



# **242<sup>nd</sup> Meeting of the Council of Permanent Representatives (CPR)**

## **Report**

**21<sup>st</sup> October 2019**  
***ECO Secretariat - Tehran***

## Report

The 242<sup>nd</sup> Meeting of the Council of Permanent Representatives (CPR), held on October 21, 2019 at the ECO Secretariat, was chaired by H.E. Ms. Riffat Masood, Ambassador of the Islamic Republic of **Pakistan** to the Islamic Republic of Iran and Permanent Representative to ECO. The Meeting was attended by Permanent Representatives/Representatives of 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 ECO Secretary General along with concerned officials of the Secretariat also attended the Meeting. List of participants is enclosed.

2. Before adoption of the Agenda, the Council warmly welcomed H.E. Mr. Abdul Qafoor Lival, Ambassador of the Islamic Republic of Afghanistan to Iran and the Permanent Representative to ECO, expressing optimism his knowledge and experience would be of great importance and assistance for the Council.

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

#### Adoption of the Draft Agenda of the 242<sup>nd</sup> CPR Meeting

3. The Secretariat proposed the following Draft Agenda of the 242<sup>nd</sup> CPR Meeting for adoption:

#### Draft Agenda

1. Adoption of the Draft Agenda of the 242<sup>nd</sup> CPR Meeting
2. Adoption of the Draft Report of the 241<sup>st</sup> CPR Meeting
3. Preparations for 24<sup>th</sup> Meeting of the Council of Ministers (COM) preceded by Senior Officials Meeting on 8-9 November 2019 in Antalya, Republic of Turkey
4. Follow-up to the decisions of the 23<sup>rd</sup> Meeting of the Council of Ministers (COM); ECO Reforms etc. (*continued*)
5. Draft Modalities for the Establishment of Specialized Agencies, Regional Institutions, and the Establishment of Specialized Unit at the ECO Secretariat and Grant of Affiliation
6. Maintenance of Project Implementation Unit (PIU) for the Study Project on Commercialization of KTI railway
7. Audit Report for the year 2018
8. Participation of Turkish Cypriot State in the 24<sup>th</sup> Meeting of the Council of Ministers (9 November 2019, Antalya) and 6<sup>th</sup> Ministerial Meeting on Agriculture (3-4 December, Baku)
9. Administrative matters:
  - a) Draft Budget proposal of ECO for the financial year 2020
  - b) Recommendations of the Selection Panel
10. Any other business
11. Date of the next CPR Meeting

4. Before adoption of the agenda, the Representative of the Islamic Republic of **Iran** proposed the deletion of sub-item 5 of this agenda pertaining to draft modalities for the establishment of Specialized Agencies, Regional Institutions, and the Establishment of Specialized Unit at the ECO Secretariat and Grant of Affiliation and from 24<sup>th</sup> COM's draft Agenda, as well. He considered that due to shortage of time for preparation as well as feedback in the matter yet to be received from Member States including other technical aspects involved therein, it would be appropriate to exclude this issue from both the agenda (s).

5. The Representative of the Islamic Republic of **Pakistan** also supported the views of the Iranian Representative regarding the proposed deletion of sub-item 5, recalling that the documents related to this agenda were circulated in 2018 having no response, as yet, from the Member States.

6. The **ECO Deputy Secretary General (T&C, PERS & CFU)** clarified that the item, in question, was already deleted from the 24<sup>th</sup> COM's agenda. However, he added that this item was included in CPR's agenda for discussions to explore the possibility of establishing a working group for consideration on the draft modalities for the Establishment of specialized Agencies, Regional Institutions, and the Establishment of Specialized Unit at the ECO Secretariat and Grant of Affiliation.

7. While maintaining the Secretariat's justification on keeping this item on Agenda of CPR, the **Council** adopted the Agenda No. 1, allowing discussions on sub-item 5, as well. The Council, however, endorsed the removal of this item from COM's agenda.

### **Agenda Item No.2**

#### Adoption of the Draft Report of the 241<sup>st</sup> CPR Meeting

8. The **Council** adopted the Draft Report of the 241<sup>st</sup> CPR Meeting circulated amongst the Member States vide Secretariat's Note Verbale No. CFU/CPR/241<sup>st</sup> Meeting/2019/783 dated 19<sup>th</sup> September 2019 with amendment proposed by the Republic of Turkey in paragraphs 22, 23, 27, 32, 33, 53 and 61 of the Draft Report.

### **Agenda Item No. 3**

#### Preparations for the 24th Meeting of the Council of Ministers (COM) preceded by Senior Officials Meeting on 8-9 November 2019 in Antalya, Republic of Turkey

9. The **Chair** informed that the Embassy of the Republic of **Turkey** in Tehran vide its Note Verbale No. 2019/99530379-Tahran BE/23966393 dated October 1, 2019 informed the Secretariat that the Republic of Turkey would host the 24<sup>th</sup> Meeting of the Council of Ministers (COM) November 9, 2019 to be preceded by a Senior Officials Meeting (SOM) on November 8, 2019 in Antalya city of the Republic of Turkey.

10. The Representative of the Republic of **Turkey** underlined that discussions on preparation for COM were made during the PrepCOM Meeting. He further said that the host's response on information sought by Secretariat, in this regard, is still awaited.

