

# The 10<sup>th</sup> Council of Ministers

## Report

( Tehran, 08 June, 2000 )

1. The Tenth Annual Meeting of the Council of Ministers (COM) of the Economic Cooperation Organization (ECO) was held in Tehran, Islamic Republic of Iran on 8<sup>th</sup> June, 2000. The COM Meeting was preceded by the Senior Officials' Meeting on 6-7 June, 2000, which was chaired by H.E. Dr. Seyed Mohammad Hossein Adeli, Deputy Foreign Minister for Economic Affairs of the Islamic Republic of Iran.

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

### **Agenda item No. 1**

#### Inauguration of the Meeting

3. H.E. Mr. Vilayat M. Guliyev, Minister for Foreign Affairs of the Republic of Azerbaijan, in his capacity as the Chairman of the 9<sup>th</sup> ECO Council of Ministers opened the Meeting and made brief remarks, thanking the Government of the Islamic Republic of Iran for hosting the 10<sup>th</sup> Meeting of the Council of Ministers (COM).

### **Agenda item No. 2**

#### Election of the Chairman

4. As per ECO Rules of Procedures and as per tradition, the Council unanimously elected H.E. Dr. Kamal Kharrazi, Minister of Foreign Affairs of the Islamic Republic of Iran as the Chairman of the 10<sup>th</sup> COM Meeting and he made his Inaugural Statement, which is placed at ***Annex-II***.

### **Agenda item No. 3**

#### Adoption of the Agenda

5. The Council adopted the Agenda of its Meeting with minor changes, which is placed at ***Annex-III***.

### **Agenda item No. 4**

#### Appointment of the Drafting Committee

6. The Senior Officials of the ECO Member States acted as the Drafting Committee to prepare the Report of the Meeting.

## **Agenda item No. 5**

### Report of the Secretary General on ECO Activities

7. The Council took note of the salient points of the Secretary General's Annual Report to the Council of Ministers on ECO Activities for the year 1999-2000 which focused on major achievements of the Organization, particularly on the ongoing programmes, projects and outcome of the Ministerial Meetings. The Council appreciated the Secretary General's report as a whole, particularly underscoring the need for close follow up on the following recommendations:

- i. The new arrangement for supporting participation of the representatives of new Member States in ECO events/meetings through the Special Support Fund (SSF), introduced for the first time in the budget of ECO for the year 2000.
- ii. The proposed amendment in the Functional Methodology of ECO for utilization of ECO Feasibility Fund, which would enable the Secretariat to participate in financing the joint projects with other regional & international organizations.

8. A copy of the full text of the Secretary General's Report is placed at **Annex-IV**.

## **Agenda item No. 6**

### Statements by the Ministers/Heads of Delegation

9. The Foreign Ministers/Heads of the Delegation delivered their Statements expressing views / suggestions for further strengthening regional cooperation among the Member States by sharing experiences and technical resources of the Member States and also offered valuable views/suggestions on the ongoing and planned activities. The copies of the Statements provided to the Secretariat are placed at **Annex-V**.

## **Agenda item No. 7**

### Adoption of the Reports of the Council of Permanent Representatives

10. The Council commended the valuable work done by the Council of Permanent Representatives (CPR) during the last year and approved the Reports of the 33<sup>rd</sup> to 44<sup>th</sup> CPR Meetings.

## **Agenda item No. 8**

### ECO Secretariat's Budget for 2000

11. The Council was informed that the Secretariat's budget for the year 2000 had been approved on its behalf by the CPR in accordance with the Article 3.2 of the Financial Regulations. The Council appealed to the concerned Member States for expeditious payment of their contributions for 2000 and, particularly, requested those Member States owing arrears for the past years to settle their accounts as early as possible.

## **Agenda item No. 9**

### Approval of the ECO Sectt.'s Audit Report for 1998

12.The Council approved the Audit Report for 1998 of the Secretariat.

