



236th Meeting of the Council of Permanent Representatives (CPR)

Report

4th February 2019
ECO Secretariat - Tehran

Report

The 236th Meeting of CPR was held on Monday 4th of February 2019 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, Kyrgyz Republic, the Islamic Republic of Pakistan, the Republic of Tajikistan, the Republic of Turkey, 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 adoption of the Agenda, the Members of the Council warmly welcomed H.E. Mr. Askhat Orazbay, Ambassador of the Republic of Kazakhstan and H.E. Prof. Derya Ors, Ambassador of the Republic of Turkey to Iran and the Permanent Representatives to ECO, acknowledging that their knowledge and experience would be of great importance and assistance for the Council.

Agenda Item No.1

Adoption of the Agenda

3. The Council adopted the following Agenda for deliberation in its 236th Meeting:

1. Adoption of the Draft Agenda of the 236th CPR Meeting;
2. Adoption of the Draft Report of the 235th CPR Meeting;
3. Submission of the 29th RPC Meeting outcome documents
4. Approval of the Lists of Meetings /Events and Conferences/Workshops/ Seminars/Training courses to be supported/financed from Special Support Fund (SSF);
5. Follow-up to the decisions of the 23rd Council of Ministers (COM) Meeting; ECO Reforms etc. (*continued*);
6. Consideration of the possibilities of expanding the mandate of ECO Trade and Development Bank (ETDB) and forming ECO Clearing Union (*continued*);
7. Cooperation with the UN Office for the Coordination of Humanitarian Affairs (OCHA);
8. Status of Ratification of Charter of ECOSF and Status of Mandatory Budgetary Contribution of the Member States of ECOSF;
9. Consideration of the Project of reconstruction of Dr. Rafiqi Kamil Urga Sanatorium Hospital of Kabul Medical University;
10. Administrative matters;
 - Scale of Assessments for the year of 2019
 - Recommendations of the Selection Panel
11. Any other business;
12. Date of the next CPR Meeting.

Agenda Item No.2

Adoption of the Draft Report of the 235th CPR Meeting

4. The **Chair** briefed the Council regarding amendments to draft report of 235th CPR proposed by the Republic of Turkey circulated vide Secretariat's Note Verbale No. CFU/2019/114 dated 4 February 2019 and Republic of Uzbekistan vide Note Verbale No. CFU/2019/56 dated 20 January 2019, requesting for its adoption with the suggested amendments.

5. The Representative of the Republic of **Uzbekistan** noted that the 23rd COM's meeting was held after the adoption of ECO budget for 2018. He added that as per decision of the COM, the arrears of Uzbekistan were supposed to be waived off in full volume including the year 2018 since the decision of the COM in this regard did not mention any particular year.

6. The Ambassador of the Republic of **Turkey** extended his gratitude for the warm welcome, conveying the readiness of his government to host the 24th Meeting of COM in Turkey during 2019. Regarding the adoption of report of the 235th CPR, he stated that the Republic of Turkey had suggested some amendments, requesting their incorporation in the report before adoption.

7. The Permanent Representative of the Islamic Republic of **Iran** stated that as per decision of the 23rd COM, the request of Uzbekistan was considered regarding their arrears up to 2017 and the COM's decision doesn't include the arrears of Uzbekistan for 2018. He further said that the issue was already discussed a lot in the last meeting of CPR. Regarding amendments proposed by Turkey received today, he said that as per prescribed procedure, such communication would need two weeks time to respond.

8. The Ambassador of the Islamic Republic of **Pakistan** supported the views of Iranian Representative, stating that as per their understanding the arrears of Uzbekistan were written off up to the year 2017 under the 23rd COM's decision. She requested the Council to adopt the draft report as circulated earlier without the proposed amendments.

9. After deliberations, **the Council** adopted the Draft Report of the 235th CPR Meeting circulated to the Member States vide Secretariat's Note Verbale No. CFU/CPR/235th Meeting /2019/17 dated 9 January 2019, without amendments proposed by the Republic of Uzbekistan and the Republic of Turkey in the Draft Report. The Council asked the Secretariat to scrutinize all decisions/documents with regard to the Republic of Uzbekistan arrears.

Agenda Item No.3

Submission of the 29th RPC Meeting outcome documents

10. The 29th RPC Meeting was held on 17-20 December 2018 at the ECO Secretariat. The RPC Report, Work Programme 2019 and Calendar of Events for 2019 were circulated to the Member States vide Secretariats' Note Verbale No. CFU/RPC/29th Meeting/2018/1309 dated 25 December 2018.

11. **The Council** endorsed the 29th RPC Meeting Report along with Work Programme 2019 and Calendar of Events 2019 and recommended for formal approval by the upcoming COM Meeting.

Agenda Item No.4

Approval of the Lists of Meetings /Events and Conferences/Workshops/Seminars/Training courses to be supported/financed from Special Support Fund (SSF)

12. The Lists of Meetings /Events and Conferences/Workshops/Seminars/Training courses to be supported/financed from Special Support Fund (SSF) were circulated amongst the Member States vide Secretariats' *Note Verbale No. CFU/2019/47 dated 20 January 2019*.