11. **Deputy Secretary General (T&C, PERS & CFU)** informed the Council about Secretariat's request to the host country for provision of details on local hospitality to be offered to the delegates during the 24<sup>th</sup> COM, which would be shared with Member States on receipt. He added that the "General Guidelines" for organizing the COM's Meeting along with tentative draft Programmes of COM and SOM were also shared with Embassy of the Republic of Turkey. Such programmes would be shared with Member States as soon as finalized and received from the host, the DSG stated.

He also briefed the Council on the following:

- Draft Agenda, Annotated Draft Agenda of COM have been prepared by the Secretariat and circulated to Member States for inputs and views;
- The list reflecting the latest status of ECO Agreements has been sent to Member States and Report on ECO Scale of Assessments for 2019 and 2020-2022 has also been provided to Member States;
- Standing agenda items of draft agenda of COM which are Secretary General's Report to COM; Vision 2025 implementation progress report will be provided to MS soon. Specialized Agencies/Regional Institutes/Affiliated Bodies started to submit their activity report to the Secretariat and it will also be shared in due course.
- Preparatory Committee has already conducted 2<sup>nd</sup> Meeting under the Chairmanship of Tajikistan and Turkey. PrepCom had deliberations on draft Agenda of COM and substantive agenda items which are ECO Reforms and ECO Scale of Assessments 2019 and 2020-2022.;
- PrepCOM decided to submit the draft agenda of COM to CPR for its consideration and adoption;
- According to the proposal of the host country the draft Antalya Communiqué has been prepared by the Secretariat and already been deliberated and revised at the 2<sup>nd</sup> Meeting of PrepCOM. The documents mainly reflecting amendments and proposals made by Turkey and some amendments by Afghanistan, Azerbaijan and Pakistan was circulated and distributed in the CPR.

12. The **Deputy Secretary General (T&C, PERS & CFU)** underscored that if no views/inputs received from Member States, the Council may like to adopt the draft Agenda of COM. He said that the Secretariat would circulate the said draft agenda/annotated draft agenda amongst Member States after their adoption by CPR.

13. The **Chair** requested the Representative of the Republic of Turkey to intimate all the information regarding logistics etc, to the Secretariat at the earliest possible, due to the paucity of time.

14. The Representative of the Islamic Republic of **Iran** underlined that the COM's draft agenda prepared by the Secretariat was in detail that required careful deliberations thereon by the relevant Ministers of the Member States. He proposed to merge Agenda Item No. 9 i.e. Implementation of ECO Trade Agreement (ECOTA) and Agenda Item No. 10 i.e. ECO Regional Projects (2019-2020) in the Secretary General's report mentioned at item No. 5 adding that thereafter such items would, no more, be required in COM's agenda, easing the consideration of the Ministers.

15. The **Secretary General** emphasized that Agenda Item No. 9 i.e. Implementation of ECO Trade Agreement (ECOTA) and Agenda Item No. 10 i.e. ECO Regional Projects (2019-2020) have been very important subjects of discussions in COM Meetings considering the significance of organization's trade links that

required to be placed in COM's agenda, particularly in SOM's agenda, quite separately, to ascertain necessary recommendations to facilitate the COM for adoption of its report. He noted that item 10 would be detailing on the ECO projects to be executed in the coming years. In the given context, thirteen (13) projects have been selected in a bid to turn the organization towards its fresh approach of project-orientation that tremendously required due support of the COM, enabling the organization to kick off a new and progressive journey.

16. The **Deputy Secretary General (T&I, AIT & IR)** briefed the Council on Agenda Item No. 9 "Implementation of ECO Trade Agreement (ECOTA)", stated that despite a lapse of more than 10-years, this important agreement was yet to be implemented. Taking the significant milestones of this agreement into account and the already endured inordinate delay in its implementation, this item needed to be separately discussed in order to secure special support of the COM. With the given justification, he requested the Council to consider this item as separate agenda.

17. The **Deputy Secretary General (T&C, PERS& CFU)** underlined that the draft agenda and agenda items of COM would be discussed during the SOM. He noted that the 24<sup>th</sup> COM's Meeting would adopt its report and the Antalya Communiqué prepared by SOM. Keeping his experience in view, the DSG informed that the most time-consuming items were (i) Agenda No. 7 i.e. ECO Reforms; and (ii) Agenda No. 8 Scale of Assessments 2020-2022. He further stated that under the Agenda No. 12 i.e. ECO Specialized Agencies/Regional Institutions/Affiliated bodies would brief on their activities during SOM, whereas some Member States might also share their views in the matter.

18. The **Deputy Secretary General (T&C, PERS & CFU)** further stated that recommendations for each agenda item of 24<sup>th</sup> COM had already been reflected in its draft annotated agenda, on which basis, the SOM would develop COM's report. Regarding SG's Report, he clarified that it would be circulated and discussed only during SOM. However, the Secretary General would deliver during COM's Meeting only a statement containing the essence of activities that the Secretariat made in line with ECO Vision 2025. He underlined that due to time limit of COM, after all statements delivered in COM, the Council would only adopt its report, as well as Antalya Communiqué prepared and finalized by SOM

19. The Representative of the Islamic Republic of **Iran** acknowledged that the ECOTA remained important for the Member States, requesting sequence's alteration of the COM's agenda in line with the order of priority.

