



Economic Cooperation Organization

ECONOMIC COOPERATION ORGANIZATION

5th Meeting of the Heads of Reference Maritime Organizations of the ECO
Member States
(Tehran, 6 March 2019)

ECO Secretariat, Tehran

Report

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The 5th Meeting of the Heads of Reference Maritime Organizations of the ECO Member States was held at the ECO Secretariat in Tehran on 6th March 2019. The meeting was attended by the high level delegations of all the ECO Member States, namely the Islamic Republic of Afghanistan, Republic of Azerbaijan, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and Republic of Uzbekistan. The delegation from ECO Secretariat also participated in the event. The participants' list is attached as **Annex-I**.

Agenda Item No. 1

Inauguration of the Meeting

2. H.E. Dr. Hadi Soleimanpur, ECO Secretary General, at the outset welcomed the participants to the meeting. While expressing sincere wishes for the success of the meeting the Secretary General expressed gratitude to the host organizers for making excellent arrangements for the participants. The Secretary General informed about ECO's efforts to provide benefit to its developing Member States through networking amongst coastal countries and landlocked countries and called for the dire need to link the logistics of dry ports in landlocked countries with sea ports' in order to avoid continual delays or non-delivery of millions of metric tons of freight cargoes. In this connection the Secretary General highlighted the recommendation of Ministers' of Transport as mentioned in Turkmenbashi Declaration adopted in May 2018 to establish complimentary mutually beneficial networking amongst dry ports in landlocked countries and sea ports in coastal countries in order to increase cargo mobilization. While referring to the international seaports in the Caspian Sea, such as, Baku Port, Port Aktau, Turkmenbashi Port and Anzali Port the Secretary General called for connecting these with coastal sea ports in the Persian Gulf via ECO's railway links. At the end, he wished for a fruitful discussion. A copy of the statement is attached as **Annex-II**.

3. At the outset H.E. Mr. Mohammad Ali Hasanzadeh, Deputy Managing Director for Ports and Economic Affairs of Ports and Maritime Organization of Islamic Republic of Iran while welcoming the participants expressed happiness to host the event for the third time. Mr. Hasanzadeh further expressed hope that the event would achieve desirable outcome through exchange of view between the participants with a central theme of development and promotion of the relations among ECO Member States. While highlighting the fact that transportation is one of the effective and significant factors in development and economic growth of nations which plays a great role in GDP growth,

Mr. Hasanzadeh expressed that promotion of economic and commercial ties between ECO member states is not possible without effective transportation. He stated that in view of above since inception of the ECO dedicated meetings have been held on various modes of transports i.e. rail, road, air, maritime and also highlighted the effective measures taken by Iranian government to develop its ports. Mr. Hasanzadeh stated that currently the total capacity of Iranian ports amounts to 230 million tons, however, he expressed regrets that despite Iran's readiness to put this capacity to cargo transit with our neighbouring countries, in practical only 20% of this potential have been realized. He also expressed hope that this opportunity could be utilized for promotion of cargo transit with neighbouring countries, especially the landlocked member states of ECO and highlighted the ongoing development programmes to increase capacity of ports, Chabahar development plan being the recent one, which was inaugurated by Iranian President. Mr. Hasanzadeh called for simplifying legal processes among member states and effective regulations to remove tariff barriers to facilitate the trade flow among ECO member states. In the end he expressed hope that the meeting would be able to achieve its intended goals. A copy of statement is attached as **Annex-II**.

Agenda Item No. 2

Election of the Chairman

4. H.E. Mr. Mohammad Ali Hasanzadeh was elected as the Chairman of the Meeting.

Agenda Item No. 3

Adoption of the Agenda

5. The Meeting adopted Agenda as proposed by the Secretariat. A copy of Draft Agenda is attached as **Annex-III**.

Agenda Item No. 4

Appointment of the Drafting Committee

6. The 5th Meeting of Heads of Reference Maritime Organizations of the ECO Member States was assigned as Drafting Committee for preparing the report of the Meeting.

