



2005-2007 Work Plan

(On-going, planned and possible UNECE and UNESCAP activities in support of the UN Special Programme for the Economies of Central Asia (SPECA))

Introductory Note

This document was jointly elaborated by the Secretariats of UNECE and UNESCAP for consideration by the thematic Working Groups during the International Conference on Sub-regional Economic Cooperation in Central Asia and the Future Role of SPECA (Astana, 25-27 May 2005) and subsequent approval at the meeting of the SPECA Regional Advisory Committee to be held in Astana on 27 May 2005, immediately after the closure of the Conference. It is being circulated to the participants of the Astana Conference, including international organisations, financial institutions and development agencies, with a view to mobilizing possible implementation partners along with additional financial support.

While individual projects and activities included under thematic sections of the Work Plan may be administered separately and funded from different sources, their implementation would be carried out with a view to achieving the maximum degree of synergy and complementarity.

This document should be seen in conjunction with the document entitled "SPECA II: A Proposal to Reform and Strengthen the UN Special Programme for the Economies of Central Asia", which was also jointly prepared by the Secretariats of UNECE and UNESCAP for consideration at the Astana International Conference and which outlines the overall goals and objectives of the Programme, and suggests directions of its reform and its new implementation strategy.

TRANSPORT

Development of transport linkages is recognised as a priority for sub-regional cooperation for the SPECA member countries. As noted in the Almaty Programme of Action for Transit Transport Cooperation, the improvement of international transit transport infrastructure and services will help them overcome some of the challenges they face as landlocked countries and facilitate their integration into the world economy.

The 10th session of the SPECA Project Working Group on Transport and Border-Crossing Facilitation (PWG-TBC), held in Issyk-Kul, Kyrgyzstan, on 24 March 2005, agreed to focus on the following thrust areas in its Programme of Work 2005-2006: the formulation of the SPECA road and rail networks; establishment of national transport facilitation committees/commissions; accession to and implementation of international conventions recommended by the Group; establishment of databases on international routes, major investment projects, and border-crossing problems; analysis of major selected routes within the SPECA region using the UNESCAP time/cost methodology; and bilateral consultations between the SPECA member countries on border-crossing issues. In 2005-2007, the following projects and activities are envisaged:

TRANSPORT¹		
Name of Project/activity	Timeframe	Budget
On-going and planned projects/activities with funding secured or expected. These activities would be implemented in mutually reinforcing way. Additional support from interested partners would expand the scope and the number of beneficiaries of these projects/activities		
Capacity-building for developing interregional land- and land-cum-sea transport linkages (Component on Developing Euro-Asian Transport Linkages) Annex 1	2003-2006	US\$ 400,000 (approximately) from UNDA ²
Technical assistance to development of the inter-governmental Agreement of the Shanghai Cooperation Organisation member States on facilitation of international road transport Annex 2	2005-2007	US\$ 630,000 (US\$ 500,000 from ADB and US\$ 130,000 from UNESCAP)
Institutional capacity-building for facilitation of international trade and transport in landlocked and transit countries Annex 3	2005-2006	US\$ 429,000.
Facilitation of participation of the Central Asian and Caucasus countries in the meetings of the UNECE Inland Transport Committee (ITC) and selected Subsidiary Bodies Annex 4	2004-2005 (possibility of extension for 2006-2007)	US\$ 202,000 (available in 2004-2005). Similar amount will need to be raised for the proposed extension for 2006-2007
Demonstration runs of container block trains, including to Central Asia (in collaboration with OSJD and UIC) Annex 5	2001-2006	US\$ 80,000
Policy advisory services to the interested SPECA member countries to implement UNECE transport-related conventions, standards and regulations	Upon request	UN Regular Budget (RPTC) ³
Possible projects/activities in areas where UNECE/UNESCAP have considerable experience and in-house expertise and which could be implemented if supported by interested donors/partners. <i>These projects could be implemented in addition to and in coordination with projects/activities listed above.</i>		
Assistance to the SPECA Project Working Group on Transport and Border- Crossing Facilitation (PWG-TBC) Annex 6	2006-2008	Estimated budget – US\$ 90,000
Capacity-building in developing transit transport cooperation of landlocked and transit developing countries in Central Asia Annex 7	2006-2009	Estimated budget – US\$ 750,000

¹ Projects and activities in the area of Transport, in particular project outlined in Annex 3, will be carried out in coordination with activities in the area of Trade Development relevant to trade facilitation.