20. The Representative of the Islamic Republic of **Pakistan** requested the Secretariat to put forward the inputs of CPR and PrepCOM before the SOM that would ascertain recommendations for COM to take decisions. He further requested the Council to assign the task to next meeting of PrepCOM to come up with a proposed agenda for 24<sup>th</sup> COM. Regarding agenda item 12 i.e. annual reports of the ECO Specialized Agencies and Regional Institutions, he said that there was no need to discuss them as such reports were to be adopted, however, the heads of specialized agencies might be allowed to make statements, whereas item 13 would be covered under SG's report.

21. The Representative of the Republic of **Turkey** recalled that such issues were already discussed in two PrepCOM Meetings held earlier. He further highlighted that the whole agenda would be discussed during SOM, considering that the duration of COM's meeting would remain shorter. He supported keeping agenda item of ECOTA as a separate issue.

22. The Permanent Representative of the Islamic Republic of **Iran** suggested that the draft agenda of COM should be precise and clear. He said that the SOM's report would be approved and adopted by the COM taking all agenda items into account one-by-one. He said that Specialized Agencies could deliver statements during COM's meeting, whereas others might make their remarks during SOM. He further noted that the text of all decisions should be finalized before COM.

23. The Permanent Representative of the Islamic Republic of **Iran** mentioned that the finalization of the agenda, in consultations with the Chair, remained the Secretariat's responsibility, seeking clarity on SOM/COM's agenda (s). He further said that Draft Antalya Communiqué was recently circulated amongst the Member States that required some amendments. He considered it mandatory to hold the meetings of CPRs to finalize the COM's draft agenda, keeping the legal aspects of the matter in view.

24. The Legal Adviser informed the Council that as per ECO Rules of Procedure the Agenda of COM shall be drawn up by CPR. He added that Senior Official Meeting is held to consider and deliberate the agenda of COM on its behalf. It was also noted that SOM is not an independent organ which may make recommendation to COM. What is done by SOM is in the name and on behalf of COM.

25. The **Chair** noted that there were secretarial/procedural issues faced by the Council, realizing that this agenda would be discussed by SOM to facilitate and develop the report of the COM. However, she called for a separate agenda for the SOM, noting that after welcoming Statement by the Chairman of the 23<sup>rd</sup> COM, Inaugural Statement by the high-level dignitary from the host country, Statement by the Secretary General, Election of the Chairman and Adoption of the Agenda, there should be a report from the Chair of the SOM, providing ideas/guidelines to the COM discussed during the SOM. Based on the SOM's and SG's reports, the COM would make decisions having a shorter and concise agenda, she considered.

26. The **Chair** while proposing the Council to deliberate on grey arrears such as reform, scale of assessments and budget, requested the Secretariat to squeeze the COM's agenda and reposition the agenda items for (i) Implementation of ECOTA and (ii) ECO Regional Projects (2019-2020) as discussed. However, she suggested the preparation of SG's report in a concise format, excluding the ECOTA and implementation of ECO Projects/Programmes. She also requested the Secretariat to ensure during the next PrepCOM's meeting the removal of duplication such as repetition of statements by Heads of ECO Specialized Agencies and Regional Institutions at item 4 and 12, making clarity in agenda (s) of SOM and COM.

27. The Representative of the Republic of **Turkey** supported the Chair's proposal to include the report of the SOM's Chair in the agenda of COM. He considered that allowing all Specialized Agencies/Institutions to deliver their speeches would not be feasible keeping the paucity of time in view, proposing the placement of all such

statements in the agenda for “any other business” to save the time. He proposed that instead of repeated meetings of CPRs, the Prepcom's meetings should be arranged to be attended by Deputy Permanent Representatives with a view to addressing the finalization of SOM/COM agenda (s).

28. The **Council** instructed Prepcom to finalize the draft agenda of the 24<sup>th</sup> Meeting of COM in its 3<sup>rd</sup> Session to be held on October 24, 2019 (Thursday).

#### **Agenda Item No. 4**

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

29. The **Chair** requested the Secretariat to update the Council on the latest status of the reform process.

30. **DSG (ADMN, EME, HRSD and DOCCU)** underlined that the negotiations on ECO structural reform process and scale of assessments had been underway for quite some time, stating that the 23<sup>rd</sup> Meeting of COM mandated the ECO Council of Permanent Representatives (CPR) to finalize the issue by September 15, 2018. Based on the given mandate, the 230<sup>th</sup> CPR desired the revival of previously formed Working Group to ascertain appropriate recommendations for CPR to decide on the matter, he added. He further said that despite six rounds of discussions, the Working Group had not been able to develop any mutually agreeable formula, and the 233<sup>rd</sup> CPR assigned the Secretary General to enter into informal consultations with relevant Member States for developing consensus on the issue.

