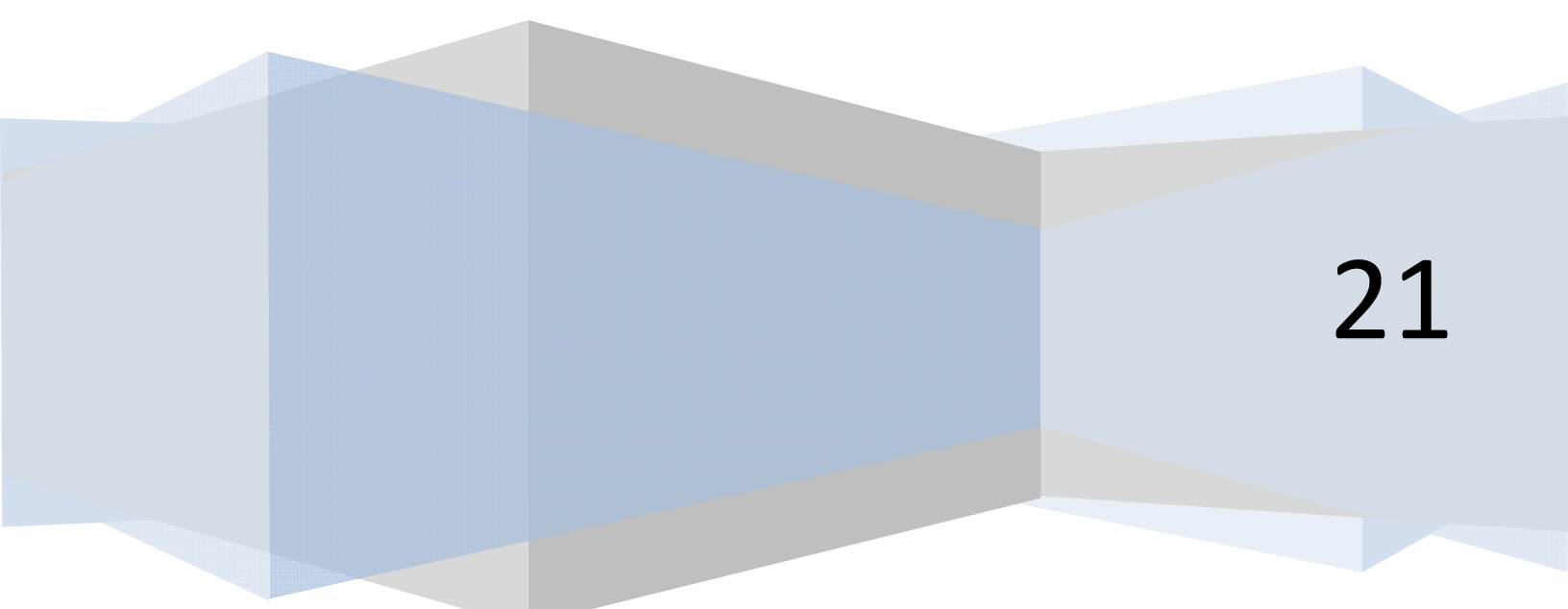


# Completed Small Sized ECO Projects in 2020/21

Booklet

PMS



21

# COMPLETED SMALL SIZED PROJECTS 2020/21

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## ACRONYMS AND ABBREVIATIONS

ECO: Economic Cooperation Organization	COM: Council of Ministers of ECO
RPC: Regional Planning Council of ECO	CPR: Council of Permanent Representatives of ECO
ECOTA: ECO Trade Agreement	ERPS: ECO Regional Payment System
SWIFT: Society for Worldwide Interbank Financial Telecommunication	ECU: ECO Clearing Union
FAO: United Nations Food Agriculture Organization	TFA: Trade Facilitation Agreement
SH: slaughter houses	RL: reference laboratories
EGM: Expert Group Meeting	ITI: Islamabad-Tehran-Istanbul
SSP: Small Sized Project	PoA: Plan of Action
PR: Pakistan Railway	HLWG: High Level Working Group
RAI: Railway of Iran	PMG: Project Monitoring Group
	TOBB: Union of Chambers and Commodity Exchange of Turkey

## EXECUTIVE SUMMARY

In line with the targets set forth in the **Implementation Framework** (pages 2-34) of the **ECO Vision 2025**, the ECO Secretariat has succeeded in the completion of small sized projects during 2020/21 (the details have been reflected in the present document). As with the core emphasis placed by the ECO Vision 2025 on the area of **Trade and Investments**, the two projects have been dedicated to trade-related matters. In specific terms, the development of the ECO regional payment system has been explored in-depth to address

the ECO stakeholder interests in further developing the financial and banking sector of ECO. To facilitate the much needed removal of trade-impeding barriers towards the full implementation of the ECO Trade Agreement, the latter constraints have been countered through the project against the evidence-based, science driven, workable solutions.