13. **ECO Deputy Secretary General (T&I, CFU, AIT &IR)** informed the Council that the Secretariat received a Note Verbale from the Ministry of Foreign Affairs of the Islamic Republic of Iran, conveying their readiness to host the 5th Meeting of Heads of Reference of Maritime Organizations of ECO to be held from 26-27 February 2019. The Ministry of Foreign Affairs of the Islamic Republic of Iran also requested the inclusion of this meeting in the lists of Meetings /Events and Conferences/Workshops/ Seminars/Training courses to be supported/financed under Special Support Fund (SSF).

14. The Representative of the Islamic Republic of **Iran** suggested deletion of those events for which host (s) were to be determined (TBD). In order to increase the efficiency and to support the important events, those of the events for which hosts were specified should remain in the lists of Meetings and Events to be supported under the Special Support Fund (SSF). He further requested the Member States to convey confirmations for participation in the 5th Meeting of Heads of Reference of Maritime Organizations of ECO to be held from 26-27 February 2019 in Iran.

15. The Representative of the Republic of **Azerbaijan** stated that the deletion of "TBD" Events was not a feasible option as a considerable time left till the end of the year 2019, expecting that some Member States might come up to offer the hosting of such events. He also underlined that during the 29th RPC Meeting, the delegation of Azerbaijan suggested short-listing of events with a view to prioritizing the only genuinely required events under SSF.

16. The Ambassador of the Republic of **Turkey** stated that the list of events for 2019 was under consideration with their capital, and proposed deferring decision on the list of events and proposed list under SSF to the next CPR Meeting.

17. The Permanent Representative of the Islamic Republic of **Iran** clarified that the suggestion of Turkey might be related only to events under SSF not the list of events for 2019 which was already decided and approved by the 29th RPC.

18. The **ECO Secretary General** underlined that the agenda under discussion pertained to basic activities of the Secretariat to be undertaken in 2019, adding that almost one and half month of 2019 had already passed. He emphasized that such essential activities of the Secretariat would halt if the events to be supported by Special Support Fund (SSF) were not approved. He suggested the Council to consider and approve this list as a base-line proposal, referring

amendments/additions to the next meeting of CPR, if any. He added that the Secretariat would enlist such amendments/addition/reduction and circulate amongst the Member States with provision to the next CPR.

19. The Representative of the Republic of **Azerbaijan** proposed that in order to move forward, the Council may like to adopt the list subject to further deliberation/changes in the next CPR.

20. The Ambassador of the Islamic Republic of **Pakistan** pointed out that the Council had already adopted the report of 29th RPC on the previous agenda item of this CPR, adding that the RPC Report also contained the calendar of events. She further said that the Representative of Turkey needed clarification from their capital on the list of meetings to be supported under the Special Support Fund, not on the decision of the RPC.

21. The Ambassador of the Republic of **Turkey** clarified that the list of events supported by SS Fund is under consideration of their authorities, not the calendar of events.

22. The Representative of the Islamic Republic of **Afghanistan** requested the Council for inclusion of 1st Meeting of the Donors for the ECO Fund for Afghanistan under Special Support Fund (SSF).

23. After extensive deliberations, **the Council** agreed on the inclusion of the events proposed by Iran and Afghanistan in the list of events and approved the amended list of events under the SSF. It was further agreed that any subsequent proposal might be put before next CPR for its consideration.

Agenda Item No. 5

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

24. The **Chair** continued discussions in reference to CPR's earlier deliberations on the issue. Underlining the Secretary General's consultations with ambassadors of the concerned member states, he appreciated the founding members for offering some of their positions to Turkmenistan, Uzbekistan and Kazakhstan under the reform process. The Chair requested the Secretary General to update about latest position of his negotiations, enabling the Council to proceed ahead.

25. The **Secretary General** informed that he made close consultations with all stakeholders in the process to evolve a mutually acceptable formula, recalling that under the mandate given to him by the Council in its 235th session, he was required to address mainly two issues i.e. (i) the request of Kazakhstan to write off of its arrears and (ii) redistribution of relinquished positions. Regarding writing off of the arrears of Kazakhstan, he recalled that in the 233rd CPR meeting, the Permanent Representative of Kazakhstan requested the Member States to address the issue in the next COM meeting. However, the formula under which the issue would be considered by COM is still under consultations, and would be shortly brought to the notice of CPR. The Secretary General further underlined that some positions would be relinquished by founding member states for their redistribution amongst those member states who have less or no representation at the Secretariat.

26. The **Secretary General** enlightened the Council of the flexibility and kind concurrence expressed by the Islamic Republic of Iran and Pakistan to release six of their P-level positions, three each, under the reform process. He added that the posts to be freed by the Islamic Republic of Iran include: **(i)** Research Officer (P3) for Agriculture, Industry & Tourism (AIT); **(ii)** Program Officer (P2) for Projects, Economic Research & Statistics (PERS); and **(iii)** Librarian (P1), whereas the positions to be released by the Islamic Republic of Pakistan are: **(i)** Program Officer (P3) for Drugs & Organized Crime Coordination Unit (DOCCU); **(ii)** Research Officer (P3) for Trade & Investment (T&I)); and **(iii)** Admin Assistant (P2). The Secretary General stated that under the proposed formula, four out of six relinquished positions would be allocated to the Republic of Kazakhstan and the Republic of Uzbekistan, whose consents for revised Scale of Assessments at 18% and 4% have already been formally expressed, respectively. He continued that: (i) the post of Research Officer (AIT) to be upgraded in D1 category as Head of Section for Project Management (PM); (ii) the post of Librarian to be re-titled as Program Officer for Agriculture, Industry & Tourism; and (iii) the post of Admin Assistant would be offered to the Republic of Kazakhstan, while it will relinquish the post of Director for Projects, Economic Research and Statistics (D2) upon taking over the fourth position of Deputy Secretary General which will be created under the reform process.

