



## **Progress in consultations on strengthening cooperation between SPECA and CAREC**

(for consideration by the SPECA Coordinating Committee Meeting  
Baku, Azerbaijan, 7 December 2005)

### **Background**

1. Participants of the International Conference on Strengthening Sub-regional Economic Cooperation in Central Asia and the Future Role of SPECA (Astana, 25-27 May 2005) have called for closer cooperation between SPECA and CAREC. The first round of consultations of UNECE and UNESCAP with representatives of the Asian Development Bank – who is the lead organization in CAREC - was held in Astana on the margins of the Conference.
2. Further discussions between representatives of UNECE and several members of the CAREC Group, namely ADB, World Bank, EBRD and UNDP took place on the margins of the CAREC 4<sup>th</sup> Ministerial meeting (Bishkek, 5-6 November 2005), as well as during the special session of the SPECA Project Working Group Water and Energy Resources (Almaty, 9-10 November 2005).
3. As a result of the above consultations and discussions a number of proposals and ideas on possible ways of strengthening cooperation between the two Programmes have emerged.
4. These ideas would need to be discussed further both with countries members of the two Programmes (Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and since 2005 Afghanistan is member of both) and with ADB and other organizations members of CAREC.

### **Objective**

5. The overriding objective of these proposals and ideas is to achieve better synergies and complementarity of efforts under the two Programmes, particularly in those thematic areas of work where both Programmes have activities, and to identify possibilities for the two Programmes to support each in a mutually complimentary way on the basis of comparative advantages of international actors supporting these Programmes and with a view to raising the overall effectiveness of support these Programmes offer to their member countries.
6. The SPECA Coordinating Committee (Baku, 7 December 2005) could consider the proposals and ideas outlined below and request UNECE and UNESCAP to continue consultations with members of the CAREC Group on their practical implementation.

### **Proposals for consideration**

7. In-depth technical discussions at the various SPECA Project Working Groups (PWGs) which involve senior representatives of the relevant line Ministries should be used for identifying common approaches and finding solutions aimed at addressing sub-regional problems of common interest, building consensus among all the parties involved and elaborating agreed recommendations for consideration by policy-making authorities in member countries. The results of work of the SPECA PWGs could be also used by CAREC in elaboration and implementation of sub-regional projects in such areas as water and energy, transport and trade.

8. The SPECA PWGs, in addition to conducting and overseeing smaller projects (e.g. feasibility studies or capacity-building activities) relying on the in-house expertise and resources of the two UN Regional Commissions, could also identify specific areas where sub-regional cooperation needs to be strengthened and elaborate proposals for larger scale (investment) projects. Agreed recommendations regarding such projects could then be proposed by member countries for consideration and implementation within CAREC.

9. In the same spirit, CAREC could invite SPECA to undertake capacity-building activities, which may need to be undertaken as part of its on-going and planned projects. This would be particularly relevant to strengthening national capacities in the region for implementation and application of internationally agreed norms, standards and legal instruments for which UNECE or UNESCAP act as custodians and/or provide the Secretariat (e.g. a number of conventions in the field of environment, water and transport, trade facilitation and harmonization).

10. The SPECA PWGs could also be invited to examine and discuss proposals from CAREC on sub-regional capacity-building projects and activities in those areas, which go beyond the agreed scope of activities (focus) of CAREC but fall within the mandate of SPECA (e.g. ITC for Development, Statistics or Gender and Economy).

11. While in CAREC Governments are largely represented by the Ministries of Finance, SPECA and its PWGs should continue to actively involve in its activities a broader range of ministries and government agencies (Ministries of Economy, Foreign Affairs along with line Ministries). Closer cooperation between the two Programmes would provide for more active involvement of all relevant parts of governments in the implementation of activities.

12. The SPECA PWGs and the UNECE and UNESCAP Secretariats should make intensive efforts to bring the main results achieved within the framework of SPECA to the attention of high-level policy making authorities in the SPECA member countries. This could also facilitate formulation and implementation of regional programmes carried out by CAREC.

13. Strengthening SPECA/CAREC cooperation would be an important step for the establishment of a mechanism to coordinate the activities of international organizations and donor agencies relating to the resolution of the Aral Sea basin problems, as called for by the Heads of Central Asian States in the Dushanbe Declaration of 6 October 2002.

14. SPECA and CAREC should aim to avoid creating and supporting parallel structures of cooperation in Central Asia. In particular:

- a) consideration could be given to discontinuation of implementation of the initiative on the SPECA Business Forum and instead SPECA could work closely and involve in its work the Regional Business Roundtable for Central-South Asia, supported by CAREC.
- b) CAREC could be invited to work closely with and involve in its activities the SPECA Network of Economic Research Institutes (SNERI), which is being established.

15. Members of the CAREC Group should be invited to participate in and contribute to the deliberations of the SPECA Economic Forum (the first session of which will take in June 2006 in Baku).

16. SPECA and CAREC should more proactively inform each other of their activities and working plans and – through working level contacts – should try to strengthen synergy, promote

complementarities and avoid duplication. Back-to-back meetings could be held if practical and feasible.

17. In future joined projects and activities involving international organizations and financial institutions supporting SPECA and CAREC could be considered.

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