



# 233<sup>rd</sup> Meeting of the Council of Permanent Representatives (CPR)

## Report

*11<sup>th</sup> September, 2018  
ECO Secretariat - Tehran*

## Report

The 233<sup>rd</sup> CPR Meeting was held on Tuesday, 11<sup>th</sup> September 2018 at the ECO Secretariat, Tehran. The Meeting was chaired by H.E. Mr. Nematullo Emomzoda, Ambassador of the Republic of *Tajikistan*, to the Islamic Republic of Iran. It was attended by the Permanent Representatives/Representatives of the Islamic Republic 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, the Republic of Turkmenistan and the Republic of Uzbekistan. The ECO Secretary General along with concerned officials of the Secretariat also attended the Meeting. The list of participants is enclosed as *Annex-I*.

2. Before the adoption of the Agenda, the Chairman of the Council highlighted that it is the first session after assuming of H.E. Dr. Hadi Soleimanpour, as Secretary General of ECO. He sincerely wish him all the success in this responsible task and express his confidence that under his leadership, ECO will be with full of new ideas and energy in the way of achieving primary goals and targets.

3. The Members of the Council also warmly welcomed H.E. Ambassador Riffat Masood, Ambassador of the Islamic Republic of Pakistan to Iran and, the Permanent Representative to ECO. The Council also added that the Ambassador's vast knowledge and experiences would be a great assistance to the deliberations of the Council and fulfillment of its functions.

4. The Council also congratulated H.E. Mr. Baghdad Kultayevich AMREYEV, outgoing Ambassador of Republic of Kazakhstan, on his appointment as the future Secretary General of the Cooperation Council of the Turkic Speaking States and wished him a success in his new position. The Council also deeply appreciated H.E. Mr. Baghdad Kultayevich AMREYEV's contributions to ECO. Besides, the Council hoped that under H.E. Mr. AMREYEV'S able leadership and given his vast experience in ECO affairs, the organizational linkages and synergic cooperation between ECO and Cooperation Council of the Turkic Speaking States would further enhance and strengthened.

### Inaugural Statement by new ECO Secretary General

5. The Chairman, then, invited, H.E. Mr. Hadi Soleimanpour, to deliver a statement, at the first meeting of CPR in which he is participating as the Secretary General of ECO. At the outset, he warmly welcomed the Permanent Representatives, including H.E. Ms. Riffat Masood, new Ambassador of Pakistan to Iran and the Permanent Representative to ECO and congratulated H.E. Mr. Baghdad Kultayevich AMREYEV, Ambassador of Kazakhstan on his appointment as Secretary General of the Cooperation Council of the Turkic Speaking States.

6. In his statement, ECO Secretary General gave an overview of the two significant recent achievements successfully met by ECO, (i) adoption of the ECO Vision 2025 by the 13<sup>th</sup> ECO Summit, held on 1 March 2017 in Islamabad and (ii) increased ownership of the Organization realized by the Member States. The

Secretary General mentioned that ECO Vision 2025 has set priorities-based roadmap of the Organization in the light of regional needs and emerging realities with the goal of further upgrading the living standards of the people in the Region, and assured the Council that ECO Vision would be pursued and pragmatically implemented with staunch support of the Member States. While highlighting the way forward to achieve ECO's objectives, he put forward three main pillars; (i) concentration on economic development; (ii) evolving approach from document-centric to project-oriented; and (iii) increased sense of ownership of the Organization by the Member States. In this the Secretary General believed that, at this stage, the reform process is instrumental and would be implemented in a way that every Member States should have a proper role in decision-making and decision taking process. Thus, this exercise would have the basis and justification for every Member State to accelerate its activities in ECO's affairs. In this rationale, he underlined that reform will not only boost the efficiency of Organization, but also enhance the capacities of other organs, including Secretary General, Chairmen CPR and RPC, which would certainly enable the Organization to meet the emerging challenges.

7. Moreover, the Secretary General also emphasized on implementation of major ECO agreements, like ECOTA, TTFA and other pertinent frameworks, which would act as catalyst in enhancing efficiency and vibrancy of the Organization. Therefore, he called for further cooperation among the Member States for updating, as necessary, and addressing the deficiencies restricting progress in proper implementation of these instruments. Furthermore, the Secretary General also underscored the vital role can be played by ECO Institutions in fulfilling the functions of the Organization, including ECO Trade and Development Bank, and emphasized on enhanced inter-institutional relations and harmonization to achieve ECO's objectives by capitalizing on their expertise, resources and cooperation with other international and regional organizations.

