

**Statement of H.E. Mr. Khusrav Noziri,
ECO Secretary General at the Senior Officials' Meeting
Tashkent, January 23, 2023**

**Honourable Deputy Foreign Minister of Uzbekistan, H.E. Furkat Siddikov,
Excellencies, Deputies Minister, Ambassadors,
Heads of Delegations, Distinguishes Delegates,**

It is my great privilege to join you in this important meeting preceding the 26th Meeting of the ECO Council of Ministers. I extend my deep gratitude and appreciation to the Government of Uzbekistan for the excellent organization of the event and providing warm hospitality to the delegations in the beautiful city of Tashkent.

I take this opportunity to thank the Government of Uzbekistan for fueling the spirit of renewed cooperation in ECO, introducing some fresh proposals and ideas during their Chairmanship in 2022. I would also like to felicitate the Republic of Azerbaijan for assuming the Chairmanship of the Organization in the beginning of this month. I am confident that under Azerbaijan's able leadership and within the stimulating concept of their chairmanship that declares 2023 as the "Year of Green Transition and Interconnectivity", ECO will continue to foster regional cooperation in all priority and other sectors to support our efforts for greater development and integration of the Member States.

Excellencies,

In 2022, we celebrated the **30th Anniversary of ECO Enlargement**. On this occasion, I would like to congratulate all our Member States and earnestly acknowledge their steady, strong and joint commitment to the Organization's aims and objectives throughout the period of ECO's inception and expansion.

Since enlargement, ECO has grown into an extended family bearing under its umbrella a number of specialized agencies, regional institutions and affiliated bodies. Moreover, establishment of the ECO Trade and Development Bank in 2005 has been one of the major achievements towards supporting regional trade and investment activities. Sheltering about half a billion inhabitants, connecting geo-strategically north to south and east to west, and endowed with abundant natural resources, I believe that, in the next decade many opportunities lie ahead of us for stronger economic cooperation as long as we maintain the spirit of cooperation with an enhanced participatory approach and stronger ownership in ECO activities.

In this regard, as you would remember, we have held a very productive **Brainstorming Session** in May 2022 in Tehran at the level of Deputies Foreign Ministers to consider the prospects of cooperation in the region. We have benefited greatly from the wise assessments and guidance from the high-level representatives. The recommendations of the Session have been duly taken into account while

planning our activities. Based on the annotation of our today's Agenda, we believe that the proposed institutionalization of this forum as a High-Level Committee will provide valuable guidance to the Organization during our future course of actions.

Distinguished Delegates,

My detailed Report on the Organization's activities since the last COM meeting in Ashgabat is already provided for your consideration. Today's deliberation includes the finalization of Agenda, Report and contents of the Draft Tashkent Communiqué concerning the 26th Meeting of the COM that is scheduled for tomorrow.

In 2022, our economies continued to experience the spillover effects of the global crisis due to the COVID-19 pandemic. Especially, the global rise in inflation rates and subsequent interest rate hikes by major central banks have led to tightening financial conditions and rise in the cost-of-living. The situation was further worsened by recently emerged global political aggressions, creating disruption in supply chains, and concerns over food and energy security.

Notwithstanding this, ECO continued to serve its objectives for greater regional connectivity in special consideration of our project-based approach. We have been able to make considerable advancements in our **transport sector** within the brilliant caption of Uzbekistan's ECO chairmanship in 2022 - the "Year of Strengthening Connectivity".

- In this context, some of our prominent activities include the:
- organization of the 11th ECO Ministerial Meeting on Transport;
 - full operationalization and regularization of Islamabad-Tehran-Istanbul (ITI) Road Corridor;
 - resumption of the services of Islamabad-Tehran-Istanbul Train;
 - operationalization of Geographic Information System Project;
 - establishment of ECO-TIR Associations Consultative Groups (ECO-TIRACG);
 - commencement of the ECO Gate Project;
 - establishment of ECO Maritime Focal Points Network;
 - establishment of Corridor Management Mechanism for the Kazakhstan-Turkmenistan-Iran Corridor; and
 - a joint project with the United Nations Economic Commission for Europe (UNECE) and the Islamic Development Bank for promotion of digitalization of United Nations Convention for the carriage of goods (CMR) and TIR conventions.

During last year, we conducted specialized meetings in transport connectivity, particularly, a joint meeting with UNECE on Operational Rail Capacity of the Trans-Caspian and Almaty-Istanbul Corridors, that led to the establishment of

a Coordination Committee within the framework of the Working Party on Transport Trends and Economy of UNECE as a milestone achievement that will link ECO Corridors to international railways in Europe and East Asia.