Agenda Item No. 5

Reports/Statements/Presentations by Delegations on the TTFA's implementation for maritime cooperation

7. The representative of Islamic Republic of Afghanistan informed that Afghanistan has great potential as a transit country. Highlighted the important events in Nimroz province of Afghanistan and Chabahar in Iran during last two weeks. Informed that Afghanistan has sent first export shipment consisting of 23 trucks carrying 570 tons of talc stones and vetch consignment to India through Chabahar seaport. Also informed about the participation of Afghanistan in the 2nd International Conference on Chabahar Development with participation of different delegates. Further stated that a few months ago Afghanistan sent first export pilot shipment to Turkey through Lapis Lazuli transit route from Torgundi destined to reach Istanbul. Informed about the new projects of dry ports in Aqina (northern part of Afghanistan) and Zaranj (south west part of Afghanistan). Expressed hope that above mentioned projects will facilitate better trade and transit with neighbouring countries. Also mentioned that railway connection project from Khaf to Herat for better connectivity with Iran will be completed soon. Further briefed the session on building process of the second road bridge parallel to silk bridge connecting Nimruz province of Afghanistan to Sistan Baluchistan province of Iran.

8. The representative of Islamic Republic of Iran delivered a detailed presentation on the sea ports of Iran with regard to their current capacities, development phases and enhancement of capacities of these ports after completion of ongoing development phases. It was emphasized that there are potentials for the investors and other port users to invest and enjoy the preferential tariffs in all ports of Iran for the purpose of cargo transit through Iranian ports especially in port of Chabahar.

9. The representative of Republic of Kazakhstan offered the member states to get benefit from Aktau port facilities for transit cargo to Iran and other Central Asian Member States of ECO.

10. The representative of Islamic Republic of Pakistan stated that the main purpose of the ECO is to transform ECO region into well-connected interdependent economic block. Emphasized that Pakistan being one of the founding member states of ECO has always supported the vision of collective progress through mutual cooperation from the platform of ECO. Stated that the promotion of trade requires inter-dependence, developing fast track communication lines, trade corridors and building multi model connections to provide access to land locked countries. Further stated that making transport and communication cost effective and efficient would result in utilization of resources directly for collective economic growth and raising living standards of the masses. Informed that at present Pakistan provides transit trade facilities to Afghanistan and other landlocked countries. Expressed that Pakistan is proud to be associated with initiatives such as Belt Road Initiative and International North South Transport Corridor. Further stated that China Pakistan Economic Corridor (CPEC) is one of the key components of the Belt and Road initiative. Also dilated upon the existing port infrastructure and some key developments in this regard.

11. The representative of Republic of Tajikistan informed that being a land locked country one of the biggest challenges for Tajikistan is to get connected with the international transit routes and transport highways. Called for strenuous efforts by various organizations to create facilitating procedures for Tajikistan. Informed the meeting that currently Tajikistan is growing and promoting its export capacity and potentials. Informed the meeting that one million sixty eight thousand tons of different cargos were presented for export. Further informed that huge volume of imports from other countries are being conducted through transit from other countries that have access to the high seas and coasts, e.g. transit cargos from Bandar Abbas, ports in Turkey and Turkmenistan. Expressed difficulties being faced by Tajikistan in transiting cargo through Turkmenistan territory. Also expressed readiness to develop railway connection for expanding cooperation with the regional countries. Informed the meeting that alternate routes through Afghanistan and Pakistan provide quick and shortest possible accessibility to sea ports. Further informed that one of the objectives of Tajikistan government is to become transit country. Highlighted that about 2 billion \$ were invested for developing transport infrastructure and roads. Informed that Tajikistan has 18 bordering line stations and border points with neighbouring countries, which requires to be used to the optimal level.

12. The representative of Turkey delivered a presentation covering the aspect of world and Turkish Maritime facts, including the share of Turkish maritime sector in the world. Gave details of some Turkish transport infrastructure projects such as 3rd Istanbul Bridge, Marmaray, Canal Istanbul, 3rd Istanbul Airport, Baku Tbilisi Kars railways connection, new port project and logistics centers. He further informed about Turkish role and position in transport corridors and cooperation topics regarding ECO such as potential of ECO members in transit cargo transportation from Far East to Europe via middle corridor as well as increasing maritime cargo transportation between ECO ports and Helal Silk route.