**Agenda item No. 10**

Approval/adoption of the Report of the Tenth Meeting of the Regional Planning Council and approval of the ECO Annual Calendar of Events as well as the ECO Sectt.'s Work Programme for 2000

13.The Council considered the Report of the Tenth Meeting of the Regional Planning Council (RPC) held at the ECO Secretariat, Tehran on 7-10 February, 2000. While adopting the Report, ECO Calendar of Events/Meetings with small updating and the ECO Secretariat's Work Programme for the year 2000, the Council made the following observations:

- i. The relevant national authorities in the Member States may extend maximum cooperation to the Secretariat to fully achieve the targets fixed in the priority sectors such as Transport & Communications, Trade & Investment, Energy, Minerals & Environment and Agriculture, Industry & Health, as announced in the 10<sup>th</sup> RPC's Report.
- ii. Participation of the relevant experts from all the Member States in the approved ECO Events/Meetings should be ensured for attaining maximum benefits of such activities.

**Agenda item No. 11**

Reports of the Ministerial Meetings on Commerce & Foreign Trade and Transport & Communications, held in March and April, 2000 respectively

14.The Council expressed satisfaction on the successful conclusion of the Ministerial Meetings on Commerce/Foreign Trade and Transport & Communications, held in Tehran and Islamabad on 4-6 March, 2000 and 26-28 April, 2000 respectively and offered its thanks to the host Member States.

15.The Council took note with appreciation of the Report of the 1<sup>st</sup> ECO Ministerial Meeting on Commerce/Foreign Trade held in Tehran on 4-6 March, 2000 and endorsed relevant recommendations and decisions. The Council welcomed the signing of the Framework Agreement on ECO Trade Cooperation, envisaging the preparations of an ECO Trade Agreement (ECOTA) for progressive removal of trade barriers in the region and urged the signatory Member States to expedite ratification/approval of the said Framework Agreement and requested the Member States, who have not signed it, to join it at the earliest.

16.The Council noted with appreciation the progress made by the Secretariat concerning its relations with regional and international organizations dealing with trade such as WTO, ITC, UNCTAD, ESCAP and IDB. In this connection, the Council specifically welcomed the following developments.

- i. Observer Status accorded to ECO by WTO;
- ii. Joint ECO/ITC Project on "Promoting Intra-ECO Trade: Buyers and Sellers Meetings".

17. The Council endorsed with appreciation the Report of the 3<sup>rd</sup> ECO Ministerial Meeting on Transport and Communications held in Islamabad on 27-28 April, 2000 and approved its decisions and recommendations particularly with regard to the following documents:

- i. Signing of the Protocol on the texts of Annexes of the ECO Transit Transport Framework Agreement.
- ii. The Terms of Reference of the ECO Permanent Commission on Transport and Communications.
- iii. Signing of MOUs between ECO and OSZhD and UIC in the near future.

18. The Council urged all the signatory Member States to ratify the ECO Transit Transport Framework Agreement (1998) at the earliest (except Azerbaijan and Tajikistan who have already ratified the same) to make it operational within the current year. The Council invited the non-signatory Member States to join the TTFA to make it an ECO wide undertaking. The Council requested the Member States to supply within three months the relevant information regarding the Annex-I to the Protocol of TTFA. It also requested Turkmenistan to sign the Annexes of TTFA at an early date.

19. The Council also welcomed the signing on 11 September, 1999 of the Technical Assistance Grant Agreement between ECO and IDB concerning Introduction of Multimodal Transport Operations in the ECO region and confirmed the obligations of ECO as envisaged in this Agreement.

20. The Council while appreciating the preparatory work done so far for opening of the international passenger traffic on Almaty-Tashkent-Tehran-Istanbul route and launching of a demonstration container train from Almaty to Istanbul on the Trans-Asian Railway line, expressed its confidence that the railway authorities of the concerned Member States will do their utmost to complete all the required preparations on the above matters by the end of the current year. The Council also urged the Member States to take appropriate steps for early completion of missing road and rail links in the region.

## **Agenda item No. 12**

### **Status of Ratification of ECO Signed Agreements**

21. The Council reviewed the status of Ratification of ECO signed Agreements and urged the concerned Member States to finalize the ratification process of the Izmir Treaty. The Council welcomed the progress achieved with regard to ECO Trade & Investment Bank and ECO Reinsurance Company and appealed the respective authorities in the Member States to complete the remaining formalities to operationalize these two important ECO institutions for availing of their potential benefits.

22. In addition, the Council also appealed to the signatory Member States to the Agreements on ECO Shipping Company to discharge their contractual obligations as soon as possible.

23. Concerning the ECO Cultural Institute (ECI), the Council appealed to the signatory Member States to expedite ratifications and urged the remaining two Member States to join this Institute to make it an active ECO Institution.

