



First Session of the SPECA Coordinating Committee

(Baku, Republic of Azerbaijan, 7 December 2005)

REPORT

1. The first session of the SPECA Coordinating Committee was held on 7 December 2005 in Baku, Azerbaijan. Representatives of Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, as well as the UNECE, UNESCAP and UNDP participated in the session. Representatives of the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), International Monetary Fund (IMF) and TRACECA also attended the session. The Committee elected Mr. Mahmud Mammad-Guliyev, Deputy Minister for Foreign Affairs of the Republic of Azerbaijan as its Chairman.
2. The Chairman, in his opening address, emphasized the importance of making SPECA an action-oriented programme, focusing on project implementation. The accession of Afghanistan further enhanced the relevance of the Programme and opened up new possibilities for programmes and projects. The rapid economic development of the region made partial financing of SPECA projects by member countries a realistic possibility. He reiterated the readiness of Azerbaijan to establish a regional training centre on e-governance in support of the SPECA objective of strengthening regional cooperation. The SPECA Economic Forum is expected to become a forum for high-level dialogue between policy-makers, the private sector and the academic community and also a source of new ideas and initiatives for the Programme. The representatives of UNECE and UNESCAP in their opening addresses reconfirmed the commitment of the two UN Regional Commissions to work closely in support of the Programme.
3. The Representative of Kyrgyzstan stated that his Government viewed SPECA as the most important UN project for the region. He informed that his Government had appointed the National Coordinator at the level of Deputy Prime Minister, the Deputy Coordinator at the level of Deputy Minister for Foreign Affairs, as well as representatives for the PWGs. Opening remarks were also made by representatives of Kazakhstan and Tajikistan who expressed their support to the Programme and their high-expectations from the on-going SPECA reform.
4. The Committee welcomed the successful completion of the accession process of Afghanistan to SPECA. The representative of Afghanistan underlined the importance his country attached to participation in the Programme. SPECA could facilitate the solution of problems currently faced by Afghanistan in various areas, such as, in the area of transport. (Decision I).
5. The Committee considered and approved the [report on the Ad hoc session of the Project Working Group on Water and Energy Resources](#) held in Almaty on 9-10 November 2005. The representative of Azerbaijan proposed that a presentation be made at the Fourth World Water Forum to be held in Mexico in March 2006 highlighting the importance of water issues in the SPECA region and on-going SPECA work in this area. The Committee supported the proposal and suggested that the Chairman of the PWG be requested to consider this matter. (Decision II).

6. The Committee considered and approved the [report on the Inaugural session of the PWG on ICT for Development](#), and welcomed the offer of Azerbaijan to provide a regional training facility on e-governance in support of SPECA. (Decision III).

7. Discussing the [report on preparations for the 11th session of the PWG on Transport and Border Crossing](#), the Committee underscored the need to develop sub-regional project proposals of interest to all SPECA member countries for submission to potential donors. It welcomed the new UNECE/UNESCAP project proposal on capacity building in developing transit cooperation of landlocked and transit countries in Central Asia. It supported the proposed establishment of a database on international routes, major investment projects as well as problems of border crossing. Major selected routes within the SPECA region should be analyzed using the UNESCAP time/cost methodology. The representative of Afghanistan emphasized the need to take into account the current situation with road development in his country and to reassess opportunities for cooperation in the area of transport within the new, enlarged SPECA region. (Decision IV).

8. Considering the [report on preparations for the first session of the PWG on Trade](#), the representative of Kazakhstan pointed out the necessity of developing interaction among various PWGs. For example, the PWGs on Trade, Transport and on ICT along with the SPECA Network of Economic Research Institutes could collaborate in working out the most appropriate solutions for the region in areas of mutual interest. The Committee also noted the Afghanistan proposal for a project on capacity building for the implementation of international agricultural quality standards in the SPECA member countries in view of the importance of this issue for the whole region. (Decision IV).

9. The Committee considered and endorsed the [report on preparations for the first session of the PWG on Statistics](#) and noted that the [ad hoc meeting for the establishment of a SPECA Working Group on Gender and Economy](#) would be held in Geneva, Switzerland, 8-9 December 2005. (Decision IV).

10. The Committee noted the progress in the on-going consultations on the co-chairpersons of SPECA PWGs and endorsed co-chairpersons of four PWGs. (Decision V). It noted with satisfaction the interest evinced in co-chairing PWGs by a number of member countries, in particular during the International Conference on Strengthening Sub-regional Economic Cooperation in Central Asia and the Future Role of SPECA (Astana, 25-27 May 2005). Afghanistan and Uzbekistan have expressed their interest in co-chairing the PWG on Transport and Border Crossing; Afghanistan, Tajikistan and Uzbekistan have expressed their interest in co-chairing the PWG on Water and Energy resources; Azerbaijan, Kyrgyzstan and Uzbekistan have expressed their interest in co-chairing the PWG on Trade; Kazakhstan expressed its interest in co-chairing the PWG on Statistics and on ICT for Development¹. The Committee underscored the need for expediting consultations on this important matter. This would be particularly important for the PWGs in which several countries had expressed their interest to take the role of co-chairpersons, and especially for the PWG on Trade, which had no co-chair at present.

