

**Statement by ECO Secretary General Mr. Khusrav Noziri
at the 22nd Annual Meeting of Board of Governors
of the ECO Trade & Development Bank
23 June 2022, Istanbul**

**Honorable President Mr. Yalçın Yüksel,
Distinguished Governors,
Dear Participants,**

I extend my sincere thanks to the hosts for inviting and letting me have an opportunity to participate and address this very important meeting of our Bank at the splendid city of Istanbul.

Economic Cooperation Organization (ECO) regards ECO Trade and Development Bank as one of its most important regional institutions. Recalling the notable contribution of the Bank to support our regional development efforts and initiatives, helping execute vital projects in the Member States, I would like to reiterate that our cooperative relationship is duly valued and acknowledged by all ECO countries.

I would also like to mention that the mandate given by highest ECO leadership, most recently in the Ashgabat Consensus for Action, entrust the ECO and ETDB to be more actively engaged to ensure smooth implementation of ECO projects for developing capacity and regional infrastructure and making the region more attractive for transit, trade and investment.

Mr. President,

Although the ECO is deeply concerned and determined to push the regional development process in various economic sectors, the time slot requires me to be precise to report some of our most prioritized areas, including trade, transport and connectivity, energy and environment, tourism and agriculture sectors.

As regards **trade** in goods during 2022, ECO contribution to the global trade stood at 4% i.e. US\$ 984 billion (world trade recorded at US\$ 24.543 trillion). The regional total exports to the world were recorded at US\$ 446 billion (only 1.8% of world exports) and ECO imports from world at US\$ 538 billion.

The intra-regional trade remained around US\$ 71.5 billion in 2022, with imports recorded at US\$ 33.7 billion and exports at US\$ 37.8 billion, around 7.2% of the region's trade with the rest of world. As per ECO Vision 2025, we are required to double intra-regional trade to increase ECO share in global trade through some action-oriented policies, including trade liberalization through Customs Tariff Reduction under ECO Trade Agreement (ECOTA).

ECO Secretariat is pursuing the 9th ECOTA Cooperation Council Meeting to be organized in 2023 to find a mutual solution to implement regional preferential trade. This week on June 21 and 22, the Organization has also held two meetings on Customs Cooperation and Trade Facilitation Strategy and Trade Facilitation Agreement (TFA). Moreover, the ECO is collaborating with its development partners, including UNIDO, UNCTAD and IsDB to pursue trade capacity building in the Region.

The UNGA Resolution 75/324 on UN-ECO Cooperation, adopted on September 9, 2021, appreciates the "Joint ECO-UNIDO Trade Capacity Building Project" emphasizing for the continuity of efforts to strengthen the existing cooperation between ECO and UNIDO, especially in the field of Trade Capacity Building of Member States. In this regard, the said GA Resolution encourages the relevant UN bodies to consider supporting the implementation of the next phase

of the project. We would be more than glad to see our Bank joining and supporting us in ECO projects implementation along with our other development partners.

ECO considers **transport** another very important development sector for maintaining connectivity in the region, regulating through Transit Transport Framework Agreement (TTFA). Currently, the Secretariat is in process of negotiation with IsDB for implementation of joint projects through mutual financing.

I would like to recall that during the 13th High-Level Working Group Meeting on ITI Cargo Train held on June 8, 2023 in Istanbul, the ECO Secretariat, ETDB and IsDB agreed to establish advisory committee to exchange views and recommend necessary arrangements, policies and plans for financing the infrastructure development of the corridors. This formula can be elevated to contribute to the feasibility and bankability of other regional projects, attracting third party investors.

Moreover, a very important ITI Rail and Road Corridor operationalized in 2021 has been facing some impediments due to lack of cooperation from some commercial banks. Without banking cooperation, our project implementation approach will remain cloudy. We look forward to ECO-TDB supportive role in addressing these challenges.