24. The Council also urged the Member States to take necessary measures for early completion of the necessary formalities to establish ECO Science Foundation and ECO Educational Institute.

### **Agenda item No. 13**

#### **Appointment of the next Secretary General of ECO**

25. In pursuance of paras 21, 22 & 23 of the Report of the 9<sup>th</sup> COM, held in Baku, Azerbaijan on 21<sup>st</sup> May, 1999, the CPR agreed on a rotation formula for appointment of new Secretary General and Deputy Secretaries General.

26. As per the rotation formula approved by the 44<sup>th</sup> CPR Meeting on 3<sup>rd</sup> June, 2000, the post of the Secretary General, ECO, shall rotate between the Founding Members and the other Member States till the year 2015. Accordingly, for the term of 2000-2003, the post of the Secretary General should go to the Islamic Republic of Iran (Founding Member) with the understanding that for the term 2003-2006, the post of Secretary General will go to Kazakhstan (Non-Founding Member). Appointment of the Secretary-General for subsequent terms will be made on the basis of the agreed rotation formula placed at **Annex-VI**.

27. With regard to the posts of DSGs during the term that the post of Secretary General goes to one of the Founding Members, two posts of Deputy Secretaries General shall go to the other Founding Members and one to a Non-Founding Member. Further details about the rotation of the posts of DSGs are given in **Annex-VI**. The Procedures for appointment of DSGs shall be in accordance with the standing regulations of ECO.

28. The Council of Ministers, while appreciating the flexible and cooperative approach of the Member States in this regard, approved the proposed rotation formula and appointed H.E. Dr. Abdolrahim Gavahi for the post of Secretary General, ECO for a non-renewable term of three years, as per Article IX-2 of the Treaty of Izmir.

29. The new Secretary General will assume the charge of his post w.e.f. 13<sup>th</sup> August, 2000 on the relinquishment of charge of the post by H.E. Mr. Önder Özar, the present Secretary General of ECO.

30. The Council appreciated the valuable work done by the Secretariat during the last four years under the dynamic and dedicated leadership of the outgoing Secretary General and wished him every success in his career in future.

31. While expressing felicitations to H.E. Dr. Gavahi on his selection as the new Secretary General of ECO, the Council wished him a very successful tenure in his new assignment.

#### **Agenda item No. 14**

ECO's new Scale of Assessment for contributions of Member States to the budget of the Secretariat w.e.f. 1st January, 2001.

32. In pursuance of para 25 of the Report of the 9<sup>th</sup> COM, held in Baku, Azerbaijan on 21<sup>st</sup> May, 1999, the Council approved the following ECO's new Scale of Assessment for contributions of Member States to the Budget of ECO Secretariat as recommended by the CPR:

- i. 66% of the budget shall be paid by the founding Member States (22% each);
- ii. 34% of the budget shall be paid by the non-founding Member States (according to the UN Scale of Assessment);
- iii. The new Scale of Assessment shall come into effect from 1<sup>st</sup> January, 2004;
- iv. The present formula of 75% + 25% will extend for the period of 2001-2003.

#### **Agenda item No. 15**

Appointment of the Deputy Secretaries General of the ECO Secretariat

33. Taking note of the Report of the 44<sup>th</sup> Meeting of the CPR on the subject, the Council approved the following recommendations relating to the appointment of DSGs:

- i. Nomination of Mr. Sanaullah from Pakistan against one of the posts of DSG was approved.
- ii. The present high-level setup of the Secretariat be continued until 12<sup>th</sup> August, 2000 as an interim arrangement. Therefore, the new DSGs may assume their duties w.e.f. 13<sup>th</sup> August, 2000 with the exception of Mr. Altaf Hussain Agral's successor who may assume duties on 24<sup>th</sup> August, 2000. Consequently, DSG Dr. Sohrab Shahabi's term will be extended upto 12<sup>th</sup> August, 2000.
- iii. The field of responsibilities of the new DSGs will be defined by the CPR taking into consideration the proposals of the new Secretary General.
- iv. Taking into consideration the agreed rotation formula, the Council approved the recommendation of 44<sup>th</sup> CPR with regard to the Turkish request to extend the deadline for submission of their candidate for the post of DSG.
- v. The Council also approved the appointment of Mr. Alesgerov from the Republic of Azerbaijan as the Deputy Secretary General with the understanding that the CPR shall consider favourably the appointment of nominees of the Republic of Kazakhstan and the Kyrgyz Republic for one Director position each after the expiry of the present relevant Directors' terms.