I am glad to announce that the Secretariat has started preparations for establishment of two important new corridors namely: the Kyrgyzstan-Uzbekistan-Turkmenistan-Iran and the Tajikistan-Uzbekistan-Turkmenistan-Iran-Türkiye Corridors which are set to contribute significantly towards the accelerated realization of our regional connectivity concept.

Excellencies,

Regarding trade sector; let me draw your kind attention to some useful data concerning our region's outlook:

Our region accounts for 6.6 percent of the global population, yet, the share of ECO region in world **trade** was recorded at 927.8 billion USD in 2021, up from 711.3 billion USD in 2020, which is 4.1 percent of total world trade in goods. This figure clearly falls below its commensurate potential considering the region's share in world population as well as the abundance of endowments in natural and human resources.

In 2021, intra-regional trade in the ECO region was recorded at 76.5 billion USD, which is 8.2 percent of ECO trade with rest of the world. The inflow of Foreign Direct Investments (FDI) to the ECO countries was recorded at 21.4 billion USD in 2021 against 18 billion USD in 2020, showing a good sign of improvement.

The primary reasons for the low shares in world trade, intra-regional trade and still low FDI inflows included, inter alia, high costs in intra-regional trade, high costs of doing business and lack of complementarities among economies of the Member States.

In light of these figures, and also keeping in mind that the ECO region connects important global trade destinations, we believe that there is ample room to further increase our share in global trade. Therefore, the Organization has remained focused on trade expansion through tariff reduction, trade facilitation, and investment promotion through some important projects, including:

- The Roadmap to Institutionalize a Comprehensive Joint Action Plan among the Sovereign Wealth and National Development Funds (SW/NDFs) of the Member States;
- The Roadmap for creating Network of Specialized Economic/Free Trade Zones;
- Initiation of the 4th Phase of the ECO-UNIDO Trade Capacity Building project, whose three phases were hailed by the UNGA in 2021, and

- The ECO Clearing Union and Regional Payment System.

The Secretariat has successfully operationalized the Agreement of Protection and Promotion of Investment (APPI) in 2022, which aims at creating an investment-friendly climate in the region.

On trade liberalization, the Secretariat continued to pursue implementation of our flagship project ECO Trade Agreement (ECOTA). But progress at this front is slower than expected as only five members have joined ECOTA so far. To realize the goals concerning ECOTA as set out in ECO Vision 2025, parties must come together to figure out a way forward to meeting their pending obligations under the Agreement as a first step to implement the agreed trade liberalization.

Additionally, the following initiatives have been pursued for trade facilitation:

- Removal of Non-Tariff Barriers (NTBS);
- Trade Facilitation Strategy and Prospects of a Free Trade Area;
- Trade Facilitation Agreement;
- Visa Facilitation Initiatives for Businessmen;
- Customs Cooperation through Electronic Data Interchange (EDI);
- Operationalization of ECO Reinsurance Company;
- Investment Policy Review of the ECO Member States in collaboration with UNCTAD.

In addition to these activities, I would like to draw your attention to the need for strengthening the ECO Trade and Development Bank; particularly by expanding its membership. The remaining four ECO Member States may consider joining the Bank to make its canvas inclusive, larger and supportive for development of our regional projects. The Bank may also be mandated to financially assist the ECO Secretariat in executing feasibility studies and other bankable projects to support trade and investment in the region.

Excellencies,

In the **energy sector**, improving regional cooperation is essential for a smooth transition to sustainable energy. Our newly adopted Energy Strategy 2030 and establishment of the ECO Clean Energy Center (CECECO) can play a bridging role in this regard.

The Center will contribute to the Global Network of Regional Sustainable Energy Centers in the framework of the UN's Sustainable Energy for All Initiative. Underlining that ECO Vision 2025 also stipulates the establishment of an ECO Clean Energy Center by 2025; I am delighted to state that the Republic of Azerbaijan will be signing the Charter of the Center during a Treaty Event to be organized within the framework of 26th COM Meeting. Availing this opportunity, I encourage

other Member States to sign this important document for timely operationalization of the Center.

I would also like to stress on the establishment of ECO Regional Electricity Market (ECO-REM) for increasing energy trade and enhancing energy security in the region. The Secretariat carries a facilitative approach to create further harmony amongst the Member States for overcoming the impediments on our way to enhanced energy connectivity. Thus, we encourage all our valued Member States to promote dialogue and take decisive actions on this critical issue.

As regards the **minerals sector**, 2022 continued to introduce opportunities for more capacity building. Experts from Azerbaijan, Iran and Pakistan have been active in sharing their advancements in the areas covered by Geomatics.