31. **DSG (ADMN, EME, HRSD and DOCCU)** conveyed that as assigned by CPR, the Secretary General had several informal sittings with the Representatives of concerned Member States to figure out a way forward and finally developed a proposal to settle the matter in phases, explaining that under first phase of SG's proposal, the issue of representation in the ECO Secretariat by Non-Represented Member States (Republic of Uzbekistan and Turkmenistan) was addressed that include up-gradation of the post of Research Officer for Agriculture Industry and Tourism (Category-II, P3) to be released by the Islamic Republic of Iran as Director for the proposed Tourism Directorate (Category-I, D2) and offered to the Republic of Uzbekistan along with a post of Research Officer for Trade & Investment (Category-II, P3) to be relinquished by the Islamic Republic of Pakistan. He mentioned that these posts would be taken over by Uzbekistan after materialization of country's 4% budgetary contribution to ECO as per revised/new scale of assessments. Taking into account the establishment of Tourism Directorate, the existing Directorate of Agriculture, Industry and Tourism is re-titled as Directorate of Agriculture and Industry, the DSG informed.

32. **DSG (ADMN, EME, HRSD and DOCCU)** further elucidated that the first phase of SG's proposal also included up-gradation of the post of Program Officer for Drug and Organized Crime Coordination Unit (Category-II, P3) released by the Islamic Republic of Pakistan as Economic Advisor (Category-I, D2) as well as the post of Librarian (Category-II, P1) to be released by Islamic Republic Iran as Program Officer, for their reallocation to Turkmenistan. He added that Turkmenistan would take over the posts of Programme Officer after increasing its share from 3.21 to 4% in accordance with new/revised scale of assessments. The DSG further noted that if the

aforesaid setup required repositioning of the incumbent staff, the concerned Member States might request for their reappointment against their available vacant posts to complete such staff's rest of the tenure (s). He conveyed that the COM's approval for first phase of SG's proposal was secured through "Silence Procedure" vide Secretariat's Note Verbale No. CFU/CPR/241<sup>st</sup>/2019/785 dated September 22, 2019, adding that the next phase of SG's proposal would cover the remaining issues of reform related to other relevant Member States that include Afghanistan, Kyrgyzstan and Kazakhstan, noting that the overall reform process was likely to be settled in the next few months.

33. Regarding the Member States' official positions on scale of assessments, the **DSG (ADMN, EME, HRSD and DOCCU)** conveyed that the Islamic Republic of Afghanistan conveyed concurrence to increase its share from 1.28% to 2%, seeking one post of Head of Section in Category-I, D1 as well as up-gradation of their existing position of a Steno-Secretary (Category-II, P1) to program officer in Category-II, P2. He also recalled that the Kyrgyz Representative during last meeting of PrepCOM reiterated their earlier position not to increase the level of country's existing share. The DSG also informed that the Republic of Kazakhstan, through a note verbale, conveyed a non-paper regarding their share and their desire that all financial issues to be discussed with the Secretariat, separately, conveying its readiness to resume contribution at 16% having a permanent post of DSG and five other positions in the Secretariat including conversion of Translators posts into programme officers.

34. The Representative of the Islamic Republic of **Iran** requested the Secretariat to clarify if Kazakhstan was ready to resume 16% contribution with allocation of six posts as well as write-off of their arrears. He expressed his concerns that writing off the 4 or 5 years' balance of payment would directly affect the organization's budget.

35. The Representative of the Republic of **Kazakhstan** stated that the clear official position of Kazakhstan was conveyed to the Secretariat, seeking concrete decision in the matter. He underlined that Kazakhstan would pay its contribution at 16% including for the year 2019 subject to allocation of six posts as requested in their communication whereby reversing their previous position of nine posts. He requested the Secretariat to take up the issue before the COM, separating the issue of writing off. He conveyed Kazakhstan's willingness to finance some development projects, stressing that resumption of Kazakhstan's share at 16% could at least stop further accumulation of arrears.

36. The Representative of the Islamic Republic of **Afghanistan** expressed appreciation and thanked the Secretary General for developing a constructive proposal, conveying Afghanistan's readiness to pay their 2% revised share, seeking one post of Head of Section in Category-I D1 as well as up-gradation of their existing position of a Steno-Secretary (Category-II, P1) to program officer in Category-II, P2.

37. The **Chair** requested the Secretariat to briefly explain about the countries who agreed to pay and who did not agree to pay as per new scale of assessments.

38. The **DSG (ADMN, EME, HRSD and DOCCU)** recalled that Afghanistan, Azerbaijan, Iran, Pakistan, Turkey, Tajikistan, Uzbekistan were ready to pay their contribution as per revised scale of assessments. However, he reiterated Kyrgyz Republic's unwillingness to pay its share at revised rate.



39. The Permanent Representative of the Republic of **Uzbekistan** conveyed that the payment of their 4% revised share was under process and expected to be materialized sometime in November 2019, adding that Uzbekistan might forward nominations against the offered posts after that.

40. The Permanent Representative of the Islamic Republic of **Iran** emphasized that some Member States expressed their readiness to pay conditionally. He noted that the Member States should first pay their contributions and, thereafter, the positions to be taken over by them, adding that his concern was the budget of the Secretariat. He further said that the budget of the Secretariat should conclusively be 100 percent not lesser.

41. The **Chair** noted that, as per her understanding, the Republic of Uzbekistan was in process to make nominating their candidates against the offered posts as well as payment of 4% contribution to ECO in a simultaneous manner.

