



Report of

**The 4th ECO Ministerial Meeting
on Finance and Economy
(Astana, May 22-23, 2014)**

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1. The 4th ECO Ministerial Meeting on Finance and Economy was held on May 23, 2014 in Astana, the Republic of Kazakhstan. It was attended by Ministers and Representatives of the Republic of Azerbaijan, the Islamic Republic of Iran, the Republic of Kazakhstan (the host country), the Islamic Republic of Pakistan, the Republic of Tajikistan, the Republic of Turkey, and the Republic of Uzbekistan. The Secretary General of ECO along with other officials of the ECO Secretariat and the Presidents of the Islamic Development Bank and the ECO Trade and Development Bank also attended the Meeting. The list of participants is placed at **Annex-I**.

2. The Ministerial Meeting was preceded by Senior Officials Meeting on May 22, 2014. It was chaired by H.E. Nataliya Korzhova, Executive Secretary, Ministry of Finance of the Republic of Kazakhstan. The Chairperson extended a warm welcome to all delegates and expanded on the Organization's potential to increase cooperation in diverse fields. She also gave an overview of Kazakhstan's economy and recent economic performance. The Director (Trade and Investment) of ECO Secretariat also made a statement during the SOM focusing on the economic situation in the region as well as the existing and prospective cooperation among the Member States.

Agenda Items No. 1:

Inauguration of the Meeting and Welcome Address

3. The Meeting was inaugurated by H.E. Bakhyt Sultanov, Deputy Prime Minister and Minister of Finance of the Republic of Kazakhstan. H.E. Bakhyt Sultanov, in his Statement welcomed all participants and highlighted the significance of intra ECO cooperation in finance and economy.

Agenda Item No. 2:

Statement by the ECO Secretary General

4. H.E. Dr. Shamil Aleskerov, the ECO Secretary General also made a statement during the inaugural session. A copy of the statement is placed at **Annex-II**.

Agenda Item No. 3:
Election of the Chairman

5. The Working Session started with the election of the Chairman. In accordance with ECO's Rules of Procedure, the Head of Delegation of the host Government, i.e., H.E. Bakhyt Sultanov, Deputy Prime Minister and Minister of Finance of the Republic of Kazakhstan, was unanimously elected as the Chairman of the Meeting.

Agenda Item No. 4:
Adoption of the Agenda

6. The Meeting unanimously adopted the agenda of the Meeting, which is placed at **Annex-III**.

Agenda Item No.5
Report of the Chairperson of Senior Officials Meeting to Ministers

7. The Chairperson of the Senior Officials Meeting (SOM) submitted a report to the Ministerial Meeting about the SOM meeting held on May 22, 2014 explaining the salient issues discussed during the Meeting. A copy the report is placed at **Annex-IV**.

Agenda Item No.6
Statements by Ministers/Heads of Delegation of Member States, President of the Islamic Development Bank (IDB), and the President of ECO Trade and Development Bank (ECOTDB)

8. The Ministers and Head of Delegations from the Member States delivered their statements in which they outlined the policies of their respective countries in Finance and Economy and made proposals to expand cooperation among ECO Member States. The President of the Islamic Development Bank (IDB) and the President of ECO Trade and Development Bank also made brief statements. In his statement, the IDB President offered his support for strengthening cooperation between ECO and IDB. Copies of the statements, which were made available to the ECO Secretariat, are placed at **Annex-V**.

Agenda Item No.7
An overview of the Economy of the ECO Region

9. The Meeting discussed and exchanged views on the overall economy of the ECO region and made recommendations on general regional economic policies to be considered by the Member States.

Agenda Item No. 8

Exchange of views on Improving Investment Climate in the Region

10. The Meeting exchanged views on improving and promoting investment climate in the region and made recommendations to be considered by the Member States.

Agenda Item No.9

Review of the Decisions of the 3th ECO Ministerial Meeting on Finance and Economy

11. The meeting reviewed the decisions of the 3rd Ministerial Meeting on Finance and Economy held on December 21-23, 2008 in Tehran and the follow-up actions taken so far. The Meeting emphasized the need for implementation of the decisions taken by the Ministerial Meetings on Finance and Economy.

Agenda Item No.10

Strengthening the Role of ECO Trade and Development Bank

12. The Meeting while welcoming the Republic of Azerbaijan and the Islamic Republic of Afghanistan for completing the process of membership of ECO Trade and Development Bank (ECO-TDB) requested the Kyrgyz Republic to complete their accession process at the earliest convenience. The Meeting also requested the other Member States to consider joining the Bank.

13. In order to strengthen the role of the ECOTDB, the Meeting deliberated and made the following proposals:

- a. The other remaining four ECO Member States namely Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan may consider becoming members of the Bank.
- b. The Bank may expedite the establishment of the Regional Partnership Forum as per the decisions of the 20th Council of Ministers (CoM).
- c. As per the decisions of the 18th CoM and the 4th ECO Ministerial Meeting on Commerce/Foreign Trade, the Bank may initiate action in cooperation with the ECO Secretariat to establish Technical Cooperation Fund (TCF) to assist development projects in the region.
- d. The Bank may consider to increase the lending capacity of the Bank.
- e. The Bank may consider to establish a trade banking fund within ECO.

- f. The Bank may increase the share of the private sector of the Member States in utilizing the sources of the Bank.
- g. The Bank may consider to introduce some new products for promotion of trade and investment in the region.