On the other hand, **environmental** degradation and climate change pose serious threats to our economies, health and livelihoods. Regional cooperation in this area is not an option, but a necessity. In the Ashgabat Consensus for Action the ECO Heads of State and Government agreed on reinforcing cooperation in the field of environment and climate change, as well as uniting and aligning efforts of the Member States to devise effective mechanism for promoting regional cooperation on their environmental issues.

Subsequently, environment and climate change were designated as a cross-sectoral priority to be seriously considered in all ECO activities. Relevantly, we have initiated drafting of the ECO Cooperation Framework on Environment and its three work programs regarding actions needed to be done on biodiversity, climate change, as well as land degradation for the new multi-annual period 2023-2030.

Furthermore, Excellencies, the issue of food security is becoming increasingly important due to some global disputes, economic stress and in view of the issues emanating from growing environmental challenges.

The 7th ECO Ministerial Meeting on **Agriculture** was held in July 2022 in Tashkent, adopting a Declaration on Cooperation in Agriculture and Food Security in the Region along with an updated ECO Regional Program for Food Security (ECO-RPFS). This Regional Program, as the flagship project in agriculture sector, will support food security and agricultural development in the region.

Moreover, the 4th Steering Committee Meeting of the Regional Coordination Center for Food Security (ECO-RCCFS) was held in October 2022 at Istanbul to discuss the implementation process of the RPFS Program. I would like to thank the Government of Türkiye for funding the Transformation of the ECO Regional Coordination Center for Food Security from a program-based organization into a self-sustainable institution, under the FAO-Türkiye Partnership Program. The project will strengthen the capacity of ECO-RCCFS to provide advice and guidance to our Member States for improving food security.

On **industrial development**, acknowledging that SME development is a key to economic development and poverty reduction efforts and is included in the national development plans of our Member States, ECO aims to enhance capacities of relevant government authorities through different workshops and training programs. In this regard, the workshop on “Sharing Best Practices on SME Support and Evaluation Mechanisms” was virtually held in November 2022, in collaboration of ECO Secretariat and Türkiye. During the workshop, the Member States shared their best practices regarding their SME development activities.

Excellencies,

Tourism is one of the ECO priority areas under Vision 2025. The Sector has remained one of the hardest hit industries due to the COVID-19 pandemic. During the 15th Summit last year in Ashgabat, the Heads of ECO Member States desired their Tourism Ministers to take necessary action and measures for addressing regional tourism challenges. Given the vast tourism potential of the region that has yet to be fully exploited, Member States need to enhance their cooperation on tourism for maximum promotion of the industry and accelerating the relevant activities in the region.

The major event in the Secretariat's tourism activities in 2022 was the 4th ECO Ministerial Meeting on Tourism preceded by the 6th High-Level Expert Group Meeting, virtually hosted by Uzbekistan on December 12-13, 2022. The event's outcomes were quite productive that included the adoption of a Declaration and Road Map on Facilitating Accelerated Recovery, Safe and Sustainable Development of Tourism after COVID-19 in the ECO Region as a post-COVID general framework for cooperation. During the event, the Shahrizabz City of Uzbekistan and the Erzurum City of Türkiye were selected as the ECO Tourism Capitals respectively for 2024 and 2025.

Distinguished Delegates,

Regarding **Human Resources and Sustainable Development (HRSD)**, we continue interactions with our development partners, including UNDP and IFRC, to shape a long-term, strategic approach in order to aligning our activities with UN SDGs and meet the relevant targets set forth in the ECO Vision 2025. It is further aimed at developing a Sustainable Development Performance Index of the Member States, monitoring their performance in line with SDGs, and supporting national institutions of the Member States in their assessments and planning activities. However, the response of the Member States has yet to be received on our request for provision of relevant information and data.

As regards preparedness for natural disasters, the Secretariat organized second Workshop on Disaster Risk Transfer with participation of the insurance authorities in July 2022. Also, Regional Action Plan for Disaster Risk Reduction and Management for Cascading Risks in ECO Region were approved in July 2022. In

addition, the Statute of ECO Regional Center for Risk Management of Natural Disasters is placed on our agenda today for kind consideration.

Distinguished Participants,

Let me also briefly inform you about some non-sectoral activities during 2022.

On projects implementation, we have increased focus on ECO project-based approach with our expanded mandate given by 25th COM to execute 20 projects annually. Total number of projects currently stands at 37, while 23 are ongoing and under different stages of implementation. The number of proposed/new projects is 14. As compared to previous data in 2021, the number of ongoing projects has increased around 40 percent in 2022. It may be mentioned that smooth implementation of existing and new projects is hampered due to belated and pending contributions of the Member States.