34. The Council authorized the CPR to finalize the appointment of the post of DSG allocated for Turkey.

#### **Agenda item No. 16**

Approval of the new organizational structure/work distribution of ECO Secretariat

35.The Council took note of the recommendation of the CPR and approved the Option-II, proposed by the Secretary General, ECO with slight modification to place the Accountant directly under Secretary General's supervision. The new Organizational Structure/Work Distribution, as approved by the Council is placed at **Annex-VII**.

**Agenda item No. 17**

Authorization to CPR to act on behalf of the Council of Ministers (COM) in renewing the Sectt's Posts in Category-I.

36.The Council, while taking note of the fact that the tenures of the majority of the Category-I staff of ECO Secretariat are going to be completed soon i.e. July-August, 2000 and due to the limited time available for completion of the formalities/procedures for selection of the candidates for appointment against the posts in Category-I, authorized the CPR to act on its behalf to deal with the issue of renewals/extensions of the posts in the said Category only for this year.

**Agenda item No. 18**

Amendments to Functional Methodology for Utilization of ECO Special Feasibility Fund.

37.In the light of the 10<sup>th</sup> RPC and 43<sup>rd</sup> CPR Meetings' recommendations, the Council approved the proposal for insertion of a new para 37 in the Functional Methodology of ECO, which will read as follows:

“37. Regarding the projects fulfilling the aforementioned criteria to be carried out/executed with collaboration/ participation of international/regional organizations with which ECO maintains institutional or working relationship, the Council of Permanent Representatives (CPR) may authorize the Secretary General to undertake financial commitments from ECO Special Feasibility Fund up to a limit of 20% of the total cost of the project subject to the maximum of \$ 50,000 with the prior approval of the CPR in each case.”

**Agenda item No. 19**

Amendments in the Charter of ECO Cultural Institute.

38.The Council, while taking note of the recommendations of the 43 CPR Meeting, held on 23<sup>rd</sup> May, 2000, approved the amendments in items 2 & 3 of Article III of the ECI Charter relating to the terms of the President and the Executive Director of the Institute in conformity with Article 6 of the Staff Regulations (paras 6.1 & 6.4 of Article 6, approved at the 8<sup>th</sup> COM Meeting held in Almaty (Kazakhstan) and subsequently validated at the 2<sup>nd</sup> BOT Meeting held in Tehran in January, 2000).

39.The proposed amendments in Items 2 & 3 of Article III of ECI Charter is given below:

**“ARTICLE-III**

**2. President**

The President of the Institute shall be nominated from amongst eminent dignitaries of the region in the cultural field and appointed by the ECO Council of Ministers on the

proposal of the Board of Trustees, \*for a term of two years by rotation and in alphabetical order.

**Amendment:** \* "for a non-renewable term of three years by rotation and in alphabetical order"  
instead of  
"for a term of two years by rotation and in alphabetical order".

### **3. Executive Director**

The conduct and management of the affairs of the Institute shall vest in an Executive Director who chairs the Executive Committee. The Executive Director shall be national of the Member Countries by rotation. His tenure of office shall be \*\*for three years and shall be eligible for re-nomination, however, not more than two consecutive terms.

**Amendment:** \*\* "for four years extendable for 1 year on the proposal of the President and approval of the Board of Trustees or ECO Council of Ministers"  
instead of :  
"for three years and shall be eligible for re-nomination, however, not more than two consecutive terms".

## **Agenda item No. 20**

### **Approval of the ECO Awards.**

40.The Council considered and approved the following candidates for the ECO Awards to be distributed during the 6<sup>th</sup> ECO Summit Meeting, to be held on 10<sup>th</sup> June, 2000:

#### **Economics**

1. Prof. Dr. Aysit Tansel (Republic of Turkey)

#### **History, Culture and Fine Arts**

2. Mrs. Dr. Minoo Asadi (Islamic Republic of Iran)
3. Prof. Dr. Altai Amanzholov (Republic of Kazakhstan)

#### **Science & Technology**

4. Dr. Atta-ur-Rehman (Islamic Republic of Pakistan)
5. Award jointly shared by  
Mr. Abel Mohammadali Oglu Maharramov(Republic of Azerbaijan) and  
Mr. Zairov P.T. (Republic of Tajikistan)

41.Since there were no strong candidates in the fields of Agriculture and Education, the Council decided to move these Awards and approved two Awards each in the fields of Science & Technology and History, Culture & Fine Arts.

