

The 1st Ministerial Meeting on Energy/Petroleum
Joint Statement on Cooperation in Energy/Petroleum in ECO Region

(Islamabad , 8 November, 2000)

Annex-VII

The First Energy/Petroleum Ministerial Meeting of the Economic Cooperation Organization (ECO) held at Islamabad, Islamic Republic of Pakistan on the Eighth day of November 2000:

Recalling Article-II (Objectives) of Treaty of Izmir that requires:

- To take measures towards progressive removal of trade barriers within ECO region and expansion of intra and inter-regional trade, keeping in view experiences in other regions and global economic trends, *(Paragraph-b)*;
- To promote integration of public and private sector activities with emphasis on economic liberalization and privatization towards increased participation of the private sector in the regional economic development through joint ventures and investments, *(Paragraph-g)*; and
- To intensify mobilization and utilization of ECO region's natural resources in particular energy resources, *(Paragraph-j)*;

Referring to paragraph 20 of Quetta Plan of Action for ECO (6-7 February, 1993) that noted the region's rich energy potential, both hydro and fossil, and directed the preparation of a well considered plan for a network of pipelines and the inter-connection of power grids to meet the entire region's requirements and to provide outlets, including seaports, for access to international markets for the member countries. They directed that financing be explored for development of viable projects in this field;

Mindful of Ashgabat and Almaty Declarations (14 May 1997 and 11 May 1998, respectively) which call upon the ECO Member countries that regional cooperation in the fields of oil, gas and electricity, trained manpower, etc., and maximum utilization of the existing resources and potential of the Member States will promote complementarities of their economies, enhance productivity, technical and economic viability, optimal utilization of energy supplies and contribute to the improvement of ECO region's socio-economic environment, and priority to the acquisition of exports from ECO member countries in respect of particularly energy; and having in mind the latest developments achieved in ECO region in this regard;

Noting that hydrocarbons in the ECO region have been produced for over a hundred years and the region contains proven hydrocarbon reserves which rank third in the world as well as the region's potential in hydro-power and other renewable forms of energy;

Considering that cooperation among Member States to ensure and develop these sources of energy is a basic component in strengthening the economic resilience of the individual Member States as well as the economic resilience and solidarity of ECO;

Acknowledging the outputs of ECO Experts Meeting on Energy Resources Development and their Environmental Impact Assessment (EIA-Islamabad, 28-29 September 1999), 3rd High Level Experts Task Group Meeting on ECO Oil and Gas Pipeline Route(s) (3RD-HLETG, Islamabad, 30 September-1 October 1999) and the First Meeting of Executive Directors of Oil, Gas, Petrochemical and Power Industries of ECO Member States (MEDOG&P, Almaty 8-9 October 1999);

Recognizing the need to update investment environment and the commitments which Member States have offered under various international and regional investment agreements on region's energy resources development, transportation and transmission; and

Bearing in mind the importance of investment as a source of finance for sustaining the pace of social, economic, industrial and technological development in the region's energy/petroleum industry;

Concluded with the unanimous adoption of the following:

1. General

1.1 The ECO Member states hereby agree to cooperate in the sustainable development and use of all forms of energy, whether commercial, non-commercial, renewable or non-renewable, in modalities that may be appropriately designed by them for the above purpose.

1.2 The range of cooperation will span planning, development, human resources training, information exchange, trade and transportation, and encouraging private sector participation, where appropriate, including but not limited to, the following energy areas:

- i) resource investigation, exploration, assessment, planning and development;
- ii) scientific and technological research, development and demonstration;
- iii) transfer of technology;
- iv) energy efficiency and conservation techniques;
- v) upgrading of environmental impact assessments resulting from different activities in energy production, processing, handling, transport and utilization;
- vi) standardization of energy related facilities;
- vii) human resource development and safety promotion programmes in various energy fields, including production, processing, handling, transport and utilization;
- viii) energy security arrangements for emergency situations;
- ix) exchange of information on technical experts, technology transfer, operational experience, research and technical publications as well as energy strategies, programmes, policy and implementation experiences;
- x) maintenance of conducive environment for trade and investment opportunities in relation to energy resources, materials and equipment;

- xi)** safety programmes in the entire chain from exploration, development, production and distribution of various energy products;
- xii)** promoting a more conducive environment for commercial and investment opportunities in all aspects of the energy sector;
- xiii)** energy policy and planning;
- xiv)** transit, transportation and trade of oil, gas and power within and outside the ECO region;
- xv)** utilization of available transportation infrastructure in the ECO Member States for energy resources supply to other ECO Member States and international markets.

1.3 The Member States and the ECO Secretariat shall endeavour to make optimum utilization of latest tools of information technologies for facilitating cooperation as envisaged in this Joint Statement.