On economic research, the Charter of the ECO Research Center, which was signed on the sidelines of the 14th Summit in 2021 by Azerbaijan and Türkiye, has been scheduled for signing by other Member States within the framework of the next ECO Ministerial Meeting on Economy. Here, I would like to mention that the Islamic Republic of Pakistan will be signing the Charter of ECO Research Center during a Treaty Event to be organized within the framework of 26th COM Meeting. Other Member States are also encouraged to sign this important Charter. In addition, it may be noted that the 2022 ECO Economic Journal and Annual Economic Report are under process and will be released soon.

On statistics, the Heads of National Statistical Offices of the Member States held their 6th Meeting in June, adopting the ECO Plan of Actions on Statistics for the period of 2022-2026. Moreover, four statistical capacity building training sessions have been organized jointly with SESRIC, the State Department of Statistics of Malaysia, the Turkish Statistics Institute, and UN Statistical Institute for Asia and Pacific (UNSIAP).

International relations remained a major component of ECO policy for enhancing visibility of the Organization. Today, we enjoy cooperative relationships with a number of organizations, including the United Nations, OIC, IDB, WTO, SCO, CICA, OTS, ASEAN and UN Specialized Agencies, Funds and Programs, like UNIDO, UNESCAP, UNECE, FAO and UNCTAD.

We have Observership in the United Nations General Assembly and various Specialized Agencies of the UN. The UN General Assembly passed a resolution on ECO-UN cooperation in September 2021 inviting its Specialized Agencies, Funds and Programs to support ECO's initiatives and activities. This year in 2023, we again stand geared up for the biennially observed re-adoption of this momentous resolution to be tabled at the UNGA under the ECO Chairmanship of Azerbaijan.

Let me underscore the significance of ECO Parliamentary Assembly (**PAECO**) as an important body for parliamentary cooperation in the region. In this regard, I would like to thank the Milli Majlis of Azerbaijan for hosting the 3rd General Conference of PAECO last year in Baku. The Charter of the Parliamentary Assembly of ECO has been signed and ratified by Pakistan, Iran, Azerbaijan and Türkiye. Tajikistan and Uzbekistan have also signed this important Charter. Other member countries would also be appreciated for their kind consideration to accede to the PAECO's Charter.

Finally, I would like to state the ECO leadership within the framework of Ashgabat Consensus for Action expressed "support to international efforts to provide urgent humanitarian aid to Afghanistan through effective, transparent and accountable mechanisms. They also underscored the importance of political inclusivity, protection of human rights of Afghan people, particularly women. The **ECO Advocacy Program for Afghanistan** (EAPA) was adopted at 23rd Council of Foreign Ministers of ECO Member States, held in Dushanbe in 2018. Although the latest developments in Afghanistan has been hampering the links of the Organization with the country, I would like to underline that the Secretariat is committed to the EAPA and is resolved to cooperate with all interested international and regional organizations in lending humanitarian and economic support to Afghanistan.

Excellencies,

While celebrating 30 years of expanded cooperation in the ECO, we organized a reception and photo exhibition on the occasion of ECO Day on December 11, 2022. Also, a **Special Chronicle** to mark the 30th Anniversary of ECO Enlargement was issued on the occasion that prominently covers articles by honourable Foreign Ministers of the Member States and by my-self.

As you are aware, the global financial and political challenges are huge. Yet, the Organization is determined to fulfill its commitment for greater regional connectivity and integration. To achieve such goals, all our Member States are required to be more cooperative, coordinated and forthcoming expressing their renewed resolve and ownership towards the ECO and its mutual objectives. To this end, a more participatory approach is required from all line Ministries and other relevant institutions to achieve our joint targets.

In the past, many initiatives, meetings, including Ministerial level meetings and several other opportunities could not be realized due to lack of quorum. In this regard, I seek your kind support and facilitation to ensure the representation of all Member States in ECO activities to be undertaken this year and in future.

Before conclusion, I would like to emphasize that the Organization maintains and manages all its activities within restricted budget condition due to its pending financial contributions. In this regard, I request your collective support for endorsing **ECO Budget 2023** to be finally approved by the COM tomorrow. I may recall that

smooth and efficient functioning of the Organization depends on stable financial conditions of the Secretariat that is subject to receipt of timely contributions from all our esteemed Member States.

I am confident that this meeting will ensure our common understanding on all issues to be considered under our Agenda today. I wish the Year 2023 drives us to an expanded level of cooperation based on the Azerbaijan's Chairmanship theme that is the "**Year of Green Transition and Interconnectivity**".

I wish all the best for today's discussion that is aimed at facilitating the 26th Meeting of the COM.

Thank you.