² United Nations Development Account

³ UN Regular Programme for Technical Cooperation.

WATER, ENERGY AND ENVIRONMENT

Efficient use of water and energy resources on mutually agreed and beneficial terms is critical for economic and social development in the region and meeting basic human needs of its populations, particularly in light of a large degree of interdependence of most of the SPECA member countries in this area. The theme of Water and Energy was among the initial work areas of SPECA and was addressed through the Working Group on Water and Energy Resources. This work resulted in the elaboration of the Strategy for the Efficient Use of Water and Energy Resources in Central Asia. Recently some SPECA member countries expressed interest in continuing activities in the water sector and in expanding the scope of the SPECA work in the area of energy so that the latter will not be limited to hydro-power but address broader issues, such as possibilities of creating common energy markets involving the SPECA member countries and considering issues related to energy security in the Caspian Sea region. Possible new terms of reference of the SPECA Working Group that could ensure effective follow-up to the work already done in the water-energy sector and also to address energy issues in a broader context are expected to be addressed during the Astana Conference and be prepared taking into account its results.

Protection of the environment is a key condition for sustainable development and ensuring the well-being of people in the SPECA region, which currently faces a range of environmental problems some of which are trans-boundary in nature. These include such problems as air pollution, wastes, including dangerous wastes, land degradation and desertification, fragile ecosystems, management of water resources in the sub-region, and the problem of the Aral Sea, among others. The Central Asian countries require active support and technical assistance from the international community to enable to effectively address these problems and to ratify and implement relevant international legal instruments, including UNECE Environmental Conventions. Implementation of these Conventions would be a considerable step forward in the environmental and in particular the water cooperation between the countries in Central Asia.

In 2005-2007, the following projects and activities are envisaged:

WATER, ENERGY AND ENVIRONMENT		
<i>Name of Project/activity</i>	<i>Timeframe</i>	<i>Budget</i>
On-going and planned projects/activities with funding secured or expected. These activities would be implemented in mutually reinforcing way. Additional support from interested partners would expand the scope and the number of beneficiaries of these projects/activities		
Capacity-building for air quality management and the application of clean coal combustion technologies in Central Asia (CAPACT) Annex 8	2004-2007	US\$ 680,000 plus in-kind contributions from partners
Central Asia Regional Water Information Base (CAREWIB) Project Annex 9	2005-2007	US\$ 274,200 plus in-kind contributions from partners
Dam safety in Central Asia: capacity-building and sub-regional cooperation Annex 10	2005-2007	Funding is being raised - estimated budget US\$ 253,800
Elaboration of a feasibility study on establishing International Water and Energy Consortium for Central Asia Annex 11	2005-2006	Funding is being raised - estimated budget – US\$ 260,000
Environmental impact assessment in a transboundary context: implementation of pilot project for Central Asia Annex 12	2005-2007	US\$ 80,000 (US\$ 40,000 available; additional US\$ 40,000 need to be raised)
Policy advisory services in the areas of energy efficiency, as well as implementation of UNECE Environmental Conventions	Upon request	UN Regular Budget (RPTC)
Possible projects/activities in areas where UNECE/UNESCAP have considerable experience and in-house expertise and which could be implemented if supported by interested donors/partners. <i>These projects could be implemented in addition to and in coordination with projects/activities listed above.</i>		
Capacity-building for improving energy efficiency and energy conservation in the SPECA member countries through management, networking and partnerships Annex 13	2005-2007	Estimated budget – US\$ 380,000
Transboundary power exchange in the SPECA region Annex 14	2005-2007	Estimated budget – US\$ 320,000
Wind energy resources assessment and technology demonstration Annex 15	2005-2007	Estimated budget – US\$ 300,000
English-Russian dictionary on transboundary water management Annex 16	2005-2007	Estimated budget – US\$ 80,000