13. The representative of Turkmenistan informed the meeting that development of transport and infrastructure is one of the main priorities of the State Policy of Turkmenistan. He further informed that Turkmenistan has been part of many UN resolutions on sustainable transport. Informed that Turkmenistan is creating favourable and safe international corridors involving road, rail, air and Maritime transport which provide sustainable development of the region enhancing good neighborhood relations between nations and strengthening cooperation to increase the volume of trade turnover. Mentioned the multi model Lapis Lazuli which gives opportunity to increase the flow of cargo.

14. The representative of Uzbekistan informed the meeting that ECO has great importance for being initiator of the initiatives to connect land locked countries with the ports. Informed the meeting that Uzbekistan has signed the ECO

agreement which is protection of interest of LLCs on decreasing risk related to transportation. Further stated that with the development of international routes, trade and globalization the role of Central Asian region increases as a bridge to connect East and West. Informed the meeting that total length of rail route is 7420 km out of which 36% has been electrified with total speed from 160 km to 250 km. Informed the meeting that railway connection between China, Uzbekistan, Kyrgyz Republic provides chance for cargo transportation between the enroute countries and Europe. Also mentioned the example of transit transport corridor involving Uzbekistan, Turkmenistan, Iran and Oman providing an access to Oman Sea.

15. The available statements/presentations are attached as **Annex-IV**.

16. The representative of the ECO Secretariat informed the meeting that the 4th HRMO held on 16-19 February 2008 in Tehran, I.R of Iran, upon the proposal of Turkey decided to develop questionnaires specifying the ECO LLC' needs relating to the use of seaports' facilities in coastal countries. Iran developed the questionnaire forms which were then circulated to the Member States for process.

17. To ensure preparations for future project implementation in the area of maritime cooperation, the meeting adopted the decision that necessary updates pertaining to the form and content of the questionnaires with particular emphasis on the core needs of the LLCs on the use of sea ports' facilities in the coastal countries should soon be communicated to Secretariat.

18. The meeting instructed the Secretariat to re-circulate the questionnaires to the Member States for seeking views/comments and entrusted upon the Secretariat to consolidate views/comments, prior to start of future projects.

Agenda Item No. 6

Review of progress in the field of maritime cooperation

- i. Provision of maritime transport facilities to the ECO landlocked countries (LLCs) and utilization of sea port facilities and logistics services of the Member States

19. The representative of Iran offered to dedicate 10 hectares of land for each Member States in Chabahar. Also offered preferential tariffs for the Member States.

20. The representative of Pakistan informed the meeting that Pakistan is already extending port facilities to landlocked countries in transit trade. Further stated that Pakistan is providing preferential tariffs for transit trade and

landlocked countries. Further stated that tariff rates can be provided to any Member State, upon request.

21. The meeting requested the coastal countries' offerings of the utilization of sea ports' facilities and logistics services be communicated to the LLCs via Secretariat. For this stance, the content of such information about the provision of maritime transport facilities to the LLCs, and also, on utilization of sea ports' facilities and logistics services could be streamlined as a package, according to the following main information components:

- i. Port infrastructure: land, equipment, office space, storage facilities, container depots, communication facilities, training, advisory services.
- ii. Fiscal/customs measures, reduction in duties, minimization of custom inspections, and simplification of custom formalities for goods in transit.
- iii. Fees and tariffs, administrative facilities/permits.
- iv. Special services/facilities to LLCs in FEZ at ports or nearest locations to ports.
- v. Investment opportunities for the LLCs at ports of transit countries.

22. The meeting also requested the land locked member states for provision of the facilities they are ready to offer for the ECO Member States in their dry ports.

23. The Meeting adopted the decision that Delegations from the landlocked countries would undertake study tours to the sea ports of ECO's coastal Member States to visualize the existing port facilities and logistic services being currently offered at ports for the needs of the LLCs. The meeting requested the coastal Member States to communicate to the Secretariat on their proposals on the above mentioned field visits of their ports.

- ii. Consideration of the new project proposal: "Linking the existing regional sea ports in the ECO Region with ECO's landlocked and transit countries' dry ports"

24. The representative of the ECO Secretariat delivered a detailed presentation on the project. A copy of the presentation is attached as Annex-V.

