

Statement by
H.E. Dr. Hadi SOLEIMANPUR,
ECO Secretary General
29th Meeting of ECO Regional Planning Council
(December 17-20, 2018)

Excellencies,
Distinguished Heads of Delegation,
Dear Participants,
Ladies and Gentlemen,

Allow me to extend to you a very warm welcome to the 29th Meeting of ECO Regional Planning Council (RPC) at the ECO Secretariat. At the outset, I wish to express my gratitude for the support and cooperation that have been extended by the government of the Islamic Republic of Iran to organize this important event.

I would also like to thank the distinguished delegates especially those who have come all the way from their respective countries to enrich our discussions. Their presence here demonstrates the commitment of their government to the goals and objectives of ECO. Our thanks also go to the Diplomatic Missions of the ECO Member States in Tehran for contributing to the comfortable stay of their delegations.

Distinguished Participants;

As you are aware, the RPC is regarded as the planning arm of the Council of Ministers and is accordingly entrusted with the task of discussing and recommending the future activities of ECO. The RPC deems it necessary to review the past programmes of the Organization and evaluate their success as well as shortcomings. It also proposes new programmes of action in line with the objectives of the Organization as laid down in the founding documents as well as ECO Vision 2025.

This session of RPC assumes special significance in view of the understanding that there is a profound desire amongst the Member States about the orientation of the organization towards a more

project- based one, the Secretariat has focused its efforts on to propose new projects in almost all fields that will be introduced in this RPC. I hope that at least we can improve the design and implementation of the activities in our work programme to this end.

Since last RPC Meeting in Islamabad (December 11-14, 2017), ECO Institutions and the Member States have made efforts to realize the Work Programme through a great number of activities and events. However, here I will confine my statement to some of the most important achievements. The details of our successes as well as setbacks have been reflected in the broadened version of this statement already distributed to you.

The past year was productive in some areas and rather barren in others.

Excellencies,

I want to start with the trade. Our collective endeavors, in trade, are to lay down the necessary regulatory frameworks and progressive removal of trade barriers within the ECO region and expand intra and inter-regional trade and investment inflows. In 2017, the combined world trade of the ten ECO countries reached US\$ 783 billion, with exports of US\$ 367 billion and imports of US\$ 416 billion. The intra-ECO trade of 10-member states amounts to US\$ 60 billion in which the share of Turkey is US\$20 billion. In terms of percentage, intra-regional trade of the whole region makes up only 7.7 % of the total trade of its all members. Collectively, these figures reflect that existing trade volume is far below its vast potential, requiring concerted effort. Considering this, ECO Vision 2025 has set forth the target to double the intra-regional trade by 2025.

To achieve this target, one crucial step is yet to be taken. There is a need to have an agreed approach on how to implement ECO Trade Agreement (ECOTA) that lies at the centre of ECO's goal and objectives. In this regard, some contracting parties have proposed that there is an opportunity to upgrade the existing mechanisms in consonance with the changed environment in their economies. The 23rd

COM at Dushanbe, Republic of Tajikistan, also deliberated on this vital issue and called upon contracting parties to continue efforts for its early effectuation keeping the new environment in view.

Pursuant thereto, ECO Secretariat, taking into account Member States' views, is considering the strategy containing a variety of mechanisms such as prolongation of period of implementation and making products lists at HS 8-digit level instead of HS 6-digit, allowing more precise product description for concessions. It is also considering option to decrease tariff by Margin of Preference basis (decrease by a specified percentage) instead of absolute percentages, introducing Request-offer approach to include the products of preference and Regional Value Chains (RVCs) for lowering trade costs and promoting trade-related investment within ECO. Its coverage can also be expanded to trade in services and other related areas.

Based on these ideas, ECO Secretariat has prepared a 'Multi Dimensional Regional Trade and Investment Strategy and Action Plan' and shared with the Member States for their views. This strategy also contains the principles of gradual liberalization of trade, trade facilitation, improving competitiveness, regional value chains & value addition, trade promotion, supporting member states in accession of WTO, strengthening role of Private Sector and Public-Private Sector Partnerships (PPP), Enhancement of Skills and Knowledge, Innovation and Acquiring new Technologies, Increasing the contribution of services exports etc. to improve trade and investment profile in the region.

We hope that RPC will elaborate the issue and will come up with innovative ideas to promote trade in our region. With redressal of concerns of the contracting parties, more countries will also be inclined to join ECOTA for stimulating economic activities in their national economies. The RPC may consider fixing the dates of Ministerial Meeting of Trade and Commerce and ECOTA Cooperation Council to find out solution on agreed mechanism.

The ECO Trade and Development Bank (ETDB), the major financial institution, has expanded both its operations and membership

base in recent years. It has disbursed/committed loans over US\$ 1.5 billion. However, it can play more efficient role in the national economies when the remaining four ECO Member States also join its activities. Being member of this financial institution, member states can initiate national projects which will also help in expediting the integration process in the region. Taking this opportunity, I would kindly request the remaining Member States to consider joining the bank's membership and the existing members to increase their capital for expansion in its operations and take significant advantage in financing of more national and regional projects.