TRADE DEVELOPMENT

Development of sub-regional trade is of key importance for economic and social development of the SPECA member countries and their integration into the world economy. Recently several countries of the sub-region came up with several strategic initiatives highly relevant to trade, such as the proposed Central Asian common market and the proposed Central Asian Union. The SPECA member countries are at various stages of WTO accession, with one of them being a WTO member. Several SPECA member States are also active members of regional economic integration and cooperation organisations, such as Central Asian Cooperation Organisation, Eurasian Economic Community and Economic Cooperation Organisation (member States of the latter in 2004 have agreed to establish a free trade zone by 2015). UNECE and UNESCAP can offer technical support to countries of the region with a view to facilitating implementation of a number of above-mentioned objectives and initiatives.

The reformed SPECA should take into account the need to formulate a joint approach for functional cooperation in this area. Much has to be done in these countries on implementing existing trade agreements, aligning trade documentation and procedures with international standards. With their rich experience in assisting countries to implement modern trade facilitation techniques, including work with local networks of institutions and people with stake in trade and trade facilitation, UNECE and UNESCAP are well placed to help the countries develop a concerted programme of work in cooperation with other international organisations active in this area. The UN Regional Commissions are capable to work on the harmonization and alignment of trade and transport documents. The programme will build on the achievements of the past initiatives (such as the project on harmonization of trade procedures in TRACECA), and will feed into the development of a trade facilitation component of regional initiatives (such as EurAsEC or ECO), willing to work on this issue. It will also help countries in the region in dealing with their neighbours and trading partners, such as the Russian Federation, China, EU, Iran, Turkey, the United States of America and Japan.

It is proposed that a SPECA Working Group on Trade is established. In addition to the SPECA members countries, UNECE and UNESCAP, other relevant international organisations could be invited to participate, namely, UNCTAD, EurAsEC, TRACECA, ECO, the Shanghai Cooperation Organisation, the European Commission, the World Bank and regional development banks. Such a Working Group could provide member countries with a forum to discuss trade issues of mutual concern and to oversee implementation of the following projects and activities:

TRADE DEVELOPMENT⁴		
<i>Name of Project/activity</i>	<i>Timeframe</i>	<i>Budget</i>
On-going and planned projects/activities with funding secured or expected. These activities would be implemented in mutually reinforcing way. Additional support from interested partners would expand the scope and the number of beneficiaries of these projects/activities		
Strengthening trade facilitation implementation in the SPECA member countries Annex 17	2005-2006	US\$ 80,000 from the UNDA (Fourth Tranche) inter-regional project
Capacity-building in support of trade integration with emphasis on integrated trade information flow management and trade facilitation in the SPECA region Annex 18	2006-2007	US\$ 385,000, from UNDA starting from 2006 (subject to approval by UNGA).
Building the capacity of the SPECA member countries in their accession to WTO, post-accession negotiations and implementation of WTO agreements and commitments, as well as establishment of an informal WTO Forum within SPECA Annex 19	2005-2007	US\$ 800,000 per year: Funding expected from Canada, Germany, Switzerland and UK. In-kind contributions from UNCTAD, the World Bank and AITIC
Policy advisory services to the interested SPECA member countries to implement international trade-related standards, recommendations and regulations	Upon request	UN Regular Budget (RPTC)
Possible projects/activities in areas where UNECE/UNESCAP have considerable experience and in-house expertise and which could be implemented if supported by interested donors/partners. <i>These projects could be implemented in addition to and in coordination with projects/activities listed above.</i>		
Promotion of regional trade integration through regulatory and standardization convergence Annex 20	2006-2008	Estimated budget – US\$ 300,000
Harmonization of trade and transport documents and documentary procedures in the SPECA member countries: integrating the management of trade information flows Annex 21	2006-2007	Estimated budget – US\$ 600,000
Improved trade logistics for the sustainable use of biomass from agro-residues in the SPECA region Annex 22	2006-2009	Estimated budget – US\$ 750,000
Improved implementation of UNECE standards for the sustainable development of fresh fruits and vegetables in wholesale markets in the SPECA region Annex 23	2006-2007	Estimated budget – US\$ 250,000

⁴ Projects and activities in the area of Trade will be carried out in coordination with activities in the area of Transport, particularly project contained in Annex 3 to this document.

