



# ECO Baku Declaration on Privatization

## adopted by

### The 6<sup>th</sup> Meeting of the ECO Heads of Privatization Administrations

*(Baku, 26 October 2018)*

We, the Heads of Privatization Organizations of the Member States of the Economic Cooperation Organization, gathered in Baku, at the invitation of the Government of the Republic of Azerbaijan, on 26 October 2018, with the aim of expanding cooperation in the field of Privatization:

**Recalling** the Treaty of Izmir, which referred to promoting integration of public and private sector activities with emphasis on economic liberalization and privatization towards increased participation of the private sector in the regional economic development through joint ventures and investments;

**Highlighting** the role of privatization to enhance economic growth and development in the ECO Region;

**Recalling** the priorities set out in the ECO Vision 2025 and Implementation Framework adopted by the 13<sup>th</sup> ECO Summit held in Islamabad on 1 March 2017; and decision of the 1<sup>st</sup> ECO Ministerial Meeting on Industry held in Tehran in 2004;

**Reiterating** the achievements made by the previous Meetings of the Heads of Privatization Administrations;

**Emphasizing** the implementation of the key decisions made by 5<sup>th</sup> ECO Meeting of the Heads of Privatization Administrations held in Antalya in 2010;

**Recognizing** the importance of the joint cooperation and coordination among the Member States in the field of state property management and privatization;

**Considering** that all ECO countries have great potentials to create win-win cooperation opportunities for socio-economic development of the region on the basis of joint contribution and shared benefits;

**Recognizing** that privatization and trade through FDI has the potential to increase international, as well as intra-regional trade for boosting the region's economic growth and development;

**Emphasizing** the importance of effective utilization of global and regional best practices regarding the privatization process, encourage projects and initiatives aimed at making practical contribution to the implementation of the ECO Vision 2025;

**Recognizing** the crucial role of financing for regional development, appreciate the ECO Trade and Development Bank growing scope of activities and emphasize the need to further reinforce the Bank through increasing its resources from the current members and expand its Membership to other countries;

**Recognizing** that the private sector-capital market development and privatization are significant determinants of economic development, which contributes to the well-being and welfare of our people;

**Being aware of** the benefits of the cooperation in Privatization, in order to improve overall global economic efficiency, welcome the support provided by the relevant international organizations to the ECO;

**Noting** the need for transparency and equal treatment of potential purchasers during the establishment of procedures for privatization;

**Emphasizing** the necessity to protect environment whenever conditions are imposed on a privatized enterprise or on a person carrying out privatized activities;

**Recognizing** the critical importance of cross-sectoral nexus approach to multi-stakeholder partnerships for sustainable economic development of ECO Member States;

**Expressing gratitude to** the Government of the Republic of Azerbaijan for hosting this Meeting;

**Have agreed to:**

1. **Welcome** the adoption of the ECO Vision 2025 as a roadmap for enhancing cooperation in the region and accelerating economic integration process among the ECO countries for realization of the goals set out therein.
2. **Underline** the importance of comprehensive follow-up and review of the implementation of the ECO Vision 2025 at regional as well as national levels to ensure that its overall objectives are duly attained.
3. **Express** satisfaction on successful hosting of the 6<sup>th</sup> ECO Meeting of the Heads of Privatization Administrations on 26 October 2018, and urge the Member States to take all necessary measures to implement the decisions of this Meeting to enhance regional economic integration.
4. **Establish** a system of networking to enhance coordination and cooperation among the Privatization Organizations of the Member States for data and knowledge sharing, as well as increasing intra-regional investment.
5. **Consider initiation of** a mechanism on joint cooperation to approach the international financial capital market to prevent their business rights from unnecessary competition and to control and cope with market vulnerability in the Region.
6. **Explore the possibility of introduction of** the Production Chain Mechanism in the ECO Region for promoting privatization efforts in the region and enhance intra-regional trade for their reinforcement and potential effects on other areas.
7. **Endeavour** to enhance intra-regional trade through multiple measures, including implementation of the ECO Trade Agreement (ECOTA) and other ECO trade-related arrangements for further development of the socio-economic situation in the region.
8. **Take forward** the role of local as well as foreign investments in privatization, in particular from the ECO Member States; appreciate the Agreement on Promotion and Protection of Investment (APPI) among ECO Member States for its stipulated role and encourage the Member States to complete the signing and ratification process.
9. **Chart out** ECO Regional Framework on linking privatization to the priority areas of cooperation in the ECO Vision 2025, such as trade, transport and connectivity, energy and tourism.
10. **Create** an Investment Forum of the Privatization Organizations of the ECO Member States and International Investors for providing investment opportunities for financing infrastructural projects in the ECO Region, including transport infrastructure projects inter alia, rehabilitation of the existing rail segments of the main ECO rail corridors and

completion of the missing links along the ECO rail and road routes, by involving concerned national chambers.

11. **Emphasize** the importance of enhanced interaction among the businessmen of the region, and call upon the Member States to support the activities of ECO Chamber of Commerce and Industry (ECO-CCI).
12. **Establish** a coherent and synergic relationship among the ECO-CCI and the Privatization Organizations of the Member States to create a value chain production in the ECO Region through a targeted privatization process.
13. The ECO Secretariat to **introduce** a comprehensive project with regard to enhancing the harmonization of the privatization process the Member States.
14. **Explore** Public Private Partnership (PPPs) as a way of introducing the private sector technology and innovation in providing better public services through improved operational efficiency.
15. **Devise** ways to utilize PPPs as a way of developing local private sector capabilities through joint ventures with large international companies, as well as sub-contracting opportunities for local companies in areas, such as civil works, electrical works, facilities management, security services, cleaning services, maintenance services.
16. **Use** PPPs in order to gradually expose state owned enterprises and government to increasing level of private sector engagement.
17. **Call upon** forging synergic and coherent cooperation mechanisms among the ECO Member States for promoting energy trade and investments, infrastructure and connectivity, PPPs and more efficient use of energy resources in the ECO Region.
18. **Highlight** the need for integrated involvement of the public and private energy stakeholders of the ECO Member States in advancement of energy profile of ECO in line with the ECO Vision 2025 and UN Sustainable Development Goals.
19. **Express** satisfaction with the outcomes of the meeting in Baku, which discussed the ways and means of enhanced regional cooperation in the field of Privatization;
20. **Invite** the Member States and the ECO Trade and Development Bank (TDB) to render support to the projects undertaken by the ECO and the Member States with special focus on public and private clean and sustainable energy, green economy, renewables, energy efficiency and conservation.

This Declaration was adopted in Baku on 26 October 2018.