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

#### **Adoption of the Draft Agenda of the 233<sup>rd</sup> CPR Meeting**

8. The Council adopted the following Agenda of the 233<sup>rd</sup> CPR Meeting for deliberation:

1. *Adoption of the Draft Agenda of the 233<sup>rd</sup> CPR Meeting*
2. *Adoption of the Draft Report of the 232<sup>nd</sup> CPR Meeting*
3. *Consideration of the Draft Agenda of Informal COM Meeting in New York*
4. *Preparations for holding the 29<sup>th</sup> RPC Meeting*
5. *Follow-up to the decisions of the 23<sup>rd</sup> Council of Ministers (COM) Meeting; New Scales of Assessment, ECO Reforms etc. (continued)*
6. *Consideration of the Draft Modalities for the Operation of the ECO Fund for Afghanistan (continued)*
7. *Launching of the Preparatory Phase of the establishment of ECO Clean Energy Centre (CECECO) and approval of allocation of 50,000.00 USD from the ECO Feasibility and General Purpose Fund (FGPF) as a partial financing of this Preparatory Phase (continued)*

8. *Utilization of Special Support Fund (SSF) for the 2nd Meeting of ECO Public and Private Sector Energy/Petrochemical Consortium/Companies, proposed to be held either on 2-3, or 9-10 December 2018 in Tehran*
9. *Audit Report for the Year 2017*
10. *Participation of Turkish Cypriot State at the Informal COM Meeting in New York in its capacity as observer*
11. *Administrative matters:*
  - a. *Nomination for the post of Programme Officer of Projects, Economic Research and Statistics (continued)*
  - b. *Appointment of the new Deputy Secretary General (continued)*
  - c. *Recommendations of the Selection Panel*
12. *Any other business:*
13. *Date of the next CPR Meeting*

## **Agenda Item No.2**

### **Adoption of the Draft Report of the 232<sup>nd</sup> CPR Meeting**

9. The Council considered and adopted the Draft Report of the 232<sup>nd</sup> CPR Meeting, contained in the document ECO/CPR/232/2018/2 (8<sup>th</sup> August 2018) and circulated among the Member States vide Secretariat's Note Verbale No.ECO/CPR/232<sup>nd</sup> Meeting/2018/905 dated 14<sup>th</sup> August 2018 along with amendment proposed by the Republic of Turkey in Paragraph 59 and 65 of the Draft Report.

## **Agenda Item No.3**

### **Consideration of the Draft Agenda of Informal COM Meeting in New York**

10. ECO Deputy Secretary General (T&I, CFU, AIT & IR) informed the Council that Permanent Mission of Republic of Tajikistan in New York, being the current chair of the ECO Council of Ministers (COM), forwarded an invitation to the ECO Member States for participation in Informal COM Meeting, scheduled on 24 September 2018 in New York, on the sidelines of 73<sup>rd</sup> UN General Assembly Session, which would be convened under the chairmanship of the Republic of Tajikistan. The Secretariat circulated a draft agenda to the Member States for views and comments. In response, the Embassy of the Republic of Tajikistan in Tehran vide Note Verbale No. 1119, dated 05 September 2018, provided the Secretariat with the amended draft agenda of the Informal COM Meeting.

11. The Council adopted the draft agenda of the Informal Meeting of the ECO Council of Ministers, provided by Tajikistan scheduled for 24 September 2018 in New York and requested the Member States for confirming participation of the honourable Ministers of the Foreign Affairs.

## **Agenda Item No.4**

### **Preparations for holding the 29<sup>th</sup> RPC Meeting**

12. ECO Deputy Secretary General (T&I, CFU, AIT & IR) briefed the Council that as per the decision of 28<sup>th</sup> PRC held on December 13-14 2017 in Islamabad, Pakistan, the 29<sup>th</sup> PRC would be held in December 2018 at the ECO Secretariat. He further apprised that the Secretariat has already circulated the Draft Agenda of the 29<sup>th</sup> RPC, as well as two sets of dates - (i) 3 to 6 December 2018 and (ii) 10 to 13 December 2018 to the Member States for consideration. However, no any views/comments have so

far received from the Member States. Therefore, he requested Council's approval to set the date for the forthcoming 29th RPC Meeting.

13. The Ambassador of the Republic of Turkey informed the Council that a Contact Group Meeting of OIC would be held at the end of November 2018 in Turkey. Therefore, he suggested that either the RPC Meeting be held in third week of December 2018 or convened from 10 to 13 December 2018.

14. The Council decided to hold the 29<sup>th</sup> Meeting of the Regional Planning Council from 10 (*Monday*) to 13 (*Thursday*) December 2018 at the ECO Secretariat, Tehran.

