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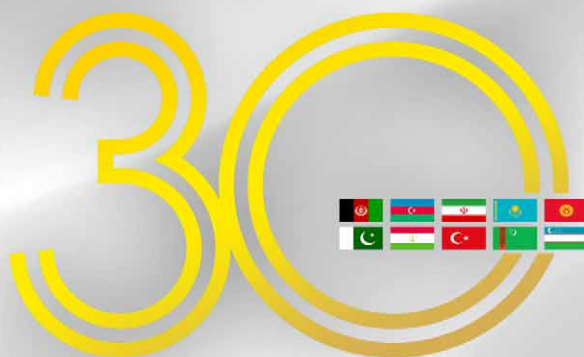
Series 11 No. 29



# ECO CHRONICLE



30<sup>th</sup> ECO  
ENLARGEMENT  
ANNIVERSARY  
1992 - 2022



## Foreword



Years ago in the early 1990s, the Economic Cooperation Organization (ECO) stretched the fabric of its cooperative partnership, dilating the diversity and scope of multilateral economic activism in the region. It was the time when the

Islamic Republic of Afghanistan and the Republic of Azerbaijan, as well as five Central Asian countries, including the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, Turkmenistan and the Republic of Uzbekistan were warmly welcomed to ECO family by the Islamic Republic of Iran, the Islamic Republic of Pakistan and the Republic of Türkiye.

I feel exuberant and filled with intense felicity to pen for expressing my reflection on this sequel publication which is being released to mark the 30<sup>th</sup> Anniversary of the ECO Enlargement. Symbolizing the expansion of ECO umbrella of common interest and mutual relationship makes this Chronicle quite exclusive.

This edition contains valuable articles by the honourable Foreign Ministers of the Member States, myself, and members of ECO Team.

Under the dynamic leadership of the Republic of Uzbekistan, our festive celebration is also going to witness a successful completion of the alphabetical rotation of the ECO Chairmanship. We further stand geared up for a fresh round of this rotational management in the Organization with the assumption of ECO Chairmanship by the Republic of Azerbaijan for the year 2023. Here, I fairly re-acknowledge that, as the ECO

Chair for 2021, Turkmenistan made excellent contribution to fuel and facilitate the Organization's agenda of regional cooperation.

Moreover, I take this opportunity to sincerely commend and appreciate the significantly increasing role of the Republic of Uzbekistan in the ECO business spheres, particularly in the country's capacity of being the current Chair of the Organization. To this end, I deem it objectively apposite to recall the brilliant initiative of the Uzbekistan's honourable President H.E. Mr. Shavkat Mirziyoyev, under which the Organization proclaimed 2022 as the "Year of Strengthening Connectivity" in the region. I must commend the idea that has remained not just successful but led to the effective deliberation and concept for developing a regular method of such ECO year-wise tilting in the years to come.

The Organization's overall progress is smooth, steady and in line with the aims and objectives of the Treaty of Izmir and ECO Vision-2025. However, the time is challenging especially in the post-COVID scenario. In this age of rapid scientific and technological advancement which coincides with growing economic and political rivalries, moving ahead with one's own perceptions appears to be not only difficult but perplexing indeed.

Notwithstanding the prevailing competitive trends and shrinking space for development in the global landscape, we are devotedly determined and firmly committed, as an Organization, to plow ahead with the continued promotion of our common agenda and interest that is purely aimed at enhancing the ECO visibility in the international canvas and securing strong and greater integration of our own region.

*Khusrav Noziri*  
ECO Secretary General



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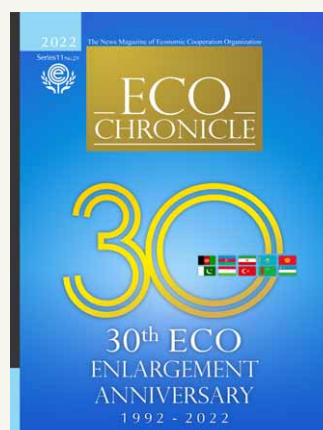
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In The Name Of God

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## H.E. Mr. Bakhtiyor Saidov

Acting Minister of Foreign Affairs of the Republic of Uzbekistan  
(Chairman of ECO for 2022)

Since its creation, the Economic Cooperation Organization (ECO) has gone through a long evolutionary path and turned into one of the largest authoritative regional structures, with a huge trade and economic, transport and transit, and intellectual potential.

As President of Uzbekistan Shavkat Mirziyoyev rightly stated during his speech at the 15<sup>th</sup> summit of the Organization in Ashgabat in November 2021:

"Our fraternal people, who share a common history and religion, similar customs and traditions, have been closely linked by trade and cultural ties since ancient times. It is necessary to make full use of the significant potential of our countries, a huge market with a population of 500 million people."

The ECO countries are the largest trading partners of Uzbekistan, with a trade turnover of \$11.1 billion by the end of 2021 (exports – \$5.4 billion, imports – \$5.7 billion), which is 1.8 times higher than in 2017.

This year is historic for Uzbekistan because, firstly, our country has the honor to preside over the ECO; secondly, November 28, 2022 marks 30<sup>th</sup> Anniversary years since Uzbekistan became a full member of the Organization. I would like to note that Uzbekistan has been standing for and making efforts throughout this time to further deepen comprehensive relations and mutually beneficial cooperation in the interests of all ECO member countries, and to enhance the role and visibility of the Organization in the international arena.

In recent years, our country has significantly increased its participation in all ECO activities. Uzbekistan's official delegations

take part in meetings of Procurators-General, Heads of Maritime Organizations, Ministers of Transport, Tourism and Agriculture, etc.

Uzbekistan's chairmanship of ECO is carried out in accordance with the 'Concept of Uzbekistan's Chairmanship of ECO in 2022', 'ECO Vision-2025', and plans and programmes in various areas of cooperation, adopted within the Organization.

Over the past period, a number of important events have been held in the ECO under the chairmanship of Uzbekistan. In particular, the meeting of the Regional Planning Council (January 2022), the meeting of Ministers of Agriculture (July 2022).

Active preparations are underway for the next meeting of the Council of Ministers of Foreign Affairs and the meeting of Ministers of Tourism and Transport, which will be held in Uzbekistan in the very near future.

Special attention should be paid to the Brainstorming Session held in May this year at the ECO Secretariat, Tehran as part of the implementation of the initiative of the President of Uzbekistan on improving the efficiency of ECO.

The event was aimed at exchanging views on reforming the Organization, enhancing its effectiveness and that of specialized agencies, and developing a coordination mechanism for funding and implementing joint projects.

It is encouraging that after discussing the prospects and issues of regional trade and interconnectedness, the participants of the Brainstorming Session expressed confidence that, despite the volume of trade between the ECO member countries, which by the



end of 2021 amounted to about \$40 billion, there are opportunities to increase this figure to \$500-600 billion.

Uzbekistan stands for the expansion and strengthening of partnership between the Member States in the economic, trade, industrial, energy, agricultural, transport, communication, innovation, cultural, and humanitarian spheres.

On the basis of good neighborliness relations, mutual respect and consideration of the interests of all countries, we pay attention to further improving the welfare and quality of life of the ECO people.

In order to expand trade and economic cooperation, our countries need to strengthen communications and interconnectedness by improving existing transport corridors and forming new promising transport and transit projects.

At this instance, it is important to create inter-regional transit hubs, develop modern transport and road infrastructure, optimize transport and transit tariffs and provide additional discounts, and simplify conditions for international freight and passenger transportation.

In this context, Uzbekistan attaches immense importance to the implementation



of the construction of the Uzbekistan-Kyrgyzstan-China railway, which will expand the geography of trade and transportation from China through Uzbekistan to Türkiye and further to Europe and back as well as to the Persian Gulf states.

The construction of the Termez-Mazar-I-Sharif-Kabul-Peshawar railway will provide cargo transportation and allow ECO countries to reach the seaports of Pakistan.

In general, in order to enhance the activities of ECO, we believe that priority should be given to the following areas:

First; the development and adoption of an

updated and comprehensive Trade Agreement, which should include the removal of trade barriers, which is now becoming increasingly important.

Second; we should focus on the creation of a single digital space and accelerate the process of digital transformation, including the expansion of electronic commerce and digitalization of customs procedures.

Third; the development of a regional joint action plan aimed at increasing the flow of mutual investments and improving the investment climate, as well as deepening industrial cooperation.





Fourth; the intensification of practical efforts aimed at ensuring "green" development, as well as the widespread introduction of resource-saving technologies in industrial sectors, the achievement of carbon neutrality.

Fifth; the restoration of tourist exchange, the development of "pilgrimage tourism", tourist products, the expansion of the geography of air transportation, the renewal of the tourist infrastructure as a whole.

I am confident that through joint efforts we will implement mutually beneficial projects that will not only have a positive impact on trade and economic relations, but will also bring our friendly countries and people

closer together, who are united by a common history, religion, culture and spiritual values.

In conclusion, I would like to note that the announcement of 2022, on the initiative of the President of Uzbekistan Shavkat Mirziyoyev, the Year of Strengthening Interconnectivity in ECO, has given a new impetus to the positive development of the Organization in all spheres of multilateral cooperation.

Uzbekistan is ready to extend all possible assistance in improving the image and authority of the Economic Cooperation Organization.



H.E. Mr. Jeyhun Bayramov

Minister of Foreign Affairs of the Republic of Azerbaijan

# Azerbaijan and ECO: 30 years of cooperation and way forward

## Economic diplomacy of Azerbaijan: positive impact on regional economic synergies

After regaining its independence, Azerbaijan has actively engaged with regional organizations, and membership in the Economic Cooperation Organization (ECO) was one of the first important steps in this direction.

Azerbaijan's membership in ECO, that we marked the 30<sup>th</sup> anniversary last year, had enormous impact to regional trade and economic cooperation. Partnership between Azerbaijan and ECO member states are based on long-time historical relations that plays a crucial role in fostering a comprehensive and wide-ranging agenda of the organization.

As global economy is shifting into new era of the substantial uncertainties, such new trends considerably enhance the necessity of unleashing the potential of regional cooperation. Thus, finding creative ways and means to improve the existing mechanism of cooperation within organization has gained further importance.

From this point of view, as an active participant and key enabler of regional and

trans-regional initiatives, Azerbaijan has a positive impact on economic synergies in the region. Azerbaijan has involved in implementation of several major projects to promote East-West and North-South corridors. Moreover, the development and export of Azerbaijan's energy resources, in particular, the implementation of the large-scale energy connectivity projects, inter alia, the Baku-Tbilisi-Ceyhan pipeline, the Southern Gas Corridor, as the largest energy infrastructure projects in Europe, have contributed to sustainability and energy diversification of the wider region.

While Azerbaijan has large oil and natural gas reserves, including necessary infrastructure and capabilities to export them, in mid and long-term perspective our main goal is to develop renewable energy sector, and to transform into a "green energy" exporter. Considering 27,000 megawatts of renewable potential, and on top of that 157,000 megawatts potential of offshore wind, ongoing large-scale solar and wind energy projects, as well as plans to build two new lines for electricity exports to Europe, Azerbaijan has a potential to become a regional "green energy" hub. This opens enormous opportunities for renewable energy companies and "green" investors in the ECO region.



As an active contributor in global action to tackle climate change, Azerbaijan has set an ambitious target to reduce greenhouse gas emissions by 35% by 2030 compared to the base year (1990). During COP26 in Glasgow, Azerbaijan set new targets to reduce greenhouse gas emissions by 40% and to create a "net zero emission" zone in its liberated territories, that were formerly occupied by Armenia, by 2050 as an additional voluntary commitment.

With a view to achieve its climate goals and to ensure sustainable energy transition, Azerbaijan aims to increase the share of renewable energy sources in the country's total installed electricity capacity from current 17% to 30% by 2030.

The "clean environment and green growth country" has been identified as one of the five

National Priorities for socio-economic development of the country in the next decade.

### Azerbaijan - ECO cooperation

Azerbaijan attaches great importance to cooperation within ECO, and is interested in the efficient operation of the Organization, putting forward proposals and initiatives for sustainable development.

One of the major areas within the organization, that Azerbaijan is closely involved among others, is cooperation in the energy field.

Azerbaijan hosted the 4<sup>th</sup> Meeting of the ECO Energy Ministers in June 2021. The meeting adopted the "Baku Declaration" on strengthening energy cooperation among ECO member states, the ECO Energy Strategy

2030 and its Action Plan, as well as the Charter of the Clean Energy Center, and the Regional Electricity Market Roadmap.

The 25<sup>th</sup> Meeting of the Council of Foreign Ministers of ECO held in Ashgabat on 27 November 2021 has officially approved the bid of Azerbaijan to host the ECO-UNIDO Clean Energy Center, newest addition to UNIDO's global network of sustainable energy centers.

Azerbaijan also attaches high importance to enhance research and science cooperation in the ECO region. In this respect, the ECO Research Center to be hosted by Baku also reflects the priority given by Azerbaijan to this important domain.

Another special emphasis within the Organization is placed on efforts towards further deepening trade. Our country has always supported expansion of economic and trade ties in the region. Azerbaijan enjoys free trade regime with 10 countries (Central Asia 5 + Russia, Belarus, Moldova, Georgia, Ukraine), 5 of them being ECO member states.

On bilateral level, we have preferential trade agreement with Türkiye. Pakistan is another important trade partner for us and we have already launched negotiations on bilateral preferential trade agreement. In general, we collaborate with 8 ECO Member States on trade facilitation issues at regional and bilateral fora.

Conducive business environment is an important prerequisite for fostering foreign direct investments in the ECO Member States.

Azerbaijan was closely involved in cooperation with World Bank in the process of improving its international ratings on ease of doing business. As a result of comprehensive economic reforms, Azerbaijan was listed among the 20 most reformist countries in "Doing Business 2020" flagship report by the World Bank, as well as labeled as a country making huge strides in economic freedom in

"2020 Index of Economic Freedom".

Outstanding geographical position of the ECO region, its location at the cross-roads of the East-West and North-South routes is a natural premise for pursuing connectivity and transport initiatives within the Organization. Promotion of trade in the region through connectivity is an important factor. In this regard, Azerbaijan has always pursued an active policy, made its territory suitable for all these opportunities as a natural bridge between Europe and Asia, developed the transport infrastructure, simplified the procedures of transit transportation, as well as established strong cooperation with the countries of the region.

Azerbaijan has also taken concrete steps for the efficient operation of the Middle Corridor - an important element of the East-West, North-South international transport corridors.

Azerbaijan is also actively engaged in further development of the international North-South Transport Corridor. To make this corridor fully operational, we consider that it is of utmost importance to exert our efforts towards early completion of the construction of the missing link of Rasht-Astara (Iran) railway line. Implementation of this project will also contribute to promotion of the South-West international transport route.

Meanwhile, the agreement reached in March 2022 on the establishment of a transport connection between the Eastern Zangezur Economic Region of Azerbaijan and the Nakhchivan Autonomous Republic by passing through the territory of Iran marks and important development in expanding alternative transport routes in the ECO region. The creation of this new transport link can create prolific conditions for the transportation of goods from the Persian Gulf through an alternative route within the framework of the North-South corridor, as well as create opportunities for the transit of goods through Azerbaijan to the territory of Iran and Türkiye in the direction of the East-West route.



The declared "2022 - Year of the Strengthening Connectivity" in line with the "ECO Vision-2025" symbolizes an important period for Azerbaijan in terms of enhancing our role as a reliable regional transport hub.

We believe that this new transport artery in the region, consisting of road and railway, as well as border facilities will further enhance intra-regional transport cooperation, provide new impetus to additional trade flows through diversified transport communications boosting transit potential of the North-South and South-West transport corridors.

### **New opportunities in post-conflict sustainable development**

Maintaining security and stability is a crucial component in building successful society and regional cooperation. The end of 30-year-long armed conflict between Armenia and Azerbaijan, and liberation of long-time occupied territories of Azerbaijan, opened new opportunities for sustainable development in the region.

Having put an end to the armed conflict, Azerbaijan has declared its intention to build inter-state relations with Armenia. Opening of all transport communications as envisaged in the Trilateral Statement of the leaders of Azerbaijan, the Russian Federation and Armenia of 10 November 2020, including from Western region of Azerbaijan to the Nakhchivan Autonomous Republic that would pass through Zangezur, is of particular importance, both in terms of contributing to peace and stability in the region as well as for boosting trade among countries.

Along with unblocking of the communications in the region, numerous multi-million reconstruction projects in the liberated territories being implemented by Azerbaijan in partnership with state and private sectors of different countries are vivid examples of new cooperation avenues opened in the region over last two years.

Large-scale construction and restoration

work is being carried out to ensure the rapid integration of the liberated territories of the Republic of Azerbaijan into the national economy.

Transformation of the liberated territories into a "green energy" zone has been identified as one of the main goals by the President of the Republic of Azerbaijan. The participation of foreign investors, including companies and investors from the ECO region in the development of Karabakh and Eastern Zangezur as a "green energy" zone and high-tech projects can yield promising results.

### **Enhancing the ECO's potential - way forward**

Azerbaijan wishes to see the ECO as more result and project-oriented organization and based on Member States driven priorities and common economic interests. Against this background, Azerbaijan has always supported the reforms aimed at increasing efficiency of the Organization and streamlining its activities.

It is very important to build the future of the ECO as an organization that keeps up with the modern regional and global trends and challenges. In this regard, our Organization should also conduct regular evaluations and implement reforms if necessary.

In this respect, the Republic of Azerbaijan during Chairmanship in the ECO in 2023 dedicated to the theme of "Green Transition and Interconnectivity" will continue to actively contribute to the regional economic cooperation agenda within the Organization.

Of course, the values that unite us stand at the core of the ECO, which is considered one of the longest-lived organizations. This will create fertile conditions for our future joint activity and the success of the Organization for many more years.

H.E. Dr. Hossein Amir-Abdollahian

Minister of Foreign Affairs of the Islamic Republic of Iran

# Economic Cooperation Organization (ECO): 30 years on

The accession of the Islamic Republic of Afghanistan, the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, Turkmenistan, and the Republic of Uzbekistan marks a milestone in the history of the Economic Cooperation Organization (ECO). I would like to congratulate the 30<sup>th</sup> Anniversary of this significant turning point in the ECO history to the ECO Community. Economic cooperation and integration in the context of regional organizations is an important and key instrument in national development policy as well as economic diplomacy of countries. The joint and timely measure by Iran, Pakistan and Türkiye in reviving RCD in 1985 and the establishment of the ECO, opened a new chapter in regional economic cooperation in this important and strategic region. The accession of seven new countries to the ECO in 1992 broadened the prospects for cooperation.

The deepening and expansion of economic cooperation with neighboring, regional and Asian countries is a priority in the economic diplomacy of the government of the Islamic Republic of Iran. Multilateral regional arrangements, such as the ECO, play a significant part in this strategy, and the Islamic Republic of Iran devotes significant energy and attention to strengthening their role and status as the facilitator of bilateral cooperation and accelerator of economic development in the region.

Endowed with a population of half a billion inhabitants; one third of the world energy resources; a distinctive connectivity position linking Europe to China and Russia to the Persian Gulf and the Indian Ocean; young and energetic manpower; and deep religious, historical, cultural and civilizational commonalities provide the ECO Region with the potential to become a powerful player in various fields at regional and global level, including in transit, trade, energy, and cultural exchanges. However, 30 years on, it is to be admitted that there still remains a long road ahead towards the full realization of such potential.

Credible measures have been taken during the past 30 years to develop cooperation within the ECO framework. Despite valuable measures taken to establish the necessary infrastructural, regulatory and institutional foundations, the achievements are not proportionate to the existing capacities and the high aspirations of the Organization. In some key areas such as trade, the achievements have been much less than expected. Despite high trade potential and existence of the required infrastructures, the intra-regional trade still remains under 10 per cent. In addition to "ECO Trade Agreement" (ECOTA), customs, banking and insurance cooperation and interactions have also been launched within the ECO which require further attention in order to help increase intraregional trade. It is also extremely necessary to pay attention to the potentials and



capabilities of the private sectors in the region.

The governments of the ECO Member States and the ECO Chamber of Commerce and Industry must effectively pave the way for the engagement of the private sector in intra-ECO trade interactions. Active engagement of the ECO Member States in streamlining the existing trade-related ECO institutions, including the ECO Trade and Development Bank, the ECO Reinsurance Company, the ECO Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology, the ECO Chamber of Commerce, etc., can play a significant role in realizing the trade goals of the Organization.

