect the value of indicators materially.

**e. ECO Countries Key Indicators 2003**

140. ECO Countries Key Indicators 2003 presenting the most current available economic, financial, and social data on the ECO member countries during 1996-2002 have been prepared. Presented by 27 tables these indicators are flagship electronic publication on the ECO Website ([www.ECOsecretariat.org](http://www.ECOsecretariat.org)), aiming to disseminate information on the social and economic development of the region. The data series of said indicators are compiled from three major sources, namely, the ECO Secretariat database, the member countries of ECO, and regional and international organizations/agencies. Considering the large number of Internet users accessing information on ECO Member States from ECO Website demonstrates the usefulness and relevance of this publication, and the role of ECO in disseminating statistical information on the region.

**f. Regional Human Development Report:**

141. The Secretariat initiated preparation of a Regional Human Development Report (RHDR) for ECO region in collaboration with UNDP. Secretariat and UNDP-Tehran met several times to identify possible ways of the ECO-UNDP cooperation regarding the said report. As a result of discussions, UNDP Headquarters (New York) informed that UNDP Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) has been pursuing a programme for preparation of a regional Human development report, which also includes ECO countries. Consequently, ECO Secretariat and UNDP-Tehran officials agreed that any effort or initiative, which may duplicate activities of the said Bureau, should be avoided at the present. Nevertheless, ECO Secretariat had underlined that programme details of the RBEC in preparing a regional Human development report shall ensure that all ECO countries are covered and link ECO-UNDP (Tehran) with RBEC programme should be involved for future publication of the report probably by 2006. The Secretariat is exploring a cooperation framework for possible contribution of ECO Secretariat to enhance the content and coverage of RBEC's current publication.

**g. Activities with regard to international agencies:**

142. The Secretariat endeavored to foster partnership with other regional/international agencies and institutions during 2004 through exchanging experience, publications, and technical information relevant to its endeavors to develop interregional cooperation in the field of economic research and statistics. During 2004, one officer from Secretariat attended UNESCAP first session of the Subcommittee on Statistics held in Bangkok from 18 to 20 February 2004. Besides contributing to discussions on current statistical concerns of most of the countries in the region, including the improvement of poverty measurement and related economic and social statistics, the ECO delegate exchanged information/experiences on selected substantive statistical matters with a view to promote closer coordination on statistical activities between the ECO Secretariat and the Statistics Division of ESCAP.

143. In May 2004, UNESCAP/OECD/ADB jointly organized a workshop in Bangkok on ways to measure non-observed economy. As a result of ECO Secretariat's efforts, eight Member States participated in the said workshop.

## **VII. International Relations / Coordination**

### **a. International Activities**

144. The Secretariat has been endeavoring to provide ECO greater international visibility as well as help seeking financial and technical expertise from the international donor agencies under the guidance provided by Council of Ministers. The 13<sup>th</sup> Meeting of Regional Planning Council (RPC) also appreciated the efforts to further promote relations with international, regional organizations and UN bodies and expressed the hope that the momentum would be maintained.

145. ECO's relations with the international and regional organizations form an important aspect of its activities. The Secretariat attaches great importance to its relations with several international and regional organizations. It is closely engaged with the organizations for the programmes and projects in the priority areas. ECO participates in international events to promote its relations with the international organizations.

146. In its 57<sup>th</sup> Session, the United Nations General Assembly (UNGA) passed Resolution No. 57/38 of 15 January 2003 that expressed satisfaction at the enhanced cooperation between the two organizations. Biennial passage of a resolution on ECO and UN cooperation in the UN General Assembly has important bearing on ECO's relations with all UN agencies. This resolution prior to its submission to UN is approved by the informal meeting of Council of Ministers in New York held on the sidelines of General Assembly. During the forthcoming UNGA Session, a resolution on ECO and UN cooperation will be tabled, through the UN, for adoption which will cover two years cooperation in all relevant fields.

147. Relations with the United Nations Development Programme (UNDP) have been very beneficial. Financial and Technical assistance was received under the (UNDP)-sponsored Project entitled, "Capacity Building of the ECO Secretariat" to the tune of US \$ 1 million. The consultancies in various priority fields of ECO are being implemented under this project. The Islamic Development Bank (IDB) agreed to grant US\$ 400,000 for the Feasibility Study on Interconnection of ECO countries' Power Systems. Recently the Bank informed ECO of its recommendation on the selection of a Consultant for the said study. CPR will consider this recommendation and thereafter the Secretariat will take the required action accordingly.

