

The 14th Council of Ministers

Report of the Eminent Persons Group (EPG)

(Dushanbe, 12 September, 2004)

Annex-VI

Introduction

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

In pursuance of the mandate given by the 13th COM meeting, the Eminent Persons Group held two meetings in the ECO Secretariat, on January 13-15, 2004 and May 22-25, 2004, respectively. The lists of the participants in the two meetings are attached as [Annex- I](#).

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

The EPG, after careful deliberations, agreed to submit the following recommendations under various topics to the 14th COM meeting.

Recommendations

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

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

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

The EPG discussed the above topic under various sub-items and made the following recommendations:

(I) Main Organs:

The current practice is for the ECO Summit to be held once every two years and the Council of Ministers (COM) meeting to be held on an annual basis. The EPG is of the view that the ECO Summit may be held once a year, and the Council of Ministers meetings may be held twice a year with a Senior Officials Meeting in between. The increased frequency of these meetings would enhance the political support of the member states to the ECO activities.

The effectiveness of the Regional Planning Council (RPC) should be enhanced through high level participation of the Planning Ministries of the member states in its meetings.

The EPG welcomed the holding of other ministerial meetings in various sectors and emphasized the importance of the contributions of these meetings towards achieving the aims and objectives of the ECO. Therefore, the ministerial meetings in the priority areas of transport, trade and energy should be held at least once a year, and other ministerial meetings may be held at least every two years.

(II) Meetings:

- a) In parallel with the decision of the 12th COM, the number of meetings envisaged in the ECO Calendar of Events/Meetings should be rationalized and decreased to a reasonable number with emphasis on priority areas.
- b) To energize the role of the member states in the ECO activities, the ECO focal points in the Ministries of Foreign Affairs of the member states should be strengthened.
- c) The Special Support Fund (SSF) should be expanded to support more meetings and events with the approval of the CPR and the Fund should be utilized for participating delegations from the member states except Iran, Pakistan and Turkey.
- d) Rules and procedures of holding the Summit and the COM meetings on rotational basis in member states should be adhered to strictly.

(III) Quorum:

The present rules of procedures relating to quorum should be maintained.

(IV) Decision-Making:

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

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

There is a need to amend the organizational chart of the ECO Secretariat and its recruitment policy in order to make the organization more efficient and enable it to achieve its objectives as reflected in the basic documents of the ECO in accordance with the following recommendations:

- I. The current Directorates of (i) Project Research, and (ii) Economic Research and Statistics should be merged into one Directorate, to be assisted by two Programme/Research Officers, one Programme/Research Officer to be in charge of the Project Research and the other one to be in charge of the Economic Research and Statistics.
 - II. A new Directorate entitled Directorate of Coordination and Follow-Up should be created to be in-charge of meetings of various organs of ECO namely: Summit, COM, SOM, CPR, RPC, etc. to make necessary preparations for the meetings, to coordinate, to monitor and follow up the implementations of the decisions of the meetings. Accordingly, the Assistant Director for International Relations and Coordination would be Assistant Director for International Relations.
 - III. To strengthen the professional capacity and capability of the ECO Secretariat, the present number of Programme/Research Officers in Category II, P-Level, (presently five) should be increased to ten. Out of these additional officers, three should be Development Economists specialized in the priority areas of transport, trade and energy. The proposed organizational chart incorporating the above recommendations is attached as *Annex III*.
 - IV. The recruitment policy for Category-II, P-Level, should be changed to ensure the recruitment on merit basis. Therefore, the concerned governments may be requested to nominate at least three competent candidates for each vacant post. The member states should include candidates from both the public and private sectors. The Secretary General, assisted by the Deputy Secretaries General and the concerned Director, will review, evaluate, interview and finally select officials out of the proposed nominees. However, if none of the nominees are up to the required proficiency, the Secretary General may ask for new nominations from the concerned member state.
- (D) Review of ECO priorities which have been laid down in the Economic Cooperation Strategy. Consideration of new priorities in the light of the new issues highlighted by international organizations such as UN Millennium Development Goals, etc.**
- I. The existing priorities of ECO namely transport, trade and energy should be maintained. Therefore, there is no need for any change in the Economic Cooperation Strategy at present.
 - II. However, to take into account developments that have taken place in the international environment and in the member states, the issues of the human resource development and poverty alleviation should receive increased attention of the member states at national and regional levels.
- (E) Active involvement of the private sector of the ECO member states in support of the ECO's aims and objectives.**
- I. The ECO-CCI Secretariat may rotate among the member states every four years instead of every two years.
 - II. The member states should be encouraged to include the representatives of the private sector in the ECO technical meetings and in the Regional Planning Council.
 - III. The national chambers of Iran, Pakistan and Turkey should extend all possible assistance to the chambers of other member states to activate their participation in ECO-CCI activities.
 - IV. The assistance of international organizations, e.g. UNDP, ITC and UNCTAD, should be sought for holding/organizing the ECO Business Forums and/or buyers/sellers meetings. The ECO-CCI should also contribute to the organization of Business Forum meetings.
 - V. ECO Chamber's trade fairs should be organized regularly in the member states on rotational basis.

