

# The 12<sup>th</sup> Council of Ministers

## Report

( Istanbul, 12 October, 2002 )

1. The 12<sup>th</sup> meeting of the Council of Ministers of the Economic Cooperation Organization (ECO) was held on October 12, 2002 in Istanbul, Republic of Turkey. The Council of Ministers' meeting was preceded by the Senior Officials meeting held on 10-11 October 2002 under the Chairmanship of H.E. Mr. Alev Kilic, Deputy Undersecretary of the Ministry of Foreign Affairs of the Republic of Turkey.

2. The meeting was attended by the delegations of the Transitional Islamic Government of Afghanistan, Republic of Azerbaijan, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and Republic of Uzbekistan as well as the Secretary General along with the ECO staff. The representatives of regional and international organizations attended the inaugural session. The list of the participants is placed at ***Annex-I***

### **Agenda Item No. 1**

#### **Inauguration of the Meeting**

3. H.E. Mr. Talbak Nazarov, Minister of Foreign Affairs of the Republic of Tajikistan in his capacity as the Chairman of the 11<sup>th</sup> ECO Council of Ministers opened the meeting.

### **Agenda Item No. 2**

#### **Opening Statement of the Chairman**

4. H.E. Talbak Nazarov, Minister of Foreign Affairs of the Republic of Tajikistan made brief remarks, expressing gratitude on behalf of the participating honourable Ministers to the Government of the Republic of Turkey for hosting the 12<sup>th</sup> meeting of the ECO Council of Ministers.

### **Agenda Item No. 3**

#### **Election of the new Chairman and his statement**

5. As per ECO Rules of Procedures, the Council unanimously elected H.E. Professor Dr. Sükrü Sina Gürel, the Deputy Prime Minister and Foreign Minister of the Republic of Turkey as the Chairman of the meeting. Following his election, H.E. Professor Dr. Gürel welcomed the distinguished Ministers and other participants and made his statement which is placed at ***Annex-II***.

### **Agenda Item No. 4**

#### **Adoption of the Agenda**

6. The Council adopted the Agenda of the meeting which is placed at ***Annex-III***.

#### **Agenda Item No. 5**

##### Appointment of the Drafting Committee

7. The Senior Officials of the ECO member states acted as the Drafting Committee to prepare the Report of the meeting. The Chairman of SOM briefed the COM on the deliberations of COM.

#### **Agenda Item No. 6**

##### Report of the Secretary General on ECO Activities

8. Secretary General H.E. Seyed Mojtaba Arastou presented his statement envisaging his observations and recommendations. Separately, he had submitted a comprehensive report (No.ECO/12<sup>th</sup> COM/RSG/2002) on the ECO activities since the conclusion of the 11<sup>th</sup> COM held on May 2001 in Dushanbe. The Council appreciated both the statement and the report of the Secretary General. Copies are placed at ***Annex-IV***.

#### **Agenda Item No. 7**

##### Statement of the Ministers/Heads of Delegation

9. The Foreign Ministers/Heads of the Delegation delivered their statements expressing the views of their respective governments regarding regional cooperation among the member states and the ongoing as well as the planned ECO activities. Copies of these statements as provided to the Secretariat are placed at ***Annex-V***.

10. The Council agreed that the Secretariat may prepare a report on actionable points contained in the statements of the Heads of delegation for translating them into action later and submit a report to the 13<sup>th</sup> COM through CPR.

#### **Agenda Item No.8**

##### Statement of the Heads of ECO Specialized Agencies and Regional Institutions

11. The Executive Director of the ECO Cultural Institute and the Dean of the ECO College of Insurance attended the meeting and presented the Annual Reports on the activities of their institutions to COM. The Heads of the ECO Shipping Company and the ECO Chamber of Commerce & Industry also submitted their Annual Reports through the Secretariat to COM. The copies of these Reports are placed at ***Annex-VI***.

12. The Council took note of the reports of the said ECO regional institutions and specialized agencies. In this context, they called upon the member states to take the necessary measures to improve the performance of the ECO Shipping Company, the ECO Cultural Institute, the ECO College of Insurance and the ECO Chamber of Commerce and Industry.

13. The Council called for an early establishment and operationalization of the approved regional institutions and specialized agencies including the ECO Science Foundation and the ECO Trade and Development Bank as well as the ECO Reinsurance Company.

14. The Council urged the signatory member states who have not paid the equity share of ECO Shipping Company so far to do so at the earliest. Similarly the Council invited the non-signatory member states to sign the agreement as soon as possible. However, in case of non-payment of contribution from other member states the participating member countries would be prepared to convert the company into a joint venture under the same title with the possibility of re-joining by the ECO member states at a later stage if considered appropriate. As for the amendments to the Articles of Association of the Shipping Company, the Council agreed that only the participating member states who have paid the equity share would be authorized to decide the affairs of the Company.