It is a great pleasure to inform this august meeting that ECO Smuggling and Customs Offences Databank has been established in Ankara and follow up actions regarding the Databank have been actively pursued. The ECO Reinsurance Company was established and its first meeting was held in Karachi. To increase intra-regional investment, we need the Agreement on the Promotion and Protection of Investment (APPI). It needs to be underscored that after two more members' ratification, it can come into force. The third phase of the Trade Capacity Building Project has been completed in collaboration with the United Nations Industrial Development Organization (UNIDO). The continuation to the next phase of the project is actively pursued.

Mr. Chairman, Distinguished Delegates,

Progress in the area of transport and communications has been visible in 2018. The 23rd COM opened a new chapter in transport communication by including neighboring corridors to ECO ones. It significantly expanded ECO's regional horizon onto 28 new transport and energy initiatives, including its key 5 rail routes and 2 road corridors. Moreover, the Dushanbe Communiqué adopted in this meeting, renewed ECO's commitment to fully implement the Transit Transport Framework Agreement (TTFA). In addition, the 2017 Chairman of the ECO Council of Ministers called for early operationalization of ECO's existing transport routes and the ECOTA (para-6, COM Report).

The 9th Meeting of ECO Ministers of Transport in Turkmenistan, in May 2018 also marked a milestone. The Turkmenbashi Declaration adopted in this meeting streamlined the actionable decisions on various aspects of transport.

In line with the decisions of these two important meetings, several initiatives that would better connect the region internally and with the rest of the world are being pursued. Special emphasis has been given to corridors which will give access to ECO land-locked countries to major sea ports. In this regard, the pre-requisites for a mutually beneficial networking have been worked out with the aim of inter-linking the ECO's Seaports logistics centers and Dry Ports in ECO's seven Land-locked Countries (LLCs). This initiative targets greater efficiency in railway operations to ensure a coordinated single window increase in freight volumes. To date, the assessment report on facilitation of LLCs in their reach-out to the ECO seaport outlets has been distributed amongst the Member States. Along the similar path, an introductory visit to Amirabad Port has been organized at the Member States' Ambassadors level to evaluate the existing port facilities.

Turkmenbashi Declaration also urged for the full implementation of the TTFA. In this regard, I am glad to inform this august forum that the final report has been disseminated amongst the member states for the field study under the project on establishment of two Road Corridors, namely KTAI Corridor between Kyrgyz-Tajikistan-Afghanistan-Iran and ITI Corridor between Islamabad-Tehran-Istanbul. The study directly addresses the issues of cross border facilitation within the TTFA framework.

On the early operationalization and commercialization of the rail routes already in place, the study for the Almaty-Istanbul and Almaty-Bandar Abbas route has been disseminated amongst the member states. Following the feedbacks of the Member States, the Technical and Operational Plan has been developed and circulated amongst the Member states, for discussing the issue at the 2nd High-Level Working Group Meeting.

On the project for commercialization of the Kazakhstan-Turkmenistan-Iran (KTI) railway corridor, following the Technical Cooperation Agreement between ECO and IDB and after long negotiations between ECO and ESCAP in July 2018, the MoA was signed between these two organizations. We are expecting to start the project in early 2019.

As regards ICT related activities, the 2nd meeting of ECO Ministers of ICT, in Azerbaijan in December 2017, undertook a significant step forward by welcoming the preparation of the “2025 ECO Regional Strategy for Information Society Development” and the Action Plan. As per the instruction of the said Meeting, the Secretariat is trying to make necessary preparation for establishment of an appropriate mechanism to enable the Member States to regularly meet and address the issues related to implementation of the Regional Strategy and the Action Plan.

Excellencies,

In energy, one of our highest priority, we achieved progress in the “ECO Plan of Action for Energy/Petroleum Cooperation” for the period 2019-2023. It is set to be designed based on achievements and shortcomings of the existing ECO Plan of Action. We expect that the envisaged new Plan of Action will be approved by the 4th ECO Ministerial Meeting on Energy, sought to be held the next year.

Following the paradigm shift in the ECO energy agenda towards transformation to clean and sustainable energy and in pursuance of “ECO Vision 2025”, since mid of 2017, ECO Secretariat has been engaged with UNIDO in establishment of ECO Clean Energy Centre (CECECO). In this year, the Preparatory Phase of the establishment of CECECO has been launched. The subject project seems promising for further cooperation in terms of its evaluation into a possible ECO Clean Energy corridor which will require further engagement with relevant international institutions.

We achieved certain progress in consolidating electricity trade in our region and on the establishment of ECO Regional Electricity Market (REM), which remains as one of the major project initiatives within

ECO. To speed up the process we are awaiting the approval of the Terms of Reference (ToR) for hiring international and local consultants for preparation of a Feasibility Study on establishment of ECO REM from the 3rd Iran-Turkey Bilateral Meeting, expected to be held this year. ECO Secretariat deems it appropriate to consider alternative mechanisms including revitalization of multilateral formats to speed up the implementation of ECO REM.

