

STATEMENT OF H.E. HALIL IBRAHIM AKCA
ECO SECRETARY GENERAL
**THE 17TH MEETING OF THE BOARD OF GOVERNORS OF ECO TRADE &
DEVELOPMENT BANK**
(JUNE 28, 2018 -ISTANBUL, TURKEY)

Distinguished Governors.
Honorable President, H.E. Mr. Javaid Aslam
Respected Participants.

It is a great privilege for me to address this Plenary Session of the 17th Annual Meeting of the Board of Governors of ECO Bank. At the outset, I would like to express my earnest thanks and appreciation to ECO Trade and Development Bank for the warm welcome, generous hospitality and excellent arrangements made for the Meeting.

The ECO Bank is one of the success stories of the ECO. It is impressive to note that since the start of its operations in 2008, it has disbursed more than US\$ 1.43 billion as loans, and that its total assets have increased to US\$ 718.5 million by the end of 2017. This is an increase of 17 percent in loan disbursement. This is a truly remarkable figure especially when we take into account the limitations of the bank, which are modest capital resources and the fact that only six out of ten ECO Countries are its Members. We also hope the sixth member Kyrgyz Republic will start using the facilities of the Bank in 2018.

I would like to personally congratulate the management of the Bank for financing the flagship projects and supporting financing needs of both public and private sectors in the major fields of the economy of the Member States.

I am glad to inform that since the last Meeting of the Board of Governors of the Bank held in May 2017, the Bank and Secretariat have continued to cooperate in various areas. During 2017, the Bank actively assisted and participated in the following activities:

- a) The 9th Meeting of the High Level Working Group of ECO Container Train on Islamabad-Tehran-Istanbul (ITI) Route, held in July 2017 at Islamabad.
- b) The 4th Seminar on Trading Partners in ECO Region and WTO Issues held in October 2017 at Islamabad.
- c) 28th Meeting of the Regional Planning Council held in December 2017 at Islamabad.

ECO Bank provided technical and financial support to ECO Secretariat to hold the aforesaid High Level Working Group Meeting and the Seminar. Moreover it was a great honour that the President of the Bank, His Excellency Mr. Javaid Aslam also participated in and addressed these meetings. Through participation of the Bank in these Activities at the highest level, has increased the awareness about ECO Bank among the all ECO Member States.

I assure this august body of the Bank that the ECO Secretariat and the ECO Bank will continue to enhance their cooperation for achieving towards the sustainable economic development of the ECO Member States.

Dear Governors

Mr. President

The ECO Vision-2025, which adopted at the ECO Summit Meeting last year, has provided a new direction to ECO for the regional integration. The core principles of the Vision are sustainability, regional integration and creation of a conducive environment. Six priority areas have been defined to be focused upon—these are trade, transport, connectivity, energy, tourism, economic growth, productivity, social welfare and environment. The progress of ECO Vision-2025 is being monitored by an Implementation Frame Work which is constituent part of the Vision.

The ECO Vision also envisages creation of an **ECO Vision Fund** for the implementation of various initiatives which are a part of the Vision. The 23rd Meeting of ECO Council of Ministers, held on April 17, 2018 in Tajikistan, tasked the ECO Secretariat to develop the structure and modalities of this Fund in collaboration with the ECO Bank. The meeting also called on the Member States to support this Fund.

I would like to request the Bank to give a priority to the establishment of the Fund to assist ECO Secretariat in undertaking feasibility studies and implementing capacity building projects in priority areas contained by the ECO Vision-2025.

The 23rd Meeting of ECO Council of Ministers held in Tajikistan appreciated the ECO Bank's growing scope of activities and underlined the need to further strengthen the Bank through augmenting its resource base and increasing its Membership. Considering that ten years have elapsed since the Bank started its operations and the demand of the Member States is increasing to utilize the resources of the Bank, the ECO Secretariat is of the view that now is the time for the Board of Governors to consider of

increasing the paid in capital of the Bank. In this respect the ECO Secretariat will continue to encourage the remaining ECO Member States to consider joining the Bank. In this manner, I raised the issue in my official meeting with the President of Tajikistan on 17th of April, in Dushanbe and in the meeting with the Prime Minister of Uzbekistan on 21st of June, in Tashkent. They both expressed their interest.