Agenda Item No.11

Establishment of ECO Reinsurance Company

14. The Articles of Agreement of ECO Reinsurance Company were signed by three Member States on February 10, 2010. So far two signatories, namely Pakistan and Iran have ratified the Agreement. The Company will be established following the ratification by Turkey and payment of full subscription of share capital by the three contracting member countries.

15. The Meeting considering the contribution of the operationalization of the Reinsurance Company to the economy of the region requested the signatory Member States to expedite the establishment of the Company.

16. The Meeting also called upon the other ECO Member States to consider joining this important ECO institutional arrangement on priority basis.

Agenda Item No.12

Entry Into Force/Implementation of the ECO Agreement on Promotion and Protection of Investment (APPI) Among the Member States

17. The Meeting agreed that entry into force and implementation of the ECO Agreement on Promotion and Protection of Investment (APPI) is essential to promote investment among the Member States.

18. The Meeting noted that I.R. Iran has signed the Agreement along with the Amendment Protocol and deposited the Instrument of Ratification of the Agreement on June 6, 2010.

19. After reviewing the status of signing/ratification of the Agreement, the Meeting requested the Member States who have not already done so to consider signing/ratifying the original Agreement as well as the Amendment Protocol.

Agenda Item No.13

Overview of the Global Economy, Economies of ECO Member States, Recent Macroeconomic Developments and Finding New Areas of Cooperation

20. Taking into account the recent developments of the global economy and the economies of the ECO Member States, the Meeting emphasized the need for strengthening intra ECO cooperation to respond to the emerging global and regional challenges.

Agenda Item No.14

Cooperation among the Private Sectors of ECO Member States

21. The Meeting pointed out that cooperation among the private sectors of ECO Member States should be given priority and participation of the private sector in the regional economic development through joint ventures and investments should be increased as underlined in the ECO Treaty of Izmir. Accordingly, the Meeting observed that the activities of the ECO Chamber of Commerce and Industry (ECO-CCI) should be encouraged and given the utmost support.

22. The Meeting emphasized the need for expeditious implementation of the ECO Agreement on Simplification of Visa Procedure for Businessmen and Truck Drivers. The Meeting took note of the proposal of Islamic Republic of Pakistan that ECO Member States may consider to extend their preferential visa policies for businessmen to one another in order to promote trade and investment cooperation in the region.

Agenda Item No.15

Cooperation among the Banking, Monetary and Financial Authorities of Member States

23. The Meeting agreed that cooperation in banking and finance should also be strengthened to increase regional trade and investment. In this regard the Meeting called upon the Member States to hold the Meeting of ECO Heads of Capital Markets Supervisory Authorities and the second meeting of ECO Heads of Central Banks.

24. The I.R. Iran announced that they will submit a proposal to the Secretariat on the establishment of clearing system for consideration of the Member States.

Agenda Item No.16

Cooperation in the Fields of Taxation and Customs

25. The Meeting appreciated that the 1st Meeting of ECO Heads of Tax Administration was held on 14-15 January 2013 in Tehran and requested the Member States to participate in the Expert Meeting on Tax Administration to be held on May 26-28, 2014 in Tehran.

26. The Meeting welcomed that the Agreement on Establishment and Operations of ECO Smuggling and Customs Offences Data Bank has been signed by six Member States namely Afghanistan, Azerbaijan, Iran, Pakistan, Tajikistan and Turkey and ratified by Pakistan and Turkey. The Meeting suggested the other signatory Member States to ratify the Agreement for its entry into force. The Meeting suggested the Member States to consider signing the draft Agreement on Mutual Administrative Assistance in Customs Matter.

Agenda Item No.17

Generating a better Investment Climate, enhancing cooperation among Investment Promotion Agencies of the Member States, ECO Investment Conference and Free Movement of Capital

27. The Meeting reiterated the importance of setting up ECO-Investment Promotion Agencies Forum on the pattern of ECO Heads of Trade Promotion Organizations and thanked Pakistan for volunteering to host the 1st ECO Head of Investment Promotion Agencies Meeting in Islamabad and requested the Member States to participate in the Forum.

28. The Meeting requested Tajikistan to consider hosting the 4th ECO Investment Conference in 2014.

Agenda Item No.18

Consideration/Adoption of the Astana Declaration

29. The Meeting unanimously adopted the Astana Declaration as recommended by the Senior Officials' Meeting. The text of the Declaration is placed at **Annex-VI**.

Agenda Item No.19

Any other business

30. The Meeting Suggested the Member States to consider providing funds for implementation of the ECO Regional Programme on Food Security (ECO-RPFS) in accordance with the decision of the 4th ECO Ministerial Meeting on Agriculture.

Agenda Item No.20

Consideration/Adoption of the Report of the Meeting

31. The Report of the 4th Ministerial Meeting was adopted unanimously.

Agenda Item No.21

Date and Venue of the Next Meeting

32. The dates and venue of the 5th ECO Ministerial Meeting on Finance and Economy will be worked out by the Secretariat in consultation with the Member States.

Agenda Item No. 22

Closing

33. The Ministerial Meeting concluded with a vote of thanks to the Chair for conducting the meeting in a smooth and efficient manner. The Ministers and Head of Delegations also expressed their heartiest gratitude to the Government of the Republic of Kazakhstan for their warm hospitality and excellent arrangements made for this important event. They also appreciated the efforts of the ECO Secretariat for their assistance in successfully organizing this meeting.

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