STATISTICAL CAPACITY-BUILDING

In the reformed SPECA, there will be a strong need for monitoring economic and social change in the SPECA member countries and to assess progress achieved in integration and cooperation efforts. To this end, countries will have to produce reliable, relevant, and timely statistical data on a wide range of economic and social areas, with special emphasis on indicators related to the Millennium Declaration Goals (MDGs). Reliable and timely statistical data is also of great importance to raise the level of foreign investments to the SPECA member countries and for receiving funding from international financial institutions. Since more than a decade, national authorities and the international community have devoted significant efforts to statistical capacity-building in the SPECA member countries. However, there is still progress to be made, and both UNECE and UNESCAP are planning to develop a programme of work in cooperation with the UN Department of Economic and Social Affairs and the CIS Interstate Statistical Committee.

To monitor the implementation of the programme, and to coordinate with other multilateral technical cooperation programmes on statistics in the SPECA member countries, it is proposed to set up a SPECA Working Group on Statistics. In addition to the SPECA member countries, UNECE, UNESCAP, other international organisations involved in statistical capacity-building, including the CIS Interstate Statistical Committee, UNDESA, the World Bank, the European Commission, etc., would be invited to participate in the activities of the Working Group.

STATISTICAL CAPACITY-BUILDING		
<i>Name of Project/activity</i>	<i>Timeframe</i>	<i>Budget</i>
On-going and planned projects/activities with funding secured or expected. These activities would be implemented in mutually reinforcing way. Additional support from interested partners would expand the scope and the number of beneficiaries of these projects/activities		
Strengthening the statistical capacity of the countries of Central Asia to produce indicators for the monitoring of progress towards the Millennium Development Goals Annex 24	2006-2007	US\$ 385,000 from UNDA starting from 2006 (subject to approval by UNGA)
Policy advisory services in the area of statistics	Upon request	UN Regular Budget (RPTC)

ICT FOR DEVELOPMENT

Information, communication and space technologies play a vital and growing role in the economic and social development. This was reconfirmed in the outcomes of the Bishkek Conference on Information Society and Sub-Regional Cooperation on ICT for Development (November 2004) which considered involvement of SPECA members countries in the Asia Pacific Regional Plan towards Information Society and discussed the ways and means of broadening the use of various ICT applications taking into account experiences and on-going work at the international level, in particular in the UNECE region. The participants in the Bishkek Conference apart from highlighting the role of ICT as one mighty enabler of economic growth underscored their commitment to foster regional and inter-regional cooperation through the development of regional and sub-regional action plans, harmonization of national legislation, and exchange of experiences and good practice. Several SPECA member countries proposed to establish a SPECA Working Group on ICT, and Azerbaijan and Kyrgyzstan expressed their interest to co-chair such a Working Group.

ICT development is a key condition for bridging the digital divide and can offer effective solutions to economic and social development, in particular in the remote and mountains regions of the SPECA member countries. It can also help to overcome some of the problems related to their landlocked status. Recently Azerbaijan came up with an initiative to establish, on the basis of one of its national institutions, a Specialized Regional Training and Research Centre on Public Regulation of Economy and E-Governance, which could be used for relevant capacity-building activities for policy-makers on economy and ICT and practitioners from the SPECA member countries. Discussions are underway regarding possible financial support to this Centre from Switzerland, the World Bank, UNDP and OSCE. UNESCAP and UNECE are planning to organize in Baku in December 2005 a workshop for the SPECA member countries as well as for China and Mongolia to develop specific action plans along with measures aimed at strengthening national capacities for sub-regional cooperation in ICT for development.