25. The Delegations acknowledged that the project proposal was already endorsed by 29th Meeting of the Regional Planning Council (17-20 December 2017, Tehran). Following the previous considerations of the project proposal, which included the recommendations of the 9th Meeting of Minister of Transport of the ECO Member States (1-3 May 2018, Turkmenbashi, Turkmenistan) embedded in its Turkmenbashi Declaration, and a preceding endorsement by the

ECO Project Monitoring Group (19 December 2019, Tehran), the Meeting examined the project proposal against its implementation aspects.

26. The Member States supported the core idea behind the proposal, which was accordingly summarized in paragraphs 9-10 of the Turkmenbashi Declaration, notably, to create effective complementary networking amongst ECO's coastal countries' seaports and the LLCs' dry ports.

27. In terms of coherence with the decision-making, the 29th Meeting of the Regional Planning Council had previously endorsed the title of the project proposal as: "Linking the existing regional sea ports in the ECO Region with ECO's landlocked and transit countries' dry ports."

28. The Member States adopted the idea of the complementary networking amongst seaports of coastal countries and dry ports of the landlocked countries in the ECO region. They also favored participation of international organizations, such as, IMO, UNCTAD, UNESCAP and CAREC to ensure that the project has international and regional impact as envisaged in the previous HRMO meetings.

29. Upon the detailed deliberations, the Member States adopted the decision that the new project proposal titled "Linking the existing regional sea ports in the ECO Region with ECO's landlocked and transit countries' dry ports" be implemented. In this regard, the Meeting requested the Secretariat to circulate the project document to the Member States.

30. The Meeting also requested the Secretariat to take up the matter with CPR for allocation of US\$ 25000 as the seed money to ensure the implementation of the project.

iii. Establishment of the networking between ECO seaports of the Caspian Sea

31. Secretariat clarified that this type of the networking is Caspian specific. Its concept derives from maritime networking, which will primarily focus on the strengthening of the links between maritime organizations of the Caspian Sea. The network will involve port authorities of Baku, Aktau, Turkmenbashi, Amirabad and Anzali.

32. Owing to the fact that port authorities of the four ECO countries are involved in active process of building effective transport links in the Caspian Sea, the delegations touched upon the latest developments in the pre-Caspian.

33. Secretariat reminded the Member States about the opening of Turkmenbashi International Seaport in May 2018 and that its capacities are currently available for the ECO States to utilize those, at full. Commissioning of Baku International Sea Trade Port Complex in May 2014 and its proven potential

in transit of railway and road freight and seaborne cargoes was also highlighted by the Secretariat. Secretariat updated the Meeting about the proposal of Kazakhstan as stated during the 29th Regional Planning Council Meeting that Kuryk Port, which, in August 2018, opened its new ferry complex is now capable of offering its facilities for the use by ECO Member States.

34. The representative of Iran informed the meeting that the complementary networking between Caspian countries already exists as annual meeting of Caspian Countries takes place every year in one of the countries.

35. The meeting requested I.R. Iran to share outcome of the annual meeting between the port authorities of the pre-Caspian member states. The meeting also requested the Secretariat to explore the patterns of the pre-coastal countries in their interaction with sea basins like Black Sea and/or Mediterranean Sea and share the information on those with the ECO Member States.

iv. Establishment of the networking between ECO's sea ports in South of the ECO region (Persian Gulf & Oman Sea)

36. Secretariat updated the Member States about progress in railway freight transit via pre-Caspian countries, including Iran, Azerbaijan, Kazakhstan and Turkmenistan towards outlets in the Persian Gulf. It was also mentioned that the container train was dispatched from China in July 2018 via Kazakhstan through the Caspian Sea further to Anzali port. Secretariat delivered a presentation on the subject, which is attached as **Annex-V**.

37. The Meeting noted that future freight container trains to run along the International North South Transport Corridor (INSTC) will target the destinations in South Asia via the Persian Gulf and Oman Sea. While vital destinations at Oman Sea were already reflected in the transport strategies of ECO's landlocked countries, including Uzbekistan, Kazakhstan, Tajikistan, Afghanistan, the need for the complimentary network to focus on the vector direction, which specifies South wing in the ECO region, was especially highlighted.