42. Regarding Turkmenistan and the Republic of Uzbekistan, the **Secretary General** clarified that as per COM's approval secured through silence procedure, these countries would take over the offered posts only after materialization of their contributions at revised rates. However, Kazakhstan sought delinking of reform process with the issue of arrears to deal it separately, seeking six posts in the Secretariat. He said that negotiations with Kazakhstan were underway as country's recent proposal did not please the Secretariat including the conversion of the posts of translators/interpreters into program officers as well as demand for one position of director in D2 level. Besides, the Republic of Kazakhstan offered to host some events as well as finance development projects which might be considered by CPR, SOM and COM. He expressed optimism that the door of negotiations with Kazakhstan on 18% share was still open and we might find a way during SOM. Proposing to take note of Afghanistan's position, he suggested the referral of the issue to SOM as due to paucity of time.

43. The **Chair** requested the Secretariat to develop a chart containing detail of countries that agreed to increase their contributions along with their existing and proposed posts including the new/changed posts for Uzbekistan, Turkmenistan and Afghanistan as well as those countries that did not agree to increase their shares but remained in the process of discussion. She proposed that such a position could be referred for SOM's consideration and for approval of the COM.

44. The **Secretary General** sought the Council to refer the issue to SOM with the conclusion that the CPR addressed the issue of three countries out of which approval of COM in case of Turkmenistan and Uzbekistan was secured through silence procedure whereas for one country it remained to be obtained. However, the rest of the issues regarding Kazakhstan and Kyrgyzstan would be discussed at SOM level.

45. The Representative of the Republic of **Turkey** underscored that this reform process was a package which now seemed to be cherry-picking. He said that the approved scale of assessments currently stood around 90%. While noting that the Ministers would have not have much time to discuss this issue, he informed that they had instructions from the capital on the issue of Uzbekistan and Turkmenistan. However, there were no instructions for other issues as there were no consensus on

both scale of assessments as well as Kyrgyzstan and Afghanistan, since it was presented as a package and now Kyrgyzstan did not seem to agree on the increase of share. He recalled that the idea behind the reform process to allocate posts to non-represented and increase the posts of under-represented countries with a view to seek a balance between representation and responsibilities in the organization that seemed to be missing now. Considering the conditional approach put forward by countries to pay their budgetary contribution, he recalled his views expressed in a previous CPR to set a benchmark to match the level of contributions with positions, noting that one-percent per one-post would take the Secretariat's staff strength to one hundred and two-percent per one-post take it to fifty positions. He said that it is apparent that there was no need for fifty posts in the Secretariat. He warned against the disadvantages of increasing the number of directing staff while minimizing professional staff. He suggested taking the reform process into account in a broader way through mutual consultations.

46. The Representative of the Islamic Republic of **Pakistan** recalled that till the year 1992 the entire budget of the organization was being sponsored by founding Member States. He underlined that it was decided after other Member States joined the ECO that the 90% of the budget would be borne by the founding while the remaining 10% by other Member States. He further said the last major approval for scale of assessments was made in 2009 whereby 66% of the organization's budget was decided to be borne by founding and the remaining 34% by other Member States including 16% of Kazakhstan. He inquired about the legality in case a Member States unilaterally decided in 2014 not to abide by a decision taken by the COM in 2009. He expressed concerns that if the Council remained unable to solve this issue, it could not get the budget approved as well. He stated that a country's agreement on the Treaty of Izmir and the rules of the organization was necessary in order to become Member of the ECO, adding that the Member States while making contributions to the UN do not ask for the posts in return. He noted that despite the financial constraints that Pakistan was undergoing, it continued to pay 22%, noting that the ECO was not there to provide employment but to execute projects for the mutual benefit of the region.

47. **The Legal Advisor** endorsed that decision on Scale of Assessments is taken by COM as per the authorization given under Article XI of Treaty of Izmir. Hence, the decision of COM on scale of assessments is obligatory. Derogation from the decision of COM is not consistent with the nature of the decision. He added that decision on some issues, including inter alia, the financial matters, shall be taken by unanimity. These issues cannot be subject to reservation for reservation modify or exclude the legal effect of decision with respect to the reserving state.

48. The **Chair** noted that this issue, unfortunately, remained undecided as usual, underlining that there were legal aspects and she did not want to open the whole issue again as there were certain Member States accepting and agreeing to pay according to the new scale of assessments. Since some of them are non-represented and under-represented, there already exists a decision to provide them some posts, she underlined. However, the Chair also mentioned that there were some Member States not agreeing with the entire process having certain observations circulating some papers that required consideration of the Council of Ministers.

49. In the given context, the **Council** decided to refer the matter, as it is, to the Council of Ministers with necessary inputs.

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

#### Draft Modalities for the Establishment of Specialized Agencies, Regional Institutions, and the Establishment of Specialized Unit at the ECO Secretariat and Grant of Affiliation

50. The draft 'Modalities for the Establishment of Specialized Agencies, Regional Institutions and the Establishment of Specialized Unit at the ECO Secretariat and Grant of Affiliation' have been prepared as part of the ECO reform process to address: the criteria for the establishment of the specialized agencies and regional institutions; the establishment of coordination mechanism amongst the Secretariats of the ECO bodies; and the proper classification of the bodies established by ECO.

