

Your Excellency Mr Manouchehr Mottaki, Minister of Foreign Affairs of the Islamic Republic of Iran & Chairperson of IOR-ARC

Distinguished Colleagues,

Excellencies,

Delegates,

Ladies and Gentlemen

I take this opportunity, at the outset, to convey the congratulations of Hon Rohitha Bogollagama, Minister of Foreign Affairs of Sri Lanka to you Mr Chair, for the inspiring way in which you have steered the course of our Association this past year. Permit me also to extend to the Government and people of the Islamic Republic of Iran our sincere appreciation for the warm welcome and generous hospitality afforded to me and my delegation and the excellent arrangements made for this Meeting.

Sri Lanka handed over the Chairmanship of IOR-ARC to Iran at the very successful meeting held in Tehran in February last year. I believe that this is a critical juncture in the history of IOR-ARC. We are celebrating 10 years in existence this year. The time is ripe to infuse fresh vigour in to the work of the Association and take stock of our achievements.

I hope to take some time to place before you a few thoughts on the future direction of the IOR-ARC as Sri Lanka sees it unfolding. We took some very significant decisions at the last Council of Ministers' Meeting- Permit me to recall some of them –

- The establishment of the Special Fund for IOR-ARC projects for which several governments pledged voluntary contributions,

- the establishment of the Working Group of IOR-ARC Heads of Mission in Pretoria to review and prioritize projects and assess the progress of decisions made, in between Council Sessions,

- institutionalizing the Troika with authority to decide on matters of urgency in between Council Meetings,
- strengthening the IOR-ARC Secretariat

When we met last year it was clear that several measures had to be put in place to ensure that the important decisions we take at the Ministerial Meeting be implemented. There was a general feeling that we were not progressing at the pace at which we had intended. Hence the Council of Ministers suggested some important mechanisms, those that I spoke of before, to push forward the IOR-ARC agenda. I am happy to note that they are progressing well under the able leadership of Iran with the support of the IOR-ARC coordinating secretariat. We must use this opportunity to strengthen the mechanism put in place as we move to the second decade in existence. In doing so, we must seriously consider how we can use the “principle of clustering” that was advocated at the 2004 session in Colombo. It would be difficult for all of us to find projects of interest to work on together. However, a few of us who may have an interest in a particular project could work together to see its implementation. This, I believe, is a more practical approach which I am certain would prove to be more successful.

Any organization upon completion of 10 years in existence must seriously consider the need for it to continue on the path that has been chosen. The reasons for the initial establishment of the IOR-ARC at that time, and the reason to be in existence for the next 10 years should be rationalized. We have a duty to do that. Our Governments continue to commit considerable amounts of funds for the upkeep of this Association. More importantly countries have continued to commit valuable time and effort to keep the momentum of cooperation going.

Mr Chairman, therefore, I wish to suggest that under your leadership a Plan of Action be drawn up for IOR-ARC for the next 5 years. We need not be overly ambitious in this endeavour. But we could, for instance, request each member state to commit to undertaking a networking exercise for IOR-ARC member countries. It could be in a

subject of choice and expertise of the member country concerned and could take the form of a workshop or seminar. Now I am aware that many of the member countries that have offered such opportunities have not been taken up on that offer, for very practical reasons- the reason being lack of funding. Many of the member countries are unable to send experts if the cost of participation is not borne by the host country. The Chair and the Coordinating Secretariat needs to look very carefully at approaching funding agencies for this purpose and initiating a dialogue with them together with the host country. For instance the UNESCAP provides such assistance in certain instances and so does the Colombo Plan. If we are able to plan ahead many of the member states may be able to include such seminars/workshops in the budgets, enabling them to secure finances in advance. Realistically speaking, this is our drawback, and we must look at how we can rectify it.

Mr Chairman, the fruits of regional integration are evident in the successes achieved by the European Union and ASEAN. Many of us are members of separate regional integration exercises and it highlights the potential that exists for cooperation amongst us. Overlapping membership is a welcome source of enrichment in terms of ideas and experiences and we must endeavour to harness the complementarities that exist. Particularly if we are to increase the level of inter-regional trade. In this context, I wish to request for increased cooperation in the proposed IOR-ARC Preferential Trade Agreement. Sri Lanka as lead country is desirous to see an early take off of the frame work agreement associated with the PTA in which a number of have expressed interests at the last meeting. I have been informed that the planned meeting of experts to discuss the framework agreement and other aspects of the preferential trade agreement did not take place this week as scheduled. However, Its heartening to note that Oman has shown its magnanimity by offering to host a meeting to discuss the issues early, demonstrating her commitment in this endeavor. We do believe that interested members should begin at the earliest possible opportunity to address the issues associated in finalizing the frame work agreement in order to make use of the ample trade potentials that exist around the IOR ARC region.

Permit me to turn now Mr Chairman to the area of Tourism and cooperation among IOR-ARC member states in this important area. Sri Lanka made a suggestion at the previous session to declare 2007 as the IOR-ARC year of Tourism which was adopted by the Council, and has submitted a concept paper on how we could initiate cooperation in this area. However, if we are to make this year successful it is what we do in this year, in the area of Tourism that will count. May I call upon the Ministers gathered here for their valuable views on this issue.

I take this opportunity to thank our host and chair of IOR-ARC, Iran, for the successful conduct of this Meeting. Sri Lanka's appreciation also goes to the Executive Director and the staff of the IOR-ARC Secretariat for their untiring efforts in pushing forward the work of the Association.

I would like to conclude with some thoughts expressed by the late Hon Lakshman Kadirgamar who chaired the Council of Ministers' session in Colombo, in 2004. These are sentiments which Sri Lanka still echoes:

“ I believe strongly that the vital spark of life remains in the organization; it requires to be fanned and fuelled. Only we the member States, in association with our academic and business communities, can do that. The rest of the world has no interest in keeping us alive.

We must remember that our people are watching us. They will be entitled to ask us to render an account of what we are doing. That account cannot be denied to the people.

Therefore, I say let us go forward with renewed optimism”

I thank you.