

The 14th Council of Ministers
Statement of ECO Secretary General
(Dushanbe, 12 September, 2004)

Annex-IV

by: **H.E. Mr. Askhat Orazbay**

*Excellencies,
Distinguished Delegates, Ladies and Gentlemen,*

Mr. Chairman,

It is a great honour and privilege for me to address the honourable ECO Ministers and Heads of delegations on the occasion of the 14th Meeting of Council of Ministers (COM) inaugurated today in the beautiful city of Dushanbe.

2. I wish to take this opportunity to congratulate you on your election as the Chairperson of the ECO Council of Ministers. I am confident that, under your able guidance, ECO will continue to march ahead towards realization of its cherished goals.

3. I would also like to express my sincere thanks to the Government and the people of the Republic of Tajikistan for hosting the 14th COM and the 8th Summit meetings and for the generous hospitality extended to participating delegations from member states, ECO Secretariat and the international organizations. I would also like to express my gratitude and appreciation to the outgoing Chairman of ECO Council of Ministers, His Excellency Mr. Askar Atimatov, Minister of Foreign Affairs of the Kyrgyz Republic, for the support and guidance that he provided during his tenure of chairmanship.

Mr. Chairman,

4. We are meeting here at a time when the developing countries are seriously contemplating strategies to face the challenges posed by globalization. This is also a time when the world in general and the developing countries in particular are grappling with the issues of peace and security that seriously undermine their efforts aimed at achieving economic progress and prosperity. Our meeting in Dushanbe – a city that has played an important role in the economic progress of this region – provides an ideal setting to deliberate on these and other issues.

5. Since the last COM meeting held in Bishkek on 11th June 2003, some ECO activities/projects have been implemented successfully, some are still being implemented. In this regard, I have already submitted my detailed report to this august body. However, I would like to briefly touch upon the salient activities/achievements of ECO for the last fifteen months.

6. Since the last Council of Ministers' meeting, four sectoral Ministerial Meetings have been held. These include the: Second Ministerial Meeting on Commerce/Foreign Trade held in Islamabad in July 2003; First Ministerial Meeting on Industry held in Tehran in January 2004; First Ministerial Meeting on Finance/Economy held in Islamabad in January 2004; and the Fifth Ministerial Meeting on Transport and Communications, Cholpon-Ata, Kyrgyz Republic in August 2004. Other Ministerial meetings scheduled to take place in the near future include: (i) Second Ministerial Meeting on Finance/Economy in Turkey, (ii) Third Ministerial Meeting on Commerce/Foreign Trade in Turkey, (ii) First Ministerial meeting on Information Technology in Iran, (iii) Second Ministerial Meeting on Energy in Iran, (iv) Second Ministerial Meeting on Environment in Turkey, and (v) Second Ministerial Meeting on Agriculture in Turkey.

7. ECO Trade Agreement (ECOTA) aiming at reducing customs tariffs and non-tariff barriers within a specified span of time was signed in July, 2003. The High Level Experts Group (HLEG) on trade is working now for ratification and implementation of ECOTA. The 7th General Assembly meeting of ECO Chamber of Commerce and Industry (ECO-CCI) was held in April, 2004 in Afghanistan. A trilateral committee mandated to work out the details of the establishment of ECO Trade and Development Bank

was held this year. The meeting agreed on the Terms of Reference for the preparation of the Business Plan for establishment of a bank. The Secretariat with the help of the member states is now working on hiring a consultant to prepare the Plan to be financed from the ECO Feasibility Fund. Within the framework of ECO Trade-Networking, the ECO Secretariat has already launched ECO Trade-Net Web Portal (www.tradeeco.org) with the financial assistance of UNDP. This is an interactive website which serves both the buyers and the sellers in the region.

8. 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. The Fifth Ministerial Meeting on Transport and Communications was held in Cholpon-Ata in August 2004. The meeting reviewed the entire range of cooperation in the field of transport and communications and underscored the need for early implementation of projects and plans in this field. The Eighth Meeting of Heads of ECO Railway Authorities held in Istanbul in July 2004 endorsed a Memorandum of Understanding (MoU) on "ECO Railway Tariff Policy in International Freight Traffic". This MoU is aimed at removing one of the barriers hampering smooth railway transport in the region. The First Specialized meeting of the Heads of ECO Reference Marine Organizations was held in Tehran in October 2003. Similarly, the First meeting of the ECO Postal Authorities was held in Cholpon-Ata in April 2004. The two meetings explored ways and means to bolster cooperation in these areas.

9. 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, tangible results on the ground are yet to be seen. However, I feel that we will not be able to implement these projects successfully unless all the concerned countries extend their wholehearted support to these projects. In view of the importance of these projects, the recently concluded Fifth Ministerial meeting on Transport & Communication called for a "collective political appeal to those Member States" from which the desired level of support was not forthcoming.

10. In order to promote transit trade among the ECO member states Transit Transport Framework Agreement has been signed by nine member states and ratified by five countries. This important document covers many areas of rail, road 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 and pave the way for enhanced transit trade in the region.