51. The **Legal Adviser** explained that the modalities under consideration were prepared as a part of regulatory reform of the organization to maintain consistency between the terminology used in Treaty of Izmir and existing modalities as there existed ambiguity in definition of the special agencies and the regional institutions. He underlined that since the existing modalities did not clarify/classify the legal status of the ECO bodies, these draft modalities were developed to facilitate the formation of coordination mechanism amongst the ECO Secretariat and secretariat (s) of the specialized agencies as well as regional institutions. Furthermore, he requested the Council for establishment of a working group/committee with the task to consider, in first part, the modalities concerning the establishment of specialized agencies as well as coordination among the ECO bodies and, in second part, the activities of the established bodies and affiliated bodies. He further highlighted that the specialized agencies had their own charters adopted by the parliaments of the respective Member States, whereas the relationship of the ECO Secretariat bodies and decision making bodies of the organization was not very clear in the existing modalities. He proposed the Member States to be first familiarized with their status by considering the modalities then review the functions of the existing bodies.

52. The **Chair** emphasized that it would be beneficial for all Member States and for the Organization to first see the kind of work that each specialized agency or affiliated body and regional institution involved in over the years including their outputs, efficacy, actually achieved targets, work utility, utilization of allocated budget as well as budget commensurate with their activities. Once the organization was able to decide on either to keep these bodies, as they are or merge them, consideration on such draft modalities could be made in an appropriate manner.

53. The ECO **Secretary General** recommended the establishment of ad-hoc Committee to consider the issue, under this agenda item, mandating it to develop report for submission to the CPR taking simultaneously into account the foregoing proposal of the Chair.

54. The **Council** approved the establishment of Ad-hoc Committee to look into the modalities and the efficacy/performance of the specialized agencies, regional institutions and affiliated bodies.

## **Agenda Item No.6**

### **Maintenance of Project Implementation Unit (PIU) for the Study Project on Commercialization of KTI railway**

55. The **Chair** desired that the Secretariat might brief the Council for the Project Implementation Unit for the Study Project on Commercialization of KTI railway.

56. **Director (Transport & Communication)** briefed the Council that the Project Implementation Unit (PIU) was established in October 2017 under Transport & Communications Directorate for monitoring the project, as per the provisions of the Technical Cooperation Agreement (TCA) signed between ECO and Islamic Development Bank (IsDB) in August 2017 for Studying the "Commercialization of the Kazakhstan-Turkmenistan-Iran (KTI) Railway Regional Corridor and Ms. Zukhra Abisheva was appointed as the Project Officer of the Unit by IsDB, from amongst the candidates. The International Consultants were hired by UNESCAP and the National Consultants were identified for the subject project.

57. He further explained that US\$ 50,000/- had been allocated by 221<sup>st</sup> CPR Meeting (12<sup>th</sup> June 2017) as ECO's contribution to enable the ECO Secretariat to fulfill its mandate of implementation of the said Project. out of which US\$ 45,000/- already spent for the salary of the PIU Project Officer on this account. Since, the project is in the pipeline, Secretariat is bound to pay the salary if Project Officer till August 2020 for project's continuation. He requested the Council to authorize the Secretariat to continue payment of project officer's salary for the period remaining to complete the project, noting that an amount of US\$ 15,000/- was required to meet the expenditure to be incurred in this regard. He noted that this amount would be spent out of US\$ 23,000/- available with the Secretariat under the project's head, entailing no extra financial implications.

58. The Representative of the Republic of **Turkey** informed that Turkey was not well aware about this project as no relevant information provided. He sought the provision of project's documents along with approval of the 216<sup>th</sup> CPR in this regard as well as any further clarifications. He also inquired the reason of CPR's approval for payment of US\$ 15,000 if the project was totally funded by the IsDB.

59. **Director (Transport & Communication)** clarified that subject project was a triangular project sponsored by IsDB with technical assistance of the UNESCAP. While US\$ 187,000/- provided by IsDB, the ECO Secretariat made the provision of US\$ 50,000/- under 216<sup>th</sup> CPR's approval to implement the project. He reiterated that an amount of US\$ 45,000/- was incurred on Project Officer's salary while US\$ 5000/- will spent on account of translation and publications of the report and other relevant payments. He further explained that an amount of US\$ 30,000/- was allocated by 216<sup>th</sup> CPR Meeting for the meeting of the heads of railways of the three enroute countries (KTI) organized in February 2017 in ECO Secretariat. While the Secretariat spent some amount to facilitate such meeting, an amount of US\$ 23,000/- remains under this head. He also informed that the estimated time for completion of this project would end in August 2020, requesting the approval of US 15,000/- out of the available US\$ 23,000/- in order to avoid any hampering in smooth implementation of the project. He underscored that the Secretariat was quite sure of this project's completion in August 2020. He assured that the complete documents would be circulated amongst Member States at the completion of the project.

60. The **Council** approved the disbursement of an amount of US\$ 15,000/- on account of continuation of the Project Officer's salaries out of the remaining US\$ 23,000/- under this project's head. It further asked to reflect this expenditure in the ECO budget as the Secretariat would be paying it partially for the salaries of Project Officer. The Council also decided not to consider any further request (s) in this regard, if the project was not completed within the stipulated time i.e. end of August 2020.