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

Follow-up to the decisions of the 23rd Council of Ministers (COM) Meeting; New Scales of Assessment, ECO Reforms etc. (continued)

15. The representative of the Republic of Tajikistan as the Chairman of the Working Group on Scales of Assessment and ECO Reforms briefed the Council on the outcomes of the meetings of Working Group held so far. The Chairman of the Working Group informed the Council that during its 1st Meeting, convened on 26 June 2018, the Working Group agreed to follow phase by phase deliberation and to this end presumed the proposed new scale of assessment as fixed with this understanding that it will return later and address this issue. He added that, so far, 5 Meetings of the Working Group have been convened, and during these meetings the Working Group discussed structural changes in D Category by focusing on the creation of new D3 position (Deputy Secretary General) based on the proposal of Kazakhstan and the possibility of creation a new D2 position (Director) at the Organizational Structure of the Secretariat. The remaining issues related to the posts at D1 (Head of Sections) and Professional Staffs have not yet been discussed, however, during the fifth Meeting of the Working Group, the overall draft Structure, developed based on the latest amendments to the Structure have been considered by the participants.

16. Besides, the Chairman of the Working Group informed the Council that during the 5<sup>th</sup> WG Meeting, the Secretariat made a presentation on structural chart of the organization, delineating the posts in different categories with financial implications to the Secretariat's budget. In this context, it should be noted that 7 Member States have provided their positions on the matters. The Working Group for further deliberation requires to be provided with the positions of all Member States. Pending official positions of some Member States, it was decided to seek guidance from CPR for future course of action at the Working Group level.

17. The Chairman of the Council, then, invited the Secretary General to brief the Council on the matter and the outcome of the consultations with the Member States. The **ECO Secretary General** by making a reference to the Working Group meetings under able leadership of the Chairman from Republic of Tajikistan, stated that on the issue of Scales of Assessment and Reforms, almost all Member States' views are onboard. The Secretary General briefed the Council that the new proposal on the organizational chart of the Secretariat, and the new ECO Scales of Assessments were

brought before the 23<sup>rd</sup> COM Meeting in Dushanbe and subsequently circulated to the Member States as Annex-X of the Report of the 23<sup>rd</sup> COM Meeting. He further added that the proposed Chart reflects amendments in the following parts: (i) Member States' country-wise contribution under new scales of assessment; (ii) DSG and Directorate Posts; (iii) Head of Section and the rest of Professional staff posts and (iv) governing principles on reform. All could be addressed on stage by stage basis.

18. It was further informed that so far 7 Member States have provided the Secretariat with their positions regarding the scale of assessments: Turkmenistan keeps its current percentage of contribution, that is 3.21; Kyrgyz Republic, as per the discussion held in the Working Group, opts for its current 0.66% of contribution; Afghanistan shows tendency to increase its contribution from the current rate of 1.25 %; Uzbekistan has accepted the proposed rate of 4% of contribution; the Founding Member States confirmed to contribute 22% each; Kazakhstan agreed on its new share of 18% and Azerbaijan is in the process of evaluating the proposed percentage of its new share of contribution which would soon be conveyed to the Secretariat. It was also noted that the Council may approve the new scale of assessments and mandate the Secretary General to prepare the draft budget for the year 2019 on its basis while continuing his consultation with the Member States regarding the remaining minor issues on scale of assessments.

19. Moreover, the Secretary General further apprised the Council as agreed among the Member States, at this stage, the Working Group has discussed "D-3 and D-2" level posts and Member States have almost agreed to the proposal put forward by Republic of Kazakhstan regarding creation of a new post of Deputy Secretary General for Kazakhstan. With regard to creation of new post of Deputy Secretary General for Kazakhstan, the Secretary General, therefore, brought to the notice of the Council that there is no serious objection from any Member State to the creation of this post, though some Member States have observations regarding the other issues raised by Kazakhstan which have also been discussed bilaterally with the Ambassador of Kazakhstan. He also informed that principally, the Secretariat is getting closer to reach consensus on Budget Share and creation of post of DSG and "D" Post, and added that he had very constructive consultations/negotiations with the Chairman and the founding members on New scale of Assessments and ECO Reforms. He, then, in line with the proposed reform document (Annex X of the Report of 23<sup>rd</sup> COM) suggested that the Council may approve creation of one new position at DSG level, which will be offered to Kazakhstan.

20. The Ambassador of the Republic of **Turkey** taking the floor on behalf of Founding Member States appreciated the efforts of the Secretary General on the matter, and reaffirmed that the Founding Member States agreed on the proposed share of scale of assessments of 22 percent for each of them as reflected in the proposed reform document (annex X of the 23<sup>rd</sup> COM report). He further expressed hope that other Member States would also accept their share of contributions as set out in the proposed reform documents. He, further, taking into account that the consent expressed by the Member States as to the new Scale of Assessments amount to approximately 98% of the total share of the contributions, suggested that remaining deficit of the budget would be addressed and managed

constructively as the amount is almost less than 2% of the overall total budget. He urged the Member States to give favourable consideration to the new scale of assessment as it would revitalize and improve the efficiency of the organization. In this regard, he also urged the Member States to give mandate to the Secretary General to hold bilateral consultations with Member States regarding the remaining gap (almost 2%) in the new Scale of Assessments and finalization of the distribution of posts. He continued that new post of Deputy Secretary General offered to Kazakhstan is agreeable to the Founding Member States and hoped that if this agreement is finalized, this would be a good step to increase engagements from Kazakhstan for this organization.