Transport and transit is another important area for cooperation within the ECO. All the seven countries which joined the ECO 30 years ago

are landlocked. Fortunately, the other three Member States, i.e. the Islamic Republic of Iran, the Islamic Republic of Pakistan, and the Republic of Türkiye, are among the major transit countries in this part of the world. This combination of landlocked and transit countries has developed promising cooperation and initiatives in the area of connectivity in the ECO Region and beyond. Important rail, road and multimodal corridors have been designed, some of which are now operational, while important feasibility studies for new and potential ones have been conducted by regional and international consultants. In addition to the intra-ECO transport cooperation, the researches, evidences and experiences show that routes passing through the ECO Region enjoy considerable advantages over other routes, which makes the ECO an undeniable reality in international transport and



transit as well as global trade. What still remains missing is a strong need to establish and apply a corridor management system across all ECO corridors which would ultimately lead to an integrated management mechanism for all regional corridors.

The ECO region enjoys abundant energy reserves. Two important world hydrocarbon reservoirs, i.e. the Persian Gulf and the Caspian Sea, are located in the ECO Region. Cooperation in the field of energy is a priority in the ECO founding and statutory documents. Such cooperation is not restricted to oil and gas but covers other fields such as renewable energies and transfer of, and trade in, electricity. The initiative to establish ECO Regional Electricity market constitutes a valuable step which we hope will soon move from the pilot phase to the implementation phase.

Together with other energy producing and exporting countries in the region, the Islamic Republic of Iran has always been ready to meet the energy needs of the consumer members. This is not limited to the ECO countries. Iran is committed to play a role in securing energy supply globally. President Raisi has recently tabled an initiative entitled "Gas for Post-Covid Global Economy Recovery" which aims to ensure energy security through producers-consumers dialogue and engagement while respecting environmental, energy savings, and efficiency dimensions and concerns. The ECO region can serve as an initial platform for such dialogue and engagement between energy producers and consumers in the dire straits of the energy market in the world.

On the 30<sup>th</sup> anniversary of ECO enlargement, it is necessary to revisit the high aspirations behind the establishment of the Organization and evaluate the rate of their realization. It is also imperative to carefully scrutinize the impediments and shortcomings and pave the way for the boosting untapped potentials and capacities. In this regard and in the 15<sup>th</sup> ECO Summit in Ashgabat, President Raisi reiterated the need for serious joint efforts by all Member States to expand intra-regional trade, to embark on free trade negotiations within the ECO, to

utilize the abundant connectivity capacities and facilities in the ECO, to use trade and developmental capacities of energy sector in the region, to strengthen cooperation in digital economy, and to put in place a new financial architecture in the ECO Region. The proposed ECO joint investment fund needs to be established and activated as one step towards this end. The regional trade capacities as well as infrastructural and developmental requirements on the one hand, and limited access to financial resources from outside the region on the other hand, necessitate the application of more effective mechanisms in the form of a new regional financial architecture.

The past 30 years have taught important lessons to the ECO Member States which can guide the Organization in the future. The increase in intra-regional trade will undoubtedly mark the commencement of economic convergence among the Member States. The membership of some member countries in other regional organizations and arrangements, the so called parallel memberships, must not affect the full realization of ECO economic and trade potentials. The Islamic Republic of Iran seizes any opportunity, including the opportunity of membership in other regional organizations, to increase cooperation and convergence in the ECO Region and expects other Member States to continue to give priority in their regional agenda to the enhanced cooperation in the ECO. Furthermore, it is necessary that all arrangements, institutions, and agreements concluded within the ECO be supported by all the 10 countries. The current situation, i.e. the





membership of only a few ECO members in certain ECO agreements and institutions does not benefit the ECO. Hence, it is time to establish a mechanism to engage, in a reasonable period of time, all Member States in all ECO arrangements, agencies, and regional centers as well as current and future ECO agreements. In doing so, successful regional integration models used in other regional economic organizations may be utilized.

One encouraging and promising development in the recent years has been the strengthened sense of ownership towards the ECO among the members and the active engagement of the member countries in the ECO activities and their participation in the

leadership of the Organization as well as in the activities of the Secretariat. The innovative and proactive chairmanship of Turkmenistan and Uzbekistan in the ECO in 2021 and 2022 respectively; deputation of nationals of non-represented countries in the ECO Secretariat in Tehran; and the budgetary contribution of all 10 members, promisingly indicate that a more integrated and robust ECO is emerging in the next 30-years. As announced in previous occasions, the Islamic Republic of Iran is fully prepared to respond positively to the legitimate request to abandon the division of the ECO Member States as "founding members" and "non founding members." It is also advisable to consider expansion of the ECO to other interested countries, those with the capacity to contribute to the realization of the noble objectives of the Organization. In this regard, the Secretariat may propose to the Member States the potential candidates for consideration.

Before concluding this article, I would like to highlight the important role of the ECO Secretariat in the realization of the goals and aspirations of the ECO Member States. Implementation of the projects and programmes, and integration in the ECO, like in any other economic cooperation organization, requires a professional, efficient and well- structured secretariat. In the past 30 years, the ECO Secretariat has been instrumental in the advancement of ECO programmes. What we expect from the ECO in the coming years will not be realized until and unless the Secretariat is enhanced and equipped by requisite financial and human resources.

In conclusion, it is worth noting that the abundant economic potentials in the ECO Region and the built foundations and infrastructures for cooperation may not come to fruition without giving priority to the development of economic cooperation through the ECO in the national policies of our countries. The Islamic Republic of Iran is firmly determined to do it.

H.E. Mr. Mukhtar Tileuberdi

Deputy Prime Minister - Minister of Foreign Affairs  
of the Republic of Kazakhstan

# Kazakhstan and ECO: Thirty Years of Partnership

**T**he Economic Cooperation Organization (ECO), established in 1985 as a successor to the Organization for Regional Cooperation and Development, received a new impetus in 1992 after the countries of Central Asia, including the Republic of Kazakhstan, joined it.

Since then, Astana got actively involved in the ECO's activity. Kazakhstan considers the ECO to have a huge potential. By encompassing a territory of over 7 million sq. kilometers with a population comprised of more than 440 million people, the Organization generates a GDP of almost two trillion USD.

Our country hosted the 5<sup>th</sup> ECO Summit in 1998, the 8<sup>th</sup> and the 15<sup>th</sup> Meetings of Council of Ministers in 1998 and 2005, respectively. Several sectoral and experts meetings were also held in Kazakhstan. Despite not being the ECO's founding country, Kazakhstan assumed itself a large portion of membership fees having become the fourth contributor to its budget after Iran, Pakistan and Türkiye.

As H.E. Mr. Kassym-Jomart Tokayev, President of the Republic Kazakhstan, stated at the 14<sup>th</sup> ECO Summit held in the format of

video conference on March 4, 2021, there are many areas for our mutually beneficial cooperation.

First; in order to expand the intraregional railway connection, our President called for development of new routes which will reduce travel time and costs, and thereby increase social contacts between our people.

Second; one of the promising areas could be food security. To date, the agro-industrial complex of the member-states exceeds 15 percent of the ECO's total GDP. Food security and accessibility to food is one of the most important issues not only in the ECO region, but also globally. In this regard, the President called on the member-states to join the Islamic Organization for Food Security headquartered in Astana.

Third; our Head of State also suggested tourism as another area for cooperation among the ECO member-states. Similar to other ECO members, Kazakhstan has a plethora of destinations which could be attractive for tourists.

Fourth; the health sector was also mentioned by President of the Republic Kazakhstan as an





area of mutual interest and future cooperation of the member-states.

Fifth; in order to improve efficiency of the Organization in new conditions, our Head of State instructed the Secretariat to prepare a comprehensive functional analysis of the Organization with concrete ways to increase its overall efficiency.

Besides that, other initiatives such as development of a Road Map on Trade, the Program on Food Security, the Strategy on Cooperative Development of ECO Member-States' economies as well as establishment of the Special Council on transport and transit policy were proposed

by Kazakhstan's Prime-Minister at the 15<sup>th</sup> ECO Summit held in Ashgabat in 2021.

Since its accession to the Organization, Kazakhstan has always highlighted that the ECO's transport and logistical opportunities could become its most valuable and promising asset in the future.

Our country advocated for the adoption of a plan for the development of transport infrastructure known as the Almaty Plan, which was signed in our former capital in 1993. This document was the first among the launched processes for the development of that sector in the ECO format.



In 1998 our country agreed and signed the Joint Plan of Actions in transport and communications.

Thanks to the joint efforts of the member-countries and Kazakhstan's active involvement, new railroad routes are being developed, which are linking transport systems of Central Asian countries, Iran and Türkiye with Russia and China.

It should be noted that railroads comprise up to 80 per cent of cargo and 50 per cent of passenger turnover in the ECO region.

Kazakhstan also initiated the biggest project in the region - the construction of a railroad

passing through the territories of Kazakhstan, Turkmenistan, Iran, Türkiye and further to Europe. The project has an important strategic role not only for the mentioned countries but also for the whole ECO region.

In 2014 a new Kazakhstan-Turkmenistan-Iran railroad was launched. It plays a crucial role in the "North-South" Economic Corridor that links Europe and Asia.

In order to operationalize the Kazakhstan-Turkmenistan-Iran (KTI) railroad, a project on commercialization of the KTI railroad was timely initiated in conjunction with the ECO Secretariat. This initiative resulted in signing of a Memorandum of Cooperation on the



*PM Kazakhstan Proposing Revival of Silk Way  
During 15<sup>th</sup> ECO Summit*

Implementation of KTI rail corridor on November 26, 2021, in Ashgabat in the framework of the 15<sup>th</sup> ECO Summit.

Another new container train with the route Sian-Istanbul-Prague, which interlinked China-Kazakhstan-Azerbaijan-Georgia and Türkiye, was launched successfully in 2019.

Kazakhstan has reached bilateral agreements on automobile shipping with all ECO countries in order to develop cooperation in automobile transport.

Since seven out of 10 Member-States are landlocked countries, Kazakhstan advocates for the development of complementary and

non-competitive economic and transport-transit corridors. Effective employment of ECO's unique geographical advantages which are well suited both for cargo shipment and for transportation of passengers from the East to the West can give significant impetus for development of the ECO economies.

Our country has also been developing communications, which will contribute to the development of trade in the ECO region.

In this regard, it is worth mentioning the Trans Asian - European Fiber Optical Cable network.

The ECO region stretching from Central Asia to South and South-West Asia is very rich in historical-cultural heritage. It is a place where the Ancient Silk Road passed through. This demonstrates that the ECO region can become one of the most attractive tourism destinations in the world.

The above-mentioned initiatives are only a small part of the achievements in the 30 years of Kazakhstan-ECO cooperation. We therefore see huge untapped opportunities in the ECO which have to be explored. In the new geopolitical conditions, developing regional cooperation and new economic projects is of particular significance. Achieving real project orientation by our Organization should be considered a new goal in the next chapter of ECO's development.

In conclusion, the ECO has every potential to benefit the whole region. Increasing the effectiveness of the Organization is crucial in achieving this objective. We, therefore, hope that the Organization can reach its potential in the near future. Kazakhstan, in turn, is ready to extend its support to ensure the prosperity of the ECO region.

We believe that the traditionally amicable and historically good neighborhood ties will serve as a solid basis for further strengthening fruitful and constructive cooperation for the sake of sustainable development of all ECO Member-States.



H.E. Mr. Zheenbek Kulubayev

Foreign Minister of the Kyrgyz Republic

# The Kyrgyz Republic and the Economic Cooperation Organization

**T**he Kyrgyz Republic's membership in the Economic Cooperation Organization (ECO) meets the interests of Kyrgyzstan and is broadly connected to the objective need to promote multifaceted cooperation in the ECO region.

The Kyrgyz Republic considers the ECO as a platform for multilateral cooperation based on common economic interests of the broad region's countries and development of bilateral relations with ECO Member States.

Assessing the activities of the Organization over a 30-years period and determining the prospects for the future, we see that the countries of the ECO have reached a new level of development over the past few years and can tackle more challenging issues and tasks.

Today, the ECO is an organization with significant resource potential for development in order to truly become an effective instrument

for regional integration in the modern conditions for the benefit of all its member states. Our countries are united by common historical and cultural roots which date back to the centuries when trade cooperation flourished along the entire Great Silk Road.

While committed to the idea of regional integration, Kyrgyzstan will make every effort to further implement the Organization's fundamental objectives and develop effective cooperation among the Member States.

In order to achieve effectiveness of the Organization, the roadmap document ("ECO Vision -2025"), the declarations ("Ashgabat Consensus for Action") and resolutions have been adopted in recent years, which require specific projects and programs for the practical implementation of cooperation priorities for all ECO Member states. This applies to the development of regional trade, transport and energy, agriculture, food security, customs and



healthcare, implementation of agreements for increasing the share of the region in the world trade and establishment of a free trade zone among the ECO Member States.

At the same time, within the context of modern challenges and threats to international security and profound changes in the world economy, the ECO Member States face completely new challenges, which impose ever higher demands on ECO, and further reforming the activities and improving the efficiency of the ECO Secretariat becomes the necessity of the time.

Within the framework of the Organization, the important task is to take joint measures for

reducing the risk of economic crisis in the ECO region, which undoubtedly bears and will bear a negative impact on the financial and economic situation of the member countries, and determine necessary ways to jointly overcome the situation and ensure minimum losses.

Moreover, the activation of ECO relations with other regional economic associations, international, economic and financial institutions is important for the sustainable development and economic cooperation in the region.

The slowdown in economic growth in the countries of the region exacerbated

socioeconomic problems and showed the urgent need to diversify the economy and increase the competitiveness of our markets by switching to more capital-intensive industries. It requires us to make combined efforts, especially in a crisis situation.

In this regard, the establishment and development of a regional infrastructure, including a single extensive transport network, telecommunications network, pipelines and energy systems, is a priority for the successful resolution of these issues, since the development of regional infrastructure is a prerequisite for effective intraregional and interregional cooperation in many areas of interaction and mobility.

Undoubtedly, we support the importance of establishing a regional energy market for expanding trade and supply of energy resources in the Organization's region, facilitating the process of energy export and import, accelerating economic growth and supporting energy security and stability in the region.

Efforts should be made to dynamically increase mutual trade among the countries by expanding the range of goods of common interest. In this context, it is proposed to take practical steps to build attractive logistics routes and use multimodal transport corridors.

Kyrgyzstan, together with other ECO countries, is actively involved in the development of the East-West and North-South transport corridors, which provide the Central Asian countries with the opportunity to enter the Persian Gulf through Turkmenistan and Iran.

This year in September, a trilateral agreement was signed on the construction of the China-Kyrgyzstan-Uzbekistan strategic railway project that was included in the ECO Action Program for the Development of Transport and Communications in the ECO region. Currently, the parties are preparing a feasibility study to launch the project, which is planned for 2023. The implementation of this project will significantly increase the international trade, investment and transit potential of Central Asia.



*President of Kyrgyzstan on making Kyrgyz Republic Carbon Neutral by 2050 during 15<sup>th</sup> ECO Summit*

In addition to this, the construction of the China-Kyrgyzstan-Tajikistan-Afghanistan-Iran transport corridor with the prospect of reaching the seaports of Bender Abbas, Chabahar and Gwadar, has a significant potential for further cooperation among the ECO Member States. The implementation of these projects will give great impetus to the development of intra-regional trade.

In 2022, the Kyrgyz side focused on the development of trade and economic ties with the possibility of using the important seaport of Bender Abbas for the development of international trade for which a memorandum was signed. The issue of opening a freight railway connection between Bender-Abbas and



the city of Osh is being worked out.

Taking into account the new opportunities and prospects of trade and development for the ECO, the Kyrgyz Republic notes the importance of the intensifying the work of the ECO Trade and Development Bank that can become a key financial instrument for the implementation of not only large interstate infrastructure projects that stimulate intraregional trade, but also large projects on national level, which will contribute to the further prosperous and stable development of the ECO Member States. In this context, the creation of the Uzbek-Kyrgyz Development Fund with an authorized capital of US\$50 million (up to US\$200 million) can be noted; the

agreement on the establishment of the Azerbaijan-Kyrgyzstan Development Fund (US\$25 million) was signed.

The Kyrgyz Republic supports all positive steps towards strengthening the development of trade and economic, transport and transit, energy, scientific and technical, cultural, industrial, environmental and climate change and tourism sectors of the Organization's activities in line with the fundamental principles enshrined in the statutory documents of the Organization and supported by the Kyrgyz Republic 30 years ago.

Kyrgyzstan promotes these priority areas and is interested in expanding cooperation within the framework of the ECO.



H.E. Mr. Bilawal Bhutto Zardari

Minister of Foreign Affairs of the Islamic Republic of Pakistan

# ECO - 30<sup>th</sup> Anniversary of the ECO Enlargement Moving Towards Integrated and Shared Future

The year 2022 marks the 30<sup>th</sup> Anniversary of ECO enlargement. The founding fathers of ECO envisioned common institutions in the region as well as moving towards liberal trading framework; with ultimate objective of reorienting and enhancing the intra-regional trade. Following the spirit of Treaty of Izmir and ECO Vision 2025 as embodied in ECO Islamabad declaration 2017; ECO represents the strategic vision of its member states: endeavoring to promote intra-regional cooperation for attaining the shared vision of prosperity and integration. As we celebrate this milestone, it is also an opportunity to strengthen our collective vision for a common and prosperous future.

The ECO region is rich with natural resources, vast trade potential and quality human resource. However, intra-regional trade has remained dismally low. According to a study conducted by ECO 'Leveraging

Economic Potential of ECO Region,' the intraregional trade stands at around eight per cent. The comforting prospect, however, is the fact that the region has 10-fold potential to increase trade among its member states. As a corollary, the challenge in front of us all is to tap that potential through our collective wisdom and resolve. An effective and resourceful ECO is pivotal in addressing this challenge

I am pleased to note that ECO has undertaken various initiatives in the field of connectivity, trade, energy, and tourism, cultural, social, and scientific development. It has also branched out its regional institutions and specialized agencies to enhance visibility and outreach to the peoples by reactivating the historic trading activity that used to define this region. Some of these note worthy initiatives are: (i) building and operationalizing transport corridors for eliminating restrictions and obstacles in the way of promoting intra-regional trade; (ii) envisioning an ECO



visa regime to promote tourism and people-to-people contacts; (iii) promoting scientific, cultural, and educational cooperation; (iv) establishing regional financial institutions such as ECO Trade Bank and ECO Reinsurance Company to finance and secure regional projects, and (v) promoting linkages among the Exclusive Economic Zones to allow access to the seaports to the landlocked member states, among others.

Uzbekistan - the Chair for the year 2022 - has aptly adopted the theme for the current year as 'the Year of Connectivity'. Connectivity is an all-encompassing concept. It goes beyond infrastructural connectivity. Here I must add that diplomacy is the art of creating

possibilities. It will not be too ambitious to imagine a future where the ECO region evolves as a free trade area. Moreover, it may even lead to an Economic Union depending upon the commitments of the member states to ECO's vision and the capacity and ability to deliver.

Among ECO's recent notable successes I must highlight the operationalization of ECO Islamabad-Tehran-Istanbul (ITI) railway and road corridors. During the preliminary stages, the relevant officials related to transport and other sectors from ECO member states are required to continuously monitor the movements of cargo and troubleshoot the bottlenecks as and when they arise. In the



13<sup>th</sup> ECO Summit, Islamabad, Pakistan, 2017

long run, such monitoring and micromanaging is neither possible nor sustainable. Therefore, as a next step, it is required that the private sector is facilitated for carrying out commercial operations. In respect of Pakistan, the government is prioritizing opening of new border points with brotherly Iran and improve the related railway and road infrastructure. In addition, the newly opened border point Gabd (Pakistan) -Reemdan (Iran) has been notified as TIR crossing as well. These bilateral developments will also facilitate ECO's initiatives.

ECO Trade and Development Bank is another success story of ECO which has financed many developmental projects in the

member states. However, it is yet to touch the benchmark of one billion dollar to become a regional bank which can finance projects. For this to happen, it is imperative that the other member states of ECO particularly Uzbekistan and Kazakhstan join the Bank. It is also important that there is close collaboration between the Bank and the ECO Secretariat so ECO's initiatives get support of the Bank and vice versa.

Here I would like to mention that the success of our collective vision for connectivity and integration depends on a practical road map that facilitates critical aspects like harmonization of visa procedures, investment policies and institutional linkages.

Some of these practical challenges that need support from the member states are;

One; flexible border procedures for the visitors. An alternate proposal to allow a unified visa regime for businessmen and drivers that has received positive response of the member states. Once operationalized for businessmen and truck drivers using Istanbul-Tehran-Islamabad (ITI) Road Corridor, its scope can gradually be expanded and a unified visa regime for the ECO region can be pursued.

Two; Strengthening of ECOTA. It is imperative that the ECOTA Council - a forum of trade experts - may be strengthened by investing decision making authority to the experts so that they may avoid torturous bureaucratic procedures and move towards operationalization of ECOTA on priority basis.