148. In April 2003, ECO & FAO signed Technical Cooperation Programme (TCP) Project to support ECO for preparation of a Regional Programme for Food Security (RPFS) which is being implemented successfully. In light of the studies done so far, two major issues emerged. First one is the enhancement of domestic production of livestock and crops in order to address the serious productivity gaps prevalent in the region. Second is the promotion of agro-trade and adoption of food safety regulations and enhancing quality. A major expectation from the above project is the preparation of feasible, bankable projects for donors' consideration.

149. ECO signed Memoranda of Understanding with World Custom Organization (WCO), UN Economic Commission for Europe (UNECE) and Colombo Plan in 2003. An MOU has recently been signed with UNEP on Cooperation in Environmental Issues.

150. Relations with UNESCAP are growing in various areas especially in transport & communications, trade, energy & minerals.

151. ECO has close relations with Organization of Islamic Conference (OIC) and its affiliated bodies and agencies such as the Islamic Chamber of Commerce and the Islamic Development Bank. Such relations provided some degree of interaction and feed back on issues of common interest in areas of trade and investment.

152. As an annual feature, UNESCAP organizes meetings with the Executive Heads of Regional Organizations such as ECO, ASEAN, SAARC, Pacific Islands Forum etc. These meetings provide ECO an opportunity to learn about different problems or issues in Asia and Pacific. The ECO Secretariat hosted 8<sup>th</sup> Consultative Meeting on 21-23 July 2003.

153. As a manifestation of ECO's close cooperation with the international and regional organizations, the Secretary General participated in the following events during the year 2003-2004:

- i) As ECO is an observer of the Organization of the Islamic Conference (OIC), the Secretary General participated in the 10<sup>th</sup> Session of the OIC Summit in Putrajaya, Malaysia in October 2003 and in the 31<sup>st</sup> Session of the Islamic Conference of Foreign Ministers (ICFM) held in June 2004 in Istanbul.
- ii) The Secretary General participated in the 9<sup>th</sup> Consultative Meeting of Executive Heads of Sub-Regional Organization with UNESCAP which was held on 24 April 2004 in Shanghai on the sidelines of the 60<sup>th</sup> Session of UNESCAP.
- iii) The Secretary General also participated in the Conference on Drug Routes from Central Asia to Europe on 21-22 May 2003. The objective of the conference was to highlight the transnational nature of the problem. During his visit to Vienna, the Secretary General met with the Executive Director of UNODC. The Executive Director solicited ECO's support for several UN Conventions in drug trafficking, smuggling etc.
- iv) Secretary General also participated in the Ministerial Conference on the occasion of the 3<sup>rd</sup> World water Forum at Kyoto (Japan) in March, 2003. Fresh Water Resource is a very important issue for the ECO as there is large scale scarcity of water in the region.

**b. ECO Specialized Agencies**

154. According to the decision of the 11<sup>th</sup> Council of Ministers, the Presidents/Chairmen of the operational ECO Institutions/Specialized Agencies will present their annual reports on their performance, challenges and recommendations to the COM. Brief information on these institutions/agencies is given below:

i) ECO Cultural Institute

155. The Charter of the ECO Cultural Institute was signed during Meeting of the Council of Ministers in 1995 by Afghanistan, Azerbaijan, Iran, Kazakhstan, Pakistan, Tajikistan, Turkey and Turkmenistan. However, only Afghanistan, Iran, Pakistan and Tajikistan have so far ratified the Charter of the Institute.

156. The Cultural Institute is carrying out its responsibilities in various cultural activities and recently has proposed its 3-Years' Plan (2004-2006) prepared in the light of the aims and objectives as enshrined in its Charter. It coordinates cultural exchange programmes, such as visits of academicians, scholars, artists and students. ECI conducts various scientific seminars, and lectures.

ii) ECO Science Foundation

157. In accordance with the Treaty of Izmir, a Specialized Agency is required to be established to promote close cooperation among the Member States technical and scientific fields. The Charter of ECO Science Foundation was signed during the Third ECO Summit held in Islamabad on March 15, 1995 signed by all Member States.

158. So far, five member countries (Azerbaijan, Iran, Pakistan, Tajikistan and Turkmenistan) have ratified the Charter of Foundation. The First Meeting of the Board of Trustees of the Science Foundation is scheduled to be held this year in Islamabad.

iii) ECO Educational Institute

159. Except Uzbekistan, all the ECO Member States had signed the Charter of the Institute in 1998 to promote activities for programme development in educational institutions, to support research projects, to carry out researches in education and training experiences of the ECO countries, and to promote teaching of the languages of the region etc.