21. Furthermore, the Ambassador of **Turkey** on behalf of the Founding Member States requested the Council to give mandate to the Secretary General to prepare the budget for the financial year of 2019 according to the new Scale of Assessments and the development agreed upon. He, also made a reference to the difficulties the Secretariat is facing for the payments of its basic activities, due to the delay in the payments of contributions by the Members, requested the Member States to provide the Secretariat with their contributions as soon as possible.

22. The Ambassador of the **Republic of Kazakhstan** while reiterating the acceptance of 18 percentage share of contributions by Kazakhstan as per the new Scale of Assessments appreciated the efforts the Secretary General made for the advance of negotiations to this stage as to the new scale of Assessments and ECO Reforms. He also acclaimed the support of all Members States on the proposal of Kazakhstan about the post of Deputy Secretary General in the reforms. Furthermore, He made a reference to his consultations with the Secretary General and other Member States on the availability of simultaneous positions in D category in the new Organizational Structure of Secretariat for Kazakhstan, on which it has been agreed that Kazakhstan go in line with the reform document proposed to 23<sup>rd</sup> COM and attached as annex X of the report of 23<sup>rd</sup> COM. He also requested the Member States to accept the writing off arrears of Kazakhstan for the previous years and to take positive approach in this regard with the aim of settling the arrears at the next COM Meeting.

23. The Ambassador of the **Republic of Uzbekistan** taking the floor stated that his country has no objection to the new scale of Assessment and ECO Reform, he also informed that due to some inter-governmental consultations at the capital, operationalization of the issue is under consideration.

24. The Ambassador of the Islamic Republic of **Pakistan** thanked the Council for kind words to welcoming her and congratulated the new Secretary General for assuming the important post of ECO Secretary General. She conveyed her best wishes to H.E. Mr. Baghdad Amreyev, Ambassador the Republic of Kazakhstan to his new assignment. The Ambassador said that for any organization a reform process is an on-going process and organization always have room to bring improvement and mentioned that through committed work and clarity, this organization is going to bring our countries and this region the ultimate aim of regional socio-economic development. The Ambassador further commented that creating posts or reducing posts would not make organization efficient. Besides, the

Ambassador underlined that Secretariat needs improvements, to this end it may where the organization needs to make some savings or make expenditures when and where needed.

25. Besides, the Ambassador of Pakistan stated that the main purpose of ECO or any regional organization is to benefit the people of this region and its main focus should be on more projects and more activities that would help the member states in achieving the economic stability and development. Being the founding member of ECO, Pakistan is committed to ECO's work and success and supports the Secretariat and the Secretary General in achieving the goals of what this organization was founded for. She agreed and supported the scale of assessment which is proposed by the Secretary General and be adhered to the next budget be prepared in this light. She said to the Secretary General that while preparing the budget on the new scale of assessment remind the member states who have their debts and needs to be clear in order to make their position in this organization more amenable. She also welcomed the creation of the new post of Deputy Secretary General offered to Kazakhstan, and found it suitable that the Council may mandate the Secretary General to further consultation with the Member States to take the reform process further and persuade the member states to participate not only in the meetings but also in all the activities of the ECO.

26. The Ambassador of the **Kyrgyz Republic** said that all proposals and ideas within the framework of Scale of Assessments and ECO Reforms are being considered in the Capital and as soon as received it would be communicated to the Secretariat.

27. After views expressed by the Member States, the Chairman of the Council outlined his initial conclusion on the reform process as follows: approval of a new Scale of Assessments; creation of a new DSG position for Kazakhstan, accepting new arrangements on D2 level posts; mandating Secretary General to further consultation with Member States on remaining part of reform as well as mandating the Secretariat for preparation of the draft Budget for 2019 on the basis of new Scale of Assessments. He, then, sought the views of the Council in this regard.

28. Referring to the conclusion outlined by the Chairman the Representative of the Islamic Republic of **Iran** clarified that only new post of Deputy Secretary General has been finalized yet, however other "D" level posts needed to be discussed and finalized. In this regard, he requested the Council to give mandate to the Secretary General to discuss these posts with the Member States.

29. The Ambassador of the **Republic of Kazakhstan** once again taking floor expressed his special thanks to the Secretary General and all member states in accepting Kazakhstan's proposal for creation of new post of Deputy Secretary General. He assured the Council that he would do his utmost to enhance the cooperation between ECO and the Cooperation Council of the Turkic Speaking State for the benefit of the ECO Region.