11. In accordance with the decision of the First Ministerial Meeting on Agriculture held in July 2002 in Islamabad, activities in priority areas of agriculture i.e. drought and water management, trade promotion and development of post-harvesting and processing with cooperation of member states and coordinator countries are being carried out. Within the framework of ECO-FAO Technical Cooperation Programme (TCP) project, ECO-FAO are jointly developing a regional strategy and sub-regional programmes for food security and agricultural development.

12. The First Ministerial Meeting on Industry held in January 2004 in Tehran, adopted a Plan of Action and established an Experts Group to identify industrial potentials and needs of the member states for preparation of ECO regional strategy on industrial cooperation. The First meeting of the Experts Group is scheduled to be held in September 2004 in Turkey

13. A High Level Experts Group has been established in accordance with the decision of the First Ministerial Meeting on Finance/Economy. Its first meeting will be in 2005 to deliberate on and suggest a framework for cooperation in various fields of finance and economy i.e. macro-economic management, tax policy and capital marketing, etc.

14. The Eminent Persons Group (EPG), set up by the 13th Council of Ministers' meeting, held its two meetings at the Secretariat in January and May 2004 respectively and formulated its recommendations on the measures to promote efficiency and effectiveness of ECO. I hope that the 14th Council of Ministers'

Meeting would give due consideration to the recommendations of EPG, particularly the one relating to the adoption of a Vision Statement setting goals and targets for our Organization.

15. Within the framework of the second phase of the joint ECO-UNODC project, the Drug Control Coordination Unit (DCCU) of the ECO Secretariat has organized various meetings/workshops on the technical matters of drug supply and demand reduction. Moreover, the DCCU has established an inter-regional computerized network enabling smooth and fast exchange of drug related information among concerned authorities of the member states.

16. Within the framework of the ECO Plan of Action for ECO's participation in the reconstruction of Afghanistan, feasibility studies for priority projects of Afghanistan have been financed from the ECO Feasibility Fund. ECO Special Fund for the reconstruction of Afghanistan will become operational after approval of its Modalities by this august body today. I welcome and appreciate the decision of the Government of the Islamic Republic of Pakistan to pledge US Dollars 5 million for this Fund. I am confident that the other member states would also generously contribute to this fund to express their solidarity with the people of Afghanistan.

17. Selection of nine winners of ECO Awards for 2004 in various fields of excellence has been finalized and arrangements have been made to present the Awards to the winners by the Heads of State/Government during the 8th Summit meeting

18. The Secretariat is focusing on the implementation of the Plan of Action for Energy/Petroleum Cooperation in the ECO region (2001-2005) and various meetings, training, workshops etc. have been held from time to time to achieve the goal. It is expected that the upcoming 2nd ECO Ministerial meeting on Energy/Petroleum, to be held in Tehran, will also consider progress on the implementation of this Plan of Action.

19. The first Ministerial meeting on Environment held in December 2002, adopted a plan of action for regional cooperation in Environment (2003-2007). The Working Group established to follow up the implementation of the plan is holding meeting regularly.

20. ECO continues to foster relationship with other international organizations and signed MoUs with the World Customs Organization (WCO), UN Economic Commission for Europe (UNECE) and Colombo Plan in 2003. Recently, an MoU was signed between UN Environment Programme and ECO for strengthening Environmental Management in the ECO region.

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

23. I would like to make a few recommendations for the consideration of the Council of Ministers:

- i) ECO is giving high priority to the implementation of the projects/agreements of (i) ECO Trade Agreement (ECOTA), (ii) Transit Transport Framework Agreement (TTFA), (iii) Feasibility Study on Interconnection of ECO Countries Power Systems, (iv) Establishment of ECO Trade and Development Bank and Reinsurance Company, and (v) Operationalization of Trans-Asian Railway Line (Almaty-Tashkent-Turkmenabad-Tehran-Istanbul). Therefore, I would like to propose to the Council of Ministers to designate coordinator member states for each of the project with the prior consent of the concerned country for smooth implementation of the projects.
- ii) The Council may approve the recommendations made by EPG set-up by 13th COM meeting, especially the recommendations with regard to increasing the number of Programme/Research Officers from five to ten and their selection process are important indeed for the Secretariat. Moreover, the Council may consider to set-up EPG on regular basis i.e. every four years.

- iii. The modalities for establishment of the ECO Special Fund for Reconstruction of Afghanistan have been submitted to the Council. The Council while approving the modalities may also approve that each member state, even symbolically, should contribute to the Fund.
- iv. The Council may consider the issue of unpaid contributions of the member states to the Secretariat's budget for various years, including 2004 and urge the member states to pay their contributions on priority.
- v. Salary package of ECO Secretariat was last revised in early 1996. In view of the considerable increase in the consumer price index for Tehran, there is a need to review the package. The Council of Ministers could consider authorizing the CPR to review entire package. The CPR may authorize the Secretariat to prepare its budget accordingly for the year 2005.

24. Before concluding my statement, I would like to express my sincere thanks and gratitude once again to the Government of the Republic of Tajikistan for hosting the 14th COM and 8th Summit meetings here in Dushanbe and to the member states for their participation and valuable contribution to the meetings.

Thank you.