It is expected that after the International Conference in Astana the theme of ICT would be added to the SPECA areas of cooperation. It is proposed to establish the SPECA Working Group on ICT for Development, which would provide a forum for consideration among the member States of ICT issues of mutual interest and consider ways of strengthening sub-regional cooperation in this area. This Group could also oversee implementation of the following projects and activities:

ICT FOR DEVELOPMENT		
Name of Project/activity	Timeframe	Budget
On-going and planned projects/activities with funding secured or expected. These activities would be implemented in mutually reinforcing way. Additional support from interested partners would expand the scope and the number of beneficiaries of these projects/activities.		
Capacity-building for ICT policy-making Annex 25	2005-2006	Initial funding in the amount of US\$ 70,000 is expected from the UNDA (Fourth Tranche) inter-regional project led by UNDESA
Improving business opportunities through ICT access points in the SPECA region (part of the inter-regional UNDA project “Knowledge networks through ICT access points for disadvantaged communities”) Annex 26	2006-2007	Initial funding, in the amount of US\$ 200,000 is expected from UNDA starting from 2006 (subject to approval by UNGA)
Capacity-building on space-enabled community e-centres in the Central Asian and neighbouring countries (part of the inter-regional UNDA project “Knowledge networks through ICT access points for disadvantaged communities”) Annex 27	2006-2007	Initial funding, in the amount of US\$ 50,000 is expected from UNDA starting from 2006 (subject to approval by UNGA)
Possible projects/activities in areas where UNECE/UNESCAP have considerable experience and in-house expertise and which could be implemented if supported by interested donors/partners. <i>These projects could be implemented in addition to and in coordination with projects/activities listed above.</i>		
Capacity-building in the use of ICT for economic development among the SPECA member countries Annex 28	2006-onwards	Estimated budget – US\$ 300,000. Additional in-kind contribution expected from the Government of Azerbaijan in cooperation with interested donors.

GENDER AND ECONOMY

Gender equality in economic area is a key element of development strategies and implementation of MDGs. This is very relevant to all SPECA member countries where women's poverty increased and economic position deteriorated. National plans for gender equality focus thus on the improvement of women's access to employment, land and other assets and reversing negative effects of cuts in social protection. Progress requires effective mainstreaming of gender concerns into economic policies.

Despite experience in some countries, such as micro-credit schemes for women entrepreneurs in Kazakhstan and Kyrgyzstan, this is a new area for gender activities. There is thus a need for raising awareness, capacity-building and developing pilot projects, such as, for example, gender budgets. Regional cooperation within SPECA and exchange of experiences and good practices within the regional framework of SPECA would provide an important support to national efforts. It will also allow to link to and benefit from other SPECA programmes, especially on statistics (gender data), ICT (gender digital divide, disadvantaged communities) and possibly also trade (export-oriented women businesses, conditions of work in export sectors).

Proposals for specific activities will be formulated through consultations involving UNECE, UNESCAP, UNDP, UNIFEM, OSCE and other partners active in Central Asia in Gender and Economy area, to be held on 25-26 May 2005 in conjunction with the Astana Conference.

POSSIBLE ADDITIONAL AREAS OF COOPERATION

SMEs, Enterprise and Entrepreneurship Development

A number of SPECA members countries have expressed their interest in developing cooperation and receiving technical assistance from the United Nations in the area of SMEs, enterprise and entrepreneurship development. At this stage no specific project proposals were developed in this broad area given the limited resources currently available to UNECE and UNESCAP. It should be noted however, that a number of activities and projects included in this Work Plan contribute to progress in this field. These include, for example, projects on trade facilitation as well as on ICT, which offer a range of potential benefits for national Governments and the private sector in the SPECA member countries, including SMEs. Proposals in support of women entrepreneurship are expected to be included as part of the programme on Gender and Economy referred to above.

Other on-going and planned activities, such as UNECE/FAO work in the forestry sector can also be beneficial for the member States of SPECA. Additional projects and activities could be developed in cooperation with interested partner organisations and potential donors. Such activities could emanate as a result of future discussions and meetings involving the SPECA member countries, such as the forthcoming Central Asian Workshop on Industrial Restructuring and National Competitiveness (Tashkent, 11-12 October 2005)

Sustainable tourism

A number of SPECA member countries, in particular Azerbaijan and Uzbekistan, expressed their interest in developing cooperation and receiving technical assistance in the area of sustainable tourism.

The Central Asian countries and Azerbaijan have a considerable potential in sustainable tourism the development of which could make an important contribution to the achievement of MDGs, including eradication of poverty. Located on crossroads of Europe and Asia - on the junctions of Eurasian transport corridors and at the Great Silk Road – the SPECA member countries, with their rich culture

and history, are likely to become attractive for the tourism industry in the near future. However, they would need strong support from the international community to ensure sustainable development of their tourism sector, i.e., that takes into account not only economic but also social and environmental concerns, and meets international standards. Tourism could also become an area of mutually beneficial cooperation among all SPECA member countries.