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

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

I. As mentioned earlier, out of the proposed five Programme/Research Officers, at least three should be Development Economists specializing in the priority areas of trade, transport and energy.

II. The Secretariat should make all possible efforts to encourage the member states to propose feasibility studies for regional projects. The Secretariat should intensify direct contact with the concerned line ministries of the member states in this regard.

III. The Secretariat should also make necessary arrangements to utilize the existing capacity of the national research institutes of the member states and should seek their assistance for the preparation of relevant project proposals.

IV. The merged Directorate, namely Directorate for Project Research and Economic Research & Statistics, should have the coordinating role within the Secretariat to activate the utilization of the Fund.

V. There should not be any change in the ECO Functional Methodology.

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

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

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

I. ECO Shipping Company

The COM may impose a deadline of one year for the company to reorganize its affairs and start operations as the ECO Shipping Company. If the company is not able to sort out its problems as the ECO Company, pursuant to the decision of the COM, the participating member states may convert the same company into a joint venture if they so wish.

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

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

III. **ECO College of Insurance**

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

IV. **ECO Science Foundation**

Since the first Board of Trustees (BOT) meeting for the establishment of the Science Foundation has been scheduled to be held in September 2004 in Pakistan, the EPG expressed the hope that the Foundation would become operational during 2005.

V. **ECO Educational Institute**

The COM may consider putting a deadline of one year for the establishment and operationization of the ECO Educational Institute.

VI. **ECO Cultural Institute**

The Institute is functioning. However, it needs the support of the additional member states which have not signed/ratified its charter. These member states may consider joining it as early as possible.

VII. **ECO-CEC**

In addition to companies from Iran, Pakistan and Turkey, companies from other member states should join the ECO-CEC; ECO-CEC should be invited to participate in the relevant technical meetings of ECO; and the company should also be involved closely in preparation of feasibility and pre-feasibility studies of ECO projects.

VIII. **ECO-CCI**

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

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

The Secretariat should categorize international/regional organizations with which the ECO has already institutionalized cooperative relations, and establish a follow up mechanism with regard to the high priority category.

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

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

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

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

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

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

- I. An annual plan of action on the promotion of awareness/image of ECO should be prepared by the ECO Secretariat, with the assistance of the ECO Cultural Institute, for the approval of the COM. Such a plan of action may include, by way of example, organizing ECO games, fairs, festivals, symposia, conferences, etc. on rotational basis in the member states, and dissemination of ECO news and publications, etc.
- II. ECO Day should be celebrated with enthusiasm in the member states. On this occasion, the Foreign Ministers of the member states may hold a reception in their respective capitals for the Ambassadors of the ECO member states, diplomats from other countries and opinion-makers in the host country.
- III. The Secretariat should intensify the feeding of news about ECO activities to national news agencies of the member states for dissemination in the local media.

Conclusion

The EPG expressed its appreciation of the valuable support extended to it by the ECO Secretary General and his colleagues in its deliberations and the accomplishment of its task.

The Group, while pointing out that its report would be submitted directly to the Council of Ministers for its consideration, suggested that the member states may initiate preparatory work on the ECO's Vision 2015 on the basis of the attached preliminary draft for adoption by the 8th ECO Summit.

The EPG also expressed the hope that its recommendations following approval by the Council of Ministers would be expeditiously implemented by the member states.