30. The **ECO Secretary General** appreciated the Member States for showing flexibility on the "ECO Reforms" and "Scales of Assessment" as the founding



members states have agreed to the proposals of the Secretariat and the Chairman. He also appreciated the Uzbekistan's position on the issue of ECO Reform and Scale of Assessment. As regards to the Kazakhstan, he thanked the Ambassador of Kazakhstan for showing flexibility on his country's position, including deferring the negotiations over the possible writing-off of the arrears of Kazakhstan to the coming COM and acceptance of Format of Annex-X of the Report of 23<sup>rd</sup> COM in which, including inter alia, one post at DSG level and one Head of Section have been offered to Kazakhstan. The Secretary General also thanked the Ambassador of Kyrgyz Republic for showing understanding towards the approach taken towards the reform process thanked him for his continued consultations with the capital and the Secretariat in this regard and hoped that he would come back to CPR with positive feedback. The Secretary General also appreciated the efforts of Azerbaijan for playing significant role in this process. He expected that the conclusion which highlighted by the founding member states, Kazakhstan and the Chairman could provide an appropriate basis for further achievement on reform process. He thanked the Member States for the trust placed in him for assisting the negotiations on reform process and hoped that the Member States would continue their constructive approach and negotiations with a view to achieving further progress at the coming CPR meeting.

31. After considering the views expressed, the main conclusions of the Council, have been formulated as follows by the Chairman:

- I. The Council approves the new Scale of Assessments and mandates the Secretary General to approach and consult those Member States that have not expressed their consent as to the proposed percentage increase in their share of contributions. The Secretary General may also come up with a formula on filling the possible gap (around 2%) in the total share of the proposed scale of assessments.
- II. The Council approves to increase the number of DSGs from three to four and establish one new DSG post (D3), which will be offered to Kazakhstan. For the remaining Categories including Directorates' posts, the Secretary General continues its consultation with concerned Member States and report the result to CPR in appropriate time.
- III. The Council mandates Secretariat to prepare the annual budget for the year 2019 based on the new Scale of Assessments, and the Structural Reform of the Secretariat in DSG level.
- IV. The Council decides that the Working Group continue its deliberations on structural reform of the Secretariat by addressing the proposed positions of Heads of Section as well as Professional Staff group along with governing principles and rules.
- V. The Council emphasizes that the newly established posts will be assumed by the respective Member States once their share of contributions, based on the new scale of assessments, have been materialized.

**Agenda Item No. 6**

Consideration of the Draft Modalities for the Operation of the ECO Fund for Afghanistan (continued)

32. The Representative of the Islamic Republic of **Afghanistan** informed the Council that comments regarding the new mandate have not yet been received from Kabul. He, therefore, suggested that the issue may be discussed by the next CPR Meeting.

33. The Council decided on the convening of open ended ad hoc working group consisting of interested member states for deliberation and finalization of the draft Modalities. Then, the final draft will be submitted to CPR for the required decision.

**Agenda Item No. 7**

Launching of the Preparatory Phase of the establishment of ECO Clean Energy Centre (CECECO) and approval of allocation of 50,000.00 USD from the ECO Feasibility and General Purpose Fund (FGPF) as a partial financing of this Preparatory Phase (continued)

34. The **ECO Director** for Energy, Minerals and Environment (EME) briefed the Council that the subject item has been duly deliberated at the previous CPR Meeting, in which the Secretariat extensively briefed the Council on the idea, rationale and background of the Preparatory Phase of the initiative on establishment of ECO Clean Energy Center.

35. The ECO Secretariat reiterated that launching of the preparatory phase complies with the ECO's Functional Methodology and UNIDO's project cycle. The concept, financial aspects, institutional and technical design of the Centre are sought to be deliberated and agreed upon during the Preparatory Phase in consultation process among the Member States with possible participation of other stakeholders.

36. The ECO Director further cited that some Member States solicited during the previous CPR Meeting the specific information on breakdown of seed money allocation. In reply to the ECO Secretariat appeal, UNIDO conveyed on 9 August of this year the revised Indicative Budget, which was circulated among the Member States via the Secretariat's NV dated 15 August.