Enhancement of **ICT** cooperation is also a fundamental need of development in our Region as it provides the platform for digital economy, paperless trade and transport and regional digital connectivity. The Regional Strategy for Information Society is adopted by the 2nd Ministerial Meeting on ICT and is considered as a policy framework for ICT Collaboration in ECO Region. The Third ECO Ministerial Meeting on Information and Communication Technology is scheduled to be hosted by the Islamic Republic of Iran on July 12-13 that will review our past activities and recommend a roadmap for future cooperation. The ECO-TDB may also participate in the Meeting and contribute to its result-oriented outcome.

Energy and environment also hold very important place on ECO agenda of regional cooperation for sustainable development, addressing environment challenges and promoting energy innovation and efficiency. We are pursuing the establishment of Regional Electricity Market as well as Clean Energy Center which are the ECO's two flagship projects. We look for ECO-TDB consideration and cooperation towards smooth implementation of these projects.

Apart from those, we have several other initiatives that can play instrumental role in the socioeconomic development of the region. These projects include, ECO Tourism Action Plan, Regional Consultation Mechanism for technical cooperation on communicable diseases, Regional Capacity on Intra-Regional Trade of Pharmaceuticals, Enhancing Capacity of the member countries to scale up disaster management framework for cascading risks, ECO Regional Program for Food Security, ECO Center of Excellence for Efficient Water Utilization in Agriculture (ECO-CEEWUA), ECO Regional Institute for Standardization, Conformity Assessment, Accreditation and Metrology (ECO-RISCAM), etc.

Distinguished Participants,

The impact of Small and Medium-sized Enterprises (SMEs) in the global economy is very crucial. SMEs play a key role in transition and developing countries. SME development emerges as a key instrument in economic and social development and poverty reduction efforts. Through initiation and implementation of joint projects on Entrepreneurship and SME Development, ECO will help Member States harmonize their policies and establish strong connections between the relevant authorities as well as SME's of Member States and benefit from the socio-economic advantages of SMEs.

Therefore, trade facilitation between ECO and ETDB can support countries in the aftermath of a disaster by ensuring that effective and timely clearance systems are in place, which can speed up the entry of relief goods and supporting longer-term recovery efforts. It also has a potential to reduce pressure by providing clearer and streamlined trading procedures, reflecting international best practices for swift release of critical goods. This issue of Trade Hot Topics explores linkages between trade facilitation and natural disasters, in the region.

Likewise, there is a need to pursue cooperation among the ECO Member States and the Bank, as documented in the joint ECO Health Action Plan 2023-2024, in the area of data-sharing, technology transfer, smooth mechanisms for intellectual property, emergency health care and drug development and cooperation in health equipment consumables in the ECO region.

Distinguished Participants,

As a financial arm of the ECO, the role of ETDB will be significant to facilitate the Secretariat to coordinate with the development partners in project payments, lobbying with donors to finance regional projects in the priority areas and follow-up mechanism. The noble sharing of costs of research and feasibility studies in trade and investment will be welcomed, to pave the way for trade expansion leading to economic growth and socio-economic development of the people of the region.

While expressing my appreciation on the progress the ECO Bank has made in expanding its membership base and operations, I would like assure you that the Secretariat is pursuing the four ECO Member States, yet not party to the Bank, namely Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan to join the Bank at the earliest. We believe that there is a need to increase share of members in the budget of Bank for better project financing to foster and shoulder the process of economic development in the ECO region. An active cooperation between the Bank and the Secretariat is a key to achieve these shared objectives.

Here, I would also like to recall that the 27th COM Meeting under the theme of “Green Transition and Interconnectivity” and 16th Summit are scheduled to be organized in October and November respectively by the Republic of Azerbaijan and the Republic of Uzbekistan. In both of these highest ECO forums, our leadership is expected to, once again, encourage the ETDB for its enhanced interest in ECO programs and projects so that their smooth and timely implementation may be ensured.

While concluding, I would like to thank the distinguished President of the ECO Trade and Development Bank for the excellent hospitality and organization of the event.

I thank you very much and wish you best of luck.