To implement the imminent tasks set forth by the Member States for **Transport and Communications**, the small sized project handling the resumption of the Islamabad-Tehran-Istanbul (ITI) container train (currently, re-named as the ITI Cargo Train) has succeeded in the dispatch of the cargo train along the ITI railway route, the main blood artery of the ECO transport. For the reason that this project has entirely been contributed in-kind by the Islamic Republic of Iran, the Republic of Turkey and the Islamic Republic of Pakistan, such concerted effort helped skip a funding request.

In **Agriculture and Industry**, the emphasis has been on ways to inclusively support the development of organic production, which is currently represented in the ECO countries by Small and Medium Entrepreneurs (SME). A particular focus has been put on the advantages and benefits for the farmers and agricultural enterprises, at grass root level, from the ECO region-encompassed Certification and Market Integration.

To fully answer the market supply-and-demand for the ECO countries' meat products (given the fatigue of food cold chain), the Directorate of Agriculture and Industry handled the small sized project, which has made it possible for the ECO countries that the mandatory prerequisite veterinary and sanitary procedures be essentially eased. That can now facilitate the meat produce to be freely exchanged via intensive trade transactions across the ECO region.

In **Human Resources and Sustainable Development**, the project, which prepares the ECO region for the deployment of the ECO member countries' manufacturing capacities in pharmaceuticals, has been completed.

In **Energy, Minerals and Environment**, the ECO Energy Strategy has been developed by a collective effort of the high caliber strategists from the ECO Member States. Currently, the ECO region can benefit from the accurately strategized Plan of Action for the ECO energy

sector, which builds on the comprehensive new energy strategy capturing most recent trends in global energy and through specifics of the ECO region.

In addition to the aforementioned projects, the Secretariat has processed in the course of 2020, the “ECO Vision Fund” project following the endorsement of the latter by the 30<sup>th</sup> Regional Planning Council Meeting (RPC) and 24<sup>th</sup> COM and 31<sup>st</sup> RPC (paragraph-33, A. Sector: Trade and Investment, Work Programme 2021). This project has been deferred till the coronavirus pandemic clears out.

In sum, out of the ten (10) short term bankable projects that were mandated by the 24<sup>th</sup> ECO Council of Ministers Meeting (COM) (8-9 November 2019, Antalya (Turkey)) to implemented in 2020 and which were further endorsed in the Work Programme 2021 by the 31<sup>st</sup> Regional Planning Council (RPC) of ECO (12-21 January 2021, ECO Secretariat, Tehran (Iran)), the Secretariat has been able to complete seven (7) of which one was contributed by the I. R. of Iran in-kind and one (ECO Vision Fund) was deferred. The rest two of the ten are in the tourism sector and those are currently under consideration.

The processing and implementation of the small projects has been transparent in line with international norms for project reporting, the detailed information is available at: [www.eco.int](http://www.eco.int) under the Activities of Directorates/Sections pl. see for PMS.

The by-sector profile of the small sized projects completed in 2020/21 has complied with categorization of core cooperation areas of the Organization as laid down in the *ECO Vision 2025* (Chapter 3: Co-operation Areas. p.2):

- A. Trade**
- B. Transport and Connectivity**
- C. Energy**
- D. Tourism**
- E. Economic Growth and Productivity**
- F. Social Welfare and Environment**

The projects in the ECO’s core activity areas are being implemented by various Directorates of the ECO Secretariat: Trade & Investment, Transport & Communications, Energy, Minerals & Environment, Agriculture & Industry, Human Resources and Sustainable Development (HRSD) and Tourism.

## TRADE AND INVESTMENT

### “ECO REGIONAL PAYMENT SYSTEM (ERPS) FEASIBILITY STUDY PHASE-I”

PROJECT CURRENT STATUS    SSP    Project has been completed in the first quarter of 2021.

Currently, the feedback from interested relevant financial and trade authorities of the ECO Member States are being consolidated with the view of reflecting those in the final bankable project document.

#### OBJECTIVES

- Provision of the feasibility study to establish the “ECO Regional Payment System” as designed to accommodate the mutually-beneficial settlements of transfer payments among the participating private banks of the Member States.

