

### **Issues relating to opening of a new bank account of ECO Fund for Afghanistan:**

1. As per Section 5 of the EAPA the bank account of the “ECO Fund for Afghanistan” may either be transferred to the Habib Bank branch in Kabul or a new account may be opened at any other private or public bank in Afghanistan for smooth transaction of committed contributions.
2. Furthermore, Para-9 of the Modalities for the Operation of ECO Fund for Afghanistan states that, "the financial contributions to and payment obligations of the Fund will be done through an account of the ECO Secretariat at a bank as envisaged under Section 5 of the EAPA or any other bank deemed appropriate by the Secretariat through consultation with CPR".
3. In this context, the 237th CPR meeting held on March 11, 2019, authorized the opening of a bank account in respect of ECO Fund for Afghanistan at the National Bank of Pakistan (NBP) in Kabul for transferring of the existing amount of the Fund from Habib Bank London.

### **Communications with NBP in Kabul:**

4. Following the CPR’s authorization, the Secretariat immediately started formal/informal communications with the NBP in Kabul to open the said bank account. The Embassy of the Islamic Republic of Pakistan in Tehran was also requested to facilitate the matter vide Note Verbale No. ACC/Pakistan-Habib Bank/2019/278 dated 7/4/2019.
5. The NBP through the Embassy of the Islamic Republic of Pakistan requested the provision of required documents and other related information for opening of the requested account and relocation of the existing fund from HBL to NBP in Kabul vide Embassy’s Note Verbale No. ECO-7/25/2019/18 dated August 20, 2019.
6. A response containing explanation and documents was provided to the Embassy of Pakistan vide Secretariat’s Note Verbale No. ACC/ Pakistan-Habib Bank/2019/804 dated September 25, 2019.
7. The Secretariat further requested the government of Afghanistan for nomination of a person to open, on behalf of the ECO Secretariat, the required account in NBP at Kabul along with particulars of the nominee enabling the Secretariat to authorize him/her for opening of the intended bank account vide its Note Verbale No. ACC/Bank Account/2019/985 dated November 6, 2019.
8. The Government of Afghanistan, therefore, conveyed the nomination of Mr. Mohammad Ayoub Azizi, Director of United Nations System and Financial/Regional Organization of the Ministry of Economy of Afghanistan

(MoEc) for the required purpose vide Embassy's Note Verbale No. 2532-5 dated December 11, 2019.

9. Subsequently, an authorization letter was signed by the Secretary General allowing Mr. Mohammad Ayoub Azizi to carry out the required procedures for the sole purpose of opening of account in respect of the ECO Fund for Afghanistan account at the NBP in Kabul. The letters were communicated with the Embassies of Afghanistan and Pakistan vide Secretariat's Notes Verbale No. ACC/NBP-Kabul/2020/77 dated February 4, 2020 and No. ACC/NBP/2020 22 dated January 16, 2020, respectively.
10. Upon receipt of the authorization letter, communications started between the MoEc and the NBP in Kabul.
11. The MoEc was informed by the NBP branch in Kabul that the issue of opening of account of the ECO fund for Afghanistan had been referred to their main branch in Pakistan.

#### **Possibility of opening of a new bank account in one of the Afghan Bank:**

12. While the opening of said bank account was under process, the Embassy of Afghanistan in Tehran vide its Note Verbale No. 843-5 dated August 26, 2020 forwarded a copy of self-explanatory note verbale of the Embassy of Pakistan in Kabul (Note Verbale No. Pol.2/5/2020-KBL dated June 15, 2020) containing a request to the Government of Afghanistan to explore the possibilities for opening the said account in Bank-e Millie Afghan or any other bank as deemed appropriate.
13. The Secretariat conveyed the cited communications to the Embassy of Pakistan in Tehran for views, vide Secretariat's Note Verbale No. ACC/Bank Account/2020/452 dated August 31, 2020.
14. The Secretariat received Note Verbale No. 953-5 dated September 14, 2020 from the Embassy of Afghanistan in Tehran, conveying that concerned authorities of Afghanistan unanimously considered and selected Bank-e-Millie Afghan for opening of a new bank account in respect of ECO Fund for Afghanistan. The same was circulated amongst Member States for information.
15. The 246th (held on September 15, 2020) and 247th (held on November 25, 2020) Meetings of CPR discussed the issue and requested the Secretary General to consult with the Permanent Representatives of the concerned Member States for making the fund operative as early as possible.

#### **Latest Status of the account in Habib Bank London**

16. The last bank statement, issued by HBL, London, transpired the closure of the bank account for ECO for Reconstruction of Afghanistan on December 29, 2020.

17. The information related to closure of account was also conveyed to the Embassy of Pakistan in Tehran. The esteemed Embassy was further requested to expedite the response of their relevant authorities to speed up the process of opening of a new bank account at Bank-e-Millie Afghan as well as smooth transfer of the fund from HBL, London to the proposed bank in Kabul (Reference Notes Verbale No. 2020/590, No. 2021/30 and No. 2021/129 dated November 2, 2020, January 11, 2021, February 8, 2021 and April 8, 2021, respectively).
18. The requested responses from the Embassy of Pakistan in Tehran are still awaited.
19. At the very outset, opening of a new bank is required before initiating of such transfer process of the balance fund available in the Habib Bank, London, to the new bank account in Kabul.
20. An amount of US\$ 979,000.00 is left in the ECO account of the Fund for sponsoring future activities/projects/programmes in Afghanistan.

\*\*\*\*\*