37. The ECO Secretariat has notified UNIDO on the possibility to allocate maximum 50000 USD from the Feasibility Fund, and UNIDO underlined that it is flexible to undertake budget shifts in the course of the Preparatory Phase. Meanwhile, it is worth mentioning that all contributions reflected in the subject graph, including UNIDO, Austrian Development Agency and Government of China have been allocated/pledged with the exception of ECO's in-kind contribution. In early October of this year, ECO Secretariat is planning to have consultations with UNIDO on margins of the High-Level Conference on Sustainable Energy and Development to be jointly organized by UNIDO and EU Austrian Presidency. In this regard, **it is of utmost importance to wrap up this matter at this point for confidence-building between ECO Secretariat and UNIDO on the eve of this consultation.**

38. The Ambassador of Republic of **Turkey**, while supporting the idea of the subject matter, said that Clean Energy Project would be very useful for all the Member States and noting that since the major financial partners of totality of this Project are UNIDO, Austrian Development Agency and the Government of China, therefore recommended the Council to consider proposal of the Secretariat. In the meanwhile, he observed that ECO Secretariat must further focus on projects and to this end his country has always supported projects initiated for the achievement of the objectives of the organization.

39. The Council approved launching of the preparatory phase of the Project and allocated USD 50,000 from the ECO Feasibility and General Purpose Fund as a partial financing of the preparatory phase, which could cover consultancy, contractual services, international travel, workshop etc.

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

Utilization of Special Support Fund (SSF) for the 2<sup>nd</sup> Meeting of ECO Public and Private Sector Energy/Petrochemical Consortium/Companies, proposed to be held either on 2-3, or 9-10 December 2018 in Tehran

40. The Council was briefed that the Ministry of Foreign Affairs of the Islamic Republic of Iran vide its' Note Verbale No. 531/362/4898594 dated 22 July 2018 requested the Secretariat to include the 2<sup>nd</sup> Meeting of ECO Public and Private Sector Energy/Petrochemical Consortium/Companies, proposed to be held either on 2-3, or 9-10 December 2018 in Tehran, in the List of Meetings/Events, to be financed/supported from Special Support Fund (SSF) in 2018. It was further informed that this Meeting was already approved by the 28<sup>th</sup> RPC Meeting as part of ECO Calendar of Events 2018.

41. The Council approved the Meeting to be financed/supported from Special Support Fund (SSF) in 2018, as proposed by the Islamic Republic of Iran, and requested the Member States to participate in the Meeting actively.

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

Audit Report for the Year 2017

42. The Council was informed that the Audit Team comprising of Iran, Pakistan and Turkey visited the Secretariat in mid of July 2018 and conducted audit of the accounts of the Secretariat for the Year 2017. The Team prepared "Audit Report for the Year 2017", which was circulated to the Member States through the Note Verbale No. ACC/Audit/2018/843 dated 25<sup>th</sup> July 2018 for their views and comments. Some general technical issues, pertaining to accounting system, software and other matters were highlighted by the auditors in their report. In response to the observations/queries raised by the Audit Team, the Secretariat made its replies to those observations, which have also been disseminated to the Member States accordingly.

43. The Ambassador of the Islamic Republic of **Pakistan** while appreciating the Secretariat for making utmost effort to observe the auditor's recommendations, observed that the period of the audit was very short and due to paucity of time, a

detailed audit of various projects and funds could not be conducted in a professional manner. Thus, she suggested that in future, more time should be allotted to audit team to carry out audit of the Secretariat in a proper manner. The Ambassador also pointed out that some observations were raised by the audit team, *inter alia*, (i) non-maintenance of Cash Book in a proper manner; (ii) non- implementation of the procurement guidelines; and (iii) despite lapse of considerable time of more than one year, ECO failed to take any action to resolve majority of the observations raised by the previous Audits. In this rationale, Ambassador further added that audit exercise would be futile, if no serious efforts on the parts of the management were not taken in addressing the observations of the Audit Team, referring that the Audit Board had recommended that rules and regulations on procurement needed to be streamlined and implemented without any further delay. She hoped that under the guidance of the new Secretary General, the observations raised by the Audit Team would be taken into account and an efficient system would be evolved by the Secretariat so as to ease and streamline the management system, which would evidently improve efficiency of the Organization.

44. The Ambassador of the Republic of **Turkey**, while supporting the viewpoint of the Ambassador of Pakistan, suggested that the Secretariat should prepare a report in a reasonable time frame considering the observations and recommendations put forward by the Audit Team, which would bring improvement in performance of the Organization.

45. The Council, while taking into account the proposals/suggestions made by the delegations of Pakistan and Turkey, decided to recommend the Audit Report 2017 to the Council of Ministers for its examination and approval as per Article 21 of the ECO Financial Regulations.

#### **Agenda Item No.10**

##### Participation of Turkish Cypriot State at the Informal COM Meeting in New York in its capacity as observer

46. The Council was briefed that the ECO Secretariat received a Note Verbale No. TRNC/2018/91546 of 10 August 2018, conveying that a delegation from the Turkish Cypriot State would like to participate in its capacity as ECO Observer and make statement at the Informal COM Meeting to be on 24 September 2018 in New York on sidelines of the 73<sup>rd</sup> UNGA. The Council was requested to consider the request of Turkish Cypriot State.