#### IMPLEMENTING AGENCY

RUNC INTERNATIONAL BANKING SOLUTIONS-TEHRAN

START DATE: November 2020  
COMPLETION DATE: March 2021

#### PROJECT SCOPE

- Justification of effectiveness and efficiency of developing the transfer payment system as applied for the ECO regional level.
- Sampling of existing international regional payment systems based on the proven examples in Asia and selected regional economic organizations.
- Designing the model of the ECO Regional Payment System-ERPS, to be applied for the ECO region.

#### PROJECT RESULTS

**Output:** Regional Payment Systems Benchmarking.  
**Output:** ECO Trade Figures & Payment Arrangement.  
**Output:** Economic and Financial Feasibility of ERPS.

#### THE 14TH ECO SUMMIT (4 MARCH 2021, ANKARA)

In regard of establishing the regional payment system in ECO, the 14th ECO Summit Meeting has concluded that: “it is important to ensure the free movement of funds, goods and services between Member Countries, expanding interbank ties and financing” (Republic of Uzbekistan). It has been noted that it is important “to develop the new initiatives like the Clearing

Union” (I. R. of Pakistan).

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**ECO REGIONAL PLANNING COUNCIL (12-21 JANUARY 2021, TEHRAN)**

The ECO Regional Planning Council at its 31<sup>st</sup> Meeting “appreciated the project: “*ECO Regional Payment System (ERPS) Feasibility Study Phase-I*” and recommended that it be fulfilled during 2021 for enhancing monetary cooperation in the ECO region” (paragraph-2, A. Sector: Trade and Investment, Work Program 2021).

**“STUDY ON THE IMPEDIMENTS IN THE IMPLEMENTATION OF ECO’S TRADE TOOLS AND MEASURES TO RESOLVE”**

**PROJECT CURRENT STATUS**      SSP      Project has been completed in the first quarter of 2021 as envisaged in the 31<sup>st</sup> ECO Regional Planning Council recommendation.

To supplement the project with essential views of the ECO Member States and the suggested comments of the ECO Secretariat, the project is currently undergoing final review.

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**OBJECTIVES**

- Analysis of ways and means for implementation of the ECO Trade Agreement (ECOTA).
- Preparing draft Memorandum of Understanding (MoU) for opening the markets in ECO for specific items at minimum tariff rates.
- Drafting the Trade Facilitation Agreement containing clauses/provisions unaccounted in the ECOTA, study of national trade balances and their effects on the trade in ECO.
- Drafting the comprehensive ECO Trade Liberalization Agreement for establishing a free trade area in ECO region, and
- Submitting a Concluding summary report to reflect key findings of the study.

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**IMPLEMENTING AGENCY**      ECONOMIC RESEARCH INSTITUTE-TEHRAN  
START DATE: October 2020  
COMPLETION DATE: reports submitted in January 2021

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**PROJECT SCOPE**      The project is being fulfilled in two parts.

## PROJECT RESULTS

**Output:** Analysis of ways and means of implementation the ECOTA.

**Output:** Draft MoU for markets of specific items at minimum tariff rates.

**Output:** Draft Trade Facilitation Agreement containing clauses/provisions unaccounted in ECOTA, study of (NTBs) and their effects on ECO trade.

**Output:** Draft Comprehensive ECO Trade Liberalization Agreement for Establishment of Free Trade Area in ECO Region, and

**Output:** Concluding summary report on findings of the study.

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## RECOMMENDATION

### **THE 14TH ECO SUMMIT (4 MARCH 2021, ANKARA)**

“The Islamic Republic of Iran remains ready to actively contribute to the operationalization of the ECO Trade Agreement (ECOTA) and creating the necessary financial, banking and customs arrangements while having on board all ECO Member States.” (I. R. of Iran).

“The implementation of Economic Cooperation Organization Trade Agreement, ECOTA, after 17 years, without further delay will be beneficial to this end”. (Republic of Turkey).

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## ENDORSEMENTS

### **ECO REGIONAL PLANNING COUNCIL (12-21 JANUARY 2021, TEHRAN)**

The ECO Regional Planning Council at its 31<sup>st</sup> Meeting “appreciated the research study project “*Study on Impediments in Implementation of ECO’s Trade Tools and Measures to Resolve*” to identify scenarios for operationalization of ECOTA. It recommended that “the outcome of the study will be shared with the Member States and ECO-CCI for comments/views. The Secretariat requested the focal points on ECOTA from the ECO Member States to cooperate with the Specialist in fulfilling the Study on the ECOTA, as the details will be shared by the ECO Secretariat. The outcomes of the project report will also be discussed in the 9th ECOTA Cooperation Council Meeting for final decision” (paragraph-7, A. Sector: Trade and Investment, Work Programme 2021).

