

The 13th Council of Ministers

Statement of ECO Secretary General

(Bishkek, 11 June, 2003)

Annex-IV

by: H.E. Ambassador Seyed Mojtaba Arastou

*Excellencies,
Distinguished Delegates,
Ladies & Gentlemen*

Mr. Chairman,

It is a great honour and privilege for me to have this opportunity to address the august gathering of the Honourable Ministers and heads of delegations from the ECO member states on the eve of the 13th Council of Ministers, inaugurated today in the flourishing city of Bishkek.

First, I would like to express my profound gratitude and thanks to the Government of the Kyrgyz Republic for scheduling this important meeting and the gracious hospitality extended to the participating delegations from the member states as well as from the ECO Secretariat and international organizations. I would also use this occasion to express my gratitude to our former Chairman, His Excellency Dr. Abdullah Gül, Deputy Prime Minister and Foreign Minister of the Republic of Turkey for the valuable guidance he had provided during the tenure of his chairmanship.

Mr. Chairman,

Let me also convey to you my warmest congratulation and felicitation on your assumption as the chairperson of this COM. Under your inspiring and able guidance, I am confident that our Organization will continue to make rapid strides towards realization of its objectives.

This year is more notable for recognition of ECO by international and UN bodies as well as the Secretary General of UN, Mr. Kofi Annan, who in last June directed the specialized agencies and other organizations and programmes of the United Nations system and the relevant international financial institutions to join in their efforts towards implementation of economic programmes and projects of ECO. In the same spirit, ECO is expected to be called upon to play a prominent role in the UN sponsored International Ministerial meeting on Transit Transport issues of Landlocked and Transit Developing Countries on August 28-29, 2003, Kazakhstan and International Freshwater Forum to be held on August 29-September 1, 2003, Tajikistan. Also, ECO would soon be entering into dialogue with the Asian-African Sub-regional Organizations which is holding its Conference in Bandung from July 28-30, 2003. The opportunity would enhance ECO's vibrant role in forging political and ideological solidarity with the people of Africa and provide a unique platform to study the regional development policies and their applications for use in our region.

Excellencies,

Last year, we celebrated the 10th anniversary of the expansion of ECO from 3 to 10 member states. We then reaffirmed our commitments that we would continue to work for i) enhancement of intra-trade within the region, ii) removal of impediments blocking Transit Trade and Transport problems, iii) increasing integration of the Landlocked Countries with global markets, iv) improvement of regional cooperation within Agriculture, Energy, Drug Control, Minerals exploitation and intra-regional Tourism.

With the passage of time we are getting nearer to the fulfillment of our objectives. We have now reached the level of cohesiveness and integration which was inconceivable some years ago. Even in case of new areas such as reconstruction of Afghanistan, where the 12th COM had specifically asked the member states to establish Special Fund for reconstruction in Afghanistan and encourage Afghanistan to emerge as a full member of the Organization, the progress is positive, if not entirely satisfactory. We are now more closer to realization of the directives of the 12th COM and the objectives of the Istanbul Declaration of 2002 than before. In this respect, we have been able to present a "Plan of Action" to this Council to ensure adoption of concrete steps towards helping the Islamic State of Afghanistan in its crusade for rehabilitation and reconstruction.

Today our Organization has reached a critical and defining moment. It is now poised to be led by a prominent personality from one of the country from the Central Asian Republics. This momentous change, I expect, would pave the way for more support and commitment from all member states, particularly countries from the Central Asia for speedy implementation of all agreed decisions and conventions.

Since the 12th COM, we have not been able to schedule more than one Ministerial meeting (Environment in December 2002). Nevertheless, the overall progress has been consistent and inspiring. We are presently working full time to ensure scheduling of the 2nd Ministerial meeting on Commerce/Foreign Trade in Pakistan, 1st Ministerial meeting on Information and Communication Technology (ICT) in Tehran, the 2nd Ministerial meeting on Energy/Petroleum in Iran, 2nd Ministerial meeting on Environment in Turkey, the 1st Ministerial meeting on Industry in Iran, the 1st meeting of Ministers of Finance and Economics, the 5th Ministerial meeting on Transport and Communication in Kyrgyzstan next year. Also, I would like to highlight that for the first time the Organization has ventured into some new areas such as Finance and Economy, Information Communication Technology, Maritime Services and have lined up appropriate events to enhance regional understanding and cooperation.