38. The Meeting encouraged the Member States to share their thoughts, ideas, and practice-driven proposals on how to inter-connect the ports of the Persian Gulf and in the Oman Sea. In this regard, the Meeting requested interested Member States to forward their formulated proposals to Secretariat.

v. Tourism cruise liner launch in the Caspian Sea

39. As one of the practical steps towards the realization of the maritime network in the Caspian Sea, Secretariat proposed the concept idea of launching

the cruise liner test run amongst the pre-Caspian countries, including Iran, Azerbaijan, Kazakhstan and Turkmenistan.

40. The proposed test run of the cruise liner will be for the development of transport tourism and strengthening cooperative interaction between the pre-Caspian countries to grow into a qualitatively new cooperation dimension. Upon the realization of the initial test run to be potentially launched during 2019, the cruise liner may then be regularized to entail job generation in tourism industry in the pre-Caspian sea area and improve passenger transportation as well as generation of related logistics services in pre-Caspian. Secretariat delivered a presentation on the subject, which is attached as **Annex-V**.

41. Based on useful deliberations of the involved Member States and given the favorable background for strengthening maritime cooperation in the Caspian Sea, the Member States agreed on the possibility of launching a cruise liner in the Caspian Sea during year 2019.

42. In this regard, it was proposed that the first test run of the cruise will be start from Baku to Anzali and from there to Turkmenbashi. The cruise liner shall reach Turkmenbashi on August, 12, 2019 which is the date of the First Caspian Economic Forum.

43. In this regard, the Meeting requested the Secretariat to disseminate amongst all Member States the concept proposal on the launch of the cruise liner in the Caspian Sea with its clearly defined implementation plan.

44. Presentations delivered by the Secretariat on the above proposed projects are attached as **Annex-V**.

Agenda item No. 7

Cooperation between ECO and Relevant International Bodies, inter alia, IMO

45. Secretariat updated the Member States about regular contacts of ECO with the international partner organizations, including the ESCAP, UNECE, IRU, OSJD and UIC in the area of transit transport.

46. The Member States re-iterated the decisions adopted in previous meetings of Heads of Reference Maritime Organizations of ECO. Thus, the 4th HRMO adopted the decision that Secretariat will work out technical issues relating to the functioning of the regional coordinator of IMO in the ECO region. The Member States noted that the latter meeting also decided that one of the ECO Member States will be designated as the IMO Coordinator for the ECO region following the IMO procedures. The representative of Iran offered that Iran can play the contact point role for receiving consultative status of ECO in IMO as per the regulations of both organizations.

47. The meeting appreciated the offer of I.R. Iran and hoped that it would be helpful in keeping the Secretariat abreast with the developments in the IMO.

48. Based on the above re-iterations of the Member States, the Meeting adopted the decision that the technical links between ECO and IMO be established. On implementation side, the meeting asked Secretariat to liaise with IMO on the subject of jointly implementing the proposed project, which was discussed under agenda item (6) sub-item (ii) of the Agenda of the 5th HRMO Meeting.

Agenda Item No. 8

Any other business

49. The meeting instructed the Secretariat to propose the alternative title of the meeting and circulate for views/comments of the member states.

Agenda Item No. 9

Discussion of date and venue of the next Meeting

50. The representative of Turkmenistan informed that they will be ready to host the next meeting, upon coordination of this issue through diplomatic channels according to the formal procedures.

Agenda Item No. 10

Adoption of the Report

51. The meeting discussed and adopted the final Report of the 5th Meeting of Heads of Reference Maritime Organizations of the ECO Member States, with mutual consensus of the participating delegates.

Agenda Item No. 11

Vote of thanks and closing of the Meeting

52. Under this item, the Heads of Delegation expressed their profound gratitude to the Government of Islamic Republic of Iran, particularly, His Excellency Mr. Mohammad Rastad, Managing Director of Iran's Ports and Maritime Organization (PMO) and his able team for extending genuine hospitality to the Delegations and their relentless efforts to ensure success of this important Meeting. They also thanked the ECO Secretary General and the staff of the TC Directorate of the ECO Secretariat for their assistance and contribution towards fruition of the Meeting.

53. The Chairman announced the closing of the Meeting.