160. So far, Islamic Republic of Iran, Kazakhstan, Kyrgyz Republic and Tajikistan have ratified its charter. A response from the Republic of Turkey for organizing the First Meeting of the Board of Trustees of the Educational Institute is awaited.

iv) ECO College of Insurance

161. The ECO College of Insurance, formerly RCD College of Insurance was reopened in 1991 in Tehran which is affiliated with the Allamah Tabatabai University. The Eminent Persons Group has recommended the establishment of a Working Group to facilitate the transition of the College into a real ECO College of Business Administration.

**c. ECO Excellence Awards**

162. ECO gives awards to the nationals of its constituents Member States for outstanding research work and achievements in the Member States in the fields of economics, history, culture, literature and fine arts; science, technology, education, agriculture and environment. The objective of the Awards is to reward outstanding research work and/or achievement in the fields which should preferably have regional character with special emphasis on the contribution to the ECO's goals and objectives.

163. On the sidelines of the 8<sup>th</sup> ECO Summit the awards will be given to the winners. The Selection Committee in its meeting on 29 June 2004 selected nine winners from the Member States for Awards amounting to US\$ 4000 each.

164. The 89<sup>th</sup> CPR endorsed the proposal of the Selection Committee to rationalize rules of procedure for the Committee or to prepare new modalities for ECO Awards.

**d. Drug Control**

165. In line with the joint two-year Project (funded by EU) signed between the ECO and the UNODC in 1999, the Drug Control Coordination Unit (DCCU) became operational at the Secretariat in December 2002.

166. Drug Control Coordination Unit in ECO Secretariat interacted with the Member States and other international drug control organizations and shared information on measures taken in combating illicit drug production and trafficking in the ECO Member States. It is expected that the project would be instrumental in synchronizing most of the antinarcotics activities in the region.

167. DCCU has established its own website, which is operative both in English and Russian languages. The National Focal Points of the Member States have been designated for working with DCCU on technical matters relating to drug supply and demand reduction. The NFPs have been provided with the computer equipment including printer, scanner, modem, UPS for the establishment of the network which will enable fast and secure exchange of information between Drug Control Coordination Unit and the Member States.

168. The first meeting of the National Focal Points (NFPs) was held in Tehran in October 2003. It was aimed at improving the operational cooperation among the national drug control agencies resulting in joint operations on drug supply reduction.

169. The draft country profiles on the drug situation in 2003 for each Member State were prepared based on the information received from the NFPs and circulated to the Member States.

170. A workshop on the Drug Supply Reduction (DSR) was held in cooperation with the Turkish National Focal Point at the Turkish Academy against Drugs and Organized Crime (TADOC) in Ankara, Turkey in February 2004. It was aimed at improving the technical capability of the law enforcement officers involved in drug supply reduction.

171. The computerized network has been established between Drug Control Coordination Unit and the NFPs, which is operational and will enable fast and secure exchange of information in the Member States.

172. The second workshop on the Drug Supply Reduction (DSR) was held in Dushanbe, Tajikistan in August 2004. It was aimed at further improving the technical capability of the law enforcement officers involved in drug supply reduction.

173. A Focal Points Meeting and a Workshop on the Drug Demand Reduction (DDR) have been recently held in Dushanbe, Tajikistan, in August 2004. It aimed to operationalize the networking among focal points for information sharing. The meeting provided useful recommendations for sustainability of the programme and a long term regional strategy to be designed together with UNODC and DCCU.

174. Considering the completion of DCCU Project at the end of 2004 and the ground prepared by DCCU during both phase I & II as well as the provision in the Project document, it is strongly felt that DCCU may be absorbed as part of ECO Secretariat to coordinate and improve the overall capabilities of national drug control agencies of the ECO Member States in monitoring the drug issues and anti-narcotics activities both within their territories and in the region as a whole.

## **VIII. Administrative Matters**

175. The quality of management and administrative machinery at the ECO Secretariat is an important factor in its efficiency and performance. Although the work environment and the efficiency of the Secretariat is quite satisfactory, however, there is a room for further improvement.

176. The recruitment procedure can further be improved in order to ensure appointment of highly qualified and professional staff. This is possible by increasing the role of the Secretariat in the selection process and allowing the Secretariat to interview the final nominee.

177. While conveying their nominations against various posts, the Member States may kindly ensure if the academic qualifications and work experience of their nominees match with the job description. The Member States may also ensure that their nominations reach the Secretariat well in time so that the selection process could be completed as early as possible to avoid the possibility of post/s lying vacant for considerable period.