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## TRANSPORT AND COMMUNICATIONS

### “RESUMPTION OF THE ITI CONTAINER TRAIN’S REGULAR OPERATION”

#### PROJECT CURRENT STATUS

SSP

Project has been completed in the first quarter of 2021. The dispatch was realised in March 2021.

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#### OBJECTIVES

- Dispatching the ITI Container Train to implement recommendation (3) of the Turkmenbashi Declaration adopted by the 9<sup>th</sup> ECO Ministerial Meeting on Transport (1-3 May 2018,

Turkmenbashi (Turkmenistan).

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IMPLEMENTING  
AGENCY

RAILWAY OF IRAN (RAI)  
START DATE: November 2020  
COMPLETION DATE: January 2021

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PROJECT SCOPE

- Inter-railway interaction.
- Infrastructure issues.
- Dispatch.

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PROJECT RESULTS

**Output 1:** Ensure inter-railway interaction among the three enroute countries (Turkey, Iran and Pakistan) for the dispatch of the ITI Container Train.

**Output 2:** Unify the tariffs along the ITI railway route and have all the enroute countries agree on them.

**Output 3:** Develop and agree on the time schedule for the dispatch of the ITI Container Train. r the ECO region.

**Output 4:** In coordination with TOBB and PR, ensure the sufficient freight for the container.

**Outcome :** Dispatch the ITI Container Train.

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**THE 14TH ECO SUMMIT (4 MARCH 2021, ANKARA)**

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“The work on the resumption of the Istanbul-Tehran-Islamabad freight train services has reached its final phase” (Republic of Turkey).

“The Istanbul-Tehran- Islamabad commercial cargo train and proposed Uzbekistan-Afghanistan- Pakistan railway links are important regional connectivity projects” (I. R. Pakistan).

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**ECO REGIONAL PLANNING COUNCIL (12-21 JANUARY 2021, TEHRAN)**

The ECO Regional Planning Council at its 31<sup>st</sup> Meeting noted the Secretariat’s updates on the decisions of the 11th High Level Working Group Meeting on the ITI Cargo Train, held virtually on 27 October 2020, and requested the en route Member States to commit themselves to the resumption of the Train’s regular operations in January 2021 and publicize the regular operation of the Train among the business community” (paragraph-14, B. Sector: Transport and Communications, Work Program 2021).



### “ECO ENERGY STRATEGY”

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**PROJECT CURRENT STATUS**      SSP      The small sized project has been completed in April of the current year (2021).  
It previously was endorsed by the ECO 30th Meeting of RPC, which mandated the Secretariat to develop “ECO Energy Strategy”.

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**PROJECT BACKGROUND**

The previous “ECO PoA for Energy and Petroleum Cooperation” (2011-2015) was adopted at the 2nd ECO Ministerial Meeting on Energy/Petroleum (1 October 2010, Dushanbe).

The 27th Meeting of the Regional Planning Council (5-8 December 2016, Tehran) extended the afore-said PoA until the next - 4th ECO Ministerial Meeting on Energy/Petroleum. The subject PoA envisaged priority cooperation areas of common interest in: the ECO power grid; ECO oil and gas pipelines; energy security and trade; coal; energy efficiency and conservation; renewable energy; and regional energy/petroleum policy and planning.

The 30th ECO RPC mandated the Secretariat to develop the strategy document.

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**PROJECT OBJECTIVES**

- To develop the strategy for regional energy cooperation. It must comply with national interests of ECO Member States that also corresponds to the global energy landscape.
- To be adopted by the Ministers of Energy of the ECO Member States, followed by a relevant Action Plan/Roadmap of implementation.

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**IMPLEMENTING AGENCY**

Specialists from Republic of Azerbaijan, Republic of Turkey and I. R. Iran

START DATE: February 2021

COMPLETION DATE: April 2021

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**PROJECT RESULTS**

Output : ECO Energy Strategy 2030

Output : Action Plan

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Output: Roadmap of implementation of ECO Energy Strategy 2030.

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## RECOMMENDATIONS

### THE 14TH ECO SUMMIT (4 MARCH 2021, ANKARA (TURKEY))

“Uzbekistan proposes to develop and approve a Medium-Term Strategy aimed at ensuring energy sustainability and broadly attracting investments and modern technologies in this area” (Republic of Uzbekistan).