#### **Agenda Item No.7** Audit Report 2018

61. Audit Board comprising of senior level auditors from Iran, Pakistan and Turkey visited the Secretariat in September 2019 and conducted audit of the accounts of the Secretariat for the Year 2018. The Board prepared "Audit Report for the Year 2018", which was circulated amongst the Member States vide Secretariat's Note Verbale No.ACC/Audit-2018/2019/861 dated 10 October 2019 along with Secretary General's observations thereon.

62. The **Chair**, took into account the Secretariat's audit for 2018 conducted by the auditors from Iran, Pakistan and Turkey which has not substantive issues and the Secretary General's observations thereon, suggesting the Councils' recommendation to the 24th Meeting of COM for approval. She also asked the participants for objection/reservation, if any, on the Audit Report 2018 before its adoption.

63. The **Secretary General** seconded the Chair's views/comments. He stated that there were no major issues in the audit report but some procedural ones. The Auditors suggested up-gradation of the Secretariat's accounting system that would fall with the process of reform process, he noted. The Secretary General sought Council's approval for (i) audit report and (ii) improvement of the accounting system, proposing a decision for hiring an audit expert from any Member State or particularly from Pakistan or Iran, who might work with Secretariat voluntarily to improve the Secretariat's accounting system.

64. The **Chair** suggested that any Member State might depute their audit experts voluntarily to work with Secretariat for up-gradation of organization's accounting system with not financial burden on the Secretariat's budget.

65. Considering the Secretariat's audit report for 2018, the Permanent Representative of the Republic of **Uzbekistan** referred paragraph 12 of the report indicating "unpaid contributions by Member States in 2018" that amounts Uzbekistan's arrears to US\$ 372,838.00 in 2018

66. The Permanent Representative of the Republic of **Uzbekistan** pronounced that during the 23<sup>rd</sup> COM, the Council unanimously approved the write-off of the full arrears of the Republic of Uzbekistan to the ECO budget. He added that since the ECO Budget for 2018 was already approved before the 23<sup>rd</sup> COM on December 7, 2017, the write-off's approval for Uzbekistan's arrears would include the entire period of 2018 considering the internal practice in which the law had no retroactive effect. Recording his reservation on Para-12, he concurred with the Secretariat's audit report for 2018.

67. The Permanent Representative of the Islamic Republic of **Iran** disagreed with objection raised by the Representative of the Uzbekistan, recalling that proceedings of previous CPRs whereby it was clearly decided and agreed that the audit report would finally determine the status of this issue. He sought the Council to adhere with the conclusion made in the audit report without any deviation or change.

68. The Representative of the Islamic Republic of **Pakistan** supported the stance of the Iranian Representative. He further informed that there were two major decisions taken in the previous CPR that included (i) allocation of posts to Uzbekistan subject to payment of their contribution and (ii) posts to be taken over by Uzbekistan based on payment of contribution according to new scale of assessment. Regarding country's arrears, the Republic of Uzbekistan was believed to get in touch with the Secretariat for a payment plan, the Pakistan's Representative underlined.

69. The **Council** maintained no change/alteration in the contents of the audit report and decided to place it before the COM for final approval. However, it noted that as per decisions taken in the previous CPR Meetings, the Republic of Uzbekistan would enter into the process of negotiations with Secretariat to determine a conclusion and payment plan.

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

Participation of Turkish Cypriot State in the 24<sup>th</sup> Meeting of the Council of Ministers (9 November 2019, Antalya) and 6<sup>th</sup> Ministerial Meeting on Agriculture (3-4 December 2019, Baku)

70. The Council was briefed that the Secretariat received a Note Verbale No. 2019/99530379/24033049 dated October 17, 2019 from the Embassy of the Republic of Turkey in Tehran regarding participation of Turkish Cypriot State in the 24<sup>th</sup> Meeting of the Council of Ministers on November, 9, 2019 in Antalya and 6<sup>th</sup> Ministerial Meeting on Agriculture on December 3-4, 2009 in Baku. The received communication was circulated amongst Member States vide Secretariat's Note Verbale dated October 17, 2019.

71. The **Deputy Secretary General (T&C, PERS & CFU)** underlined that subject to concurrence of the host country, the Council might also consider the participation of other ECO observers i.e Energy Charter and Turkic Council in the 24<sup>th</sup> COM, adding that usually the CPR extends prior consent (s) in case the participation of observers is desired.

72. The **Council** considered and approved in accordance with ECO Modalities for Granting Observer and Dialogue Partnership Status at ECO, the participation of all ECO Observers in 24<sup>th</sup> Meeting of COM and Turkish Cypriot State in 6<sup>th</sup> Ministerial Meeting on Agriculture.