## **Agenda item No. 21**



## Review/Adoption of Annual Reports of the ECO's Specialized Agencies and Regional Institutions

42. The Council of Ministers, in accordance with the Article 10 of the Treaty of Izmir, took note of the Annual Reports of ECO Specialized Agencies and Regional Institutions namely:

- (a) ECO Shipping Company;
- (b) ECO Cultural Institute (ECI) and ;
- (c) ECO Chamber of Commerce & Industry;
- (d) ECO College of Insurance.

The Council expressed satisfaction on the establishment of the ECI and emphasized that ECI should, in accordance with its approved Work Programme, chalk out a comprehensive proposal for undertaking cultural activities in the Member States with participation of the renowned artists, writers, painters, etc. to further strengthen cultural ties among the Member States. The Council appealed to the signatory Member States of ECI to expedite ratifications, etc. so that they could start paying their contributions to the budget of the Institute at the earliest.

43. The Annual Report of the ECO Shipping Company for the year 1999 was reviewed and the Council expressed its satisfaction that the Company was undertaking its operations with the support of the concerned authorities of the Islamic Republic of Iran. In this respect, the Council endorsed the decisions of the 10<sup>th</sup> RPC Meeting (Tehran, 7-10 February, 2000) and 3<sup>rd</sup> ECO Ministerial Meeting on Transport and Communications (Islamabad, 27-28 April, 2000) regarding the continuation of the Company's activities and payment of the initial contribution by the signatory Member States (except Iran) before 30 June, 2000 so as to enable the Company to become a self-sustaining and viable concern.

44. Recognizing the important role of the private sector in furthering commerce and trade activities among the Member States, the Council emphasized the need for more active role to be played by the ECO-CCI and in this connection, particularly, urged the new Member States to benefit from this institution by their full participation in ECO-CCI affairs.

### **Agenda item No. 22**

Preparations for the 6<sup>th</sup> ECO Summit:

- i) Finalization of the draft Agenda;
  - ii) Finalization of the draft Tehran Declaration.
- 
- i) Finalization of the draft Agenda

45. The Council reviewed and finalized the draft Agenda for the 6<sup>th</sup> ECO Summit Meeting to be held in Tehran on 10<sup>th</sup> June, 2000. The draft Agenda is placed at **Annex-VIII** .

- ii) Finalization of the draft Tehran Declaration

46. The Council reviewed and finalized the draft Tehran Declaration for the Summit Meeting. The draft Tehran Declaration as recommended by the COM, is placed at **Annex-IX** .

### **Agenda item No. 23**

#### Any other business

47. In view of the opinions generally expressed in the Statements of the Foreign Ministers and Heads of Delegation calling for an improvement in the effectiveness and efficiency of ECO and reconsideration of ECO Regional Institutions and Specialized Agencies, the Council of Ministers decided to establish a Working Group at Senior Officials level to examine these issues and submit its report to Council of Ministers (COM) through CPR.

48. The Council took note of Azerbaijan's proposal for a cooperative relationship between ECO and Black Sea Economic Cooperation (BSEC) and asked the CPR to examine it.

### **Agenda item No. 24**

#### Date and Venue of the Next Meeting

49. The Council requested the Secretariat to hold consultations with Member States in order to determine the date and venue of the 11<sup>th</sup> ECO Council of Ministers' (COM) Meeting.

### **Agenda item No. 25**

#### Adoption of the Report

50. The Council unanimously adopted the Report of its Meeting.

### **Agenda item No. 26**

#### Vote of Thanks and Closing of the Meeting

51. The Ministers of the Islamic Republic of Pakistan and the Republic of Turkey, on behalf of the Council, expressed their profound thanks to the Government of the Islamic Republic of Iran for the excellent arrangements to host this Meeting and for the warm hospitality extended to the delegations. They also expressed their appreciation to the Chairman for the efficient manner in which he steered the Meeting to a successful conclusion. The Ministers also expressed their appreciation and thanks to the Secretary General and his staff for the preparation of excellent documentation and their valuable services to facilitate the work of the Meeting.