I have already submitted to the member states a comprehensive report on the activities since the 12th COM vide Document No. No.COM/13th/2003/3 dated May 31, 2003. I trust that the report must have received careful attention of the member states.

In **Trade and Investment** sector, we have almost concluded the draft for ECOTA which would be submitted to the 2nd Ministerial meeting of Commerce and Trade

scheduled to be held in Islamabad on July 15-17, 2003. The adoption of ECOTA by the member states would lead to gradual but definite dismantling of the non-tariff barriers, brightening the prospects for expansion in intra-trade.

Another achievement in this particular sector has been the signing of an MoU with the World Customs Organization under which WCO has agreed to provide training and technical assistance to the customs authorities in the member states. It may also be worthwhile to mention here the successful conclusion of the 1st ECO Investment Conference and the interest it has generated among the member states.

Fully aware of our failing to activate the ECO Chamber of Commerce and Industry (ECO-CCI), we have sought the help of international organizations including ITC and WTO to make use of the dynamism of private sector to invigorate this institution. We believe that an early decision on the issue of Permanent Secretariat for ECO-CCI may help generate the momentum necessary to realize under the auspices of ECO-CCI useful projects such as ECO trade fairs, business forums and establishment of a trade network.

I am pleased to announce that very useful activities have been carried out under the ECO-ITC project. Only a few weeks back the 2nd Buyers/Sellers meeting on Food and Beverages was held in Almaty. In fact the result of the three activities under ECO-ITC project have been to my full satisfaction and I hope that both the organizations would be able to start a new phase of cooperation soon.

In the second priority area of **Transport and Communications**, our achievements are substantive. The existing infrastructure has improved tremendously and alternative facilities, where considered necessary, developed and upgraded to cater for new demands and challenges in this field. A regular container train service, on fortnightly basis from Istanbul to Almaty, has started operating since January 2002. To make it more attractive for Transport Operators, necessary actions such as Common Rail Tariff Policy and the Third Party Insurance are underway. A study to promote multimodal transportation with the collaboration of UNCTAD, IDB and UNESCAP within the region is at a higher stage of implementation.

We have now started looking at Transport not only in terms of a support to trade expansion but also as an independent service as envisaged in WTO documents. In this respect, new areas have been introduced including Maritime Services, development of cooperation among Sea-port Management Authorities in the member states and extensive application of ICT (Information Communication Technology) to raise efficiency and productivity within the member states in this area. We believe that the forthcoming Ministerial meeting on ICT to be held in Tehran in November 2003 will help develop an efficient Transit Transport System in the region.

The Transport sector nevertheless continues to encounter some challenges. A study of the border posts undertaken by ECO, in collaboration with UNDP, has revealed the wide-spread practices by the border post authorities including Customs,

Immigrations, and Transport Operators which continue to hamper the development of efficient transit trade and transport operations. Another crucial area which needs urgent attention is the ratification of TTFA. This important ECO Transit Framework Agreement has been endorsed only by five countries, though adopted in 1998.

Some useful work has been done in the area of **Environment**. The 1st Ministerial meeting on Environment has been able to sensitize the international organizations and UN bodies about the dire needs of this region to set aside allocations for preservation of environment. I am happy to inform you, that the UNEP Governing Council in a recent decision has decided to help ECO in capacity building through technology transfer and called upon its member governments to contribute to the work of the UNEP in the ECO region. The ECO member states are now requested to help the ECO Secretariat to devise ways to benefit from the UNEP's positive outlook and decisions.

In the field of Energy, IDB sponsored ECO Countries Power System Inter-Connection Study is in the final stages of selecting an international Consultant. This study, when completed, will open up many new vistas for cooperation in energy sharing among power deficit and power producing member states. I would also like to make a mention of the draft ECO policy on strategy which includes among other things the regional cooperation on new and renewable energy resources. To promote this area further, the 2nd Ministerial meeting on Energy and Petroleum has been planned to be held in Tehran in near future.

In the field of **Agriculture**, it is gratifying for me to inform you that ECO has recently signed an agreement with FAO for a grant of US\$ 327,000 for implementation of regional food security programme under which many supportive projects at countries and regional levels will be implemented. Here I would like to make a mention of the efforts of the leading coordinator countries like Turkey, Pakistan and Iran for carrying out workshops/seminars/programmes in crucial areas such as drought management, water management, agriculture products, and trade promotion, development of post harvest and processing industry and conservation materials. Since the economies of the most of the member states continue to be agro-based, I would request more visible and tangible support for implementation of the decisions of the 1st Ministerial meeting on Agriculture held in July 2002, Islamabad.