### **Agenda Item No. 9**

#### Review of the ECO activities



#### A. Reports for Adoption/Approval/Consideration:

i. Reports of the meetings of the Council of Permanent Representatives (CPR);

15. The Council approved the reports of the meetings (55-69) of the Council of Permanent Representatives (CPR) held since the last session of COM in May 2001 in Dushanbe (Tajikistan).

ii. Consolidated report of the meetings of Working Group of Senior Officials (WGSO);

16. The Council adopted the reports of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> meetings of the Working Group of Senior Officials held on February 5-6, 2001 in Tehran, May 2, 2001 in Dushanbe, May 28-29 in Tehran and October 9-10, 2002 in Istanbul respectively. The consolidated report of the said meetings is placed at **Annex-VII**.

iii. ECO Awards;

17. The Council approved the recommendations of the ECO Award Selection Committee which met on 27-28 September, 2002 to select winners from the member states for the ECO Awards 2002. A ceremony will be arranged to present the awards to the recipients at the conclusion ceremony of the 7<sup>th</sup> ECO Summit meeting to be held on October 14, 2002. The list of the recipient of the Awards is placed at **Annex-VIII**.

iv. ECO Secretariat's budget for 2002;

18. The Council was informed that the Secretariat's budget for 2002 was approved on its behalf by CPR in accordance with the Article 3.2 of the Financial Regulations. The Council approved the Secretariat's Budget for 2002.

v. ECO Secretariat's audit reports for 2000 & 2001;

19. The Council approved the Audit Reports of the Secretariat for the years 2000 and 2001 respectively.

**vi.** Report of the 12<sup>th</sup> meeting of the Regional Planning Council meeting (RPC) and ECO Annual Calendar of Events for 2002 as well as Work Programme for 2002;

20. The Council considered and adopted the report of the 12<sup>th</sup> meeting of the Regional Planning Council held in Tehran on March 6, 2002, the Calendar of Events/Meetings and Work programme of the ECO Secretariat for 2002. While adopting these documents, the Council a) urged the member states to take necessary measures to raise participation as well as to ensure appropriate level of participation in the ECO events, b) asked the Secretariat to come up with the rolling Calendar of Events for two years to avoid any legal/audit complications.

21. Further the Council emphasized the need to harmonize the time frame of various meetings and schedule to be maintained for the approval of documents such as the annual calendar of events, the work programme, the annual budget, by the competent ECO organs in a timely fashion. The Council also agreed that the next Calendar of Events may be organized in such a way that it covers the proposed activities for a period of two years.

**vii.** Reports of the 1<sup>st</sup> ECO Ministerial meeting on Agriculture and 4<sup>th</sup> ECO Ministerial meeting on Transport & Communications;

22. The Council took note of the reports of the 1<sup>st</sup> ECO Ministerial meeting on Agriculture held on July 26-27, 2002, in Islamabad, Pakistan and the 4<sup>th</sup> ECO Ministerial meeting on Transport and Communications held on September 26-27, 2002 in Izmir, Turkey. The Council requested the member states to take the necessary measures to implement the decisions taken at these meetings. In this respect, the Secretariat was directed to submit quarterly follow up reports on all sectoral meetings to the member states.

## B. Review of ECO strategy papers

**i.** Secretariat's paper on decisions of previous meetings of the Council of Ministers (COM) which need speedy implementation;

23. The Council took note of the decisions summarized in the document prepared by the Secretariat and requested the member states to make serious efforts to complete the formalities for implementing the decisions.

**ii.** The Secretariat's paper on implementation of decisions of the previous Ministerial meetings on:

- a. Transport & Communications;
- b. Commerce/Foreign Trade;
- c. Energy; and
- d. Agriculture.

24. The Council appreciated the efforts being made to implement the decisions of the said Ministerial meetings and asked the member states to continue their endeavours in this respect.

**iii.** Status of ratification of ECO Agreements;

25. The Council while taking note of the current status of ratification of the signed ECO agreements called upon those member states which have not done so to ensure early ratification particularly the Treaty of Izmir. In this respect, a request for early harmonization of TTFA (1998) and TTA (1995) was made.

**iv. Implementation of Economic Cooperation Strategy for ECO Region  
(Strategy Paper by the Secretariat).**

26. The Council while appreciating the strategy paper prepared by the Secretariat asked the member states who had not done so to furnish their views to the Secretariat to be submitted to CPR and then to the next COM.

**Agenda Item No.10**  
**Reconstruction of Afghanistan**

27. In the spirit of cooperation and solidarity, the Ministers welcomed the return of normalcy in Afghanistan and emphasized the need to promptly address the issues of rehabilitation, reconstruction and development for the welfare of the Afghan people. They appreciated the unanimous support among the member states for this purpose and welcomed the efforts of the member states of Economic Cooperation Organization in devising a Plan of Action to promote international and regional participation in this plan.

28. They further noted that the member states had presented a number of concrete and specific proposals, in priority areas of the government of Afghanistan. In this respect, the Ministers expressed their appreciation of the assistance announced/provided by ECO member states bilaterally to the brotherly state of Afghanistan. They expressed their belief that these measures would go a long way in restoring peace and stability in Afghanistan which is the sine qua non for further cooperation in the ECO region.