Three; Support for ECO's specialized agencies by member states to fully utilize the potential in respective domains. For now, negotiating internal administrative and financial issues of specialized agencies pose huge challenge. Thus it is unrealistic to expect them to deliver optimally and embark on regional initiatives in their respective domains. ECI, for instance, can coordinate with the member states and assist in translating rich literary heritage including the multimedia (popular movies, TV serials etc.) in the native languages of the member states. ECOEI can increase its visibility among the students by offering scholarships in the leading universities of the ECO region. Similarly, the ECOSF can spur scientific research and innovation.

At this juncture, as we celebrate our success, we also need to keep our eye on the future. We need to build on our strengths and find means to attain our goal regional economic integration. From development to an efficient transport system in the ECO region to developing interconnecting infrastructure to training and skill enhancement of available Human Resource into Human Capital, all these require a collective push from all ECO members.

The ECO members have been gradually decreasing tariff and non-tariff barriers to form regional trade and economic integration. This will create a viable impetus for trade and increase regional access to South and East Asia and linking with Belt and Road Initiatives (BRI) leveraging China Pakistan Economic Corridor (CPEC) encompassing more than 500 million people covering a vast area beyond 8 million square kilometers.

Bilateral initiatives like border markets and barter trade and the possible cooperation within ECO can extend and enhance the existing trade volume. Meanwhile, if ECOTA is prioritized, as an alternative approach, it can help achieve the shared objectives in trade sector to boost ECO regional economic trade and integration. To overcome the obstacles, it is imperative for each Member States to increase its exports within the region, be it under ECOTA or bilaterally.

It is a matter of great satisfaction that ECO Reinsurance Company has been established and its headquarter is already active in Pakistan and we hope that remaining members will also join the company to enhance its utility for encouraging and securing regional trade

With its huge potential and geostrategic position, the success of ECO's vision of connectivity and integration is hinged upon the willingness and commitment of the Member States. Pakistan, being founding member, reaffirms its commitment to ECO and supports all the efforts undertaken to promote and strengthen the Organization. Pakistan hopes that ECO can play a role of catalyst not only for integrating economies of West Asia but also links it with whole of Asia and European markets to achieve shared prosperity and sustainable development for the member countries and neighborhood.

*[Author is the Foreign Minister of Pakistan, and Son of Former Prime Minister of Pakistan Benazir Bhutto (Late) and Former President of Pakistan Mr. Asif Ali Zardari.]*



H.E. Mr. Sirojiddin Muhridin

Minister of Foreign Affairs of the Republic of Tajikistan

# Tajikistan is Committed to Regional Cooperation

Cooperation within the framework of regional economic organizations facilitates the integration of the countries into the world economy in a more harmonized way making use of their comparative advantages.

The President of the Republic of Tajikistan His Excellency Mr. Emomali Rahmon pays particular attention to the expansion of regional cooperation, which is as an essential element of national development. Building and strengthening regional cooperation remain among the top priorities of our foreign policy.

In view of this, the latest Foreign Policy Concept of Tajikistan that was adopted in 2015 highlights great importance to multi-lateral diplomacy, including Economic Cooperation Organization.

The Economic Cooperation Organization is one of the first regional intergovernmental

forums that Tajikistan joined at the dawn of its independence.

We are firmly committed to the progressive development of regional cooperation and interested in the development and strengthening of the ECO as an important regional platform.

The ECO has completed 37 years of existence. During these years, organization has "widened" as well as "deepened". The widened aspect shows that it has enlarged its membership from three to ten countries. The ECO has also increased its activities and institutional set-up based on the organization's deepened aspect.

The common historical, geographical and cultural ties, and mutual aspiration of our peoples for prosperity and peace have brought us together in this forum, where we work towards fulfilling the envisaged objectives. We consider ECO a unique



multinational economic platform that unites us under this common vision. Our region, with its vast natural resources and dynamic work force, offers a great developmental promise and potential that we must fully utilize in the interest of our present and future generations. The ECO region enjoys an incomparable geographical location as a corridor between large markets and an abundance of rich and varied energy resources.

ECO countries share the same religion and aspiration. Nothing can justify the need for a joint effort towards prosperity and growth for our countries than these commonalities.

Tajikistan, since its accession to the ECO, has been fully committed to the principles and targets envisioned by the ECO and will continue its constructive cooperation and partnership with the member countries. Tajikistan hosted many events at different levels including Summit and Council of Ministers, as well as other sectoral ministerial meetings. We hosted the 8<sup>th</sup> ECO Summit on September 14, 2004 in Dushanbe, Tajikistan. The meeting was presided by His Excellency Mr. Emomali Rahmon, President of the Republic of Tajikistan.

During the meeting, heads of delegations emphasized the importance of steady

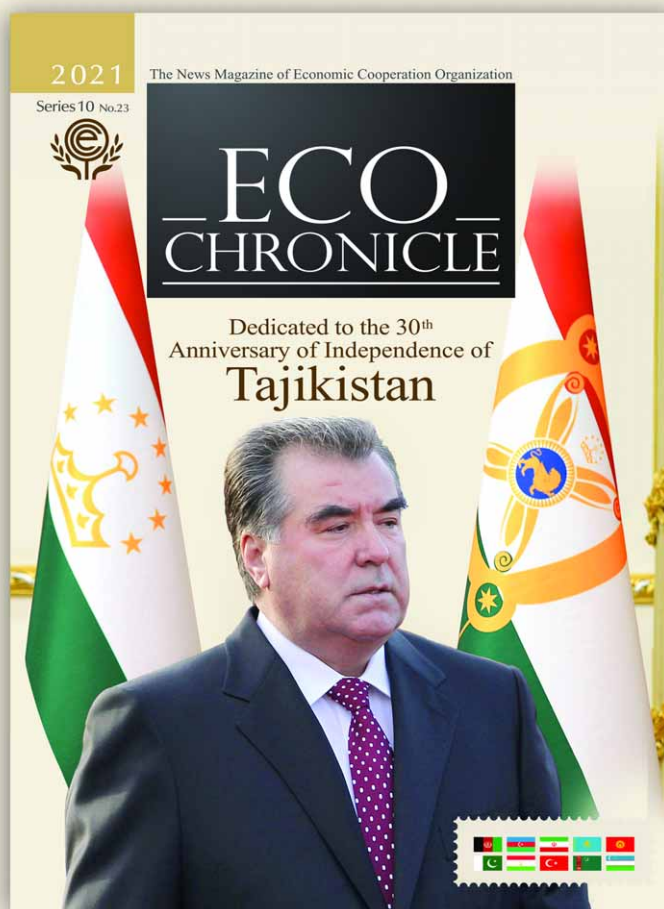
cooperation of the ECO member states in all priority spheres of economy and expressed their to the further development of cooperation for achievement of economic prosperity of the region and successful integration into the system of the global economy. As a result of the 8<sup>th</sup> ECO Meeting, Dushanbe Declaration 2004 was adopted.

The Republic of Tajikistan hosted three meetings of the Council of Ministers (COM), which is the highest policy and decision-making body of ECO. The 11<sup>th</sup> meeting of the COM of ECO was held in Dushanbe on May 4, 2001. The Council expressed satisfaction over the growing ECO cooperative relationship with other regional and international organizations. To further enhance meaningful relationship with regional and international organizations, the Council called upon the Secretariat to continue its efforts for consolidating ECO cooperation with other regional and international organizations. The Dushanbe Communique was also adopted by the 11<sup>th</sup> COM.

Further, the Fourteenth Meeting of the Council of Ministers of the Economic Cooperation Organization was held on September 12, 2004 in Dushanbe. The Council of Ministers' Meeting was preceded

by the Senior Officials' meeting on September 10-11, 2004.

The Foreign Ministers/Heads of Delegation of the Economic Cooperation Organization also gathered in Dushanbe on April 17, 2018 on the occasion of 23<sup>rd</sup> Meeting of the ECO Council of Ministers. They agreed to mobilize all available-resources for the proper and timely implementation of the ECO Vision 2025, and in this context, recognized the importance of review mechanism for its effective implementation. The Meeting concluded with the adoption of number of documents of vital importance for the bloc. Protocol amending the Statute



*Special Edition of ECO Chronicle Dedicated to the 30<sup>th</sup> Anniversary of Independence of Republic of Tajikistan*



23<sup>rd</sup> MEETING OF THE  
COUNCIL OF FOREIGN MINISTERS OF THE  
ECONOMIC COOPERATION ORGANIZATION  
DUSHANBE, 17 APRIL 2018



of Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology, Dushanbe Communiqué and the New ECO Advocacy Programme for Afghanistan were amongst them.

The Republic of Tajikistan is deeply determined and dedicated to further strengthening the comprehensive cooperation in trade, investment, energy, transport and communication, industry, agriculture, environment and tourism sectors with the other ECO member states.

The strategic geography and abundant natural resources provide ECO enormous

potential for regional integration. Regional cooperation and integration has the potential to support sustainable development and growth, as well as infrastructure to support sustainability and resilience.

In conclusion, I would like to congratulate all ECO Member States on the 30<sup>th</sup> Anniversary of our organization's enlargement. I am confident that with an unyielding commitment and ownership of Member States, ECO will contribute to progress and prosperity of our region.



H.E. Mr. Mevlüt Çavuşoğlu

Minister of Foreign Affairs of the Republic of Türkiye

# 30 Years of Widened Economic Cooperation Under The Economic Cooperation Organization Perspectives For Its Future

**T**he thirtieth anniversary of the enlargement of the Economic Cooperation Organization (ECO) that we are celebrating this year provides us with the opportunity to both rejoice and consider additional ways and means of solidifying and deepening economic cooperation in our region.

This Special Chronicle, dedicated to the thirtieth anniversary of ECO's enlargement, constitutes a meaningful contribution to this landmark occasion. It also gives us the chance to reflect upon the history of our organization by means of reviewing our past achievements and shortcomings, to analyze present challenges, and to exchange views on the future path of ECO. Therefore, it is a distinct pleasure and honor for me to contribute to this historic publication and share our thoughts on ECO, as well as its achievements and potential.

ECO was established in 1985 by Türkiye, Iran and Pakistan to promote multi-dimensional regional cooperation with a view to create conditions for sustainable socio-economic growth of its member States. Its aims and objectives, just as its modes of operation, were identical to those of its forerunner, the Regional Cooperation for Development (RCD), which remained active from 1964 to 1979. Subsequently, the organization was restructured and revived under the present name ECO.

The Treaty of Izmir signed in 1977 as the legal framework for the RCD, and later adopted as the basic Charter of ECO, was modified to provide a proper legal basis for ECO's transition from RCD in June 1990.

As the break-up of the former Soviet Union led to the independence of the Republics of Central Asia and the Caucasus, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan,



Turkmenistan, and Uzbekistan, along with Afghanistan, joined ECO as a manifestation of their determination to revive their historic affinities with the peoples of Türkiye, Iran, and Pakistan, and engage with them in regional economic cooperation.

With its expansion in November 1992 from a three to ten-member organization, ECO gained a new dimension and a new role. In our day, ECO is the primary platform for economic cooperation in its geography of eight million square kilometers, with a population of almost 500 million and an overall GDP of 1,5 trillion US Dollars. To this end, it continues to work on stronger trade and economic development, transport, communications and information technology,

energy, disaster management, healthcare, education, culture, tourism, customs matters, and combating organized crime.

### **Celebrating Our Achievements**

Over the past decades, our Organization has matured into a solid and dynamic institution. It has not only built a functional and active structure but has also become a reliable and respected international organization. The accession of new members increased the level of interaction within ECO, as well as its international standing and significance. In the eyes of the international community, ECO is now viewed as an anchor of cooperation in its region.

The ECO Secretariat has established vast

cooperative relations with international organizations within and outside the region. Numerous Memoranda of Understanding (MoU) and cooperative arrangements are in place, thus providing the framework for working relations between ECO and its external partners.

The ECO also grants observer or dialogue partnership status to other regional or international organizations, States, and institutions. The Turkish Republic of Northern Cyprus, Organization of Turkic States, and the International Energy Charter are ECO's observers.

Of particular significance are the steps taken by ECO to provide a framework for cooperation among its members in a wide range of areas. The ECO Trade Agreement (ECOTA) and ECOVISION 2025, the establishment of the ECOBANK, operationalization of transport corridors such as Islamabad-Tehran-Istanbul (ITI), Kazakhstan-Turkmenistan-Iran (KTI), Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) are among the concrete achievements of the ECO.

### Our True Potential

The international community is presently being challenged by the persistent pandemic, increased economic and financial uncertainties, rising food, energy and fertilizer prices, terrorism, and Islamophobia, as well as regional wars and tensions around the globe.

In such a political and socio-economic environment, the global economy and particularly supply chains are currently in a rapid transformation process. If we, as ECO countries, wish to take a prominent place in the future of global economy and trade, we need to boost our efforts and we must act now.



No country, however powerful, can deal with these challenges alone through unilateral actions and national protective measures. On the contrary, the present challenges have revealed the need for a collective response on a global scale.

Regional organizations play a vital role in this framework. In fact, regional organizations, especially regional economic organizations have become one of the most important actors in international relations. Globalization has played an important role in increasing global connectivity and shaping the global economy. Yet, the benefits of the globalized economy are unbalanced in favor of developed countries, therefore economic cooperation through regionalism has become an effective way for safeguarding the interests of developing countries.



While there have been many achievements in the last thirty years in these spheres, and as much is currently underway, we believe that ECO possesses huge potential; one much bigger than what we have achieved so far.

First, ECO constitutes an established body for cooperation in a region that connects Europe to Asia. Its geography makes it a highly significant international economic organization as it includes areas such as the Gulf, the Indian Ocean, and the Mediterranean. Furthermore, the fact that all seven new ECO Members possess huge economic and energy potential, makes ECO an even more significant organization for our region with the potential of becoming one of the most vibrant hubs of economic activity in the world.

Unfortunately; however, in the last thirty years, we have not been as successful in executing our plans and projects as we have been in devising them. For example, ECOTA, the flagship agreement of ECO, which aims to expand trade and investment cooperation in the region, has not been implemented for almost twenty years. Similarly, the ECOBANK which is the strategic financial pillar of ECO, has not become fully functional until this day. That is why I would like to take this opportunity to renew our call on our fellow member States to take the necessary actions to fully implement the ECOTA and to operationalize the ECOBANK.

Second; to be able to strengthen our cooperation under ECO, we must increase its technical capacity and transform it into a project-oriented organization. We need to reinforce the technical and professional dimensions of our organization. True success of ECO will also depend on the effective implementation of concrete common projects.

Third; we need to work harder to adapt to current global changes through the development of transportation infrastructure. An efficient network of transport is the prerequisite for enhanced trade activity

since there can be no trade or economic activity without transportation. Thus, ECO countries require the development of road and railway infrastructure and effective logistical facilities.

Fourth; we need to strengthen our common regional identity by increasing the visibility of our organization through effective publicity. Obviously, without a strong sense of ownership on the side of the peoples of all member States, it would be much more difficult to produce concrete results. Hence, we need to better employ traditional and social media to that end. Our countries are bound by deep and strong historical and cultural ties. We should also strengthen the cultural cooperation dimension within ECO and enhance tourism relations among our countries. This would also help increase the visibility of ECO in our countries and enhance the sense of ownership of our Organization.

### Conclusion

Thirty years is a relatively short period in political history. ECO is still a very young organization, and much has been done under its roof during the last three decades already, particularly in terms of legal and organizational infrastructure, which is the prerequisite for a functioning and solid institution. Yet, there is much more to be done to ripe its full potential.

On her part, Türkiye will remain committed to ECO and will strive to make sure that our Organization functions as a significant instrument to achieve our common goals and meet the present and future challenges through cooperation and solidarity.

I extend my heartfelt congratulations to our Organization on this important anniversary, thank the Secretariat and in particular the esteemed Secretary General Khusrav Noziri for publishing this Special Chronicle, and express my best wishes for the further strengthening of our cooperation and collaboration for the mutual benefit of our friendly and brotherly people.



H.E. Mr. Rashid Meredov

Minister of Foreign Affairs of Turkmenistan

# Turkmenistan-Economic Cooperation Organization Partnership for Peace and Development

**T**his year the Economic Cooperation Organization (ECO) is celebrating the 30<sup>th</sup> Anniversary of its enlargement.

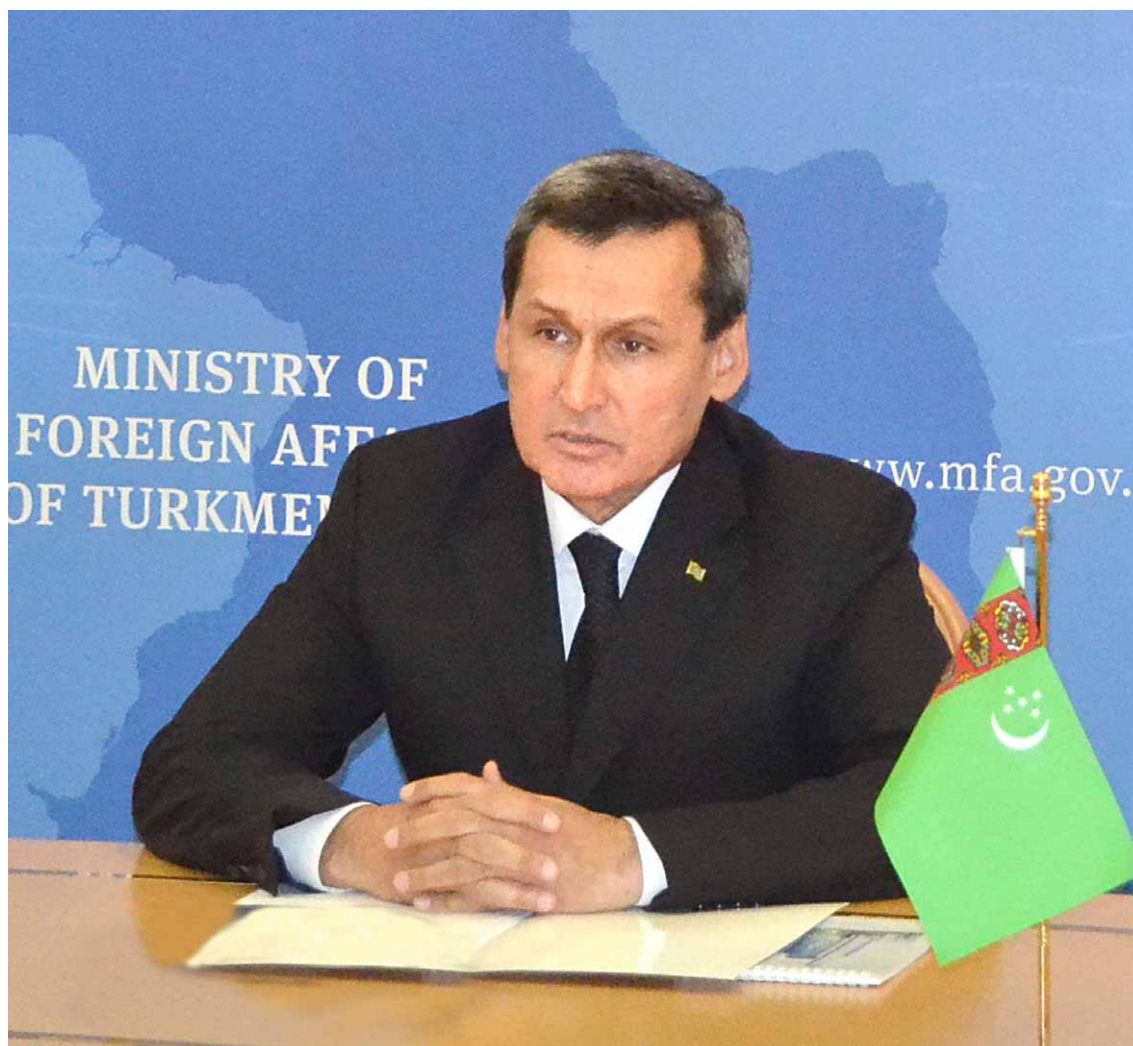
The Organization has passed a long and creative way through cooperation and practical interaction. The key aspect of its activities is that it continues to adhere to the principles and objectives laid down at its foundation. This refers to the fact that ECO has maintained its focus as an instrument of economic partnership, freedom from political and ideological environment. The ECO has acquired extensive visibility and high respect globally and today actively goes beyond regional frameworks, developing interaction with other international organizations and many countries.

By joining the ECO on November 28, 1992, Turkmenistan made a strong commitment to maximize support for strengthening good-neighborly, friendly, fraternal and mutually beneficial relations with member states, full utilization of the ECO's potential in implementing large-scale economic and

infrastructure projects, expanding humanitarian contacts in the best interests of everyone involved, and increasing the role of unification as an important factor in strategic stability and security in Asia.