27. Regarding the posts of Director (PERS) and the Research Officer (T&I) to be released by Kazakhstan and Pakistan, the **Secretary General** informed that these positions would be offered to the Republic of Uzbekistan. However, he categorically conveyed that such reallocation of posts would come into effect only after materialization of budgetary contributions in line with the new scale of assessments i.e. 18% by Kazakhstan and 4% by Uzbekistan, or otherwise the administrative status quo would be maintained. Based on the given structure, an internal arrangements of posts will be made, the Secretary General added. He maintained that such formula, if adopted by the CPR, would require COM's approval through the adoption of silence procedure.

28. While conveying the accord of nearly all Member States over the suggested arrangement, the **Secretary General** shared with the Council the appreciation expressed by the Ambassador of Uzbekistan regarding the package offered to his country under the reform formula. As regards Kazakhstan, the Secretary General noted that since the country's ambassador had recently assumed his responsibilities, he would need some time to deliberate and consult on the issue with relevant authorities in the capital to be in a position to come up with an affirmative response in the next meeting of CPR. He further said that the H.E. Ambassador of the Republic of Kazakhstan has a considerable experience of ECO affairs as he previously served with the organization in the capacity of Secretary General.

29. The Ambassador of the Republic of **Kazakhstan** expressed his gratitude for such a receptive welcome, conveying his best wishes for the success of the organization. He also offered his experience-based services to constructively contribute in the ECO affairs. While appreciating the offered space of time and principally agreeing with the proposal, he pointed out that after the increase in Kazakhstan's share, the rate of their budgetary contribution would stand at 18% almost equal to those of the founding countries, seeking Kazakhstan to be treated similar to the founding Member States. Apart from the issue, he raised a general

observation over the terminology of founding and non-founding members, referring other international organizations including the UN, EU, OIC and SCO which do not bear such peculiarity in their membership policy.

30. The Representative of the Islamic Republic of **Afghanistan** conveyed the concurrence of his government regarding the proposed increase in their budgetary contribution from 1.28% to 2% with certain conditions to be conveyed to the Secretariat through diplomatic channel.

31. The **Chair** acknowledged the hectic and sustained efforts made by the Secretary General, especially during the last six months with a view to figuring out a way forward to meet the objectives of reform process, adding that after such a comprehensive picture portrayed by the Secretary General, no need seems to be there for seeking any further comments. He requested the Secretary General to continue the process of his ongoing consultations for a more lucid view to be considered by next CPR.

Agenda Item No.6

Consideration of the possibilities of expanding the mandate of ECO Trade and Development Bank (ETDB) and forming ECO Clearing Union (continued)

32. Following the previous meeting of CPR in which the issue of possibility of expanding the mandate of ECO Trade and Developments and forming of ECO Clearing Union was preliminary discussed the Secretariat informed the Meeting about the progress made along with recommendations to be considered by the Council as follows:

- a. Taking as model of the Agreement Establishing the Asian Clearing Union, the Secretariat is in the process of preparing a draft agreement on Establishing of ECO Clearing Union;
- b. The Secretariat would like to organize an informal meeting comprising of relevant/one eminent person from each ECO Member State and from one of at most three international financial institutions/development banks to discuss the possibility of forming an ECO Clearing Union and to evaluate the draft Agreement to be prepared by the Secretariat and submit it to the Member States;
- c. Therefore, the Member States who are willing to be part of the ECO Clearing Union are requested to inform the Secretariat one name of eminent person to attend the informal meeting until the next CPR Meeting;
- d. As it may be recalled the 234th CPR and 29th RPC Meetings agreed that the Secretariat may hire a professional consultant to conduct a study to explore the possibility of forming ECO Clearing Union;
- e. The CPR is requested to approve allocation of 30.000,-(Thirty Thousand) US Dollars from the ECO Feasibility and General Purpose Fund (FGPF) to be used for conducting the study on exploring the possibility of forming an ECO Clearing Union and for the expenses needed to hold aforesaid informal meeting of eminent/expert persons at the ECO Secretariat;
- f. Tables showing the budget expenses and synopsis of the study and the informal meeting have already been circulated;

- g. As it may be recalled upon thoroughly consideration of the Agreement Establishing of ECO Bank and meetings held with the President and the Representative Office of the ECO Bank, It was found out that in the short/medium term it is not possible to expand the mandate of the Bank to involve in commercial activities. Therefore, the Secretariat would like to convey to the Bank a list of activities that can be carried out by the Bank in short/medium term to include in its program to assist ECO in implementing its Projects as follows;
- Recapitalization and enhancement of Bank's loan capacity by the available ways and means.
 - Establishment of ECO Vision-2025 Fund with the cooperation of ECO Secretariat for financing implementation of the priority projects under the vision.
 - Working on and finalizing a mechanism for the Bank to provide loan for financing/co-financing of joint ECO regional projects.
 - Organizing the first ECO Regional Partnership (RPF) on the theme of Regional Investment Forum.
 - Voluntary contribution of the ETDB to the regional projects from its profit
 - ETDB engagement on promoting regional trade and investment.