“In energy sector, the three important projects are under steady progress, which include ‘ECO Clean Energy Centre’, ‘ECO Regional Electricity Market’ and ‘Energy Strategy 2030’ including ECO Energy Corridors” (Secretary General of ECO).

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## ENDORSEMENT

### ECO REGIONAL PLANNING COUNCIL MEETING (12-21 JANUARY 2021, TEHRAN (Iran))

The 31st Meeting of the ECO Regional Planning Council “appreciated the readiness of Azerbaijan to host 4th Energy Ministerial Meeting in the first half of 2021 back to back with 4th HLEG Meeting serving as a Senior Officials Meeting for the Ministerial Meeting. The Meetings, inter alia will address discussion and endorsement of “ECO Energy Strategy 2030”. In this regard, the Council called for all Member States to actively participate at the subject events at the highest possible level” (paragraph-5, C. Sector: Energy, Minerals and Environment, Subsector: Energy, Subsector: Energy, Work Programme 2021).

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## AGRICULTURE AND INDUSTRY

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### “ESTABLISHMENT OF STANDARDIZED ECO NETWORK OF SLAUGHTER HOUSES AND REFERENCE LABORATORIES”

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**PROJECT CURRENT STATUS**    SSP    Project has succeeded in the delivery of project products, except some, for which the project works have been extended.

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## OBJECTIVES

- To prepare all required prerequisite normative and regulatory arrangements for establishing the ECO standardized Network of slaughter houses and reference laboratories.

IMPLEMENTING  
AGENCY

Specialist from Republic of Azerbaijan.  
START DATE: 14 January 2021  
COMPLETION DATE: 14 March 2021

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PROJECT RESULTS

**Output:** Set of standardized norms and requirements for the ECO Network slaughter houses based on analyses of the ten ECO Member States.

**Output:** Single Health Certificate for the reference laboratories of the ECO Network based on analyses of reference laboratories in the ten ECO Member States.

**Output** at final stage of completion: Design of software for the ECO regional standardized Network of slaughter houses and reference laboratories.

**Output** at final stage of completion: Project Document.

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RECOMMENDATIONS

**24<sup>TH</sup> COUNCIL OF MINISTERS MEETING (8-9 NOVEMBER 2019, ANTALYA (TURKEY))**

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“Realize the need for **harmonized**, science-based food safety regulations and requirements on the basis of **international standards and formulation of mechanisms for achieving mutual recognition and certification** in and outside the ECO region to catalyze agricultural growth and cooperation and to facilitate smooth trade” (paragraph-33, Antalya Communiqué 2019).

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ENDORSEMENT

**ECO REGIONAL PLANNING COUNCIL MEETING (12-21 JANUARY 2021, TEHRAN (Iran))**

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The 31<sup>st</sup> ECO Regional Planning Council Meeting “appreciated the outcome of the small-sized project of “Establishment of standardized ECO Network of slaughter houses and reference laboratories.” and strongly desired the Member States to implement the outcome of the project with close consultation of the ECO Secretariat to facilitate the smooth trans-boundary movement and trading animal and animal products economically. The Council invited the ECO-TDB to financially support relevant institutions of Member States to implement said project’s outcome” (paragraph-16, D. Sector: Agriculture and Industry, Subsector: Agriculture, Work Programme 2021).

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“SUPPORT TO THE DEVELOPMENT OF ORGANIC AGRICULTURAL PRODUCTION,  
CERTIFICATION AND MARKET INTEGRATION”

PROJECT CURRENT STATUS      SSP      Project has succeeded in the delivery of all project outputs as planned.

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OBJECTIVES      • To provide all necessary regulatory and normative groundwork for certification, market integration and development of the organic agricultural production in the ECO region.

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IMPLEMENTING AGENCY      Specialist from Republic of Turkey.  
START DATE: January 2021.  
COMPLETION DATE: May 2021.

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PROJECT RESULTS      **Output:** Regional Regulatory System and Set of Standards for Organic Food Production in the ECO Member States.  
**Output:** Certification of agricultural organic food products in the ECO Member States.  
**Output:** Market Integration in the ten ECO Member States.  
**Output:** Final Report.