Annex-I

LISTS OF PARTICIPANTS

1st Meeting of Eminent Persons Group (EPG) (13-15 January 2004)

1. H.E. Ambassador Bagher Asadi, Iran
2. H.E. Ambassador Javid Husain, Pakistan
3. H.E. Ambassador (Retd) Önder Özar, Turkey
4. H.E. Mr. Turar K. Koichuev, Kyrgyzstan

2nd Meeting of Eminent Persons Group (EPG) (22-25 May 2004)

1. H.E. Ambassador Bagher Asadi, Iran
2. H.E. Ambassador (Retd) Javid Husain, Pakistan
3. H.E. Ambassador (Retd) Önder Özar, Turkey
4. H.E. Dr. Nigmatzhan Issingarın, Kazakhstan.
5. H.E. Mr. Nuriddin Kayumov, Tajikistan

ECO SECRETARIAT, TEHRAN (For Both Meetings)

1. H.E. Mr. Askhat Orazbay, Secretary General
2. Dr. Sohrab Shahabi, Deputy Secretary General
3. Mr. Mehmet Ali Saglam, Director (Project Research)

Annex-II

Draft **ECO VISION 2015**

We, the Heads of State/Government of the Economic Cooperation Organization (ECO), today in Dushanbe, reaffirm our commitment towards achieving the aims and objectives of the organization as set forth in the Treaty of Izmir 1996, motivated by the desire to promote sustainable economic and social development, raise the standard of living and quality of life of our peoples and bring them closer together through mobilization of the potential for regional cooperation in various fields.

We believe our rich human and natural resources as well as our history and cultural affinities are important contributing factors for the development of regional cooperation and for enhancing economic growth and prosperity.

As we are in the beginning of the new Millennium after the expansion of the ECO into ten member states in 1992, we wish to adopt a Vision for ECO, taking into account the globalization process, the rapid social, economic, political and technological developments in the world and the prospects in the decades ahead.

We believe that the economic progress and development of the ECO region constitute an important factor and an essential contribution to the strengthening of regional peace and stability.

We recognize that the enhancing of friendly bilateral relations on the basis of good neighbourly policies would strengthen the process of regional economic cooperation.

We acknowledge that sustained and intensified efforts are needed within the framework of ECO to implement social, economic, legal and administrative reforms and to provide for good governance as well as the efficient functioning of markets.

Keeping in view the priorities laid down in the Economic Cooperation Strategy, we affirm that the ECO is an effective forum for the modernization, growth and development of the region and would facilitate the integration among the ECO member states as well as gradual integration of the member states into the world economy.

While reiterating our determination to enhance regional economic cooperation in line with aspirations of our peoples, we resolve to undertake the following:

Trade

- We commit ourselves to remove tariff and non-tariff barriers in trade among the ECO member states by the year 2015 so as to increase intra-regional trade from the present level of 6% to 20%. Therefore, we accord the highest priority to the ratification and the implementation of the ECO Trade Agreement (ECOTA) at the earliest and to the active participation of member states in liberalization of trade policies, harmonization of customs laws and regulations and simplification of our visa procedures.
- We reiterate our belief that in achieving all the set goals of the ECO, private sectors in ECO member states should become more active and play a more important role. The relations among the private sectors of the member states should be enhanced through cooperation among the Chambers of Commerce of the member states by activating ECO-CCI and by participating in trade fairs and business forums.
- Realizing the vital role of the banks and financial institutions in the ECO region in financing and accelerating economic growth, privatization programmes and structural reforms, the ECO Trade and Development Bank and ECO Re-insurance Company should be established by the end of 2005.

Transport and Communications

- Considering the importance of the development of transport and communications for regional economic growth and cooperation and the fact that seven member states are landlocked countries, we commit ourselves to the removal of physical and non-physical barriers in transport and communications among the member states and to the completion of the missing links in road and railway transportation to facilitate the movement of people and commodities within the ECO region.
- We will fully operationalize the Transit Transport Framework Agreement (TTFA) by the end of 2005 to boost cooperation among the member states in the fields of transport and trade.
- We reaffirm our resolve to operationalize the container and passenger train project connecting the landlocked countries of Central Asia with Europe through Iran and Turkey.

Energy

- We resolve our commitment towards establishing interconnected electric power systems by the year 2015 in the ECO region to achieve better patterns of electricity production, exchange and trade, facilitating development of oil and gas pipeline networks in the region to meet the entire region's energy requirements as well as to provide outlets for access to international markets, and promote cooperation for the development of new and renewable resources of energy and enhancement of efficiency in energy production and use.
- We decide to develop cooperation in the minerals sector with emphasis on facilitation of the intra-regional trade and investment in this sector and enhanced exchange of the sector-related resource and technological information and experience.