33. **The Secretariat** also informed the Council that ECO needed the support of the national focal points of the Member States in ECO-TDB for implementation of the said activities.

34. The Ambassador of the Islamic Republic of **Pakistan** while taking the floor valued the efforts of Secretary General and the Secretariat in making ECO a more vibrant Organization by using the capacities of the ECO Trade and Development Bank (ETDB). She also appreciated the hard work and discussions, which will take place in changing, expanding and improving the work of the ECO Trade and Development Bank (ETDB). She further said that the whole idea behind this initiative is to enable Member States within the framework of ECO to benefit from the services of the ECOTDB for financing and supporting projects, which could be beneficial for the region. The Ambassador further continued that her government supports the idea which is on the agenda of the Organization with regard to the aforesaid activities. She also agreed on the allocation of US\$ 30000/- for the proposed study.

35. The Ambassador of the Republic of **Turkey** informed the Council that this issue would be evaluated and further details would be reviewed in the next CPR.

36. **The ECO Secretary General** while taking the floor informed the Council that the Secretariat would report the Council regarding progress on this issue. Under this context, he requested the Council to agree on the allocation of the requested amount of money for the initiation of the study, and preparation of the zero draft agreement on the establishment of the ECO Clearing Union. The draft agreement which certainly needs to be discussed by the Member States will be circulated before Ministerial Meeting of Economy and Heads of Central Bank Meeting in this year. He, further stated that the ECOTDB will be consulted in this regard.

37. After deliberation **the Council** approved the following:-
- i. Allocation of US\$ 30,000.00 from the ECO Feasibility and General Purpose Fund (FGPF) on the study by a professional consultant for exploring the possibility of establishing an ECO Clearing Union, as well as the expenses required for conducting an informal meeting, comprising of one eminent person/expert from each ECO Member State and one professional expert out of at least three international financial institutions/development banks.
 - ii. Concurred with the list of activities prepared by the Secretariat for ECO Trade and Development Bank to be included in its Work Program for assisting the Secretariat in implementing ECO Projects, requesting the Secretariat to convey the given list to the ECO TDB. The Council also requested the Member States to address this issue at ECO Trade and Development Bank through their respective national bodies.
 - iii. Appreciated the Secretariat for preparing a draft Agreement on Establishment of ECO Clearing Union and mandated the Secretariat to finalize the draft Agreement and circulate it among the Member States for consideration.

Agenda Item No.7

Cooperation with the UN Office for the Coordination of Humanitarian Affairs (OCHA)

38. **Director of the Human Resources and Sustainable Development Directorate (HRSD)** briefed the Council on the background of the issue on the agenda. The Council was informed that the UN OCHA approached the ECO Secretariat for the establishment of cooperative relationship and to this end high ranking officials from OCHA visited the ECO Secretariat on November 19, last year. It was added that although OCHA has its presence in the ECO region countries with its Advisory Teams in Kazakhstan, Kyrgyzstan, Tajikistan, Iran and Country Offices in Turkey, Pakistan and Afghanistan, OCHA expressed its desire to sign an MoU with ECO to provide a basis for engagements, enabling the development of a holistic approach for disaster preparedness and response including Disaster Risk Reduction.

39. The Council was also informed on the activities of ECO on the area of Disaster Risk Reduction, including inter alia the Draft Regional Framework for Disaster Risk Reduction which was prepared by the Member States for the activities in the region. Under these activities the engagement with International Search and Rescue Advisory Group and developing regional projects for response exercises and the need to link the ECO Member States and other international urban search and rescue systems were proposed which are advocated by OCHA. .

40. The Ambassador of the Islamic Republic of **Pakistan** informed the Council that the OCHA's delegation also visited her and conveyed their desire to have a kind of collaboration with ECO. She seconded the Secretariat that the OCHA was active in Pakistan and working effectively on various projects of disaster management and humanitarian affairs. However, she noted that it was required to be carefully assessed that what kind of collaboration OCHA plans to pursue with ECO. She also

mentioned that OCHA has a mandate under the UN Resolution 46/182 and it is important for Member States to be aware that the OCHA works within that particular mandate. She also highlighted that OCHA was very active in SCO countries, working a lot with the Central Asian Republics through SCO's forum. The Ambassador stressed that it must be ensured that there was no overlapping or duplication of work. She suggested the Secretariat to prepare a detailed working paper/presentation in further consultations with OCHA, identifying their mandate, objectives, nature of collaboration and TORs to work with ECO for consideration.

41. The Representative of the Republic of **Azerbaijan** appreciated the valuable information and viewpoints shared by the Ambassador of Pakistan with respect to OCHA's activities. He noted that his delegation is in favor of enhancing ECO external relations with International Organizations such as OCHA, within their respective mandate and the scope of the activities of ECO.

42. **The Council** authorized the Secretariat to initiate the negotiations with OCHA for provision of a detailed working paper and other information requested by the Member States, and find out a proper framework for ECO-OCHA cooperation, ensuring the avoidance of any duplication in the proposed bilateral cooperation between the two sides as pointed by the Ambassador of the Islamic Republic of Pakistan.