47. The Council considered and approved, in accordance with the ECO Modalities for Granting Observer and Dialogue Partnership Status at ECO, the participation of Turkish Cypriot State, in its capacity as "Observer" without right to vote inaugural and closing ceremonies of Informal COM Meeting, scheduled to be held on 24 September 2018 in New York.

## **Agenda Item No. 11**

### Administrative matters:

#### a. Nomination for the post of Programme Officer of Projects Economic Research and Statistics (continued)

48. **ECO Deputy Secretary General** briefed the Council that as instructed by the Council during the last CPR Meeting, the Secretariat while pursuing the matter, forwarded a Note Verbale to the Embassies of Turkmenistan and Republic of Uzbekistan once again to provide their nomination for the post of Programme Officer (Projects, Economic Research and Statistics). However, so far, no reply has been received from these Member States.

49. The Ambassador of Republic of **Uzbekistan**, informed the Council that upon receipt of a response from Capital, the ECO Secretariat would be informed promptly.

50. The Representative of **Turkmenistan** also informed the Council that no nomination has yet been received from the Capital for the proposed post.

51. The Ambassador of Islamic Republic of **Pakistan** taking the floor commented that since the issue has been deliberated in length in previous CPR Meetings and regrettably neither Turkmenistan nor Uzbekistan provided their nominations for the post. In this backdrop, the Ambassador proposed Islamic Republic of Iran to send a nomination for the subject post.

52. The Permanent Representative of the Islamic Republic of **Iran** accepted the proposal put forward by Islamic Republic of Pakistan and assured that Iran would provide nomination for this post soon.

53. The Council, deciding on the matter, called upon Islamic Republic of Iran to provide its nomination for the post of Programme Officer (PERS) at this stage.

#### b. Appointment of the new Deputy Secretary General General (Admn, EME, HRSD & DOCCU) (continued)

54. The Chairman of the CPR reminded the Council that appointment of H.E. Ambassador Huseyin Avni Bicakli, (**Turkish National**), was submitted for the approval of the 23rd COM Meeting in Dushanbe and during the Meeting the delegation of Turkmenistan sought more time for providing their decision on the post. However, seven months have already passed but no feedback has been received yet from Turkmenistan. The Chairman requested the delegation of Turkmenistan to provide his Country's final position on this issue.

55. The Representative of **Turkmenistan** informed the Council that position from capital has not yet been received and added that the same would be communicated to the Secretariat on receipt.

56. The Council deferred the matter until the next CPR Meeting and requested Turkmenistan to expedite providing its position on the issue at the earliest.

c. Recommendations of the Selection Panel

Renewal of tenure of Director for Agriculture, Industry & Tourism (Category-I, D2)

57. The Council was briefed that in continuation of recommendations of the 232nd CPR Meeting, a Bilateral Consultation Meeting between Representatives of Islamic Republic of Iran and Republic of Turkey was convened on 11 September 2018 to resolve the pending issue, regarding re-appointment or renewal of term of Mr. Memduh Unal (**Turkish National**) as Director (Agriculture, Industry & Tourism (*Category-I, D2*)) for another term of three years effective from 5th November 2018.

58. The Ambassador of the Republic of **Turkey** while taking the floor, apprised the Council that he got concerns of the Islamic Republic of Iran for linking this post with Reform Process and while noting that Mr. Memduh Unal, Director (AIT) completing his term in a very short time; therefore, he proposed extension in tenure of Mr. Unal. He assured that in case reform process is completed, Republic of Turkey would consider adjusting itself with the new distribution of posts accordingly.

59. The Permanent Representative of Islamic Republic of **Iran** informed the Council that Iran has "No Objection" to the proposed renewal of term of Mr. Memduh Unal and accedes to the proposal made by the Ambassador of Republic of Turkey.

60. With this understanding, the Council approved renewal in tenure of Mr. Memduh Unal (**Turkish National**) as Director (Agriculture, Industry & Tourism (*Category-I, D2*)) for another term.

**Agenda Item No. 12**

Any other business:

61. The Permanent Representative of the Islamic Republic of **Iran** has informed the Council that 3<sup>rd</sup> ECO Heads of Veterinary Organizations Meeting and the First Technical Steering Committee Meeting for early establishment/operationalization of ECO-VECO would be held 6-8 October 2018 in Tehran. While noting that the required quorum has been achieved for the Meeting, the Permanent Representative of Iran called upon the remaining Member States to expedite providing the Secretariat with their nominations at the earliest so that the host may undertake necessary logistical and other requisite arrangements accordingly.

