

The 9th Council of Ministers

Report

(Baku, 21 May , 1999)

1. The Ninth Annual Meeting of the Council of Ministers (COM) of the Economic Cooperation Organization (ECO) was held in Baku, Republic of Azerbaijan on 21 May, 1999. The COM Meeting was preceded by the meeting of the Senior Officials chaired by H.E. Mr. Araz Azimov, Deputy Minister of Foreign Affairs of the Republic of Azerbaijan, held on 18-19 May, 1999.

1. 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 and the Republic of Uzbekistan. The Secretary General of ECO and the representatives of regional and international organizations also attended the Meeting. The list of participants is placed at ***Annex-I***.

Agenda Item No. 1:

Inauguration of the Meeting.

3. H.E. Mr. Kassymzhomart Tokaev, the Deputy Prime Minister and the Minister of Foreign Affairs of the Republic of Kazakhstan, in his capacity as the Chairman of the ECO Council of Ministers opened the Meeting.

4. H.E. Mr. Vafa Gouluzade, State Adviser on Foreign Policy to the President of Republic of Azerbaijan read out the Message of H.E. Mr. Heydar Aliyev, the Honourable President of the Republic of Azerbaijan in which His Excellency welcomed the participants of the meeting, and conveyed valuable guidance and his best wishes for smooth deliberations and successful outcome of the meeting. A copy of the Message is placed at ***Annex-II***.

Agenda Item No. 2:

Election of the Chairman.

5. H.E. Mr Tofik Zulfugarov, Minister of Foreign Affairs and the head of the delegation of the Republic of Azerbaijan, was unanimously elected as the Chairman of the Meeting.

Agenda Item No. 3:

Adoption of the Agenda.

6. The Meeting adopted its Agenda which is placed at ***Annex-III***.

Agenda Item No. 4:

Appointment of the Drafting Committee.

7. The Meeting of the Senior Officials of the ECO Member States acted as the Drafting Committee.

Agenda Item No. 5:

Statements by the Ministers/Heads of Delegations.

8. The Heads of the participating delegations made their statements outlining their views on the projects/programmes and activities of the Organization, highlighting the importance of accelerating and strengthening regional cooperation in the priority sectors. Copies of the statements made available to the Secretariat are placed at ***Annex-IV***.

Agenda Item No. 6:

Reports of the Secretary General on:

- a) ECO Activities during the year 1998-99; and
- b) Implementation Plan on ECO Secretariat's Reorganization & Restructuring process.

9. The Secretary General of ECO presented two separate reports on the above subjects which are placed at ***Annexes-V*** and ***VI***.

- a) ECO Activities during the year 1998-99;

10. While appreciating the Secretary General's Report on the activities of the organization, the Council observed as under:

i) The Council approved the proposal to hold Ministerial Meetings in the priority areas of Trade, Energy as well as Industry beginning from 1999. The Council urged the Secretariat to make adequate preparations for these important events in collaboration with the Member States as in the case of Ministerial Meetings in the field of Transport & Communications.

ii) The Council noted with appreciation the efforts of the Secretariat aimed at building the image of ECO as an important regional organization capable of interaction at the international level. It urged the Member States to fully support the Secretariat's endeavours in this regard.

iii) The Council stressed the importance of the ECO Transit Transport Framework Agreement (TTFA) signed by the Member States in Almaty in May 1998 and called upon the Member States to finalize the Annexes of the TTFA and to expedite their national procedures for its ratification and operationalization.

iv) The Council noted that computerization work of the Secretariat was in progress and a new library and documentation centre had been established. It urged the Member States to provide all kinds of material for

the ECO library and documentation centre concerning all fields of cooperation.

v) The Council also urged the Secretariat to expedite the implementation of its computerization programme, including the establishment of the ECO Data Bank.

b) Implementation Plan on ECO Secretariat's Restructuring process. Reorganization &

11. The Council noted with appreciation the final report of the Secretary General on the implementation of the restructuring plan of the Secretariat. The Council also welcomed the UNDP assistance for the capacity building project of the ECO Secretariat.