Agenda Item No.8

Status of Ratification of Charter of ECOSF and Status of Mandatory Budgetary Contribution of the Member States of ECOSF

43. The Ambassador of the Islamic Republic of **Pakistan** recalled that there are three ECO-affiliated Agencies including, (i) ECOSF in Islamabad; (ii) ECOCI in Tehran; and (iii) ECOEI in Turkey. She noted that main reason to discuss this issue under this agenda was to look into these specialized agencies in the backdrop of reform process as well as part of Member States' commitment to make the ECO and its affiliated bodies more effective and better coordinated, helping the Member States in fulfilling their requirements. She added that the charter of ECO Science Foundation was signed in 1995 by all Member States, however, only five Member States have ratified its charter, whereas other five countries that had not ratified it as yet seemed uninterested in the activities of ECOSF. She underlined that ECOSF as an effective established Specialized Agency, in the pursuit of its mandate would certainly have some budgetary requirements to meet its administrative and monetary obligations which are not met by the Member States appropriately.

44. The Ambassador of the Islamic Republic of **Pakistan** expressed her concerns over non-payment of mandatory contribution to ECOSF by even those Member States who are part of the ECOSF, causing the bulk of the budget being met by the Ministry of Science and Technology of the Government of the Islamic Republic of Pakistan. She acknowledged that the Islamic Republic of Iran had been active participant in the ECOSF's activities and its budget was accordingly adjusted against the meetings/workshops and other activities undertaken by Iran, adding that Afghanistan, Tajikistan and Turkmenistan would still need to pay their budgetary contributions to ECOSF.

45. The Ambassador requested the Secretariat to carry out a SWOT analysis or a cost benefit analysis of i.e ECOSF, ECOCI and ECOEI to determine their effectiveness and productivity to be useful for ECO itself. She requested the Member States to make an early settlement of their payment of arrears to ECOSF as well as desired the ratification of ECOSF's charter by those Member States who have not done it, so far. The Ambassador considered the ECOSF, ECOCI and ECOEI as very important and beneficial organs for the ECO, noting the Member States' lack of interest and contribution in the affairs of these institutions. She requested the Member States to actively participate in their working activities or otherwise they could not achieve any sane aim in the absence of interest by Member States. She reiterated that the requested analysis by the Secretariat would be helpful in this regard.

46. The **ECO Secretary General** acknowledged the state of affairs in ECOSF and other views of the Ambassador of Pakistan, stating that it would be better to request the relevant ECO agencies for provision of such self- assessment reports in order to avoid any interference in their independence in management of their working since these bodies have their own charters and Boards of Trustees. Based on that the Secretariat would prepare the desired analysis. The Council was also informed that the Member States in the first quarter of 2018 were provided with the draft revised modalities on the establishment of the Specialized Agencies and Regional Institutions within the framework of ECO, aiming at strengthening the coordination between ECO Secretariat and the Secretariat's of the Specialized Agencies and Regional Institutions, as well as setting criteria for the establishment of the ECO bodies. The Member States may also consider the issue within the framework of the draft Modalities.

47. While endorsing the views of the Secretary General, the Ambassador of the Islamic Republic of **Pakistan** stated that Prof. Dr. Manzoor Hussain Soomro has been the ECOSF's president since the inception of the institute, adding that in the spirit of multilateral and regional cooperation, Pakistan would deem it necessary to rotate the position with the sense of involvement by other Member States, similar to that prevailing in other bodies. She reiterated that the other Member States might ratify the ECOSF's charter to become its active members.

48. **The chair** invited the President of ECOSF, who was present there, to brief the audience about the agency under his presidency.

49. **The ECOSF's President**, Prof. Dr. Manzoor Hussain Soomro extended his gratitude for letting him brief the Council about the Science Foundation. He especially brought to the attention of the Council the financial constraints of the Foundation that has resulted from the non-payment of contributions by States party to the Foundation. He added that, the foundation has so far only received contributions from the host country that is Pakistan and Iran. He while expressing his gratitude to the related Ministries of the said countries brought to the attention of the Member States that transfer of financial contribution by Iran was received in 2014 and added that some of budget allocation made to ECO Science Foundation by Ministry of Science, Research and Technology of the Islamic Republic of Iran on the activities took place in Iran, adding that for the last one year such support was also stopped. He continued that Pakistan had paid off upto 2017, whereas for 2018 it paid only for first quarter of the year, halting the remaining payment on account of the fact that the Foundation is an intergovernmental organization for which every

Member Country was supposed to contribute. He further underlined that the ECO Science Foundation's S&T Fund was established in October 2012 during the COM Meeting in Baku, where modalities were approved regarding utilization of fund, conveying that due to lack of funding, it is not possible for ECOSF to continue the research work.

50. Prof. Soomro mentioned that 20% of the foundation's expenditures were covered in assistance with ECOSF's international collaborators like European Union, UNESCO and International Science, Technology & Innovation Center, Kuala Lumpur. He added that recently ECO Science Foundation is the coordinating agency of the ECO and remained engaged with Chinese under Belt and Road Project.

51. He informed that the ECO Science Foundation paid half salaries to their staff since August 2018, whereas it is not in the position to pay even quarter of the salaries for the month of January 2019, requesting the Member States to urgently look into the matter to help ECOSF get rid of such financial crisis.