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

Administrative and financial matters:

- a) Secretariat Budget proposal for the financial year 2020

73. The **Secretary General** stated that the budget for 2020 has only 0.44% increase, the least in 5 years, despite of changes in the posts to be allocated to Uzbekistan and Turkmenistan. He underlined that as per previous practice every third year increase occurred in salaries of Secretariat's staff by 10%. He, however, noted that the increase in staff's salaries was not made in the current year due to budgetary constraints, conveying staff's agreement upon 10% increase in their salaries in the next year's budget. He explained that despite the increased responsibility emerging due to organization's important shift to make it budget-oriented that appeals more funds, the budget for 2020 remains balanced with no considerable increase or financial implications. Relevantly, the budget for 2020 and the issue of scale of assessments have been proposed, separately, the Secretary General underlined. He also requested the CPR to allow increase in staff's salaries in the next year's budget.

74. The Representative of the **Islamic Republic of Pakistan** stated that the Secretary General's report indicates a deficit of approximately 34.11% realizing around US\$ 2.7 million out of total US\$ 4.2 million that bore a big shortfall. He considered this happened in view of the fundamental mistake made every time determining the budget on assumed payment of contributions by Member States such as 16% or otherwise. He noted that this situation could persist next year in case of such unilateral decisions by some other countries, bearing the organization to another paucity of finances.

75. The Representative of the **Republic of Turkey** endorsed the views of his Pakistani counterpart. He added that timely payments of contributions were quite essential to facilitate the Secretariats to smoothly function. He requested the Council to call upon the Member States to ensure timely payments of their contributions to organization, enabling it to secure the assigned targets.

76. The Council while taking into account the proposal of Secretary General considered and decided to submit the organization's budget for 2020 to the 24<sup>th</sup> COM for approval.

b) Recommendations of the Selection Panel

77. The Selection Panel met on October 21, 2019. The Meeting was coordinated by ECO Deputy Secretary General for Administration and chaired by the Representative of the Embassy of the Republic of Tajikistan. The Representatives of the Islamic Republic of Iran, Islamic Republic of Pakistan and the Republic of Turkey, also attended the meeting.

78. The Council, on the recommendations of the Selection Panel, approved the following:

i. Director for Energy, Mineral and Environment (Category-I, D2)

Appointment of Mr. Rovshan Mirzayev (**Azerbaijani national**) as Director for Energy, Mineral and Environment (**Category-I, D2**) for a full term of three (03) years with effect from the date of his joining in 2020.

ii. Program Officer for Environment (Category-II, P2)

Appointment of Ms. Nayereh Sadat Mohseni (**Iranian national**) as Program Officer for Environment (**Category-II, P2**) for a full term of four (04) years with effective from the date of her joining.

**Agenda Item No.10**

Any other business

79. The Representative of Islamic Republic of **Iran** recalled that since the issue of scale of assessment was already included in the 24<sup>th</sup> COM's agenda, it should be discussed and finalized there, suggesting preparation of CPR's recommendation to facilitate the process in COM.

80. Agreeing with the views of the Representative of the Islamic Republic of Iran, the Council decided to discuss the issue scale of assessments in the next meeting of CPR along with agenda of the 24<sup>th</sup> COM. It further desired the Secretariat to prepare a chart reflecting the shortfall in budget due to nonpayment (s) or refusal to contribute by some Member States with detail of current scale of assessments, new scale of assessments, countries who agreed to pay in line with new scale of assessment and the countries who were reluctant to contribute according to new scale of assessments, for deliberations in the next meeting of CPR.

**Agenda Item No. 11**

Date of the next CPR Meeting

81. The **Chair** expressed her sincere appreciation and thanked the participants of 242<sup>nd</sup> CPR for their valuable contribution in the Meeting.

82. The Council decided to convene its next (243<sup>rd</sup>) Meeting on **Monday, 28<sup>th</sup> October 2019 at 14:00 hours at the ECO Secretariat-Tehran.**



## **LIST OF PARTICIPANTS**

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

- H.E. Mr. Abdul Qafoor Lival, Ambassador
- Mr. Shabir Ahmad Ahadi, In charge of Economic department and ECO
- Ms. Zahra Badaghi, 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. Sayed A. Shabibi, Senior Expert, ECO Affairs Bureau

### **The Embassy of the Republic of Kazakhstan:**

- Mr. Gamzat Khairov, Counsellor

### **The Embassy of the Kyrgyz Republic:**

- Mr. Akilbek Kilichev, Minister, Counsellor

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

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

### **Embassy of the Republic of Tajikistan:**

- Firdavs Yusupov, Second Secretary

### **The Embassy of the Republic of Turkey:**

- Mr. Emirhan Yorulmazlar, Deputy Head of Mission
- Mr. Ozgur Murat, Third Secretary

### **The Embassy of Turkmenistan:**

- H.E. Mr. Ahmed Qurbanov, Ambassador
- Ms. Selbi Mukhammedova, Attache
- Mr. Ovezmuradov M., Referent

### **The Embassy of the Republic of Uzbekistan:**

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

### **The ECO Secretariat:**

- H.E. Mr. Hadi Soleimanpur, Secretary General
- Mr. Kanan Nazarov, Deputy Secretary General
- Mr. Huseyin Avni Bicakli, Deputy Secretary General
- Mr. Sayed Yahya Akhlaqi, Deputy Secretary General
- Mr. Ahmad Saffari, Director T&I
- Mr. Salohiddin Kiromov, Assistant Director (AD CFU)
- Mr. Mahmoud Khoubkar, Legal Adviser
- Ms. Mojgan Golchin, Accountant
- 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