While at this stage no specific project proposals were developed in this area given the limited resources currently available to UNESCAP and UNECE, it should be noted that a number of activities and projects included in this Work Plan contribute to progress in the area of sustainable tourism. These include, for example, projects on transport and border-crossings, environment and ICT.

A more detailed programme on sustainable tourism in the SPECA region could be developed by UNESCAP and UNECE in future collaboration with partner organisations such as the World Tourism Organisation, UNESCO (which already expressed its interest in cooperation) and other interested organisations and bilateral donors. Synergies could be explored between possible future activities in the area of sustainable tourism as well as possible SPECA activities in the area of SMEs development and entrepreneurship mentioned above.

Development of regions and remote areas

Most SPECA member countries have to cope with unbalanced regional development. Differences in the levels of development within countries are among the main reasons of population flows from rural areas to capitals and wealthier regions due to sustained unemployment and high levels of extreme poverty in the remote and least developed regions. Underdevelopment of outlying regions could be overcome faster through strengthened sub-regional cooperation and development of trade and economic links resulting in increased market size, better employment opportunities, improved investment climate, development of sub-regional transport links and other infrastructure and increased transit through these regions. Development of regions is crucial for the SPECA member countries to achieve MDGs, particularly eradication of poverty. Some SPECA member countries expressed their interest in developing cooperation and receiving technical assistance in this area from the international community.

To increase the capacity of the SPECA member countries to effectively address this serious problem, a range of capacity-building activities such as dissemination of best practices through workshops and study tours, training local officials and entrepreneurs, support to development of local infrastructure and SMEs, local labour training centres and wider application of innovative technologies, including development of community ICT access points could be worked out. At a later stage, building on initial achievements, promotion of foreign investments through investment conferences, forums and trade fairs in underdeveloped regions of the SPECA member countries could also be considered. Joint projects could be developed among the interested SPECA member countries in support of development of bordering regions, for example through promotion of cross-border trade.

It should be noted that formulation and implementation of a comprehensive programme in this area is broader than the mandates and resources available to UNECE and UNESCAP and would require building a partnership involving several international organisations, such as UNDP, FAO, the World Bank, OSCE among others, as well as support from donors. Opportunities for developing such a programme could be considered in the future by the SPECA member countries and interested partners. Such a programme could be elaborated building on and taking advantage of possible synergies and complementarities with on-going or planned SPECA activities in such areas as transport, energy, environment, ICT, as well as possible SPECA activities in the areas of sustainable tourism and SMEs development.

FACILITATION OF PARTICIPATION OF REPRESENTATIVES AND EXPERTS FROM THE SPECA MEMBER COUNTRIES IN INTERNATIONAL MEETINGS

Strengthening national capacities to deal with complex and evolving issues of international cooperation, in particular development and implementation of internationally agreed goals, norms, standards, and legal instruments calls for active participation of national policy-makers and experts in international meetings organized as part of the UNECE and UNESCAP respective work programmes. At present, national budgets of the SPECA member countries are too limited to ensure adequate level of their participation in international policy development and norm-setting meetings and negotiations, including annual sessions of the two UN Regional Commissions, as well as their subsidiary, working and technical bodies. While a number of donors are providing valuable voluntary support towards facilitating participation of representatives of the SPECA member countries in such meetings, it does not match the current requirements for such extra-budgetary support. Donors who may be interested to provide such extra-budgetary support are invited to contact the Secretariats of UNECE and UNESCAP.

SUPPORT TO THE FUNCTIONING OF SPECA

It is expected that the SPECA member countries would continue organizing, with the support from UNECE and UNESCAP, meetings of the governing and coordinating bodies of the Programme as well as its Working Groups. At the same time active participation of all SPECA member countries in such meetings needs to be supported with extra-budgetary contributions. Specific proposals on this matter will be circulated by UNECE and UNESCAP to potential donors in light of the outcomes of the Astana Conference.

— — —