52. The Permanent Representative of the Islamic Republic of **Iran** thanked the ECOSF's President for bringing to the attention of the Council the concerns of the Foundation. He added that on the contributions of Iran to ECOSF, the Iranian focal point has a different view from what was cited in this regard. He also brought up the concern with respect to the Executive Director who was posted at the ECOSF from Iran was sent back for some unknown reasons.

53. The Permanent Representative of the Islamic Republic of **Iran** mentioned that the ECOSF's Board of Trustees (BoT) Meeting was supposed to be hosted on January 21, 2019 by the Islamic Republic of Iran, adding that while the entire arrangements were made, the ECOSF canceled the BoT's meeting approximately a week before the scheduled date without any consultations with the host. He expressed his concerns over this approach as the focal point i.e Ministry of Science, Research and Technology of the Islamic Republic of Iran had prepared everything, taking into consideration two very important issues that were supposed to be discussed in the BoT i.e (i) Budget of the ECOSF; and (ii) Selection of the new President as pointed out by the Ambassador of the Islamic Republic of Pakistan regarding active contribution and participation by other Member States in the affairs of the foundation. He conveyed that such an approach resulted in focal point's annoyance that has regretted to convene any future BoT's meetings. However, consultations were made and the hosts were informed that the issues related to ECO Science Foundation would be taken up with them. In this regard, Prof. Soomro was supposed to visit the Ministry of Foreign Affairs of Iran.

54. **The Council**, taking into account the concerns raised by the Islamic Republic of Pakistan about the situation of ECOSF, requested the Secretariat to prepare an evaluation report based on the self-assessment reports of the Specialized Agencies about their activities.

55. **The Council** further requested the Secretariats of the Specialized Agencies to provide the ECO Secretariat, based on their experiences, with their proposal on the changes that are needed to take place in terms of their respective structures, with the aim of enhancing their efficiency and contribution of the Member States.

56. **The Council** also requested the Member States to actively participate in the meetings to be convened by the ECO Secretariat for the revision of the draft modalities for the establishment of the Specialized Agencies and Regional Institutions within the framework of ECO Reform Process, aiming at strengthening the collaboration between ECO Secretariat and the Secretariats of the Specialized Agencies.

Agenda Item No.9

Consideration of the Project of reconstruction of Dr. Rafiqi Kamil Urga Sanatorium Hospital of Kabul Medical University

57. The Ambassador of the Republic of **Turkey** briefed the Council about the project of Dr. Rafiqi Kamil Urga Sanatorium Hospital of Kabul Medical University. He added that Turkish Embassy had conveyed technical details of the restoration project, stating that the Secretariat had also circulated the given technical details amongst the Member States. He also briefed the Council on the project and informed that Dr. Rafiqi Kamil Urga, a Turkish military physician who was sent on an assignment in Afghanistan in 1927, stayed there for about 17 years and returned back to Turkey in 1944. During his mission, Dr. Urga established first faculty of medicine in Afghanistan and encouraged to establish a Sanatorium for tuberculosis treatment, which was named after him by the then King of Afghanistan. This Sanatorium was built in 1932. Dr. Urga served with this hospital and medical school for several years. This hospital was severely damaged and evacuated during the period of wars in Afghanistan. He further mentioned that now the Republic of Turkey was ready to restore the four building complex in accordance with the original plan of the project to make it functional. The Ambassador also requested the Council to approve the project, so that restoration of the project would be completed.

58. The Representative of the Islamic Republic of **Afghanistan** thanked the Government of the Republic of Turkey for the initiative. He termed this a very important project for Afghanistan and said that his country was waiting for it almost for three years, adding that the process of approval and ratification of the modalities was already completed in this regard. He requested the Council to approve the project.

59. The Permanent Representative of the Islamic Republic of **Iran** inquired about the background and total financial cost of the project.

60. The Ambassador of the Republic of **Turkey** informed that the project was to fulfill their government's commitment to the ECO Fund for Afghanistan that would cost US\$ 5 million approximately to be implemented by TIKA.

61. While appreciating the Government of Turkey to support this project, the Representative of the Republic of **Azerbaijan** requested the Secretariat to clarify the steps for approval of the modalities for the ECO Fund for Afghanistan.

62. **Director (HRSD)** of the Secretariat briefed the Council about the procedures for approval of projects under the Modalities as follows: the Government of Afghanistan through relevant Special Unit in the Ministry of Economy of Afghanistan may submit views on the given proposal to be implemented under the ECO Advocacy Program for Afghanistan (EAPA) / the ECO Fund for Afghanistan.

Such views shall be circulated amongst the Member States along with the Secretariat's comments on the relevance of the proposal in relation to areas defined under EAPA. The Secretariat would, thereafter, convene a meeting of ECO Afghanistan Committee to ascertain recommendations on the proposal for submission to the CPR. However, if the required meeting is not convened for any reasons, the CPR would consider the project proposal as per recommendations of the Secretariat.

63. After deliberations, **the Council** approved the project of reconstruction of Dr. Rafiqi Kamil Urga Sanatorium Hospital of Kabul Medical University under the Modalities for the Operation of ECO Fund for Afghanistan, as the ECO project which is directly funded by the Government of Turkey.