62. The Ambassador of Islamic Republic of **Pakistan** noted that some Member States, including Pakistan have facing difficulties in paying annual budgetary contributions payments to the Secretariat and its subsidiary organizations. Therefore, the Ambassador suggested that the Secretariat may explore the possibility of expanding the mandate of ECO Trade and Development Bank (ECO-TDB) to help the Member States transfer their money to ECO Secretariat in a timely manner. She also proposed that Secretariat be mandated to discuss the issue of transfer of budgetary contribution at the level of existing Working Group on ECO Reforms. Besides, she also put forward a suggestion that, alternately, the Secretariat may also

look into the possibility of having "ECO Clearing Union", which is a payment arrangement like Asian Clearing Union to facilitate payment contribution to ECO.

63. The Permanent Representative of the Islamic Republic of **Iran** supported the proposal made by the Ambassador of Pakistan and suggested that the role of ECO-TDB apart from facilitating transferrer of money to ECO may also be extended as a Commerical Bank in the ECO Region, which would help in boosting intra-trade among the Member States. He recalled that the current volume of the trade of ECO Member States with other countries is approximately US\$ 800 billion in comparing to a tiny volume of 10% intra-trade among ECO Countries, which shows the lack of mechanism among the Member States. The Permanent Representative of Iran recommended that the Secretariat may add a special agenda item in CPR Meetings to discuss the issue of intra-trade noting that a tiny volume of US \$ 60 billion is intrade among the ECO Member States.

64. The Council recommended that the Secretariat should study/examine the ideas and proposals expressed by the Delegations of Pakistan and Iran and prepare a relevant report for the next CPR Meeting, as well as an invitation to ECO-TDB extended for consultations.

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

#### Date of the next CPR Meeting

65. The Council decided to convene its next (234<sup>th</sup>) Meeting on Wednesday **31st October 2018**. The Permanent Representative of the Islamic Republic of Iran informed the Council that the next CPR may be hosted by Iran outside Tehran. The venue of the Meeting would be coordinated with the Secretariat and the Chairman.

66. Before the conclusion, the Chairman once again congratulated the new Secretary General on assumption of his post and appreciated his work during the first Meeting of the CPR and hope that under his able leadership the Secretariat would achieve key milestones in future.

67. While adjourning the Meeting, the CPR Chairman expressed his sincere thanks to the distinguished Permanent Representatives/Representatives of all ECO Member States for their participation and valuable contributions in the proceedings of CPR.

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**Annex-I**

**LIST OF PARTICIPANTS**

**Embassy of the Islamic Republic of Afghanistan:**

- Mr. Ahmad Haroon Najmpoor, Deputy Ambassador
- Mr. Sayed Nader Pajohesh, Second Secretary

**Embassy of the Republic of Azerbaijan:**

- H.E. Mr. Bunyad Huseynov, Ambassador
- Mr. Javid Musayev, Counsellor

**Ministry of Foreign Affairs of the Islamic Republic of Iran:**

- H.E. Mr. Majid Bizmark, Permanent Representative/Director General
- Mr. Shahrokh Edrisabadi, Senior Expert, ECO Affairs Bureau

**Embassy of the Republic of Kazakhstan:**

- H.E. Mr. Baghdad Amreyev, Ambassador
- Mr. Yerbol Akhmedov, Minister, Counsellor

**Embassy of the Kyrgyz Republic:**

- H.E. Mr. Avazbek Abdurazakov, Ambassador
- Mr. Aziz Kurumbaev, Counsellor,

**Embassy of the Islamic Republic of Pakistan:**

- H.E. Ms. Riffat Masood, Ambassador
- Mr. Imran Hayder, Deputy Head of Mission
- Mr. Ghulam Hussain, First Secretary

**Embassy of the Republic of Tajikistan:**

- H.E. Mr. Nematullo Emomzoda, Ambassador
- Mr. Firdavs Yusupov, Second Secretary

**Embassy of the Republic of Turkey:**

- H.E. Mr. Riza Hakan TEKİN, Ambassador
- Ms. Hatice ÖZDİL, Third Secretary

**Embassy of Turkmenistan:**

- Mr. Myatiev Aziz, Third Secretary
- Mr. Berdiev Kadir,

**Embassy of the Republic of Uzbekistan:**

- H.E. Mr. Bakhodir Abdullaev, Ambassador
- Mr. Umid Babaev, Third Secretary

**ECO Secretariat:**

- H.E. Mr. Hadi Soleimanpour, Secretary General
- Mr. Kanan Nazarov, Deputy Secretary General
- Mr. Salohiddin Kiromov, Assistant Director (CFU)
- Mr. Mahmoud Khoubkar, Legal Adviser
- Mr. Arshad Ali Jatoy, Steno-Secretary
- Mr. Chaudhry Hadees Muhammad, Steno-Secretary
- Ms. Aynur Mammadova, English-Russian Interpreter/Translator
- Mr. Amir Javaheri, English-Persian Interpreter/Translator

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