29. While taking note of the offers of training facilities/scholarships in various fields from some member states, the Government of Afghanistan was requested to avail of these offers at the earliest.

30. The Ministers supported the establishment of a Special ECO Fund to assist early implementation of the reconstruction projects in Afghanistan keeping in mind the technical and financial capabilities of the member states and priorities of the Afghan government. In this respect, they noted that the Afghan government had identified Transport, Trade, Agriculture, Education, Health and Telecommunications as priority areas.

31. They further decided that the financial experts from the member states would be invited to finalize the financial modality for the establishment and subsequent operation of the Special ECO Fund for reconstruction projects in Afghanistan. In this regard these experts would present their recommendations to the Ministers for final approval.

32. The Ministers also called for arranging an ECO seminar on the reconstruction of Afghanistan in order to come up with realistic and concrete recommendations for raising ECO's collective assistance programme for Afghanistan. The national coordinators dealing with the subject in member states could also be invited to participate in the seminar to coordinate a region-wide ECO assistance programme.

33. The Ministers welcomed the idea of utilization of ECO Feasibility Fund for preparation of feasibility studies for the reconstruction projects and directed the Secretariat to approach international donor agencies for financing these projects.

34. In this regard, the Ministers urged the Secretariat to prepare a Plan of Action taking due note of the various proposals of the member states to be forwarded to the relevant regional and international organizations such as UNDP, ADB, IDB, UNDCP and WB to raise additional funds for the proposed reconstruction projects. The Secretariat was also asked to use its technical expertise to prepare, where needed, bankable documents to facilitate the acceptance of project profiles for funding by international agencies.

35. The Ministers directed the Secretariat to effectively disseminate information, as provided by the government of Afghanistan, on new regulations, laws, etc. in the defined priority areas, for reconstruction in Afghanistan to facilitate participation by the member states as well as the regional and international donors in the reconstruction work in Afghanistan.

36. The Ministers also expressed their appreciation to the Secretariat for the preparation of the document entitled "Participation of ECO in the Reconstruction Work in Afghanistan".

#### **Agenda Item No. 11**

##### **ECO Business Forum**

37. Mr. Rifat Hisarciklioglu, Chairman of the Union of Chambers and Commodity Exchanges of Turkey and Foreign Economic Relations Board briefed the Council about the ECO Business Forum (EBF) organized by ECO-ITC on October 11, 2002 in Istanbul. The Council took note of the presentation made by the President of the Union. The report of the Forum along with recommendations is placed at ***Annex-IX***.

38. The Ministers welcomed the proposal of EBF that the ECO Chamber of Commerce and Industry (ECO-CCI) shall have a permanent Secretariat. In this regard, the President of the Union of Chambers of Commodity Exchanges of Turkey offered to host the permanent Secretariat of ECO CCI in Turkey.

39. The Ministers further appreciated the role of private sector in activating the business activities among the member states and decided that the representatives of the private sectors should themselves decide about the frequency and the level of

contact. However, they wished that there should be coordination between ECO and the business community.

### **Agenda Item No.12**

#### Preparation for 7<sup>th</sup> ECO Summit

##### A) Draft Agenda

40. The Council agreed to recommend the following draft Agenda for the 7<sup>th</sup> Summit meeting to be held on October 14, 2002 in Istanbul:

1. Inaugural Ceremony
2. Election of the Chairman
3. Adoption of the Agenda
4. Statements by the Heads of State/Government
5. Statements by the Heads of International Organizations
6. Report of the Chairman of the 12<sup>th</sup> Council of Ministers (COM) meeting
7. Report of the ECO Secretary General
8. Report of ECO Business Forum (EBF)
9. Any other business
10. Date and venue of the next meeting
11. Consideration and adoption of the Istanbul Declaration
12. ECO Awards
13. Closing of the meeting

##### B) Draft Istanbul Declaration 2002

41. The Council of Ministers agreed to submit the enclosed draft Istanbul Declaration to Heads of State for adoption ***Annex-X***.

### **Agenda Item No.13**

#### Any other business

42. No other issue was raised under this item.

### **Agenda Item No.14**

#### Date and venue of the next meeting

43. The Council welcomed the offer of the Government of the Kyrgyz Republic to host the 13<sup>th</sup> meeting of the Council of Ministers in 2003. The date and the venue of this meeting will be finalized through diplomatic channels.

### **Agenda Item No.15**

#### Adoption of the report

44. The Council adopted its report.

## **Agenda Item No.16**

### Vote of thanks and closing of the meeting

45. The participants appreciated the excellent arrangements made by the Government of the Republic of Turkey for the successful conduct of the meeting and emphasized the valuable role played by the Chairman, Deputy Prime Minister and the Foreign Minister of the Republic of Turkey H.E. Dr. Sükrü Sina Gürel in guiding the deliberations of the 12<sup>th</sup> meeting of the Council of Ministers.

46. The Ministers also expressed their appreciation and thanks to the Secretary General His Excellency Seyed Mojtaba Arastou and other ECO staff for the preparation of the excellent documentation and their valuable services to facilitate the work of the meeting.

47. The Chairman announced the conclusion of the meeting.