Agenda Item No.10

Administrative matters:

- Scale of Assessments for the year of 2019

64. **The Deputy Secretary General (T&I, AIT, IR)** explained that the Council in its 233rd Meeting mandated the Secretariat to prepare the draft annual budget for 2019 based on the new scale of assessments. He conveyed that the drafted budget for 2019 was, therefore, prepared and circulated amongst the Member States for consideration. The DSG continued that following the decision of 235th Meeting of the CPR, the draft budget was approved by CPR on January 9, 2019 through silence procedure, and will be submitted to COM for its final approval. He added that, the Member States shall certainly be provided with the letter of assessments by the Secretariat with respect to their contributions under the approved budget. However, some Member States expressed consents over their scale of assessments, and the response of a few is still awaited in this regard, it was noted. Based on this explanation the Council was requested to decide on the scale of assessments for the financial year of 2019.

65. The Representative of **Azerbaijan** sought justification for variation in their budgetary contribution since the budget estimate for 2019 is in excess as compare to 2018, despite the fact that their scale of assessment remains unchanged at 3.21%.

66. **The Chief Accountant** explained that the questioned difference in Azerbaijan's share appeared due to increase in the overall budget for 2019 that is 1.34% in comparison with the last year's budget.

67. The Ambassador of the Republic of **Kazakhstan** stated that his country agreed to increase their share from 16% to 18% provided that their so-called arrears are written off or otherwise.

68. The Permanent Representative of the Islamic Republic of **Iran** noted that the scale of assessments should not be conditioned with the request for writing off of arrears, expressing his concerns over such requests. He said that these arrears were genuine that should not be called so-called. The Iranian Representative further clarified that such issues concerning writing off of arrears did not fall within the purview of CPR but in authority of the COM.

69. The Ambassador of the **Kyrgyz Republic** welcomed the new Ambassadors of Kazakhstan and Turkey. However, he conveyed the disagreement of his country over the proposed increase in their budgetary share from 0.66% to 1%.

70. **The ECO Secretary General** underlined that the 233rd CPR approved the new Scale of Assessments, mandating the Secretariat to prepare the draft budget for 2019 which was adopted under the silence procedure in line with the decision of 235th Meeting of CPR. He thanked the Government of Afghanistan for accepting the proposed 2% share, adding that now seven Member States have officially expressed their concurrence to the new Scale of Assessments while the consents of three Member States, namely Azerbaijan, Kyrgyz Republic and Turkmenistan were awaited. He requested that the Council might, therefore, approve the new SoA to be applied for 2019, while as an exceptional case, it might agree to apply the scale of assessments of previous year value to Azerbaijan (3.21%), Kyrgyz Republic (0.66%) and Turkmenistan (3.21%). In this case, the Secretariat would face 1.92% deficit which may be adjusted through/within savings of the financial year 2018.

71. The Ambassador of the Republic of **Kazakhstan** enquired the criterion for 2% increase in the share of Kazakhstan, reiterating that Kazakhstan agreed to increase its share seeking accord on certain other issues. He said that his country is not obliged to pay the increased share at 18% without reaching an agreement on other conditions.

72. **The ECO Secretary General** underlined that the 23rd COM positively considered the proposed/new scale of assessments, mandating the CPR to finalize the process of reform based on the COM's decision and in consultations with Member States. He added that, in preparing the scale of assessments, the Member States' capacity to pay and the prevailing scale of assessments of the contributions of the United Nations were taken into account. He also emphasized that without the scale of assessments, the Secretariat would be unable to request the Member States for providing their contribution, despite the fact that the budget has already been approved.

73. Taking into account that some Member States have not yet expressed their consents on the increase of their respective share of contribution under the new scale of assessments, and the positions of the Republic of Kazakhstan and the Islamic Republic of Iran, **the Council** while accepting the application of new Scale of assessments decided to maintain the scale of assessments of the previous year with respect to the Republic of Azerbaijan, Kyrgyz Republic and Turkmenistan for the financial year of 2019, as an exception. The Council also accepted the formula of the Secretariat to meet the emerging deficit of 1.92% through adjustments from savings of the Secretariat in the financial year of 2018.

74. **The Council** also mandated the Secretary General to continue consultations with the aforesaid Member States concerning the increase of their share according to the ceiling set forth by the new scale of assessments as of 2020.

- Recommendations of the Selection Panel

75. The Ambassador of the Islamic Republic of **Pakistan** stated that the tenure of service in respect of Mr. Muhammad Safdar, Research Officer (**Trade & Investment**) is going to be completed on May 2, 2019. She requested the Council's concurrence to

extend his tenure up to June 30, 2019 due to the ongoing academic session of his children, which will be completed in the end of June 2019.

76. **The Council** agreed on the extension of tenure of Mr. Muhammad Safdar up to June 30, 2019.

Agenda Item No.11

Any other business:

77. **The Secretary General** briefed the Council on the need of the Secretariat for the services of Mr. Kanan Nazarov DSG (T&I, AIT, IR), and requested the extension of his tenure, which fall vacant on 10 March 2019. It was also noted that the Secretariat has three positions of DSGs to assist the Secretary General. He further stated that one post of DSG (TC, PERS and CFU) to be filled by the Islamic Republic of Pakistan is vacant due to non-receipt of any nomination, so far. In view of the most important upcoming ECO events, including, trade ministerial meeting, COM and Summit, as well as the ongoing reform process, the Secretariat would require to retain the services of Mr. Kanan Nazarov for some more months for necessary preparation in regard to the indicated events and assistance required during the reform process. He highlighted that the Secretariat made consultations with some ambassadors, receiving feasible options to address the issue.