Excellencies,

The 13th RPC has endorsed the Pakistan's initiative to institutionalize Ministerial meetings in **finance/economy** in future. This is a new but very crucial area where the member states need to sit together and work out a strategy, both in terms of immediate needs and long term planning, to coordinate their economic and financial policies with reference to regional development and international negotiations in terms of globalization and its related agenda.

Now I would briefly speak about my successful talks with the Afghan Government in Kabul and the "Plan of Action" prepared by the Secretariat in the light of the decisions

of the 12th COM and the Istanbul Declaration (2002) with regard to the reconstruction of Afghanistan. I am confident that the member states would carefully look at the Plan of Action for adoption and speedy implementation. Towards this end, all the required meetings and activities will be organized

I would also like to mention the expanding ECO cooperative relations with IDB, UNESCAP, UNCTAD, FAO, ASEAN, Colombo Plan, ITC, IMF, World Bank, UNODC, UNESCO, UNEP and UNFPA. To some extent in my address to the 13th RPC, I had mentioned the increasing recognition of ECO as a useful regional organization and the ECO-ASEAN agreement to start a joint study in 10 areas including trade & investment, transport, energy, finance and banking, industry, HRD, narcotic control etc. The 8th Consultative meeting between the Executive Heads of four Regional Organizations and UNESCAP will be held at the Secretariat under the auspices of ECO. This is a good testimony to the growing stature of ECO within the international community and the respect it enjoys today as a credible regional organization.

Let me also inform this august body that the Drug Control Project between the European Union, UNODC and ECO has started functioning since December last. The focal points in the member states for this project need to be more active for efficient implementation of this important project. The drug control measures have become an international priority. Recently I was in Paris attending an International Conference on Drug Routes from Central Asia to Europe held on May 22, 2003 where I met the Secretary General of UNODC who emphasized the successful conclusion of the drug combating measures in ECO region. We discussed further cooperation and I was assured that UNODC would be forthcoming to start many more programmes with ECO in this field if the organization can come up with a Plan of Action in this new area.

The heads of ECO Specialized Agencies and regional institutions are present here and they are likely to give detailed reports on the activities of their institutions. Nevertheless, I would like to say that we have witnessed an increasing interest of our member states in their activities which is a healthy sign. In the same spirit, we hope the member states will make sincere efforts for early operationalization of the ECO Trade and Development Bank, ECO Reinsurance Company and the ECO Science Foundation. Here I would like to congratulate His Excellency, Mr. Mohammad Ali Shoaei, on the assumption of the post of the President of ECO Cultural Institute. I am confident that the Institute would continue to make progress under his able leadership.

Finally, I would like to say that during my short stay as the Secretary General, I have made all efforts to improve the public image of ECO. Within the Secretariat, I introduced some innovative management techniques to improve efficiency and the channels of communication among the Secretariat and the member states through adoption of the UN based Documentation System as well as establishment of a data warehouse through a secured website. Now the entire range of official documents is one click away from officials in the diplomatic missions of the member states as well as the officials dealing with ECO affairs in capitals.

Excellencies and Distinguished Guests,

Before I conclude, I would like to reiterate my gratitude to the Government of Kyrgyz Republic for their generous hospitality and active personal support of His Excellency Mr. Askar Aitmatov, Minister of Foreign Affairs for hosting this important meeting in Bishkek. I am also grateful to the Honourable Ministers and the Heads of Delegations from the member states for their presence.

Since this is the last time that I would have the privilege to speak to Your Excellencies in the capacity of the Secretary General of ECO, my sincerest thanks and gratitude go to you and your governments for the support and encouragement I had received during my short tour of duty. I am also grateful to my team headed by Deputy Secretaries General and the Directing Staff for cooperation and support. In fact, within the ECO Secretariat we work like a closely knit team, rather I should say, like a well-integrated family for common prosperity of us all. My associations with ECO run deeper than my short stay as the Secretary General. My involvements in ECO affairs will grow, no matter where I would be.

I have great hopes for ECO. Its strength or frailty depends on the support extended to each of its activity by the member states. I am confident that with the support of the member states, our Organization will continue its march towards new heights.

Thank you for your kind and patient hearing,