Turkmenistan's constructive position was recognized and supported by other Members States of the Organization. To this end, during the 3<sup>rd</sup> ECO Summit at Islamabad in March 1995, the ECO Leaders unanimously endorsed Turkmenistan's intention to pursue a policy of positive neutrality in international affairs and expressed their willingness to extend maximum cooperation in promoting the universal acceptance of Turkmenistan's neutral status that was reflected in the adopted Islamabad Declaration.

Today, the ECO represents a viable structure adapted in line with the interests of its member states. Agreements were concluded and decisions were made on interstate cooperation's priority issues, a lot of efforts were made to develop strategic partnership areas with the aim



to effectively utilize significant overall potential. It launched a range of joint transport and communication projects that today play a meaningful part in region's economic life. Among them, the Tejen-Serakhs-Mashhad railway line is the "golden link" of the Trans-Asian railway lines, which provide countries of the region with access to the Persian Gulf and the Arabian Sea. As it is known, the opening ceremony of this line took place on the sidelines of the 4<sup>th</sup> ECO Summit of the Heads of State held at Ashgabat in May 1996.

It may be enunciated that the projects of construction and reconstruction of Turkmenistan's transport highways and communications are organically interconnected with the goals and objectives of the ECO

Transport and Communications Development Program. A range of projects have already been implemented in this direction in our country to serve not only our national interests, but also the goals of socio-economic development of all countries of the region.

The Turkmenabat-Kerki and Ashgabat-Dashoguz railways are operating effectively. These routes have become an integral part of the regional transport system and are being successfully used for the ECO region's benefit.

At the Caspian Sea Summit in October 2007, a Joint Declaration of the Presidents of Turkmenistan, the Islamic Republic of Iran and the Republic of Kazakhstan was adopted on the construction of the Uzen (Kazakhstan) -

Kyzylkaya - Bereket - Etrek (Turkmenistan) - Gorgan (Iran) railway line. The aforesaid project is also extremely important both for the ECO member states and for other Eurasia countries.

Acting in the spirit of practical implementation of Turkmenistan's initiatives and in partnership with a number of ECO countries, our country has launched the construction of new major infrastructure facilities in recent years.

In February 2018, the electricity transmission lines and a fiber-optic communication line were laid along the Turkmenistan-Afghanistan-Pakistan route, and the reconstructed Serhetabat (Turkmenistan)-Turgundi (Afghanistan) railroad was commissioned.

Currently, the construction of the railway from Turkmenistan to Afghan Andhoy has been completed and the work is in progress on designing the Turgundi-Herat railway. In principle and as per Turkmenistan's earlier initiatives, there are potential opportunities for laying a branch line in Herat-Kandahar direction with a connection to the road transport infrastructure of the Islamic Republic of Pakistan.

Work on implementing the Turkmenistan-Afghanistan-Pakistan-India gas pipeline project is underway.

Turkmenistan attaches special attention to accelerated expansion of transport and transit communication along the East-West and South-North lines. In particular, it is about creating new transport routes between Uzbekistan - Turkmenistan - Iran, Uzbekistan - Turkmenistan - Azerbaijan, and Kazakhstan - Turkmenistan - Iran.

Let us note, in this connection, the active participation of many ECO states in the International Ministerial Transport Conference of Landlocked Developing Countries held under the auspices of the UN in Turkmenistan in August 2022.

Development and expansion of partnerships in the energy sector is an important direction of trade and economic relations of the ECO

member states. As a major producer and supplier to the global natural gas market, Turkmenistan considers the development objectives of the multi-variant pipeline system. Possessing huge reserves of natural gas, our country is ready to significantly diversify its supplies, including to consumers and transit companies in the ECO space.

In the context of current international environment, special functions rests with ECO that correspond to the unique geo-economic role of our Organization, its essence as a format of cooperation between states bounded by, history, values and traditions of mutual respect and equality. ECO task is to ensure stability in the region via economic means, to open up opportunities for a wide, constructive dialogue and assertion of trust and predictability. Our Organization has the necessary potential not only to adequately be involved in global and regional processes, but also to actively influence the trends in their constructive development. In this context, the global initiative "Dialogue as a Guarantee of Peace" announced by the Honorable President of Turkmenistan with political, diplomatic, and economic and worldview dimension is of exceptional importance. We look forward to the ECO playing a proper role in its promotion.

The 15<sup>th</sup> Summit of the ECO Heads of State, chaired by Turkmenistan in November 2021 at Ashgabat provided clear plans and guidelines for developing cooperation and giving ECO activities meaningful saturation and dynamics in the economy, trade, investments, design and program components, establishing more systematic and substantive interaction in transport, energy segments, its electronic and digital provision, technology exchange and new experience on the environmental agenda. These and other partnership areas of the Organization have become important components of a large-scale and long-term program, which are based on Ashgabat Consensus of Action, i.e. the outcome document of the 15<sup>th</sup> ECO Summit.

Considering the economic cooperation prospects, we imply that it will be secured in the peaceful and safe existence conditions of our states and peoples. It is necessary to put a



reliable bulwark against the political extremism, terrorism, cyber crime, drug trafficking, crossborder organized crimes. In this context, Turkmenistan welcomes the ECO involvement in the international community efforts, especially the United Nations, in developing constructive models for regional development processes based on the mechanisms of preventive diplomacy and prerequisites for post-conflict reconstruction.

In that connection, we must underscore the special importance that Turkmenistan attaches to the reconstruction of Afghanistan and to the establishment of lasting peace on Afghan soil. Our country provides and will continue to provide support to the fraternal Afghan people in economic recovery, in energy supply, in the construction of social facilities - hospitals, schools, sending humanitarian convoys with

food, medicines and warm clothes. Turkmenistan will continue to collaborate with the Afghan authorities in this direction, to help the Afghan people overcome the consequences of wars and conflicts that they have experienced in recent decades.

Full involvement of our country in the Organization for Economic Cooperation activities was and remains one of the important dimensions of Turkmenistan's foreign policy. Member States can reasonably count on Turkmenistan's comprehensive support for all constructive ideas and proposals to further strengthen economic and trade partnerships to ensure regional and continental stability and to strengthen and expand cultural and humanitarian ties between our fraternal countries and peoples.





# ECO

## Past, Present and Future

Amb. Khusrav Noziri  
Secretary General

**E**volution and expansion have been constants in almost every regional and international organization. Economic Cooperation Organization (ECO) is no exception to this trend. It has evolved over the years in terms of its mandate and membership.

The ECO, a multipurpose organization, was formed in 1985 as a successor organization to the erstwhile Regional Cooperation to (RCD), with Iran, Pakistan,

and Türkiye as its founding members. In the wake of changing global and regional geopolitical scenario, the ECO turned to broadening its cooperative network during early 1990s embracing seven new members - Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. Now, the ECO stands as a full-fledged economic organization comprising ten Member States, three Observers and several Regional, Affiliated, and Subsidiary bodies.

The ECO was primarily created to be a platform of multilateral trade and economic



diplomacy. The Organization diversified its scope and framework in later years, becoming a multidimensional forum for the promotion of economic, cultural, educational and scientific cooperation to lead the peoples of the region to sustainable development and progress.

Marking the 30<sup>th</sup> Anniversary of the Enlargement of the Economic Cooperation Organization, the time is ripe to take stock of the true potential of the region given the abundance of its human and marketable natural resources, as well as an array of ongoing undertakings with the framework of the Organization.

The ECO region has all imperative essentials to be an effective economic block. It is knit together by common culture, common history and common religion, as well as shared destiny.

With its half a billion population, area stretching up to eight million square kilometers and unique geostrategic position, it is a fertile top-notch destination for local and foreign investors. Since the region enjoys opulence of hydrocarbon and mineral resources, it is a linchpin in global energy security. The ECO region has the potential and strength of leadership in global supply chains.



At present, the ECO is engaged in a number of activities related to trade, transport, energy, minerals, agriculture, tourism, etc.

Trade has traditionally been a priority and prized area of cooperation among ECO Member States. The ECO has had some achievements in trade and investment sector. Member States have made efforts to promote free flow of goods in the region, improve Ease of Doing Business indicators and explore options to establish a Regional Payment System to facilitate financial transactions in local currencies to the extent possible and to create ECO Clearing Union among the Central Banks of the ECO countries. Considerable progress has been made towards such ends. Likewise, the steps are being taken to invite remaining Member States to join ECO Trade Agreement (ECOTA). The Agreement on Promotion and Protection of Investment (APPI) has been signed by five Member States namely Afghanistan, Azerbaijan, Iran,

Pakistan, and Türkiye. The accession of the remaining Member States into the APPI will attract investment in the region. Its application will tremendously improve investment climate and woo potential investors from within the region and beyond. It will provide a platform for building long-term nexus between the hosts and investors.

It is on account of these progressive developments that ECO is today recognized as a major international economic organizations.

However, given the real potential of the ECO region, headways in trade sector have not been statistically significant. COVID-19 further exposed the vulnerabilities and fault-lines in trade among ECO Member States. The pandemic resulted in trade contraction by a whopping 11.13 per cent and 31.72 per cent in 2019 and 2020 respectively. In addition to meager three per cent share in global trade compared to





its six per cent share in global population, The ECO region runs under a trade deficit regime. The ECO is one of the least integrated regions in terms of connectivity and intra-regional trade merely 7.9 per cent, which is rather and comparatively below expectations.

The primary factors responsible for the underdevelopment of trade sector among ECO Member States are high cost of doing business as well as tariff and non-tariff issues associated with intra-regional trade. As compared to others, the ECO has yet to make advances based on its founding purpose and aspirations.

The pendulum can swing in the right direction if steps in proper way are taken timely. Trade can make great leap forward if Member States start working on projects and outstanding problems unrealized for years. The ECOTA may be implemented by Member States as it offers tremendous trade benefits, and after its application in

full swing, it may be upgraded to a Free Trade Agreement (FTA). Furthermore, The ECO Trade and Development Bank can play a phenomenal role if patronized by all ECO Member States.

In the similar vein, establishment of ECO Regional Network of Special Economic Zones (SEZs/FTZs) can result in massive growth in trade and investment and can transform the region.

Transport and connectivity is also a core area of activity in ECO. It has achieved monumental milestones by virtue of strong desire of ECO Member States for greater regional integration. ECO Member States have executed remarkable connectivity projects ranging from establishing legal instruments, policymaking, facilitation measures and infrastructure development.

The progress towards commercialization of Kazakhstan-Turkmenistan-Iran (KTI) Corridor, operationalization of Islamabad-Tehran-Istanbul (ITI) Cargo Train, launching of Kyrgyzstan-Tajikistan-Afghanistan-Iran (KTAI) Corridor, operationalization of ECO-ITI Road Corridor, establishment of rail and road network from Almaty to Istanbul and Bandar-Abbas, railway line between Afghanistan (Mazar-e Sharif) and Uzbekistan, Development of Baku Port, Chabahar Port, Utkao Port, Caspian Port, Gwadar Port and Turkmenbashi Port, new bridges in Istanbul and increasing number of Border Crossing Points among Member States are milestones that ECO has achieved over the years.

It is important to highlight that stability in Afghanistan is sine qua non for connectivity in the region. Peace in Afghanistan has to be a top-notch priority for all ECO Member States. The continuity of development process in Afghanistan is quite essential for the collective wellbeing of the ECO Region. The Economic Cooperation Organization considers the restoration of peace, security and stability in Afghanistan a fundamental necessity to maintain the process of reconstruction,



development and socioeconomic growth in the war-torn country. Peace will eventually provide a favorable environment for sustainable trade and investment activities in the region.

Tourism, a vital source of national income and a factor of fusion between economies and cultures, has been a major source of strength for ECO Member States. The economic importance of the tourism industry cannot be overemphasized. ECO Member States are blessed with plenty of tourist destinations. The region enjoys an affluence of natural beauty and diversity of its historical-cultural heritage. ECO is home to 74 UNESCO World Heritage Sites, though these figures do not portray the actual tourism potential of the region.

Like other sectors of economy, tourism also became a casualty of COVID-19. It experienced 60-80 per cent shrinkage in the region. It remained on survival mode in 2021. The recovery started in 2022. Domestic tourism in the region has shown tremendous improvements; however, international tourism is yet to return to pre-pandemic level.

International travel to the ECO region in 2019 exceeded 87 million people, holding a total of six per cent share in worldwide tourism arrivals. Considering the region's potential and population, the ratio between tourist arrivals and total international tourism expenditures is still relatively modest. It is also reflected in the tourism revenues as the ECO region has received an international tourism receipt of around 49.3 billion dollars, which account for only 2.72 per cent of the global tourism revenues. The average total contribution of travel and tourism sector to GDP in ECO region in 2019 was seven per cent, which is below the global average. In 2019, 10.3 per cent of global GDP accounted for travel and tourism industries.

ECO has drafted a Road Map on Facilitating Accelerated Recovery, Safe and Sustainable Development of Tourism after



COVID-19 in the ECO Region. The document aims at swift recovery of tourism industry to pre-pandemic level. It may take few more years for international tourism in the region to return to normalcy.

ECO Member States may try to turn the current challenge into an opportunity by working for a more sustainable, inclusive and resilient tourism sector. In order to prepare and respond effectively, it is time for regional tourism activities planned through clear objectives and an integrated approach bringing together all the stakeholders. The recovery must aim for investing in sustainable tourism with more and more connection of local communities, the economy and the natural environment to ensure a fairer distribution of the dividends of tourism industry. A concerted action by ECO Member States to embark on a joint tourism program is imperative with a view to portraying the ECO region as more attractive, competitive, powerful and recognizable tourism destination. To achieve this end, a common approach for marketing,



promotion and branding regional tourism activities is critical.

Energy is essential for development. Energy demand is increasing across the globe. The ECO has a lot of potential in the resource endowments in the shape of energy and fuel. Oil and hydrocarbon products account for about 36.6 per cent of the ECO members' exports. It is the priority of the ECO to continue efforts towards sustainable energy transition. The ongoing joint ECO-UNIDO partnership on establishment of ECO Clean Energy Centre and ECO-Energy Charter dialogue on establishment of the ECO Regional Electricity Market continued to be the flagship energy projects of ECO. Meanwhile, ECO's environmental profile has increased steadily over the past few years. The Member States are jointly working to update the ECO Cooperation Framework on the Environment. In this regard, three work programs regarding needed actions are required to be finalized under three Rio Conventions.

Compared to its real potential, the ECO has yet to fare well and need to be more integrated. Intra-regional trade requires substantial improvement. Despite being endowed with abundance of natural and human resources, issues persist and need to be collectively addressed.

It would be fair to pan out that ECO is naturally an advantaged forum as the Member States have no hegemonic ambitions. ECO Member States are geographically contiguous and share similarities. It has a huge population with abundance of resources and a huge market. Yet, the lack of complementarities and absence of proper motivations continue to impede smooth and joint progress in the region. There is a realization that challenges confronting humanity cannot be tackled individually. Regional problems need regional solutions. It is high time Member States made the ECO an exemplar of effective multilateralism.

# Tracing the Evolution of Economic Cooperation Organization

Amb. Dr. Huseyin Avni Bicakli  
Deputy Secretary General  
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**T**he origin of the ECO dates back to 1960s. Three regional countries namely Iran, Pakistan, and Türkiye formed an alliance based on regional economic cooperation officially known as the Regional Cooperation for Development (RCD) in 1964.

The main aims and objects of the RCD were to liberate movement

of goods through trade arrangements, formulate and implement joint projects, undertake necessary studies for construction and improvement of rail and road links, improve the air and maritime transport services within the region, and investigate possibilities of joint ventures in these fields.

The RCD started functioning in 1965. It was headquartered in Tehran. During early of its creation, it was active in formulating projects ranging from the liberalization of trade to various joint industrial, financial, and transport projects. However, it achieved little tangible. It could not make significant impact. It almost failed miserably in the fields of trade and industries. The RCD failed to provide a format for the expansion of trade. It was therefore thought necessary to restructure and reorganize the RCD.

The RCD Summit was held on April 21-28, 1976, wherein the member countries, i.e., Pakistan, Iran, and Türkiye adopted a new document "Izmir Agreement". This new document redefined



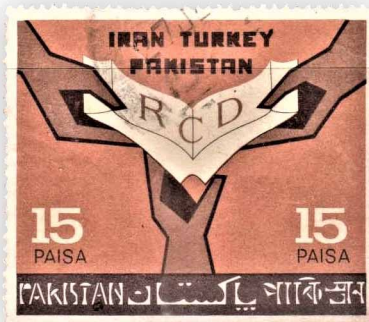


the aims and objects of the RCD.

The most important change was the agreement on the establishment of an RCD Free Trade Area within a period of ten years.

Before the ratification of the new document, important changes happened in the RCD countries, which made the RCD almost dormant. This situation continued up until 1984 on account of prevailing uncertainties.

The RCD was revived in January 1985 under a new name Economic Cooperation Organization. The ECO became operational in January 1991, with its permanent headquarters/Secretariat in



Tehran, Iran. The Treaty of Izmir is the basic constituent document of the ECO.

Unlike its predecessor, the ECO is a broad and dynamic Organization. It is not limited to economic cooperation only. The ECO Member States cooperate in areas such as trade & investment, transport & communications, energy, minerals, environment, agriculture, industries, human resource development, and sustainable development, etc. The ECO is not a static body. It is not just a union of geographically contiguous



nation-states. It is a dynamic and vibrant Organization, which has evolved significantly over the decades. The ECO is rather a fully functioning system.

The vision behind establishment of the ECO was to expand intra-regional trade, promote conditions conducive for sustained economic growth, achieve continuous improvement in the living standards of the peoples of the region, consolidate cultural affinities and spiritual and fraternal ties that bind the people of the Member States, and contribute to the growth of world trade.

The ECO has expanded. Its membership, initially limited to three, has risen to ten. It enlarged in 1992 in the wake of independence of Central Asian Republics (CARS). Azerbaijan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, and Afghanistan became members of the ECO in 1992. These countries have close historical and cultural ties with the three founding members of the ECO. The ECO Member States enjoy rich cultural and historical bonds. They are held together by common history, religion, and traditions.

The ECO has all essential elements to become one of the most prosperous regions of the world with its rich human and natural resources and deep-rooted culture and traditions.

The ECO was established to materialise multi-faceted cooperation. It was established to be a cobweb of social, economic, cultural, and scientific

cooperation. The ECO has been supported and strengthened by system of Regional, Affiliated and Specialized Agencies. At present, the ECO has around a dozen of such bodies; they are ECO Trade & Development Bank, ECO Cultural Institute, ECO Science Foundation, ECO Educational Institute, ECO Chamber of Commerce and Industry, ECO College of Insurance, ECO Regional Coordination Centre for Food Security, ECO Institute of Environmental Science and Technology, ECO Consultancy & Engineering Company, ECO Regional Center for Risk Management of Natural Disasters, ECO Postal Staff College, ECO Seed Association (ECOSA), and ECO Reinsurance Company (ERC). Almost all these organs of the ECO are headquartered in Pakistan, Iran, and Türkiye. It is highly encouraging that new bodies of such kind are under the process of establishment such as the ECO Clean Energy Center in Baku as well as the ECO Research Center in Baku.

The ECO has observers, too. Observership in the ECO is open to regional and international organizations, states and institutions. Current observers of the ECO are Turkish Cypriot State (2012), the Cooperation Council of Turkic Speaking States (2014) (2014) (currently the Organization of Turkic States-OTS), and the International Energy Charter (February 2017).

Twenty first century is unique in many ways. It has so far witnessed challenges which are mostly non-traditional. The problems of this century are truly regional and international in character and dimensions. Traditional and non-traditional challenges faced by nation-states today transcend national frontiers. They demand coordinated and concerted actions and strategies to be dealt with. It is because of this reason that multilateral structures are more necessary and relevant now than ever before.

The presence of regional and international organizations is increasing by the day throughout the world. In order to accomplish its ideal of sustainable economic development, the ECO attaches huge importance to establishing and reinvigorating ties with partner organizations. The ECO regularly participates in the important events hosted by partner organizations. The ECO

participated in the following major international events in year 2022:

Second Antalya Diplomacy Forum (March, Türkiye)

OIC Council of Foreign Ministers Meeting (March, Islamabad)

Second Dushanbe International Water Conference (June, Dushanbe)

21<sup>st</sup> Summit of Shanghai Cooperation Organization (September, Samarkand)

6<sup>th</sup> CICA Summit (October, Astana)

COP 15 (May, Abidjan)

COP 27 (November, Sharm el-Sheikh)

The Economic Cooperation Organization has been expanding sphere of regional and international relations. The ECO has partnership relations with around fifty regional and international organizations. The ECO also enjoys close collaborative relations with the United Nations and its Specialized Agencies. The ECO has observership in the United Nations General Assembly and regularly participated in UNGA Sessions held annually in New York.