78. The Ambassador of the Islamic Republic of **Pakistan** informed that the process of selection for new Deputy Secretary General from Pakistan was already started. She added that the process may take around 2 to 3 months. She, therefore, suggested that since the Secretariat requires services of Mr. Kanan Nazarov for some unavoidable events and work, he might be allowed to continue serving with the Secretariat against vacant position of Deputy Secretary General until the joining date of DSG from Pakistan.

79. The Permanent Representative of the Islamic Republic of **Iran** stated that the extension shall not affect the rotation of positions of DSGs among the Member States, as per the existing arrangements.

80. The Representative of the Islamic Republic of **Afghanistan** inquired the status of their nomination for the post of Deputy Secretary General (T&I, AIT, IR), conveyed earlier to the Secretariat as per decision of the COM.

81. **The Council** agreed to extend the tenure of service in respect of Mr. Kanan Nazarov incumbent Deputy Secretary General (Trade and Investment, Agriculture, Industry and Tourism, International Relations) as Deputy Secretary General (Transport & Communication, Projects, Economic Research & Statistics, Coordination & Follow-up) until the joining date of the Deputy Secretary General from the Islamic Republic of Pakistan.

82. **The Chief Accountant** informed the Council that during the last RPC meeting two distinguished delegates from the Islamic Republic of Afghanistan and the Republic of Tajikistan were supposed to be reimbursed the cost of airfare up to the maximum limit of US\$ 900/-, each under the prescribed/relevant conditions. However, due to the paucity of time and non-availability of tickets within the prescribed cost limit, the delegates purchased air tickets on slightly high rates. The

price of ticket paid by Afghan delegate was US\$1200/-, whereas the Tajikistan delegate paid US\$ 1020/- for procurement of his air ticket. The Chief Accountant stated that the total difference of the tickets is US\$ 420/-, requesting approval of the Council for the extra cost of US\$ 420/- incurred in this regard.

83. Considering the exceptional circumstances, **the Council** approved the extra cost of air tickets in respect of the Afghanistan and Tajikistan delegates' participation in the 29th RPC.

Agenda Item No.12

Date of the next CPR Meeting

84. **The Council** decided to convene its next (237th) Meeting on **Monday, 11th March 2019 at 10:00 hours at the ECO Secretariat-Tehran.**

85. 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 contribution in the Meeting.

Annex-I

LIST OF PARTICIPANTS

The Embassy of the Islamic Republic of Afghanistan:

- Mr. Ahmad Haroon Najmpoor, Deputy Ambassador
- Mr. Sayed Nader Pajohesh, Second Secretary
- Ms. Zohra Badeghi, Administrative Assistant

The Embassy of the Republic of Azerbaijan:

- Mr. Javid Musayev, Counsellor
- Mr. Rauf Abdullayev, Second Secretary

The 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

The Embassy of the Republic of Kazakhstan:

- H.E. Mr. Askhat Orazbay, Ambassador
- Mr. Yerbol Akhmedov, Minister, Counsellor

The Embassy of the Kyrgyz Republic:

- H.E. Mr. Avazbek Abdurazakov, Ambassador
- Ms. Ayzada Berdigulova, Counsellor,

The Embassy of the Islamic Republic of Pakistan:

- H.E. Ms. Riffat Masood, Ambassador
- Mr. Mian Azmat Farooq, First Secretary

Embassy of the Republic of Tajikistan:

- H.E. Mr. Nematullo Emomzoda, Ambassador
- Mr. Firdavs Yusupov, Second Secretary
- Mr. Rustam Oymakhmadov, Third Secretary
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The Embassy of the Republic of Turkey:

- H.E. Mr. Derya Ors, Ambassador
- Mr. Emirhan Yorumazlar, Deputy Head of Mission
- Ms. Hatice ÖZDİL, Third Secretary

The Embassy of Turkmenistan:

- Ms. Selbi Mohammadova, Attache

The Embassy of the Republic of Uzbekistan:

- Mr. Umid Babaev, Third Secretary

The ECO Secretariat:

- H.E. Mr. Hadi Soleimanpur, Secretary General
- Mr. Kanan Nazarov, Deputy Secretary General
- Mr. Husyein Avni Bicakli, Deputy Secretary General
- Mr. Sayin Kaan, Director HRSD
- Mr. Salohiddin Kiromov, Assistant Director (CFU)
- Mr. Mahmoud Khoubkar, Legal Adviser
- Ms. Mozhgan Golchin, Chief Accountant
- Mr. Mehmet Ali Saglam, Programme Officer T&I
- Mr. Mohammad Ahmad Raza, Steno-Secretary
- Mr. Mohammad Akbar Azizi, Steno-Secretary
- Mr. Chaudhry Hadees Muhammad, Steno-Secretary
- Ms. Aynur Mammadova, English-Russian Interpreter/Translator
- Ms. Nurgul Duissenova, English-Russian Interpreter/Translator
- Mr. Amir Javaheri, English-Persian Interpreter/Translator