12. The Council called upon the CPR to review, in close cooperation with the Secretariat all pending matters relating to the restructuring of the organization such as formulation of the job descriptions, proposals concerning vacant posts in the staff strength frozen under interim arrangements and changes in the organizational chart due to UNDP capacity building project and other issues which may arise from the restructuring process. The CPR shall take decisions on issues which are within its jurisdiction and present its recommendations on other issues to the 10th Meeting of the Council of Ministers in Bishkek for final approval.

Agenda Item No. 7:

Adoption of the Reports of the Council of Permanent Representatives.

13. The Council appreciated the valuable work done by the Council of Permanent Representatives (CPR), during the last one year and adopted the Reports of 22nd to 32nd Meetings of the CPR.

Agenda Item No. 8:

ECO Secretariat Budget for 1999.

14. The Council endorsed the ECO Secretariat's Budget for the year 1999, already approved by the CPR in its 28th meeting, acting on behalf of the COM in accordance with the Article 3.2 of the Financial Regulations.

Agenda Item No. 9:

Adoption of the amendments to *Annex-I* and *Annex-II* of the ECO Staff Regulations.

15. The Council accorded its approval to the proposed amendments to Annex-I and Annex-II of ECO Staff Regulations for recruitment of Assistants to Officers, as favoured by the COM in its informal meeting held in New York on 30 September, 1998.

Agenda Item No. 10:

Approval of the ECO Secretariat's Audit Report for 1997.

16. The Council, while taking note of the recommendation of the CPR approved the Audit Report of the Secretariat's Accounts for the year 1997.

Agenda Item No. 11:

Adoption of the Report of the Ninth Meeting of the Regional Planning Council and approval of the ECO Annual Calendar of Events and the ECO Secretariat's Work Programme for 1999.

17. The Council, while appreciating the work done by the 9th Regional Planning Council (RPC) Meeting held in Istanbul, Turkey on 19-23 February, 1999, adopted the Report of the 9th RPC Meeting along with the ECO Calendar of Events/Meetings 1999. The ECO Secretariat Work Programme 1999, recommended by the 31st CPR Meeting, was also adopted, which is placed as ***Annex-VII***.

18. The Member States were urged to extend maximum cooperation to the ECO Secretariat for full implementation of the approved activities in the ECO Calendar.

Agenda Item No. 12:

Status of Ratification of ECO Signed Agreements.

19. While realizing the need for expeditious completion of the processes for ratification of the different ECO signed Agreements, the Council requested all the Member States, who had not yet ratified the said Agreements to expedite the remaining formalities for entering into force of those Agreements.

20. The Council also agreed on the following:

i) The Secretariat should closely pursue the status of approval and implementation of the agreements. The Secretary General may visit the concerned Member States for this purpose, if necessary;

ii) The Council of Permanent Representatives should also monitor and follow up this issue;

iii) The CPR shall assign a High Level Working Group which will carry out comprehensive review of the general situation of regional and specialized ECO institutions and submit its findings and recommendations to the CPR.

iv) Concerning the ECO projects and agreements, necessary publicity should be made in order to attract the private sector as well as international financial institutions for implementing ECO's projects.

Agenda Item No. 13:

Issue of the next Secretary General of ECO.

21. The Council approved the procedure for selection and appointment of the Secretary General as placed at ***Annex-VIII***.

22. The Council also authorized the CPR to continue its deliberations to find an appropriate rotation formula for the post among the Member States, taking into account all the relevant considerations such as the principles of equality of all Member States, fair distribution of posts, as well as financial and other kinds of contributions of the Member States in the ECO activities, in the light of the provisions of the Izmir Treaty and the Staff Regulations.

Agenda Item No. 14:

Consideration and adoption of the proposal to create a new post of Deputy Secretary General in the ECO Secretariat.