The ECO also maintains close contacts with the Shanghai Cooperation Organization (SCO), the Organization of Islamic Cooperation (OIC), the Conference on Interaction and Confidence Building Measures in Asia (CICA), the Developing-8 Organization of Economic Cooperation (D-8) and the Association of South East Asian Nations (ASEAN), etc. The ECO Secretariat is in process to seek support from regional and international organizations including the Islamic Development Bank (IsDB), the European Union (EU), the United Nations Economic Commission for Asia and the Pacific (UNESCAP), the Organization of Turkic States (OTS), etc. for several ECO programmes and projects. These enhanced ties would immensely benefit the cause of regional integration for the Member States, leading this region to the path of socio-economic development.

The ECO has assumed observer status with the United Nations and its different agencies/entities/conventions, notably the UN Environment Assembly (UNEA), the UN Convention to Combat Desertification (UNCCD), the UN Convention on Biological Diversity

(UNCBD), the UN Framework Convention on Climate Change (UNFCCC), the United Nations Forum on Forests (UNFF), the Inter-governmental Panel on Climate Change (IPCC), the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), the Organization of Islamic Cooperation (OIC), and the Islamic Development Bank (IsDB). Recently, the ECO assumed the reciprocal Observer Status with the International Energy Charter. To advance its agenda of sustainable economic development in the region, the ECO aspires to seek observership in regional and international organizations on the basis of reciprocity. The ECO has initiated internal process to obtain observer status in the Shanghai Cooperation Organization (SCO).

### Conclusion

Today, the ECO is into fourth decade of its existence. It has enlarged. It has expanded. It has enhanced its scope of cooperation. It has developed a system of bodies that assist the Organization in functioning and carrying out its goals. It has developed a strong network of relations with several regional and international organizations. The ECO is a functioning system. We are highly hopeful that the ECO will emerge more developed and highly relevant keeping in view the trajectory of the evolution of the Organization and emerging regional and international scenarios.



# The Economic Challenges & Opportunities for the ECO Region in the Post Pandemic World

Zahid Husain Abbasi  
Director (Trade and Investment)

**H**istory proves that every crisis brings with it an opportunity for the creative and daring. As we witness life sprouting from the jaws of cruel Pandemic, the global economy recovers from the paralysis and there appears rekindling of the pandemonium of global economic governance that has guided the world economy for the past fifty years, largely fueling disparities and inequalities against set goals of prosperity and stability.

There are signs that post pandemic era could mark the dawn of a fairer, more resilient global economy, capable to withstand, absorb and nurture any future shocks and natural crises with its foundations on a new normal but the geo-political crises have again swung the pendulum to a new 'unwilling suspension of

disbelief. At the level of multilateral financial institutions, the futility of economic thinking of the yester years needs a fresh look for a more resilient system for the posterity. There has been a realization for the role of targeted policy matrix towards a green investment economic growth to mitigate poverty, hunger and many more but still, 'more is said than done'.

With the emergence of the Asia Pacific region as a major player on the global stage the Economic Cooperation Organization (ECO) - a group of ten developing states in South Asia to Central and West Asia stands to gain an increasing prominence as a hub of international trade and investment not least because of its geo-strategic location but more so, owing to its vast potential and factor endowments. Still least integrated in comparison to other regional blocs in the south, with an area of eight million sq. kms, the ECO region is home to half a

## Potential Benefits of ECOTA - Regional Trade Agreement as Spaghetti bowl



billion human beings making more than 6.2 per cent of world population. Each member state has some varying degree of comparative advantage from natural endowments, to vertical value addition transforming raw material to intermediate and high-end products, to knowledge based diversification. Natural endowments in the shape of mineral fuels, hydro-carbon reserve, quality Human Resource and entrepreneurship makes the region a potential source of production hub in sectors like machinery, cotton and textiles, vehicles and shipping, etc. This leads to positive externalities; create competitiveness, encourage innovations, exploit economies of scale and further enhance trade on the principles of comparative advantage and factor endowments.

On the 30<sup>th</sup> anniversary of ECO's enlargement let's take a look at the following achievements on the ECO in economic cooperation in trade and investment sector:

- 1.The ECO Trade Agreement signed and ratified by five ECO Member States;
- 2.Framework Agreement in Trade signed by eight ECO Member States;
- 3.Agreement on Protection and Promotion of Investment (APPI) signed by five Member States as parties and became operational in the year 2020;
- 4.ECO Reinsurance company's Articles of Association ratified by three Member States;
- 5.The Agreement on Establishment and Operation of ECO Smuggling and Customs Offences Data Bank entered into force in December, 2017;

6.The Agreement on Simplification of Visa Procedures for Businessmen in the ECO came into force in 2002, providing for visa facilitation to businessmen;

7.ECO Trade and Development Bank joined by six Member States and assisting Parties including project financing in trade, connectivity, etc;

8.Customs Cooperation in areas like cross border paperless/ digital trade and Electronic Data Interchange (EDI);

9.Transit Trade Framework Agreement (TTFA).

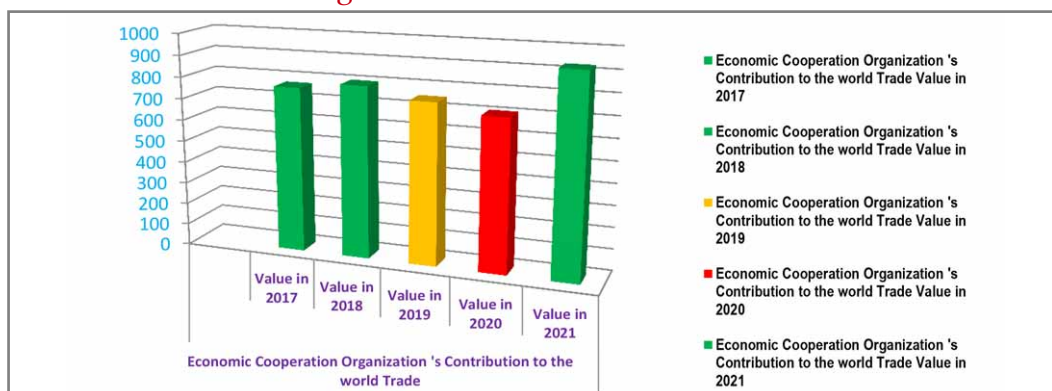
In economic terms, if we see the global GDP at US\$ 96.1 trillion in 2021 with share of countries like the US reported at 23.8 per cent; China at 18.4 per cent, Japan 5.1 per cent, and Germany 4.3 per cent ; the ECO's total share of 1.86 per cent of the total world GDP (as a group of ten countries) is not commensurate to its potential. Within the ECO region, the economies of Türkiye, Pakistan, Kazakhstan and Iran have dominated in terms of population and economic size. In terms of GDP growth rates Türkiye is leading with a growth rate of more than 11 per cent in 2021, followed by Tajikistan 9.2 per cent, Uzbekistan 7.4 per cent and Turkmenistan 6.2 per cent. While in terms of GDP Per Capita (Current US\$) in 2021, Kazakhstan is leading (US\$ 10,041.5) followed by Türkiye (USD 9586.6), Turkmenistan (US\$ 7612) and Azerbaijan (US\$ 5384).

In trade, the pandemic induced a contraction in world merchandise trade by slightly over seven per cent in 2020, followed by a rebound



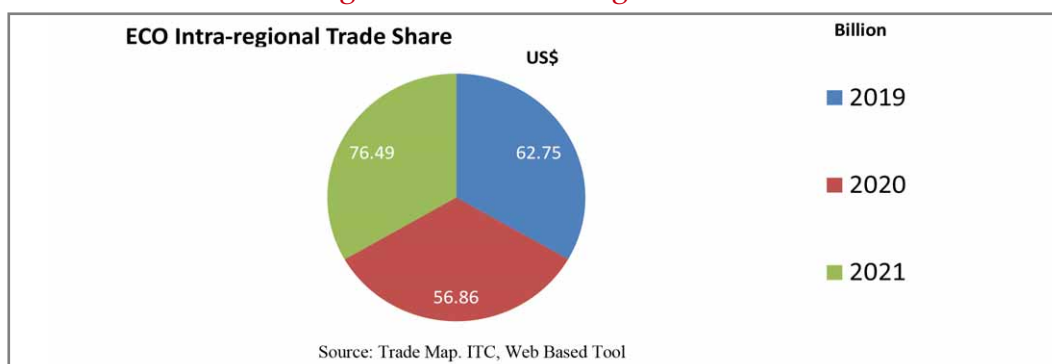
from US\$ 17.7 trillion to about US\$ 22.211 trillion in 2021, the world merchandise exports registered an increase by 16% in the first three months (Q1) of 2022. The share of ECO region in the world trade has recorded an increase from US\$ 711.8 billion in 2020, to US\$ 927.8 billion in 2021.

Figure 1. ECO share in Global Trade



The contribution of the region in world trade, at around 4.1 per cent in 2021, clearly falls below its commensurate potential with a share of 6.2 per cent in world population and abundance of endowments in natural and human resource.

Figure 2: ECO Intra-Regional Trade



The ECO intra-regional trade remained around US\$ 76.5 billion in 2021, with imports recorded at US\$ 35.6 billion and exports recorded at US\$ 40.8 billion. The reported intra-regional trade is only around 8.2 per cent of region's trade with the world.

Figure 3: ECO Intra-Regional Imports

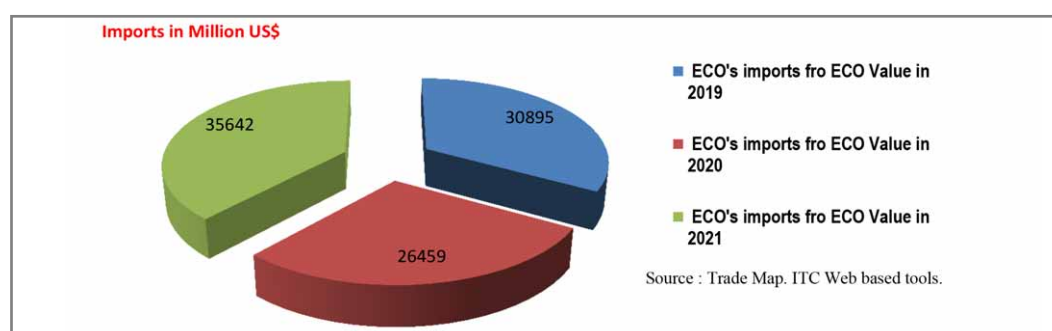
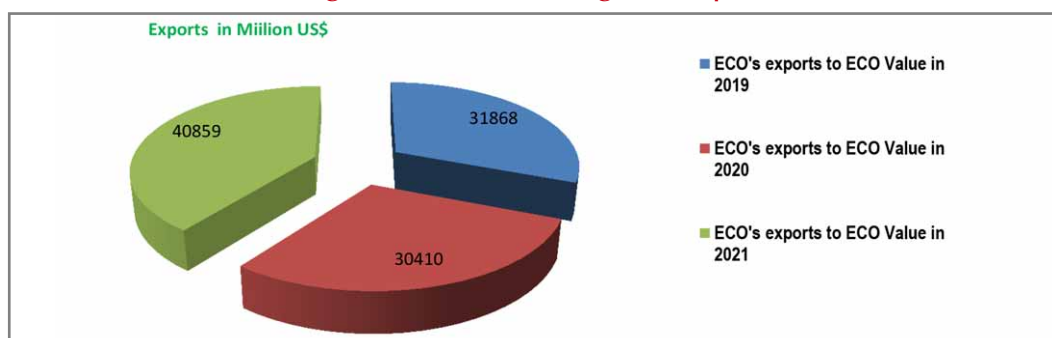


Figure 4: ECO Intra-Regional Exports



The pandemic has increased the urgency to rethink strategies to strengthen local and regional productive capacities amid intensified competition for attraction of FDI in the context of struggling global flows. On investment regulatory Regional Framework, it is pleasing to note that the Agreement on Promotion and Protection of Investment (APPI) has been operational with ratification by four ECO Member States, which is expected to increase the confidence of investors and positively affect their decision to come and invest in the region.

The inflow of Foreign Direct Investments (FDI) to the ECO countries reached their peak at US\$ 21.4 billion in 2021 against US\$ 18. billion in 2020.

As seen in table below, the ECO countries' performance on FDI indicates the need to have a regional financial architecture to streamline investment inward/outward flows for the health of financial systems of each of individual countries.

FDI Flows (million US\$) 2014-2019

ECO Member State	Inward						Outward					
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022
Afghanistan	53	119	39	13	21	N.A	11	41	26	37	31	N.A
Azerbaijan	2867	1403	1504	507	-1707	N.A	2564	1761	2432	825	77	N.A
Iran	51019	2373	1508	1342	1425	N.A	76	75	85	78	81	N.A
Kazakhstan	4669	3757	3118	3675	3172	N.A	913	-1101	-2592	-2155	1468	N.A
Kyrgyzstan	222	139	209	-401	247	N.A	-29	-5	3	2	3	N.A
Pakistan	2496	1737	2218	2057	2102	N.A	52	-21	-7	-45	242	N.A
Tajikistan	307	360	213	106	84	N.A	159	822	23	70	48	N.A
Türkiye	11020	12981	8434	7821	12530	N.A	2662	3607	2841	3229	4979	N.A
Turkmenistan	2086	1985	2166	1169	1452	N.A	-	-	-	N.A	N.A	N.A
Uzbekistan	1798	625	2286	1726	2044	N.A	9	2	3	2	3	N.A

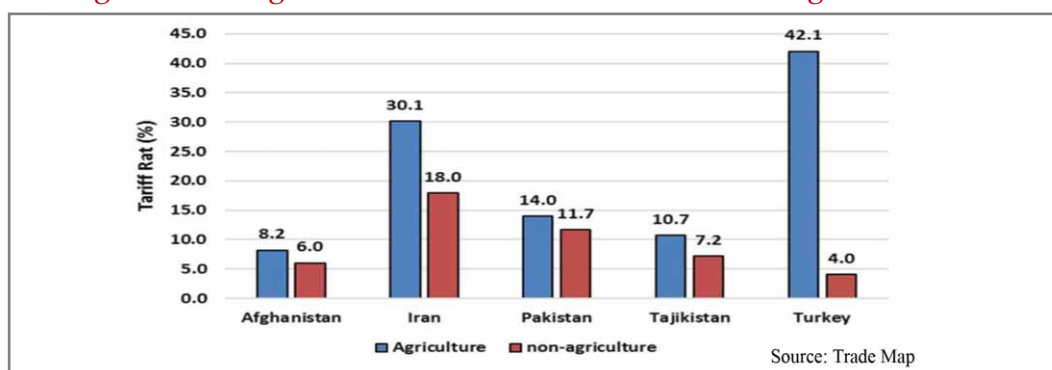
Source: UNCTAD

The sphinx of pandemic has revealed inevitability of supply side integration to meet the aggregate consumer demand in global and regional markets alike, leading to emphasis on Regional Supply/Value Integration (RS/VCs).

The cost of trade is quite high in due to tariff and non tariff costs in the ECO region due to absence of preferential trade in the ECO region. The Pandemic has actually added to the non tariff costs with introduction of new measures across the globe to harness it. The ECO region has some advantages in endowments but many challenges in integration of policies and supply chains and value chains.

The Tariffs and the Non Tariff Barriers (NTBs) - a subset of Non Tariff Measures (NTMs) act as a deterrent to free trade and economic integration impeding the economic growth in the ECO region. The graphs below provide a matrix representation of information on tariff structure of each ECOTA party in Agriculture and Industrial Sectors.

Figure 5: Average Tariff Structure of ECOTA Parties adding to Trade Costs



In post pandemic period, supply chains have been dynamic all along but pushed into new territory by the onset of the pandemic in 2019-2020 and further aggravated by Ukraine-Russia conflict. The complex, evolving and inter-connected nature of contemporary supply chains are part and parcel of the loop of Global Value Chains' (GVCs) in manufacturing, which is the backbone of value addition at global level. These integrated and inter-dependent complex webs of Supply Chains, link economies, countries and regions, integrating manufactured inputs from entities as small as Micro, Medium & Small (MSMEs/ SMEs) to gigantic Multi National Companies (MNC), contributing all along to create supply chain flows as they progress up the ladder with vertical value addition into the finished products before reaching the consumers.

Logically, any disruption in supply chains in one part of the world significantly impacts Supply and Value Chain loops in other parts, jeopardizing the wheel of the economic activity in all economic, regions and the globe at all levels of operations like:

1. Sourcing of raw material and intermediary products through MSMEs/ SMEs.
2. Off shoring in the regions to relocate by mitigating their reliance of distant supply chains even with the likelihood of an incremental cost. Re-shoring or Near-Shoring are buzz words for

future.

3. Transportations have been the big casualty of the pandemic for surging fuel prices adding to freight costs.

The pandemic provides a silver lining in the form of an opportunity for the ECO region due to a renewed focus on regionalism for economic growth. Asia Pacific in general and the ECO region in particular, are host to some of the busiest ports, road and railway networks in the world facilitating seamless flow of trade for manufacturers, supplier as well as consumers. However, the region must put in place a set of appropriate regional policies to milk the opportunity. Trade liberalization has proved to be the proverbial 'Penelope web' wanting its implementation. Non implantation of ECO Trade Agreement (ECOTA) - a preferential partial scope agreement, signed on 16th July 2033 by five Member States and ratified in 2008 could not be implemented. Its implementation can be one single leap forward in economic integration with reduced trade costs, augmented trade flows and greater inflows of FDI, as multinationals perceive the region more attractive as an integrated whole, rather than just a group of small, segmented economies with high internal tariffs adding to cost of trade and de-incentivizing investment prospects. The ECO countries' exports basket is quite diverse and can add variety in their

product range by diversification with greater industrialization and creating Regional Value Chains (RVCs) on the basis of comparative advantage.

### ■ Meeting with ECO-CCI



In this backdrop, the Secretariat has taken important initiatives in priority sectors for a sustainable economic growth in the region. However, due to undue delays in materializing these activities, important policy harmonization could not get implemented. Non implementation of Customs' Tariff Reduction agreed by five ECO Member States under ECOTA, lukewarm response on multi-dimensional Trade & Investment Facilitation Strategy/Facilitation Strategy and Trade Facilitation Agreement, ECO Clearing Union, Customs Cooperation, Visa Facilitation etc, are the major stumbling blocks in realization of the goals of the Organization. In addition, we do not see full membership of the ECO as parties to an agreement in trade and investment- be it ECOTA (five parties), APPI (five parties), Agreement on Simplification of Visa Procedures for Businessmen in the ECO (seven parties), Articles of Association of the ECO Reinsurance Company (three members) etc. Therefore, the ECO Member States need to give due emphasis to the following initiatives being pursued by the Secretariat to realize ECO Vision 2025 targets and sustainable economic development for the people of the region in upcoming difficult times:

1. Implement Tariff Reduction through ECOTA/ Setting up a Free Trade Area in the region with participation of all the Member States.

2. The initiatives like Networking of Special

Economic Zones/ Free Trade Zones (SEZs/FTZs) the policy harmonization through uniform incentives under nominated SEZs/FTZs can attract investment in industrial sectors to diversify exports.

3. Networking of Sovereign Wealth/ National Development Funds (SW/NDF) in the region aim at pooling regional resources for bankable projects to upgrade infrastructure and attract investment from region and across the globe.

4. The Secretariat study recommendations on setting up a Regional Payment System (RPS) among nominated commercial banks may be pursued to imbibe greater transparency, predictability and uniformity to trade related payments reducing cost and time of these transactions. The system can also lessen pressures on the Foreign Exchange Reserves (FERs) of the parties through use of local currency.

5. In the post pandemic 'new normal', digital trade has registered an exponential growth in international trade. In order to ensure digital connectivity and 'internet of things' for business community, there is a need to expand internet coverage for both the producers and the consumer, especially in the marginalized areas and sectors of economy like MSMEs/ SMEs, Women and Minorities etc.

6. Given the importance of regional cooperation to strengthen economic recovery and resilience, an active engagement of the private sector through regional forums like ECO-CCI is inevitable. Member States may initiate policy responses to respond to the needs of digital trade through E-Commerce policies in the region and initiate consultation for their harmonization.

With a renewed global focus on 'regionalism' for economic growth, the ECO region can play a substantial role in socio-economic development of its people through collective responses to shared challenges such as the digital trade, regional supply chains, harmonization of policies and procedures, greater connectivity etc.





# Cooperation in Transport and Communication among ECO Member States

Akbar Khodaei

Director (Transport and Communication)

## Introduction

Delving deep into the Past and looking at the road and railways maps in the region, is one of the key parameters to evaluate how much the ECO Region has accomplished in terms of connectivity and infrastructure.

The ECO Member States have always prioritized Transport & Communication. They have unanimously been supportive to programs and activities related to this sector.