Finance and Economy

- We are resolved to harmonize the financial and monetary policies of member states in the interest of enhancing regional economic cooperation and accelerating regional economic growth.

Industry

- We are determined to accelerate the pace of industrial development of our countries and the region and, to that end, we will engage in mutual cooperation at the regional level.
- We intend to adopt policies and strategies for the promotion and attraction of Foreign Direct Investment in the region in conjunction with effective privatization policies and measures.

Agriculture

- We commit to make our region secure in food supply by the year 2015 by increasing accessibility and availability of food through enhancing food production, preventing food losses at different stages of production and diversification of food resources through the utilization of new technologies.
- We will adopt a common and effective approach to prevent the spread of animal diseases and pests of plants and plant products through integrated policies/plans.
- We will enhance efficient use of natural resources especially water resources of the region through water management policies/programmes/plans, utilization of new technologies and increasing the water use efficiency in the region.

Environment

- For achieving sustainable development and improving the quality of life of our peoples, we will intensify cooperation in the field of environment to jointly address the common concerns and regional problems and take necessary actions in cooperation with relevant international organizations to protect the nature and improve the environment in the region.

Human Resource Development and Poverty Alleviation

We commit to:

- take necessary measures for the development of human resources and to improve social, educational and health standards of our peoples,
- reduce the poverty and hunger drastically in our region,
- upgrade the training of the workforce, so as to make it competitive especially in hi-tech industries, including, inter alia, information technology,
- in compliance with the UN Millennium Development Goals, intensify poverty reduction efforts through human resource development, special programmes at national and regional levels to accelerate development of areas lagging behind in economic growth and appropriate income re-distribution policies,
- ensure that all girls and boys of the member states are able to complete primary schooling by the year 2015,
- reduce by two thirds the mortality rate among children under five and reduce by three quarters the maternal mortality ratio by the year 2015.

Drug Control

- We will intensify coordinated regional activities, by establishing an institutionalized network for drug demand reduction and combating illicit drug trafficking in the implementation of the ECO Plan of Action on Drug Control.

Tourism

- We will facilitate the movement of people throughout the region and the development of appropriate infrastructures at the national and regional levels and take necessary steps to promote ECO region as a tourism destination and increase the ECO region's share in the global tourism, keeping in view our shared history and cultural affinities

An Outward-Looking ECO

We envision the ECO playing a vital role in all relevant international fora to project and advance ECO's common views and interests. We also envision that ECO will intensify its relationship with concerned international and regional organizations.

We pledge to our peoples our determination and commitment to make the ECO a successful, dynamic and vibrant regional cooperation organization, and through such cooperation improve the quality of life of the ECO community.

Dushanbe

14 September 2004

[Annex-III](#)

Subject: **Proposed changes in the ECO Secretariat**

The Eminent Persons Group recommended the following changes in the ECO Secretariat Organizational Chart.

- a) The number of Program/Research Officers to be increased from the current five to ten in order to make the work of each directorate more professional and efficient. Out of these additional officers, three should be Development Economists specializing in the priority areas of Transport, Trade and Energy.
- b) There is no need for two separate Directorates of Economic Research & Statistics and Directorate of Project Research. Therefore, it is proposed to merge the two directorates into one, to be assisted by two Program/Research Officers, one in charge of Project Research and the other in charge of Economic Research & Statistics.
- c) A new Directorate should be created to be in charge of making necessary preparations, coordination, monitoring and follow up of the implementation of the decisions of the meetings of various organs of ECO, namely Summit, COM, SOM, RPC and CPR. It is proposed that this new directorate should be entitled "Directorate for Coordination and Follow-up" and to be assisted by one Program/Research Officer. Therefore, the title of the Assistant Director for International Relations and Coordination would be changed to Assistant Director for International Relations.

The proposed New ECO Secretariat organizational chart is attached.

- We reiterate our belief that in achieving all the set goals of the ECO, private sectors in ECO member states should become more active and play a more important role. The relations among the private sectors of the member states should be enhanced through cooperation among the Chambers of Commerce of the member states by activating ECO-CCI and by participating in trade fairs and business forums.