23. The Council of Ministers approved the recommendation of the CPR to create an additional post of Deputy Secretary General (DSG) in ECO Secretariat. The Council also decided to amend **Annex-I** of the Staff Regulations increasing the total number of DSG posts to three. The appointment of new DSG shall be made at the 10th COM Meeting and will be effective soon after that meeting. The budgetary provision for the post would be made in the Secretariat's Budget for the year 2000.

24. The Council authorized the CPR to approve, in consultation with the Secretariat, the necessary proposals regarding the responsibilities, job description, financial implications and any other matter relating to this new post.

Agenda Item No. 15:

Consideration of the Status Report on the new Scale of Assessments for contributions of Member States to the budget of the Secretariat w.e.f. 1st January 2001.

25. The Council of Ministers, recalling the MOU signed in its Extraordinary Meeting in Ashgabat in 1996 as well as para 24 of the Implementation Plan on Restructuring, directed the CPR to continue its deliberations to finalize the elaboration of the draft ECO Scale of Assessments for the years 2001 and onwards, taking as appropriate into account the proposals so far tabled or which may be submitted later and using, if necessary, relevant expertise, and submit its concrete recommendations to the 10th COM Meeting for final approval.

Agenda Item No. 16:

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

26. In pursuance of Article-X of the Treaty of Izmir, the Annual Reports of ECO Shipping Company, ECO Chamber of Commerce & Industry, ECO Cultural Institute and ECO College of Insurance were reviewed by the Council.

27. The Council took note of the difficulties faced by some of the Regional Institutions and Specialized Agencies and urged the concerned Member States to fulfil their obligations to support their activities.

28. In this connection, the Council, attaching due importance to the further development of the ECO Shipping Company called upon the concerned signatory Member States to fulfill their obligations in the year 1999 and requested the Government of the Islamic Republic of Iran to extend the financial lease of two vessels namely "ECO Ekram" and "ECO Elham" until the year 2000 so as to enable the company to become a financially viable concern.

Agenda Item No. 17:

Adoption of Draft Communique of 9th Council of Ministers Meeting, Baku.

29. The Council adopted the Baku Communique to be issued at the conclusion of its present meeting. The adopted text of the Communique is at ***Annex-IX***.

Agenda Item No. 18:

Any Other Business.

30. The Council approved the Terms of Reference of the Contact Groups of the ECO Ambassadors at various international fora as submitted by the CPR.

31. The Council further asked the ECO Secretariat to formally convey the Terms of Reference to the Foreign Ministries of the respective ECO Member States for onward communication to the relevant Embassies/Missions for necessary action.

32. The Ninth Council of Ministers' Meeting sent a message of felicitations and best wishes to H.E. Mr. Heydar Aliyev, the President of the Republic of Azerbaijan.

Agenda Item No. 19:

Date and Venue of the Next Meeting.

33. The Council welcomed the offer of the Government of the Kyrgyz Republic to host the 10th Meeting of the COM and the 6th ECO Summit Meeting in Bishkek in the year 2000. The exact dates for the said Meetings would be finalized by the ECO Secretariat in consultation with the host authorities.

Agenda Item No. 20:

Adoption of the Report.

34. The Council unanimously adopted the report of its Meeting.

Agenda Item No. 21:

Vote of Thanks and Closing of the Meeting.

35. The Council expressed deep gratitude to H.E. Mr M Heydar Aliiev, the Honourable President of the Republic of Azerbaijan for his inspiring inaugural message and offered profound thanks to the Government of the Republic of Azerbaijan for the

excellent arrangements for the Meeting and for the warm hospitality extended to the delegations. The council also expressed its appreciation to the Chairman for the efficient manner in which he steered the Meeting to a successful conclusion. The Council also expressed its appreciation and thanks to the Secretary General ECO and his staff for their valuable services to facilitate the work of the Meeting.