Holding eleven sessions of Ministerial Meeting on Transport and Communication between 1993 and 2022 clearly manifests the importance Member States attaches to connectivity in the region. The Ministerial Meetings were held in Almaty (1993), Ashgabat (1998), Islamabad (2000), Izmir (2002), Cholpon Ata-Kyrgyz Republic (2004), Tehran (2006), Antalya (2008), Ashgabat (2011), Turkmenbashi (2018), Tehran (2020),

and Ankara (2022). The Ministerial Meetings are the most important policy and decision-making bodies that practically formulate appropriate policies and plans for development of connectivity and communication in the ECO region. In this connection, the Program of Action for ECO Decade of Transport and Communication (1997-2007) and the Declarations of the Ministerial Meetings and ECO Vision 2025 have been guiding instruments in development of cooperation among the Member States.

Economic Cooperation Organization has taken a very strong stride towards regulating the transport cooperation of its Member States through establishing a legal framework titled as Transit Transport Framework Agreement (TTFA) that encompasses the necessary modalities for well-organized transport cooperation. The Agreement is administered by the Transit Transport Coordination Council (TTCC) and its technical committees on various subjects. Since entry into force of the TTFA in 19 May 2006, ten rounds of the TTCC have taken

place and significant developments have been ignited and implemented for evolution of connectivity in the Member States and particularly in adapting to the international trends and norms.

The endeavors of the ECO for development of connectivity in the region cover fields including road, railway, maritime, civil aviation, transit facilitation, and information and communication (ICT), which are managed and organized through Specialized Working Groups and Expert Groups, established following the decisions of the Transport Ministers and TTCC.

The regional cooperation under the framework of the ECO has resulted in remarkable achievements in the field of connectivity, especially in Central Asian region. Considerable number of programs and projects has been implemented to enhance the trade and economic integration through connectivity initiatives during the last 30 years. Some of the activities are outlined below to showcase the magnitude of energy devoted to enhance regional connectivity:

### ■ Cooperation in Road Transport

The road transport plays a major role in connectivity. Therefore, enhancement of cooperation in this sector has always been a priority for the Economic Cooperation Organisation. Road transport authorities under the framework of Road Committee of the TTCC and project-wise Working Groups along with the ECO Secretariat are in charge of follow-up and monitoring of the road transport cooperation. In line with the policies set by the decision-making bodies, various projects and programs have been implemented including,

but not limited to the following ones:

1. Coordination and standardization of road cooperation through assisting the Member States to join and adopt the relevant international legal instruments and regulations;
2. Preparation and publishing of ECO Road Maps;
3. Conducting various joint projects with the UNESCAP, the IsDB, the UNECE, the IRU;
4. Preparation of ECO Road Network Development Plan;
5. Conducting joint studies with IRU on establishment of various road corridors including Islamabad-Tehran-Istanbul (ITI), Kyrgyz Republic-Tajikistan-Afghanistan-Iran (KTAI);
6. Conduction ECO-Silk Road Truck Caravan in the territories of the Member States;
7. Conducting project on Regular Monitoring of Trucks in the Region;
8. Operationalization of ITI Road Corridor;
9. Implementing capacity building programs and workshops on road issues;
10. Organizing considerable number of meetings and events for policy making and coordination of activities;
11. Facilitation of Visa issuance;
12. Preparation of ECO Visa Pilot Scheme for Drivers;
13. Formulation of Practical Guidelines on Cross Border Facilitation Measures under conditions of COVID-19;
14. Conducting joint capacity building project (with UNECE and IsDB) for digitalization of transport documents (eCMR);
15. Establishment and promotion of relations with relevant international partners;
16. Establishment of Kyrgyz-Uzbekistan-Turkmenistan-Iran Road Corridor; and
17. Establishment of Tajikistan-Uzbekistan-Turkmenistan-Iran-Turkiye Road Corridor;



## ■ Cooperation in Railway Transport

The railway sector has always been a primary focus of collaboration among Member States and has gained a momentum in recent years affected by the new orientation of the commercial transport towards inland and railway connectivity energized by the Belt and Road Initiative of China (BRI). The railway cooperation in the ECO is managed by the railway transport authorities in the framework of Railway Committee of the TTCC jointly with the Meetings of the Heads of Railway Organizations as well as project-wise Working Groups along with the ECO Secretariat.

Some of the activities and projects (in line with the policies set by the decision-makers) that have so far been implemented are highlighted as the following:

1. Establishment of various Working Groups to follow up and monitor the progress of the railway corridors;
2. Development of infrastructure and operationalization of Istanbul-Almaty and Bandar-Abbas-Almaty-Istanbul Railway Corridor;
3. Conducting study project on commercialization of Istanbul-Almaty and Bandar-Abbas-Almaty-Istanbul Railway Corridor;
4. Completion of Islamabad-Tehran-Istanbul (ITI) railway corridor by construction of Kerman-Zahedan railway missing link;
5. Operationalization of ITI railway corridor;
6. Construction and operationalization of Kazakhstan-Turkmenistan-Iran (KTI) railway corridor;
7. Conducting study project on commercialization of Kazakhstan-Turkmenistan-Iran (KTI) railway corridor;
8. Establishment of Corridor Management Mechanism of the KTI Corridor;
9. Completion of Qazvin - Rasht missing link in the North - South Corridor;
10. Implementation of GIS project in cooperation with IsDB and UNECE;

11. Construction of Khaaf - Herat railway in connection with implementation of railway project for the connection of China to Europe through Kyrgyz Republic, Tajikistan, Afghanistan and Iran (KTAI);

12. Construction of Marmaray Tunnel;

13. Implementation of Feasibility Study for Construction of Railway in Tajikistan in connection with implementation of railway project for the connection of China to Europe through Kyrgyz Republic, Tajikistan, Afghanistan and Iran (KTAI);

14. Coordination and standardization of



railway cooperation through assisting the Member States to join and adopt the relevant international legal instruments and regulations;

15. Preparation and publishing of ECO Railway Maps;

16. Conducting various joint projects with the UNESCAP, the IsDB, the UNECE, the IRU and other organizations;

17. Preparation of ECO Railway Network Development Plan;

18. Conducting joint project with UNECE on Implementation of Railway Unified Law along



ECO corridors;

19. Establishment of the Coordination Committee on Almaty - Istanbul and Trans Caspian Corridors Within the Framework of the WP.5 (UNECE Working Party on Transport Trends and Economics);

20. Establishment and promotion of relations with relevant international partners namely the IsDB, the UNECE, the UNESCAP, the IRU, the OTIF, the OSJD, the UIC, etc.; and

21. Organizing/conducting considerable number of meeting and events to follow up the project, programs and mandates;

### ■ Cooperation in Transit and Border Crossing

Border crossing facilitation and Customs formalities are integral and perhaps one of the most critical stages of transit and trade interactions all over the world and particularly in ECO Region. Therefore, border crossing facilitation is well attended in the framework of ECO's regional transport cooperation and a technical Committee is also established within the framework of the Transit Transport Coordination Council (TTCC) to regulate the critical sector.

The Customs Committee jointly with the ECO Secretariat monitors implementation of the Customs related provisions of the TTFA and discusses and recommends solutions and decisions to the TTCC for taking necessary decisions and actions. In this connection, the Secretariat has successfully implemented the following projects and plans in fulfilling its mandates:

1. Simplification and harmonization of customs procedures and documents;
2. Enhancing the implementation of the Customs Convention on the International Transportation of Goods under cover of the TIR Carnets among the Contracting Parties to TTFA;
3. Operationalization of TIR Convention in the whole Region;
4. Conducting capacity building projects in joint collaboration with UNECE and IRU on implementation of eTIR and Digital TIR and TIR-EPD;

5. Conducting Joint Feasibility Study with IsDB on Customs related Provisions of the TTFA and modernization of border crossing points in the ECO Region and preparation of relevant five Year Plan of Action;

6. Follow up accession/implementation

of the ECO Member States to the following international conventions on Simplification and Harmonization of

Customs Procedures

Revised Kyoto

Convention, RKC and

Harmonization of Frontier

Controls of Goods, 1982

Harmonization of

Frontier;

7. Establishment of

ECO-TIR Associations

Consultative Group

(ECO-TIRACG);

8. Conducting test runs operation under cover of TIR conventions along various ECO Road Corridors namely ITI and KTAI;

9. Follow up of reduction or removal of physical checks for TIR transports at BCPs;

10. Conducting multimodal transit (rail and road) under TIR Convention; and

11. Operationalizing IRN-AZE-RUS and IRN-TKM-UZB-KGZ and TJK-UZB-TKM-IRN-TUR under TIR System;

### ■ Cooperation in Maritime Transport

Access of three ECO Member States to open seas and international waters on one hand and geographically landlocked status of the rest of the Region necessitated cooperation in the maritime sector. The ports of Iran, Pakistan and Türkiye in Persian Gulf, Indian Ocean, Black Sea, and Mediterranean Sea coupled with their rail and road networks provide the rest of the region with considerable opportunities to further promote and enhance trade relations with the rest of the world as well as with one another. For this reason, the three Member States have invested heavily for development of their port capacities to facilitate the access of the landlocked countries to the rest of the world.





## ■ The Heads of Maritime Reference Organisations

The Heads of Maritime Reference Organisations (HRMO) manage and monitor the cooperation in this sector in coordination with the ECO Secretariat. Cooperation in maritime sector is summarized as the following:



1. Cooperation in provision of maritime transport facilities to the ECO landlocked countries (LLCs) and utilization of sea port facilities/logistics services of the Member States;
2. Establishment of ECO Shipping Line;
3. Field visits to their sea/dry ports for onsite exploration of facilities

and opportunities by the officials and interested private sector investors;

4. Establishment of ECO Logistics Providers Associations (ECOLPAF);
5. Implementation of the project on: Linking the existing regional sea ports in the ECO Region with ECO's landlocked and transit countries' dry ports (ECO Gate);
6. Establishment of ECO Consultative Maritime Officials Network;
7. Launch of a tourism cruise liner in the Caspian Sea;
8. Cooperation in procurement and operationalizing of Ro-Ro vessels;
9. Advisory services/training on requirements for equipment of Global Maritime Distress and safety System (GMDSS) and on requirements for navigational systems within the framework of SOLAS;
10. Collaboration during the COVID-19 pandemic; and
11. Establishment and promotion of relations with relevant international partners inter alia, the IMO, the ISDB, the IRU, the UNESCO.

## ■ Cooperation in Civil Aviation

Civil aviation plays a crucial role in sustainable development of our societies and it has been on the agenda of the ECO to enhance cooperation in this important sector including establishment of ECO Airline. With increasing attention to civil aviation, the 9<sup>th</sup> Ministerial Meeting on Transport held on May 1-3, 2018 in Turkmenbashi (Turkmenistan), agreed to establish a Working Group on Civil Aviation. The sector has revealed its critical importance for the ECO region, especially during the COVID-19 which severed connections among ECO Member States on account of lockdowns and travel restrictions. Revenue losses hit hard Civil Aviation Industry at regional and global level. This has necessitated the mobilization of regionally concerted action to tackle scourges of disastrous pandemic.

The Working Group on Civil aviation is primarily mandated to enhance cooperation of the Member States particularly through:

1. Establishing Cooperation in the field of training and advanced training of the inspectors of the aviation authorities as well as specialists in the civil aviation industry;
2. Certification of operators of aircraft and airfields (heliports) of civil aviation, licensing of aviation personnel and organization of air transportation;
3. Establishment of ECO Air Hub in the eastern ECO Region;
4. Cooperation among private Airlines;
5. Exchange of experience and experts;
6. Establishment of flights among tourism destinations in the region;
7. Establishment of Regional Framework Agreement on Civil aviation; and
8. Establishing and enhancing relations with the relevant international organizations.

## ■ Cooperation in Communications and ICT

Regional Cooperation in the fields of ICT and telecommunications among the Member States dates back to the early years



of the establishment of the Organization.

The two meetings of the ECO Ministers of ICT in 2012 (Tehran) and in 2017 (Baku) extensively reviewed the past activities and discussed, over the prospects of regional cooperation in communication and ICT and outlined new areas of collaborations. A High Level Working Group was also established to follow up the decisions and enhance the needed cooperation. Right now the following activities are on the agenda of the ECO and the Secretariat is implementing the programs and projects to help enhance the regional ICT



interactions:

1. Implementation of project on ECO Strategy 2025 Regional Strategy for Information Society;
2. Feasibility study on fiber optics network in the region;
3. Establishment of regional regulatory framework;
4. Cooperation on Cyber Security;
5. Cooperation on exchange of experience and capacity building;

6. Promotion of infrastructure development;
7. Promotion of postal cooperation;
8. Cooperation with ECO Postal College (Pakistan);
9. Organizing relevant Working Group Meetings; and
10. Establishing and enhancing relations with international organizations namely ITU.

## ■ Conclusion

The ECO Member States on the eve of its 30<sup>th</sup> Anniversary of Expansion has taken big steps towards integration and attaining the Sustainable Development Goals (SDGs), particularly in the field of transport and connectivity. The regional and international connectivity has been prioritized by the ECO Member States and developed compared to other areas of cooperation; this focus has resulted in enhanced connectivity among Member States. However, the ECO region is still far from the aspirations of the people and the targets of a seamless connectivity that is critical for development of economic and social sectors of society. Lack of investment and financial resources is one of the main challenges for speedy development of connectivity in our Region, which needs to be addressed properly by the Organization. The Islamic Development Bank (IsDB) has played a highly constructive role in assisting the ECO Secretariat in implementing projects and plans together with some other

international organizations namely the UNESCAP, the UNECE, the IRU, the OTIF, the OSJD, the ITU, etc..

The ECO Secretariat energized by the noble cause set under the ECO Vision 2025, will continue its activities to translate the wishes, goals and plans into tangible and visible outcomes and in this endeavor the full support of the Members will play a critical role.

## Transformation of Energy Mix and

# New Global Energy Dynamics

Rovshan Mirzayev

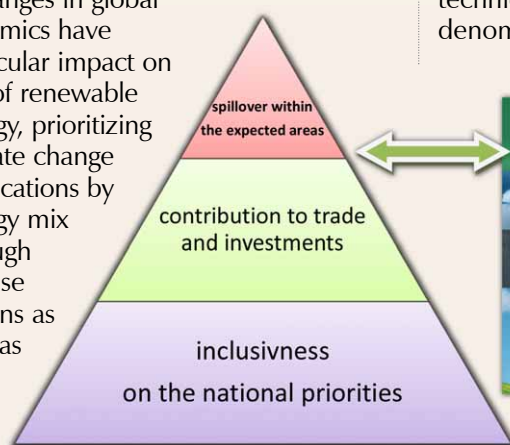
Director (Energy, Minerals, and Environment)

**E**ncouraged by the shared interest of Member States, the ECO region is committed to create its energy future more flourishing and striving for cleaner sources to provide reliable and affordable energy through enhanced cooperation in and out, institutional framework reforms and deploying best practices by advanced international partnerships.

Changes in global dynamics have particular impact on rise of renewable energy, prioritizing climate change implications by energy mix through precise actions as well as

improved interconnections to ensure reliable and affordable energy market by harmonizing institutional and infrastructural space. By putting forward such ambitious strategic goals the ECO region must be prepared and equipped with coherent policies to enable smooth transformation that would give an added value to its entire development.

These goals are stemming not only from huge fossil fuel resources but also promising large capacity of clean energy potential, sufficient consumer market within wider region, as well as interconnectivity for the energy trade along with existing institutional and technical competence. Under such important denominators ECO Member States have solid





ground to enhance regional cooperation to benefit from existing transformation in the global energy landscape.

Transformation to renewable, as well as cleaner and sustainable energy sources represents the Expected Outcome v. of energy sector in ECO Vision 2025. This regional mainstream predominantly targets on unlocking ECO Region's tremendous cooperation opportunities in renewables and energy efficiency and create an enabling environment for robust sustainable energy markets and investments. The joint ECO-UNIDO Project on establishment of ECO Clean Energy Centre (CECECO) is an explicit example of these sustainable energy transformation efforts.

Energy inefficiency is one of the major challenges confronted by the ECO Region and must be targeted

More efficient energy systems are highly desirable for economic competitiveness, low-carbon intensity, and reliable and affordable energy services to consumers. Prioritizing the Green Economy as mid and long term development policy may not only bring dividends to the ECO region, but also motivate Member States to unite under the universal value which would contribute speaking up with single voice in global arena within the shared interest of energy, environment and other cross-cutting areas. A smooth transition toward green and a low-carbon economy will require factoring in the role of transition fuels, especially gas. Focus on gas (which is abundant in the half of ECO countries)



at production, distribution and consumption stages. Policies for promoting energy efficiency, energy conservation and carbon finance mechanism need to be adopted. As a first step setting an indicative target to improve energy efficiency at the regional level by certain period should be in line with synergy on resource efficiency policies that will ensure circular economy.

should be included in the regional debate around the energy transition to ensure that the transition is realistic and sustainable.

Consequently, the reuse or recycling of natural resource inputs; enhancing production and consumption of



renewable sources of energy; preservation of critical (or non-substitutable) natural capital; and minimizing pollution and other environmental impacts - including GHG emissions - will be key vision to guide by the ECO. At the same time, best practices will be sought to open wider discussions for the policy measures to encourage broader socio-economic objectives including economic growth, equality, employment, health and wellbeing, and poverty reduction.

Diversification of energy connectivity plays a fundamental role in the ECO Region taken the unique geostrategic location and land-locked status of the majority of ECO Member States. Intra- and inter-regional connectivity in the ECO Region is being diversified thanks to the large-scale energy and transportation infrastructure projects under different multilateral formats. Ensuring further energy security in the ECO Region requires the integrated and coherent approach, including via providing support to nurturing behavioural change towards more efficient energy consumption, capacity building and awareness raising, etc. Further development of national legislations and harmonization of legal and regulatory frameworks in Member

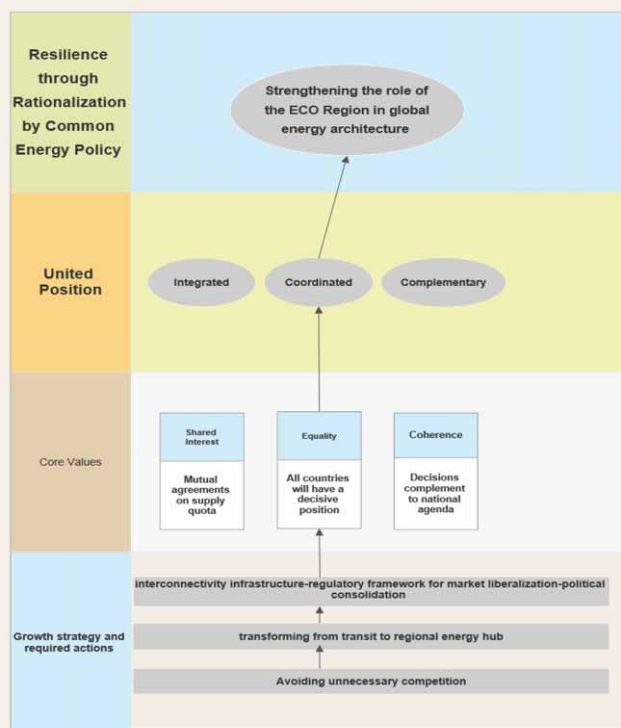
States is a crucial factor to gear up in advancing of energy security.

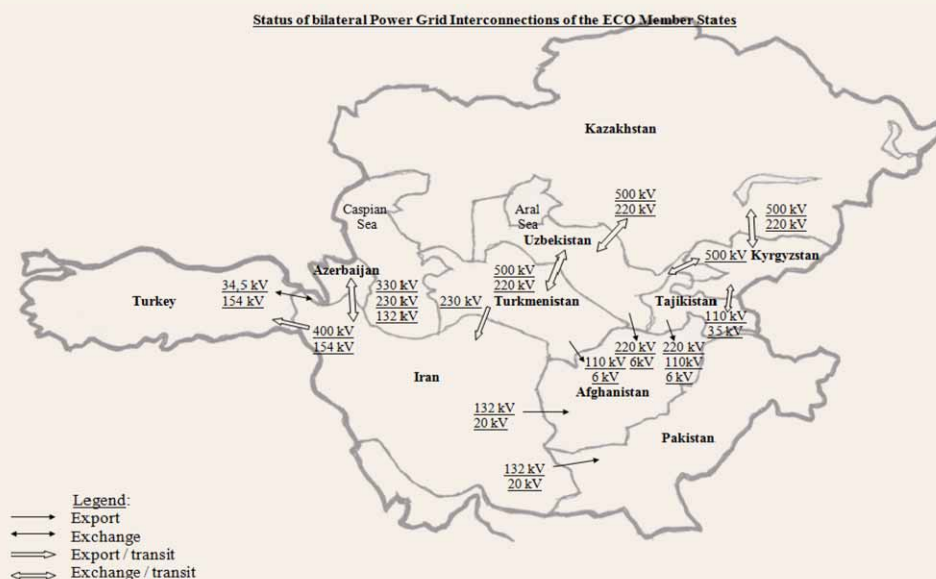
More integrated national energy markets in the ECO area should be one of the priorities to facilitate trade in the region for suppliers and meet the energy demand

of consumers. the ECO Regional Electricity Market flagship project will be one of the main encouraging contributors to attain this goal by providing best practices for know-how. Transformation of energy mix towards meeting the needs in the ECO Member States through cooperation at regional level and responding to the priorities in the global level must be in compliance also with appropriate

enforcement mechanisms. Implementation of existing regulations and enacting new legislations are such an essential development that the ECO Secretariat shall provide opportunities for its member states to review best international practices and methods.