The recapitalization and the increase in membership will enable the Bank to better serve the countries of the region.

Excellencies,

It may be recalled that the Terms of References of ECO Regional Partnership Forum (RPF) were finalized by the Bank in 2017. I strongly believe that organizing activities under this Forum regularly will pave the way in fostering strategic partnership and alliances with National Development Finance Institutions (NDFIs), multilateral development institutions, donor organizations, development funds, chambers of industry & commerce, business associations, universities, civil organizations and other stakeholders. I hope that the Bank will organize the first meeting of the Forum soon.

I would now like to highlight some recent developments and potential of ECO projects in the priority sectors of ECO.

The **Agreement of ECO Reinsurance Company**, which has been signed between Iran, Pakistan and Turkey, has entered into force and the ECO Reinsurance Company with an authorized capital amounting to US\$ 30 million will now be established in Karachi, this year. I would like to request the other ECO Member States, especially the ones who are also the Members of the Bank, to consider joining this Company and benefit from its facilities. I would also recommend that the ECO Bank and ECO Reinsurance

Company may establish a cooperative relationship to synergize their activities for development of the Member Countries. I am sure that they can complement each other's activities in many areas, and the Secretariat is ready to help both regional institutions in this respect.

The Agreement on **ECO Smuggling and Customs Offences Data Bank** has also entered into force. The Databank will be established in Ankara and will help curb the menace of smuggling within ECO.

The **ECO-UNIDO Project on Trade Capacity-Building of ECO Member States for Quality Infrastructure** was launched in 2007 to assist ECO Member Countries to eliminate the Non-Tariff Barriers (NTBs) to trade. The 3rd Phase of the Project was completed in 2017 and two policy documents, namely ECO Regional Quality Policy and Guideline for National Quality Policy were formulated. The implementation of the recommendations of the 3rd Phase will be done in the 4th phase of the Project. I would like to request the Bank to consider financially supporting some component of the project within the framework of its existing technical assistance program.

In the Transport & Communication sector, ECO has focused on the selected corridors to improve the efficiency of the existing lines as well as the completing the missing lines. In this regard, ECO expedited its efforts on operationalization of the Kazakhstan-Turkmenistan-Iran (KTI) railway, for which ECO has signed the Technical Cooperation Agreement with the IDB. The road project of Islamabad-Tehran-Istanbul (ITI) is also under study. In the second group ECO has been working on Kyrgyz Republic-Tajikistan-Afghanistan-Iran (KTAI) and Qazvin-Rasht-Astara(Iran)-Astara (Azerbaijan) railway projects. The study for the Border Crossing has

finalized and the “2025 ECO Regional Strategy for Information Society Development” and Plan of Action have been prepared.

In the Energy Sector, we have little cooperation at the regional level in ECO platforms. The major pipeline projects are developed outside the framework of ECO portfolio. Nevertheless, ECO has made certain progress with respect to the establishment of ECO Regional Electricity Market (REM). Certain progress also achieved on the renewable and alternative energy sources with the launching of consultations with our international partners on establishment of ECO Clean Energy Centre.

Agriculture is a key sector and essential in achieving food security for ECO region and developing countries. It employs 37 percent of total active population of the region. Under the ECO Regional Programme for Food Security several projects have been implementing targeting the food security through collaboration with relevant international organizations.

Excellencies

In conclusion, I would like to reiterate my thanks to the esteemed the Bank for providing me the opportunity to address this august Meeting and would like to reiterate the importance of your valuable support. I am sure that under the able guidance of the distinguished Governors and the President, the Meeting will make result oriented decisions to expand the operations of the Bank and meet the growing demand for finance among the Member States.

I thank you for your kind attention.