As regards minerals, the “ECO Seismic Hazard Reduction Programme (ECO-SHARP)” was finalized in 2017. Furthermore, we kept up momentum of cooperation with organization of the 7th ECO Minerals Experts Group Meeting and 2nd Meeting of ECO Geomatics Committee. Several projects have come out from these events. I would particularly point out the initiatives on preparation of “ECO-Environmental Quality Index (ECO-EQI) Map of the ECO Region”, and “The Spiroclast Map of Mobile Belt between Gondwana and Eurasia” that has the potential to move forward the cooperation in this area among member states.

Since the 28th RPC Meeting, the ECO Secretariat has been continuing to streamline the environmental agenda to the needs and aspirations of the ECO Member States, and promote necessary conditions for developing partnership frameworks with a view to addressing the environmental concerns and challenges in the ECO Region. The Regional Project to Combat Desertification with a Special Emphasis on Dust Haze and Sand Storm in the ECO Region has represented the only operational project in the subject dimension over the past few years. The Project Development Phase was finalized and the Project Proposal “ECO LandCare: A Collaborative Programme by the ECO Member States to combat land degradation, sand and dust storms” elaborated in the framework of implementation of the above phase was considered approved as its outcome.

Dear participants,

Regarding tourism, despite its' significant potential, unfortunately the ECO Region has not been received desired tourism revenues. ECO

has sped up its activities in the last year in this sector as well. In consultation with the member states, we are pressing up for an "ECO Regional Strategy and Action Plan for Sustainable Tourism Development" in order to mobilize this potential. At least three major projects are identified under this area that requires sufficient attraction of the RPC.

In Agriculture, the 3rd ECO Heads of Veterinary Organizations made significant progress during their meeting at Tehran in October 2018. It agreed on a roadmap for the free trade of live animals and the Work Plan regarding priority activities of ECO Veterinary Commission (ECO-VECO). From these meetings promising project proposals have come out which will be shared with you in related sessions of this RPC.

Let me also share that the 6th Meeting of ECO Heads of Privatization Administrations, preceded by the 5th High Level Working Group (HLWG) Meeting on Privatization and Private Sector Development, was held on 25-26 October 2018 in Baku, the Republic of Azerbaijan. It is gratifying to share that all ECO member states actively participated in these meetings and after deliberations and sharing experiences concluded significant recommendations including establishing an Investment Forum of the Privatization Organizations of the ECO Member States and International Investors for creating investment opportunities in the ECO Region, establishing 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 and introducing the Production Chain Mechanism in the ECO Region for linking privatization for enhancing intra-regional trade. For full implementation of the said decisions, ECO Secretariat has provided related project proposals for kind consideration of the member states.

Distinguished Delegates,

Regarding the projects on economic research, I am pleased to inform you that three research projects that were launched (i) "Economic Management Modeling in the ECO member countries" and

(ii) "Analyzing Food Security Issues in the ECO Region", this project is pursued by the Pakistan Institute for Development Economics of Pakistan (PIDE), and (iii) "Exchange of Experiences and Strengthening Inter-Agency Cooperation on the development of Ecologically Clean Agriculture Model in ECO Member Countries", by the Institute for Scientific Research on Economic Reforms, under Azerbaijan, are in the final stages of their implementation.

It was expected that establishment of ECO Research Centre in Baku approved by 21st COM in 2013 would serve as the ECO Economic Research Institution to work out economic development strategies and policies for the region. It would be desirable to launch the ECO Research Centre as soon as possible for the benefit of all Member States.

ECO is also trying to increase cooperation in the field of research with and among the member states by establishing close connections with the national and regional research institutes. In this regard, Two Memoranda of Understanding have been signed with the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and the Economic Policy Research Foundation of Turkey (TEPAV) in 2018. There is a need to make a network among the economic research institutions in ECO region.

Distinguished Delegates,

On human resource sustainable development, it is encouraging that there is a growing realization within the Organization about the need for further cooperation in this field. Regarding Disaster Risk Reduction, the ECO Secretariat hosted the workshop of UN-Habitat on "Urban Resilience" in November 2018, in Tehran. Our efforts to work with international stakeholders for implementation of the Sendai Framework, has resulted a considerable progress this year. "Action Plan 2018-2020 of the Asia Regional Plan for Implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030", has linked up the role of ECO as an Intergovernmental Organization and it has recognized the ECO Regional Framework on DRR.

Cooperation in the fight against terrorism, drug trafficking and transnational crimes is an important ECO Priority. In this regard, ECO in cooperation with the Member States is in the process of establishment of the ECOPOL (ECO Police Centre), ECO Regional Centre for Cooperation of Anti-corruption Agencies and Ombudsmen as well as an effective mechanism for Judicial/ Legal Cooperation.

Excellencies, Dear participants,

Let me conclude my statement by reiterating the importance of the Meeting for the Organization and its approach towards future. I would like to once again welcome you all and wish you a pleasant stay in Tehran. I wish you every success during your deliberations in the working Committees.

I thank you for your attention