In fact, the ECO's transition to more sustainable, affordable as well as clean energy will implicate its downstream energy agenda too. Though most of ECO Member States possess considerable volume of downstream industry, it is necessary to harness more complementarities, effectively use available resources, and build cross-country energy capacities in order to establish resilient regional cooperation. To avoid harmful competition and in turn attain comparative advantages, dimensions such as asset optimization, driving of synergies and product differentiation and portfolio optimization will be core issues to achieve fully-fledged consolidation both between producer-producer and producer-consumer actors in the region. Shared interest





of ECO Member States as a strategic target will be to formulate sustainability for the downstream industry. Framework of primary actions will be comprised of advancing its environmental and carbon stake from liquids to natural gas and renewables for energy and electricity, material and process efficiencies, low-carbon processes and products, energy efficient transportation systems, and growing recycling and reuse of end-products. As an end result for policy-makers, will be the entitlement of "Sustainability at the core of every decision-making" inter-alia feedstock and portfolio strategy, technology selection, branding for stakeholders, and relationship with suppliers and partners.

The scale and depth of the goals of this Strategy necessitate a fundamentally innovative and proactive approach together with notable scientific breakthroughs and technological advancements. This approach will enable enhancement of efficiency and impact of our efforts to meet the ambitions of the Strategy. The ECO Region is home to some dynamic, pioneering and innovative countries and meantime, to the technologically deprived ones. To bridge this gap and enable all MSs to take advantage of available technologies and robust culture of innovation should stand high on agenda. The existing subregional and North-South energy research, innovation and technology platforms in the Region are disparate and fragmented, and thus are not fully harnessing the extensive knowledge and potential of the Region.

The underlying assumption behind sustainable energy

development is also evidently the fact that poverty reduction is a key to accomplish social development goals but indispensable for preserving environment, whereas the poor might make adverse impacts on environment by overusing natural resources. Efforts to develop adequate social protection system for energy consumption could continue by improving the targeting of the compensation mechanism to the needy and eliminating non-payments and discounts to a wide range of privileged consumers. Realistically designed and efficiently implemented lifeline tariff could be the second best option.

Under this comprehensive vision, energy landscape of the ECO region would be able to pull off new perspectives for partnerships in collaboration with organizations and countries that have gained years of experience in the realm of energy mix. Common energy future of the ECO region at such pace will dispose common solutions with overarching principle of no one left behind.



# Glance at Cooperation in Agriculture and Industry

Gürkan Polat

Director (Agriculture & Industries)

## Agriculture

Agriculture plays a key role in economy. A strong agricultural economy brings social progress by increasing productivity, employment and income. Sound economic growth, alleviated poverty rates, and enhanced food security are essential for economic and social welfare.

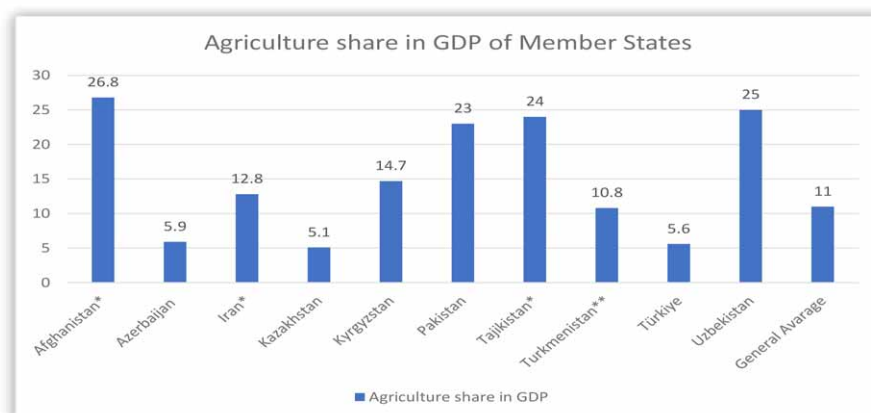
Surging global food inflation in the wake of COVID-19 (see the Graph 1), looming threat of global recession and prevailing regional and international geopolitical conditions, have made agriculture and food security one of the most important national priorities of most nation-states across the globe.



The Economic Cooperation Organization (ECO) comprises largely developing countries. The economies of most ECO Member States are in transition towards more industrialized and service-oriented one. The share of agriculture in national economies of Member States has declined



over the years, yet its share is considerable. Agriculture remains the basic source of income for rural population. While the share of agriculture in GDP of ECO member states varies between 5.1 per cent and 26.8 per cent, the share of agriculture in total GDP of ECO region is 11 per cent.



Moreover, in four ECO Member States, agriculture still constitutes around 20 per cent of the GDP (see Graph 2). On account of these considerations, agricultural development is considered sine qua non for poverty alleviation and social and economic development.

Therefore, the ECO attaches immense importance to enhancing cooperation in agriculture sector. One of the most important instruments to get contributions and commitments of Member States is strong high level political dialogue. The ECO gathered the highest level decision makers on the agriculture by convening the 7<sup>th</sup> ECO Ministerial Meeting, preceded by 6<sup>th</sup> High Level Experts Meeting on Agriculture, hosted by the Republic of Uzbekistan in Tashkent on July 5-6, 2022. Tashkent Declaration was an outcome document of the Ministerial Meeting, wherein the decision-makers extended strong support to enhance cooperation in order to offset the consequences of prevailing conditions.

In order to ensure food security in the ECO region, the ECO Regional Program for Food Security (ECO-RPFS) was prepared with the technical assistance from the Food and Agriculture Organization of the United Nations (FAO). This comprehensive program was updated according to post-pandemic circumstances and adopted by the ECO Agriculture Ministers during the 7<sup>th</sup> Ministerial Meeting. Regarding the implementation and coordination of projects and activities relevant to the RPFS components, Regional Coordination Center was established in Türkiye, which







was elected as Coordinating Country for the implementation of RPFS unanimously. Today, the ECO Regional Coordination Center for Food Security (ECO-RCCFS) is serving as a useful platform among Member States to share knowledge and experience. Tashkent Declaration conveyed the Ministers' full support to transform ECO-RCCFS from a program-based organization to a self-sustainable body of ECO. Once the ongoing work is completed, the ECO-RCCFS will serve as a Specialized Agency of ECO. The 4<sup>th</sup> Steering Committee Meeting of the ECO-RCCFS regarding implementation of the updated ECO-RPFS was held on October 6, 2022, in Istanbul.

The second important component of our agricultural development policy is to strengthen seed supply in the ECO region. Level of development of national seed industries in the ECO region is directly related to the overall development of Member States. The availability, access, and use of high quality seeds and adapted crop varieties play an important role in increasing agricultural productivity in order to ensure food security and improve farmers' livelihoods. This is particularly critical at a time when world food prices are abnormally high. ECO Member States possess a huge potential for seed production, which is yet to be reaped optimally. Studies in the seed sector have been conducted at national and

international level in light of the specific conditions of each state. These studies; however, still need to be evaluated and integrated into a regional framework in order to clarify and facilitate the role of each shareholder in the seed sector.

Seven Seed Congress and Fairs have been held by ECO Seed Association so far. The 8<sup>th</sup> ECO Regional Seed Conference is planned to



be organized by the ECO Seed Association (ECOSA) in 2023 in Baku, Azerbaijan. Moreover, the draft ECO Regional Seed Agreement was prepared and circulated among member countries to obtain their comments.

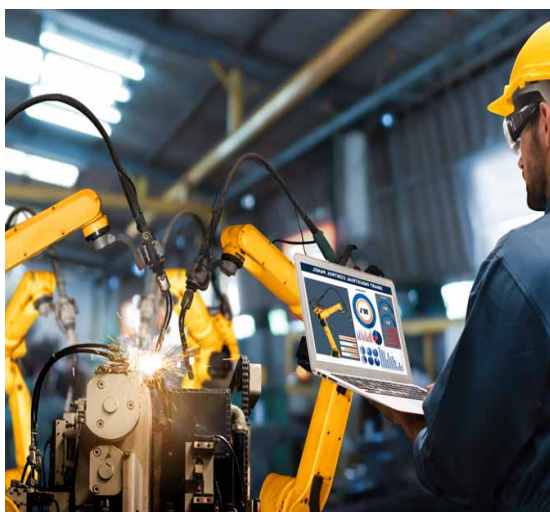
The ECO Regional Seed Agreement has the potential to be an important legal instrument to harmonize seed policies of ECO Member States and contribute positively to seed supply.

Another important pillar of agricultural development policy of the ECO is Cooperation in Animal Trade and Veterinary Services. The 3<sup>rd</sup> ECO Heads of Veterinary Organizations Meeting was held and the Work Plan regarding priority activities of the ECO Veterinary Commission (ECO-VECO) was finalized. The Work Plan had been discussed and updated by the 1<sup>st</sup> Technical Committee Meeting for the implementation of the Work Plan of ECO-VECO on November 15, 2022, virtually hosted by the Republic of Azerbaijan. Border quarantine issues, halal certificates and combating Trans-boundary Animal Diseases, are among top priorities of the ECO. To this end, the ECO Secretariat initiated and completed a small-sized project "Establishment of standardized ECO network of Slaughter Houses and Reference Laboratories". Findings of this project have strengthened cooperation in veterinary issues.

Effective water usage is crucial for sustainable agriculture ecosystem. The ECO is committed to the Sustainable Development Goal 6 (Clean Water and Sanitation), as this specific agenda is especially relevant for ECO Member States as the region is home to approximately 6 per cent of the total world's population, with an expected increase rate of around two per cent annually. The effective utilization of the water resources and efficient and harmonious management of our trans-boundary water resources will contribute towards greater food security, better harnessing of our energy sources, socio-economic and political integration, and ultimately peace and security. Hence, it is of paramount importance that water, sanitation and hygiene are integrated into governmental policies in the whole of the ECO region. The Establishment of the ECO Center of Excellence for Efficient Water Utilization for Agriculture (ECO-CEEWUA) was inspired from this logic and approved by the 4<sup>th</sup> Ministerial Meeting on Agriculture. The Center will serve as a regional resource hub for addressing water-related issues

at sub national, national and international level facing ECO Member States and carrying out and coordinating a range of activities including assisting the member countries in formulation of water management strategies, policies, water laws and agreements. The Center will work on generating, synthesizing and disseminating knowledge, technologies, new models, frameworks information and data on water resources, promoting innovative ideas and best practices, promoting cross-country and offering capacity building and training programs for training stakeholders in government sector, NGOs, national and local level organizations and institutions involved in water resources management in the member countries.

## INDUSTRY



Promotion of regional trade is one of the key objectives of the ECO. Trade; however, cannot be sustainable unless the certain preconditions are fulfilled. Cooperation on industrial issues is critical due to several aspects, inter alia, utilizing small and medium enterprises policies, harmonization of standards and cleaning the barriers to increase trade volume among Member States and increasing technological means at the production phase.

One of the basic preconditions for sustainable and smooth trade is the developing quality management infrastructure and harmonization of standards which comes

through Standardization, Conformity Assessment, Accreditation, and Metrology. The First ECO Ministerial Meeting on Industry, held on January 25-27, 2004 in Tehran, identified these areas as a major priority areas for cooperation and decided that the Islamic Republic of Iran and the Republic of Türkiye to act as the coordinating countries. The Statute of the ECO Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (ECO-RISCAM) was prepared and approved by the 18<sup>th</sup> Council of Ministers (COM) along with the Road Map for its provisional implementation. The official opening ceremony of the Central Secretariat of the ECO-RISCAM and its Technical Management Board of Conformity Assessment was held on 14 December, 2016 in Tehran, Iran. The Secretariats of the Technical Management Boards (TMBs) of Standardization and Accreditation will be located in Türkiye, Metrology in Pakistan and Conformity Assessment in Iran. Moreover, ECO Vision 2025 has mandated the ECO-RISCAM to work for developing industrial standards and encouraging of green industries and services for the region.

After its Statute being signed and ratified by four Member States, other basic documents of ECO-RISCAM were drafted and shared. While technical preparations, studies and initial data share programs are going on, gathering of First General Council of ECO-RISCAM and establishment of TMBs are in process.

The impact of Small and medium-sized enterprises (SMEs) in the global economy is highly crucial for a poverty-free society. SMEs not only provide ample job opportunities but also ensure the flow of money at various levels of society. SMEs play a key role for developing states and countries-in-transition. They constitute a major source of employment and contribute significantly towards domestic and export earnings. The development of SMEs is a key ingredient in socio-economic development and poverty alleviation efforts. The regular Steering Committee Meetings on Entrepreneurship and SME Development has enabled the ECO Member States to harmonize policies and establish strong

connections between relevant authorities. Moreover, the ECO aims at augmenting capacities of relevant government authorities through workshops and training programs. Workshop on "Sharing Best Practices on SME Support and Evaluation Mechanisms" was held virtually by the ECO Secretariat and the Small and Medium Enterprises Development Organization of Türkiye, on November 23, 2022. All Member States shared their best practices.

In the era of protectionist tendencies, the world and the associated regional blocs widely acknowledge and continue to explore all-out possibilities for reaping maximum advantage of the existing and emerging technologies to serve their interests, accelerating the pace of their progress and development. The ECO Secretariat has focused on use of nanotechnology in the ECO textile and garment sector. The idea behind this was to mull over the benefits of nanotechnology which is a growing interdisciplinary technology often seen as a new industrial revolution, offering novel means of processing fabrics for the transformation of clothing industry. Furthermore, the ECO Vision - 2025 has envisioned the strategic objective of achieving long-term high-level growth, knowledge and information based production through increased involvement of research and development (R&D), entrepreneurship, involvement of private sector, and increased women participation and SMEs for the Region. In order to make most of the potential of ECO Member States in Textile & Garments Industry and explore the nanotechnology opportunities for Member States, the ECO Nanotechnology Network was established. The Network is supposed to serve in increasing intra-regional trade.

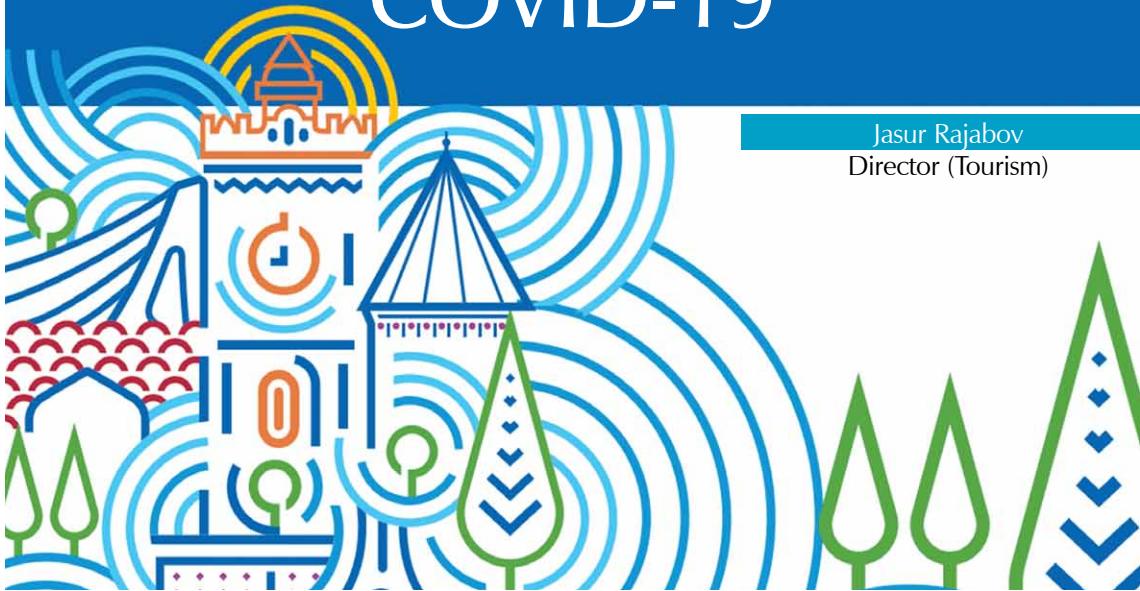
Comprising two important areas, agenda of Agriculture and Industry Directorate, deriving from the basic documents such as the Izmir Treaty, the ECO-Vision 2025, and the Quetta Plan of Action and dedicated to the Sustainable Development Goals, is regularly being updated according to the emerging needs of Member States.



# Tourism Development

## and Efforts for Accelerated Recovery after COVID-19

Jasur Rajabov  
Director (Tourism)



Tourism has been prioritized as important sector for development under the ECO Vision-2025. The ECO region abounds in natural beauty. The region enjoys diversity of historical-cultural heritage, echoing the memoirs of the ancient Silk Road. The ECO is home to 74 UNESCO-registered World Heritage Sites. The real tourism potential goes beyond what is portrayed in the figures.

During the last decade, inflow of international tourism to the region

crossed 87 million people, which was six per cent of worldwide international tourism in 2019. The figure outwardly seems impressive. However, given the fact that the ECO shelters more than half a billion inhabitants and enjoys opulence of natural beauty, international tourist inflows are still modest. In order to augment regional tourism to new heights, increased regional cooperation is urgently needed.

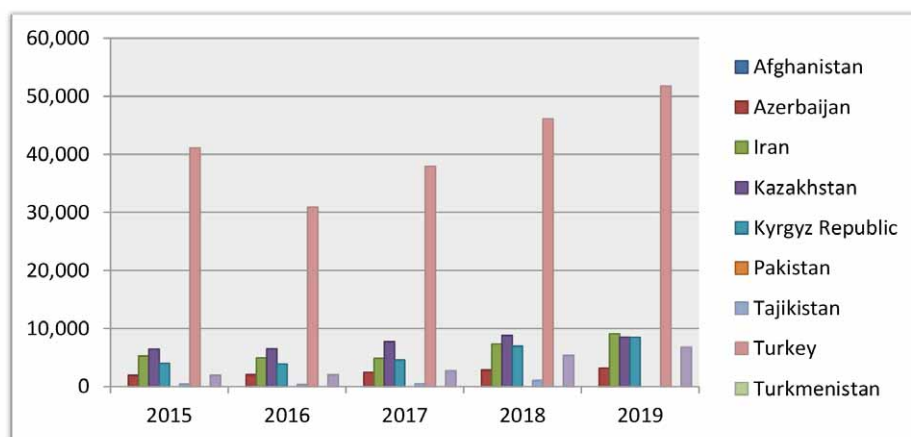
The region received international tourism receipts of around \$USD 49.3bn, which account for mere 2.72 percent of the global tourism receipts. The average total contribution of travel and tourism sector to GDP in the ECO region in 2019 was 7 percent, which is below the





global average. In 2019, 10.3 per cent of global GDP accounted for travel and tourism industries. Türkiye remained main tourism destination in the region, registering the highest number and share of international tourist arrivals (11.3 per cent) followed by Kyrgyzstan (8.3 per cent) and Azerbaijan (7.2 per cent).

### Visitor Arrivals to ECO Region by Country of Destination, 2015-2019 (Thousands)



Source: National Statistical Offices of Member States, WB, UNWTO, WTTC

As per the estimates of World Travel & Tourism Council (WTTC), more than 10 million individuals were employed in travel and tourism industry in 2019 within the ECO region, accounting for around 6.9 per cent of total employed labor force. Around 10.7 percent of total exports of the region in 2019 was international tourism receipts.

In 2019, the intra-regional tourist flows among ECO Member States accounted for more than 24 million with its total share standing at 27.5 per cent, which is far below the real potential. In 2019,





Uzbekistan registered 35.16 per cent of the intra-regional tourism followed by Kyrgyzstan at 12.81 per cent, Azerbaijan at 12.51 per cent and Kazakhstan at 11.53 per cent.