Tasks accomplished:

- Project Pilot Area to demonstrate organic crop production for farmers (to be located in the pilot experimental areas of ECO countries selected suitable by the universities, Ministries of Agriculture or relevant bodies involved in organic production);
- A set of laboratory equipment provided for the Certification and Standardization Center of the Ministries of Agricultures of ECO countries;
- Specialized government agencies and staff assisted in elaboration of documents for introducing codes, standards and regulations on organic farming practices into the national and regional legislation;
- Draft legislative documents prepared for legal alignment of ECO regional organic production and certification in line with international standards;
- Draft of legislative documents on organic farming based on standards and regulations specifically designed for each agency, country and the region prepared, developed and harmonized within the ECO regional organic production and certification standards;
- Reduced barriers for trade in organic food products and essential organic food safety levels ensured across ECO Member States through the establishment of an integrated regulatory framework for organic food production and trade
- Recommendations on policy and strategies for further elaboration of legal

framework and institutional set up to introduce organic farming practices.

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RECOMMENDATION

**24<sup>TH</sup> ECO COUNCIL OF MINISTERS MEETING (8-9 NOVEMBER 2019, ANTALYA (TURKEY))**

“Acknowledge the importance of enhanced cooperation in the field of agriculture targeted on addressing the food security challenges at global and regional level; and Realize the need for harmonized, science-based food safety regulations and requirements on the basis of international standards and formulation of mechanisms for achieving mutual recognition and certification in and outside the ECO region **to catalyze agricultural growth and cooperation and to facilitate smooth trade**” (paragraph-30, Antalya Communiqué 2019).

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ENDORSEMENT

**ECO REGIONAL PLANNING COUNCIL MEETING (14-16 JANUARY 2020, TEHRAN (IRAN))**

The 30th ECO Regional Planning Council “welcomed the project titled “Support for Development of Organic Production, Certification and Market Integration in the ECO region” prepared by the ECO Secretariat and requested the Member States to facilitate its implementation” (paragraph-31, Sector: Agriculture and Industry, Subsector: Agriculture, Work Programme 2020).

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## HUMAN RESOURCES AND SUSTAINABLE DEVELOPMENT

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### “INTRA-REGIONAL CAPACITY IN TRADE OF PHARMACEUTICALS IN THE ECO REGION”

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PROJECT CURRENT STATUS

SPP

Project concept was initiated in 2020.

Project proposal was submitted for consideration of the 24<sup>th</sup> Council of Ministers Meeting (8-9 November 2019, Antalya (Turkey)).

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OBJECTIVES

- To ensure that prerequisite arrangements are in place for ensuring intra-regional capacity for trade in pharmaceutical products in the ECO region.
- The project targets: I. regulation of quality and safeguards of drugs and medicines

for intra-regional exports. II. Licensing of pharmaceutical supplies and market authorization for intra-regional trade. III. Ensuring single point ECO Market of drugs, medicines, and pharmaceuticals.

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IMPLEMENTING  
AGENCY

Specialist from I.R. Iran.  
START DATE: December 2020  
END DATE: March 2021

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PROJECT RESULTS

**Output:** Feasibility study on Intra-trade of pharmaceuticals in the ECO region.  
**Output:** Alignment of regulatory norms/standards on pharmaceuticals of ECO countries.  
**Output:** Development of a single market model of ECO pharmaceutical market.

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RECOMMENDATION

**24<sup>TH</sup> ECO COUNCIL OF MINISTERS MEETING (8-9 NOVEMBER 2019, ANTALYA (TURKEY))**

“To implement ten bankable projects within the period of three months during 2020 with the budget of up to 10,000USD from the ECO Reserve Fund” (paragraph-28, Report of the 24<sup>th</sup> COM).

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ENDORSEMENT

**ECO REGIONAL PLANNING COUNCIL MEETING (14-16 JANUARY 2020, TEHRAN (IRAN))**

We should adopt a plan to build resilient healthcare systems to respond to such crisis in future. We **must possess the capacity to produce the medical equipment and medicines essential** to respond to chronic and infectious diseases” (I.R. Pakistan).

“Turkmenistan intends to actively promote expansion of cultural, sports, educational, youth and tourism relations in the spirit of friendship, brotherhood, commitment to common moral and ethical values that unite our peoples and states. In this regard, we propose to pay special attention to cooperation in the field of science and **medicine**, exchange of experience and knowledge in the fight against the coronavirus pandemic” (Turkmenistan).

“A great experience in the COVID Crunch is that confronting with pandemic and other such diseases inevitably require **collective efforts and systematic cooperation in the fields of health, medicine**, food safety and reliable transit-transport system at regional level” (Secretary General of ECO).