178. In order to make the work of Secretariat more efficient, the Eminent Persons Group (EPG), in coordination with the Secretariat, has proposed some minor amendments in the Organizational Chart of the Secretariat which also requires the consideration and approval of the COM. EPG has also recommended that the staff strength of the Secretariat at the level of Program Officer and Research Officer may be increased by additional five P- level posts.

179. There is a need to revise the job qualifications and job description of the ECO Secretariat's posts and may be made more comprehensive in the light of past seven years' experience when the Secretariat had last made administrative changes in the organizational structure.

### **a. Budget**

180. The budget of the ECO Secretariat for the year 2004 is US\$ 2,070,877. The ECO Secretariat budget has remained more or less the same during the last few years. The budget of the Secretariat was US\$ 1,930,500 in 2002 and US\$ 2,021,145 in 2003. There has been no increase in the salary of ECO staff since July 1997 despite the high rate of inflation in the same period.

181. The issue of contribution of the Member States to the ECO Secretariat budget, of course, is an important issue and it has been discussed by different decision making organs. It may also be pointed out that according to the latest information up to 15 August 2004, the unpaid contribution is about US\$ 907,271 and more than half of this amount is to be paid by one of our respected Member States.

182. The modalities for better utilization of ECO Special Support Fund have been considered and approved recently by the CPR. The Secretariat is of the opinion that the utilization of SS fund is significant factor for encouraging participation of ECO Member States in the ECO meetings/events. A number of ECO related meetings/events are either postponed at the last minute due to the lack of quorum or are participated at an



inappropriate level. Therefore, the expansion of this fund could further improve the quality of the meetings and encourage Member States to ensure their participation in important meetings at an appropriate level.

**b. Information and Communication Technology**

183. Information and communication technology (ICT) continues to play an important role in improving the efficiency and working of the ECO Secretariat. In this regard, the Secretariat has established a modern ICT infrastructure and is pursuing a programme to improve its communication with the Member States. A World Bank live database has been established within the Secretariat. All important documents of the meetings are now electronically made available through the secure ECO website. An interactive web portal has been developed for dissemination of trade and investment related information. An electronic directory containing the contact information of all national focal points of the priority sectors of ECO cooperation is under preparation.

**c. Other Administrative Issues**

184. H.E. Mr. Seyed Mohammad Khatami, President of the Islamic Republic of Iran, during the Secretary General's courtesy call on him, proposed the idea of introduction of ECO Anthem. The proposal was circulated among the Member States. Work on the text as well as the musical score has been accomplished with the assistance of the ECO Cultural Institute and a team of well known composers. The ECO Anthem has also been translated into the national languages of the member countries. The entire expenditure on this project was borne by the government of the Islamic Republic of Iran. The ECO Anthem symbolizes 'unity' and 'brotherhood' amongst the nations of ECO region. Copies of a brochure giving details of the anthem and compact discs (CDs) containing ECO Anthem have already been distributed to all the Member States. However, the ECO anthem will be used after all the member states have given their approval for the same.

185. The ECO Secretariat is also participating actively in the International Fairs by introducing and publicizing the ECO and ECO Member States' commodities. Recently, the Administration section of ECO Secretariat participated in a fair held at Chahbahar port in Iran which was well received by the visitors. All the Member States may also consider inviting and supporting the participation of ECO in the international fairs to be organized in their respective countries.

**d. Publicity**

186. Unlike other important organizations, ECO Secretariat does not have an information unit or public relations office to promote and publicize its activities. However, in order to promote and publicize the activities and achievements of the organization, a campaign was launched to promote close interaction with the media. This was done through a series of periodical interviews and meetings with the media, visits to the news agencies and through press releases.

187. A comprehensive mailing list of the official news agencies and media in all the Member States is being compiled with the assistance of Member States. This list is used to disseminate information in the ECO region. The Member States may kindly encourage their national media to accord prominent coverage to the ECO events so that the peoples of the region could be familiarized with the activities and achievements of the ECO.

188. ECO News Bulletin is being published regularly with improved contents and style. It is circulated among the wide range of International Organizations and diplomatic missions around the world.

189. ECO participated in the Chahbahar Free Zone Trade Exhibition held in August 2004. During the exhibition, one day was exclusively devoted to ECO. On this occasion, some Iranian television channel networks interviewed the Secretary General, aired programmes highlighting ECO activities and achievements, and focusing on its role in the economic progress and development of the ECO region. As one of the main aims of this exhibition was to open ways to the markets in Afghanistan, special emphasis was given to cooperation with that country. ECO Secretary General, in his statement, delivered at the exhibition emphasized the need for greater economic cooperation among all the ECO Member States in general and with Afghanistan in particular.