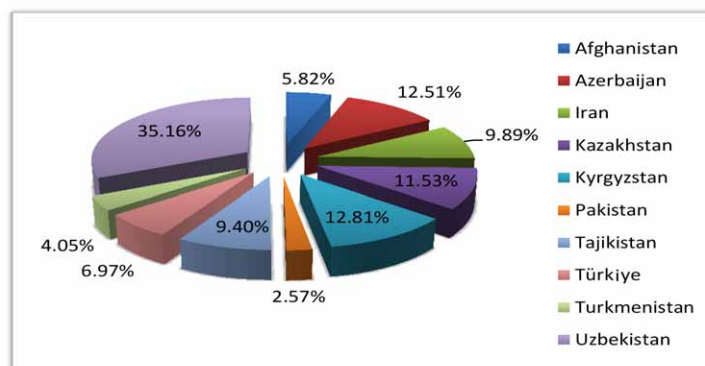
### International Arrivals to ECO Region by Country of Origin, 2015-2019

	2015	2016	2017	2018	2019
<b>Total</b>	61,119,418	50,831,377	60,923,140	78,028,959	87,240,915
Africa	579,289	520,804	618,207	841,739	1,022,990
Americas	1,384,785	839,759	705,381	944,978	1,157,738
East Asia and The Pacific	1,742,915	1,146,119	1,332,684	1,695,945	1,992,871
Europe	43,469,785	35,016,907	42,873,243	55,972,361	62,701,824
Middle East	5,768,381	4,234,054	5,222,239	7,528,938	8,638,243
South Asia	3,068,977	3,262,373	4,376,124	4,217,587	4,867,775
Others	5,105,286	5,811,361	5,795,262	6,827,411	6,859,474
Afghanistan	590,468	783,938	850,264	1,127,261	1,396,075
Azerbaijan	1,726,380	1,766,778	1,786,494	2,578,475	3,004,062
Iran	1,874,167	1,944,933	2,886,061	2,260,915	2,373,918
Kazakhstan	4,558,447	4,251,541	4,974,547	2,775,619	2,768,412
Kyrgyzstan	1,726,592	1,742,966	1,842,660	2,571,215	3,076,097
Pakistan	305,380	302,493	377,770	459,633	617,950
Tajikistan	579,219	651,120	990,314	1,762,621	2,256,536
Turkey	929,688	925,587	1,010,312	1,263,165	1,673,965
Turkmenistan	543,732	413,151	499,973	641,940	973,086
Uzbekistan	2,809,353	2,973,307	4,355,861	8,642,133	8,439,984
Intra ECO	15,643,426	15,755,814	19,574,256	21,960,147	24,007,586
Share	25.6%	31.0%	32.1%	28.1%	27.5%
Extra ECO	45,475,992	35,075,563	41,348,884	56,068,812	63,233,329
Share	74.4%	69.0%	67.9%	71.9%	72.5%



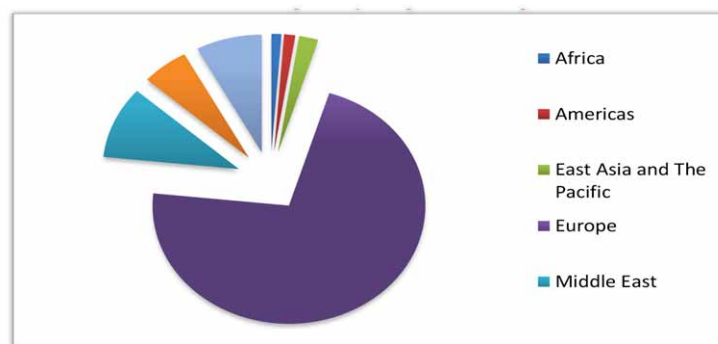


### Intraregional Arrivals to ECO Region by Country of Origin, 2019



In 2019, the number of visits from non-ECO countries was more than 63 million, accounting for a total of 72.5 per cent. Around 71.87 per cent of international visits were from Europe. This indicates the popularity of ECO region as a tourist destination among Europeans.

### Visitor Arrivals to ECO Region by Region of Origin, 2019







Tourism was perhaps the biggest causality of COVID-19. There is limited data for 2020 and 2021. The estimations made by the ECO Secretariat indicate that the tourist arrivals to the region contracted by 73.54 per cent in 2020 and the tourism receipts decreased by 67.12 per cent.

The Ashgabat Consensus for Action, an outcome document of the 15<sup>th</sup> ECO Summit held on 28 November 2021 in Turkmenistan, the Heads of ECO Member States "assigned Tourism Ministers to undertake urgent measures to tackle challenges arising from COVID-19 pandemic, hemorrhaging ECO tourism industry". To step up recovery of the regional tourism industry in a wider spectrum both regionally and globally, the ECO Secretariat with the support of the high-level experts from the Member States has prepared the Draft Road Map on Facilitating Accelerated Recovery, Safe and Sustainable Development of Tourism after COVID-19 in the ECO region, to be used as a general framework for cooperation in tourism sector to enable a targeted regional support and collaboration among the Member States

and assist the recovery and further growth of the regional tourism sector following the devastating impact of the pandemic. The Road Map is going to be adopted during the upcoming ECO Ministerial Meeting on Tourism in Samarkand, Uzbekistan.

The regional tourism experienced an uptick in 2021 with arrivals increasing around 50 per cent compared to 2020 due to the widespread use of vaccines. Yet it was still below the 2019- level. In 2022, regional tourism registered a stronger performance, yet it is estimated that post-pandemic recovery of tourism will be slow.

The ECO Member States look forward to recovering from the pandemic; they recognize economic and social benefits associated with booming tourism industry. It is urgently needed to take the initiatives to improve the tourism potential of the region and adopt new ways to attract tourists, especially from and within the region. The ECO has extended support and embarked on different initiatives and policies as reflected in the ECO Vision 2025. The initiatives include creation of a common regional tourism brand to publicize and promote the ECO region, improve the footprints of the ECO region in cyberspace, intensify tourism networking, organize meetings of the representatives of the tourism operators and tourism associations of the Member States, establish Tourism Destination Chain and Connectivity among ECO Countries, facilitate development of common ECO Tourism Visa, organize meetings of transport, tourism and other relevant authorities to expand connectivity through air, water, rail and land transportation, launch initiatives to facilitate investment into regional tourism projects, hold ECO-wide promotional tourism events such as fairs, exhibitions, etc.

The ECO has introduced an inspirational and stirring tradition of declaring cities of the Member States, possessing rich historical heritage and huge tourism potential, as the ECO Tourism Capital for each year to facilitate sustainable development of tourism, upgrade tourism infrastructure, boost local economies in tourist areas and improve welfare and living standards of the natives. In order to materialise the progressive initiative, Dushanbe was announced as ECO Tourism Capital for 2020 and 2021 and Sari in Iran for 2022. Ardabil in Iran will be ECO Tourism Capital for 2023.





# Overview of the SDGs in the ECO Region

Husnu Tekin, PhD

Director (Human Resources &  
Sustainable Development)

## Introduction

The idea for a global partnership for sustainable development to improve human lives and protect the environment was brought to the agenda of the United Nations (UN) at the Earth Summit held in Rio de Janeiro in 1992. Thereafter, in 2000, all Member States of the UN declared the Millennium Development Goals (MDGs) to alleviate extreme poverty in the world by 2015. Ultimately, the UN, by merging different aspects of development question including economic, social and environmental ones, adopted 17 interlinked fundamental Sustainable Development Goals (SDGs) to provide a shared blueprint for peace and prosperity for all people and the planet in 2015. The SDGs which are an urgent call for action by all states, as demonstrated in the chart below, comprises a range of priority areas from poverty reduction to improving health and education opportunities for people and preserving the oceans and forest as well as tackling climate change to achieve them by 2030 (UN, 2022).

Figure 1: Sustainable Development Goals



## ■ SDGs Indicators in the ECO Region

Every year, the UN presents annual SDGs progress report based on main indicators. The table below demonstrates the recent progress in the main SDGs in the ECO region.

Figure II: Progress in SDGs of the ECO Countries

	Afghanistan	Azerbaijan	Iran	Kazakhstan	Kyrgyz Rep.	Pakistan	Tajikistan	Türkiye	Turkmenistan	Uzbekistan
No Poverty	NA									
Zero Hunger										
Good Health and Well Being										
Quality Education									NA	
Gender Equality										
Clean Water and Sanitation										
Affordable and Clean Energy										
Decent work and Economic Growth										
Industry Innovation and Infrastructure										
Reduce Inequalities	NA								NA	
Sustainable Cities and Communities										
Responsible Consumption and Production									NA	
Climate Action										
Life below Water	NA	NA		NA	NA		NA			NA
Life on Land									NA	
Peace, Justice and Strong Institution										
Partnership for the Goals										

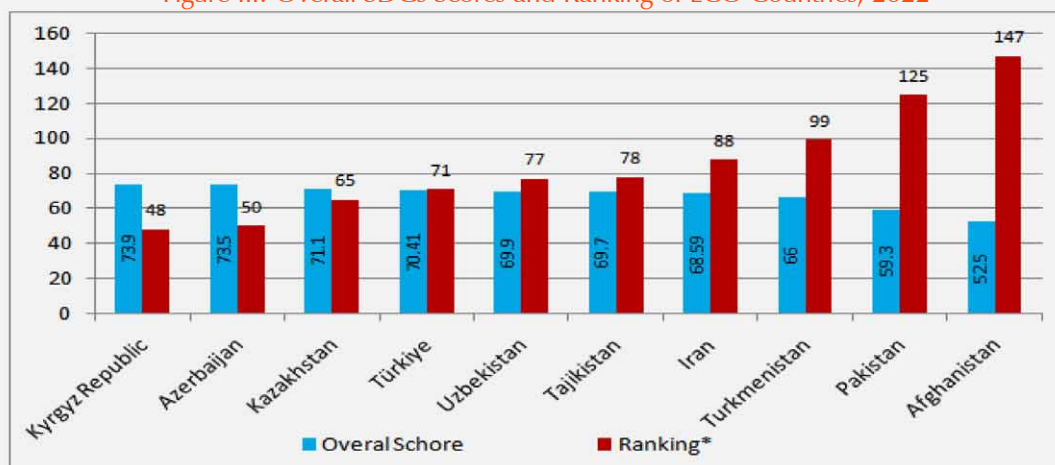
<b>Dashboards:</b>				
	SDG achieved	Challenges remain	Significant challenges remain	Major challenges remain

Source: Prepared by the author based on the data in UN Progress Report 2022.

As seen in the table, though most ECO Member States have progressed in terms of some SDGs indicators such as poverty reduction, reasonable consumption and production and climate action, it seems that challenges still remain to achieve the SDGs for the ECO Member States including best performing ones.

The graph I shows the overall SDGs scores of Member States of the Economic Cooperation Organization based on the recent analyses in 2022. While the Kyrgyz Republic is the most successful country in the ECO region in terms of achieving SDGs, there exist many challenges for Afghanistan in the way to achieve SDGs by 2030.

Figure III: Overall SDGs Scores and Ranking of ECO Countries, 2022



Source: UN, 2022

\* The ranking shows the rank of the respective country among 163 countries.

### ■ Role of ECO in Achieving SDGs

The ECO Vision 2025, adopted in 2017, underscores the core principles of sustainability, integration and conducive environment for the region. The adoption of ECO Vision 2025 sets out mid-term and long-term regional objectives and expected outcomes in the human resources and sustainable development. The implementation framework of the Vision 2025 identifies the required action, timeframes, result areas and accountabilities.

The ECO Vision 2025 shares the goals and targets defined by the United Nations' "Transforming Our World: the 2030 Agenda for Sustainable Development". For this reason, the Vision determines implementation strategies for trade, transport and connectivity, energy, tourism, economic growth, productivity, social welfare and environment to improve regional cooperation and collaboration for fostering socio-economic development of the region.

The Economic Cooperation Organisation, as an inter-governmental institution, performs mandated functions with six directorates. Human Resources and Sustainable Development (HRSD) Directorate, established in 2006, is in charge of human resource development, social development, disaster risk

reduction, drug control affairs, health, poverty alleviation, etc. The directorate has four main interlinked priority areas which are sustainable development, disaster risk reduction, health and education respectively to accelerate the realization of ECO-supported SDGs in the region. The directorate has engaged in partnerships with national, regional and international partners in capacity building and training activities in health and disaster related areas with a view to respond to the needs of the relevant sectors in the ECO region. It has also supported regional networking among relevant national authorities in core areas. Some of the activities and projects implemented by the HRSD directorate may be highlighted as follows:

1. Holding several expert groups, high level officials and ministerial meetings in the areas of disaster risk reduction, health and education. The 8<sup>th</sup> ECO Ministerial Meeting on Disaster Risk Reduction was held on March 2021. The Meeting touched upon priority areas for reinvigoration of potential partnership frameworks and key actions for further engagement of regional and global disaster risk management;
2. Various workshops on the main mandates of the directorate to develop synergies and cooperation opportunities among member countries through experience sharing to help



achieving the SDGs. The 2<sup>nd</sup> training workshop on "Disaster Risk Transfer through Insurance", held on July 2022, sought to create a common understanding on disaster and climate risk among ECO member states, strengthen risk governance and resiliency on insurance, disaster and climate risk transfer through insurance;

3. Conducting various cooperation protocols, experience sharing meetings and training programs with international institutions, especially UN affiliated institutions such as the ESCAP, the UNDP, the UNDRR, and the WHO

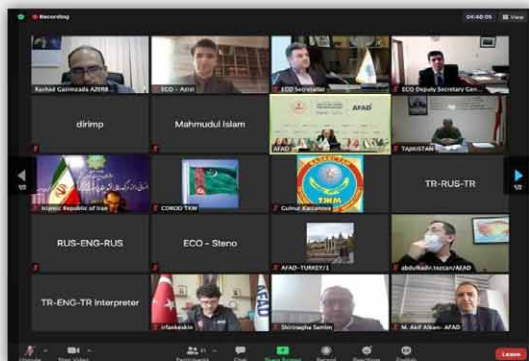
(2021-2025);

5. Adaptation of the Regional Plan of Action of Disaster Risk Reduction and Management for Cascading Risks;

6. Preparing the draft ECO Action Plan on Health. It is considered that the draft document will be adopted in the next ministerial meeting on health in 2023;

7. Preparing the protocol on Real. time Seismological Data;

8. The project on establishment of the ECO Regional Capacity on Intra-Trade of Pharmaceuticals (RCIP);



Source: The photos taken during the 2th training workshop on Disaster Risk Transfer through Insurance held in 2022, ECO-UNESCO Workshop held in Tehran in 2017, 3rd Expert Group Meeting on Disaster Risk Reduction in 2021 and 7<sup>th</sup> World Health Summit held in 2019, in Kish Island respectively.

with a view to identify possible strategic partnership frameworks, to get financial / technical support to ECO projects and activities, as well as to expand ECO outreach and visibility;

4. Adaptation of the ECO Regional Framework on Disaster Risk Reduction (ECORFDRR) and the ECORFDRR Implementation Road Map

9. Conducting a comprehensive feasibility study on Regional Capacity on Intra-Trade of Pharmaceuticals as instructed in the declaration of 4<sup>th</sup> ECO Ministerial Meeting on Health, virtually held in 2021;

10. Initiating the project on Regional Framework for Disaster Risk Reduction for ECO Region.

As a result, the expert group meetings, senior official meetings and the ministerial meetings have served as key platforms for determining the ECO's sustainable development agenda and setting necessary policy measures to help achieve the SDGs goals in the region.

The adopted action plans mentioned above have long served as the policy framework documents for the SDGs. Similarly, the draft ECO Action Plan on Health will be another main policy framework document for the region on health sector to cope with the challenges to achieve the SDGs by 2030.

In addition to this, interaction with international organizations has been one of the significant assets for the ECO in conducting the projects and activities with the help of their financial and technical support as well as to expand ECO outreach and visibility.

### ■ Conclusion and Recommendations

As indicated in the policy documents by the UN, the SDGs aim to transform the world for the better, where all people enjoy health, justice and prosperity. To that end, the SDGs are mainly focused on the needs of poorest and most vulnerable groups to end poverty and hunger globally and to combat inequalities within and among countries.

The ECO is imputed as a suitable platform and regional node for mobilizing policy-makers and other relevant stakeholders across the region to formulate the coherent, equitable and sustainable frameworks needed to achieve the long-term regional sustainable development.

The ECO has been involved in numerous activities, projects and meetings to realise the SDGs. In its third decade of evolution, the ECO's potential for advancement of the regional development agenda such as attaining the SDGs including disaster risk reduction, health, and education still needs more improvement.

When we look at the ECO countries in terms

of realizing the SDGs targets as of 2022, it is understood that even the best performing country in ECO region, has a long and arduous way ahead of achieving the SDGs by 2030. At this point, it is a fact that cooperation, experience sharing and coordination among countries matter in achieving SDGs. Accordingly, it is considered that ECO may play a significant role in creating synergies and improving cooperation and coordination between member countries to realize the SDGs.

The ECO has determined sustainability as one of the main principles of the ECO Vision 2025 to increase standards of living, quality of life, economic welfare and well-being of people. Furthermore, all ECO Member States adopted the 2030 Agenda for Sustainable Development in 2015.

Even though each Member State has an agenda and implementation plan to achieve the SDGs, it is believed that introducing a framework for policy coherence, as advised by the OECD, is crucial to overcome the challenges to achieve the SDGs and to increase coordination and collaboration between member countries to capitalize on synergies among the SDGs, between different sectoral policies as well as between diverse actions at the local, regional and international level. For the very reason, it is considered that establishment of a High Level Human Resources Development Working Group (HRDWG) as to prepare an action plan for enhancing policy coherence for sustainable development (PCSD) over a defined period, compatible with available sources for supporting and facilitating SDGs projects is the core element to improve collaboration between member countries and to comprise a holistic approach in this issue.

The preparation of an action plan for enhancing policy coherence for the SDGs in collaboration with Member States can assist countries of the region in assessing the quality and planning of national departments and agencies working toward sustainable development and the fulfillment of their current targets.

## Celebrating 30<sup>th</sup> ECO Enlargement Anniversary

December 11, 2022, Tehran



Ambassador Khusrav Noziri, Secretary General of the Economic Cooperation Organization delivering inaugural statement



H.E. Dr. Hossein Amir-Abdollahian, Minister of Foreign Affairs of the Islamic Republic of Iran making remarks on the occasion





H.E. Dr. Hossein Amir-Abdollahian and Ambassador Khusrav Noziri unveil ECO commemorative postal stamp depicting 30 years of expanded cooperation

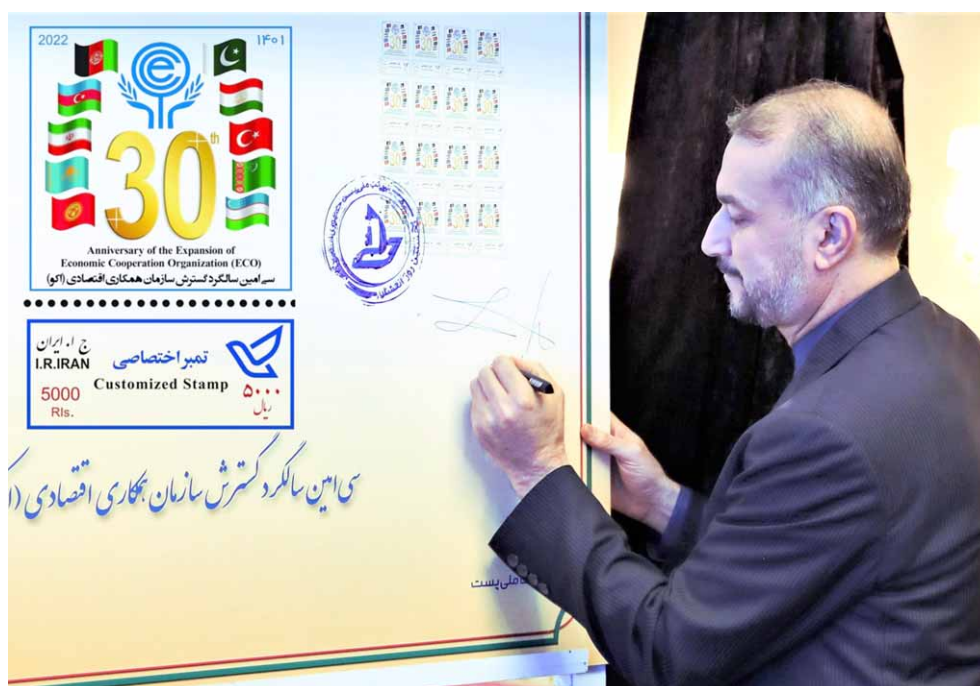




Photo Exhibition organized on the 30<sup>th</sup> ECO Enlargement Anniversary







Representatives of ECO Member States, Diplomatic Corps in Tehran, and Staff of ECO Secretariat at the 30<sup>th</sup> ECO Day





ECO 1992 - 2022  
30 YEARS OF COOPERATION