2. Cooperation in Planning

2.1 Recognizing that energy planning is an instrument to strengthen each country's capability to optimize energy resources development, allocation and utilization, the Member States shall endeavour to cooperate in:

- i)** the sharing of information on standards, methodologies, techniques, technology, skills and experiences in national energy planning;
- ii)** conducting regional studies on energy as and when the Member States desire;
- iii)** developing strategies to promote energy-related trade within and outside the ECO region; and
- iv)** developing strategies to promote energy and environmental planning as well as environmental impact assessment and mitigation plans/measures.

3. Cooperation in Energy Development

3.1 Considering that energy development is a continuing process which could result in the economic resilience of ECO region as a whole, the Member States shall endeavour to cooperate in:

- i)** studies on various energy development management measures; and
- ii)** expediting and facilitating energy development schemes of common interest.

4. Cooperation in Energy Efficiency and Conservation

4.1 Recognizing that improving energy efficiency is of concern to all, the Member States shall endeavour to cooperate in:

- i)** pursuing energy conservation measures of common interest;
- ii)** undertaking various energy management and conservation activities; and
- iii)** sharing information on energy conservation studies and activities of their own countries.

5. Cooperation in Research and Development (R&D) and Human Resource Development (HRD)

5.1 The ECO Member States, in the light of their mutual interests and long-term objectives to improve indigenous capabilities, shall endeavour to cooperate in R&D and HRD activities in all fields of energy.

5.2 The modalities of such cooperation shall include, but not be limited to, the following:

- i) training and exchange of expertise in research, development, demonstration and implementation of energy resources programmes and conservation measures;
- ii) strengthening of relevant existing institutions with programmes in R&D and HRD for the energy sector;
- iii) sharing of information on standards, methodologies, techniques, technology and skills which facilitate the planning, implementation and management of multilateral cooperative programmes; and
- iv) familiarization with environmental impact assessment techniques as an essential tool for energy policy formulation.

6. Cooperation in Security of Energy Supply and Demand

6.1 Recognizing the need for mutually beneficial cooperation in the situations of shortages/surpluses of renewable and non-renewable energy resources (crude oil, gas, coal, power and petroleum products), the Member States shall endeavour in drawing up and concluding:

- i) agreements for different energy forms as may be desirable from time to time; and
- ii) appropriate measures to cope with the market supply and demand issues in the region.

7. Cooperation in Exchange of Information

7.1. Recognizing that energy data and information are the basic means for monitoring the effect of energy policies for formulating plans and programmes, the Member States shall endeavour to cooperate in information exchange with the following objectives:

- i) to benefit from transfer of technology and operational experiences encountered during programme implementation or studies;
- ii) to enable common regional research programmes; and
- iii) to establish adequate information systems/networks for the storage and retrieval of regional energy data.

8. Role of Private Sector

8.1 Referring to the ECO Economic Cooperation Strategy for the ECO region that states in its general principles paragraph (d): Private sector participation shall be encouraged in all fields and measures be taken to promote mutually beneficial joint ventures in the region and Almaty Declaration (11 May 1998) paragraph 15 that recognizes the importance of the role of private sector in regional economic development, the Member States shall endeavour to encourage private sector's

participation in the region's energy resources development, transportation and transmission within and outside the ECO region, alongside of the public sector.

9. Cooperation with International Energy Organizations

9.1 Recognizing the need for meaningful cooperation with other regional, sub-regional and international organizations, the ECO Secretariat shall endeavour to expand the cooperation of ECO in the field of energy with other international organizations and institutions.

10. Implementation

A Plan of Action has been prepared to give effect to the provisions of this Joint Statement and to signify priorities and activities to be undertaken in the spirit of cooperation outlined in this Joint Statement.

11. Institutional Arrangements

11.1 In order to provide for the institutional mechanisms for implementation of this Joint Statement, the High Level Experts Task Group (HLETG) which has been set up as per paragraphs 13 and 14 of Ashgabat Declaration (14 May 1997), shall meet at least once a year to promote and review the various cooperation activities envisaged in the framework agreed to by the Member States and prepare necessary reports/proposals for submission to ECO decision-making bodies.

11.2 A special meeting of HLETG may be called at the request of Member State(s), if needed to discuss matter(s) requiring urgent action by HLETG.

11.3 The ECO Energy/Petroleum Ministerial Meeting (ECO-EPMM) shall be held once in every two years, or as appropriate, to give guidance as well as to approve policies, strategies and action programmes as envisaged under this Joint Statement.

11.4 A special ECO-EPMM may be held as and when necessary to discuss matter(s) requiring urgent action.

11.5 The ECO Secretariat, in collaboration with the concerned authorities in the Member States shall coordinate, manage and monitor the implementation of this Joint Statement.