11. The Committee discussed and approved the [report on the activities of the SPECA Business Council](#). (Decision VI).

¹ Azerbaijan and Kazakhstan expressed their interest in co-chairing the WG on Gender and Economy, when established, at the preparatory meeting for the Group held on 8-9 December 2005 in Geneva.

12. The Committee considered two progress reports (one by the representative of UNECE and one by the representative of the Institute of World Economy and Policy of Kazakhstan) on the initiative to set up a SPECA Network of Economic Research Institutes (SNERI). (Decision VII). The representative of UNESCAP proposed to develop close cooperation between the new Network and ARTNeT, a network of research institutes in the Asia-Pacific region focusing on trade related issues. The representative of UNDP underlined the necessity of close cooperation between the Economic Policy Institutes Network (EPIN) initiative, supported by UNDP, and SNERI to ensure complementarity in work.

13. The Committee endorsed Azerbaijan as the first Chairman of the SPECA Governing Council. The Government of the Republic of Azerbaijan will decide and communicate the exact dates in June 2006 for the first session of the Governing Council in the near future. (Decision VIII).

14. The Committee endorsed the proposal of Azerbaijan to convene the first meeting of the SPECA Economic Forum in June 2006, in conjunction with the first session of the Governing Council of SPECA. As the theme for the Forum could not be decided, the participants agreed to communicate their views on the theme to the Chairman not later than 15 January 2006. (Decision IX).

15. The Committee considered the [report on on-going efforts to strengthen SPECA/CAREC cooperation](#). (Decision X). The Committee also approved a draft letter by its Chairman to the Head of the Delegation of the European Union to Kazakhstan, Kyrgyzstan and Tajikistan, proposing open-ended negotiations on cooperation between SPECA and the European Commission. (Decision X).

16. The Committee agreed that the dates and venue of its next meeting be discussed at the time of the Governing Council session. (Decision XI).

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ANNEX I

DECISIONS
of the First Session of the SPECA Coordinating Committee

Decision I (SPECA/CC/Dec/2005/1)

The Committee welcomed Afghanistan as a full member of the UN Special Programme for the Economies of Central Asia (SPECA). The Committee invited the Government of the Islamic Republic of Afghanistan to actively participate in and take full advantage of SPECA projects and activities.

Decision II (SPECA/CC/Dec/2005/2)

The Committee considered the report on the Ad hoc session of the Project Working Group (PWG) on Water and Energy Resources (Almaty, 9-10 November 2005) and endorsed the proposals and recommendations contained therein. The Committee called upon member countries to fully implement them and invited UNECE and UNESCAP, as well as other relevant organizations and institutions to provide support to their implementation. The Committee decided that it would be important to inform the participants in the Fourth World Water Forum to be held in Mexico in March 2006 about the importance of water issues for the SPECA region, and on-going SPECA work in this area, and requested the Chairman of the PWG on Water and Energy Resources and the Secretariats of UNECE and UNESCAP to identify the most appropriate way of doing so.

Decision III (SPECA/CC/Dec/2005/3)

The Committee considered the report on the inaugural session of the PWG on ICT for Development (Baku, 5-6 December 2005) and endorsed the proposals and recommendations contained therein. The Committee called upon member countries to fully implement them and invited UNECE and UNESCAP, as well as other relevant organizations and institutions to provide support to their implementation.

Decision IV (SPECA/CC/Dec/2005/4)

The Committee considered and endorsed the reports on preparations for the PWG on Transport and Border Crossing (2006), PWG on Trade (2006), PWG on Statistics (2006) and noted with appreciation information on preparations for the setting up the Working Group on Gender and Economy (preparatory meeting to be held in Geneva on 8-9 December 2005). In this context members of the Committee highlighted the following points:

- (a) The PWG on Transport and Border Crossing at its 11th session was invited to:
 - (i) Pay particular attention to the following areas of cooperation:
 - Development of sub-regional project proposals of interest to all SPECA member countries for submission to potential donors, as well as the new joint UNECE/UNESCAP project proposal on capacity building in developing transit transport cooperation of landlocked and transit countries in Central Asia;

- Establishment of databases on international routes, major investment projects, and border crossing problems; and
 - Analysis of major selected routes within the SPECA sub-region using the UNESCAP time/cost methodology.
- (ii) Take into account the current situation with road development in Afghanistan and new opportunities for cooperation in the area of transport in the SPECA region in light of Afghanistan becoming a new member of the Programme.
- (b) The new PWG on Trade, once it is established, was invited to:
- Develop active interaction with the PWG on Transport and Border Crossing and the newly established PWG on ICT for Development.
 - Consider possibilities of establishing cooperation with the SPECA Network of Economic Research Institutions (SNERI) once the latter is established.
 - Undertake efforts to raise funds needed for the implementation of a project on capacity building for the implementation of international agricultural quality standards in the SPECA countries, considering the importance of this issue for the region.
- (c) The Committee agreed that it would be important for the PWGs to hold their meetings before the first session of SPECA Governing Council in June 2006 (see Decision VIII).

Decision V (SPECA/CC/Dec/2005/5)

The Committee endorsed the following countries for the co-chairmanship of the Project Working Groups of SPECA:

- Project Working Group on Water and Energy Resources: Kyrgyzstan.
- Project Working Group of ITC for Development: Azerbaijan
- Project Working Group on Transport and Border Crossing: Kazakhstan
- Project Working Group on Statistics: Tajikistan

The Committee decided that consultations among SPECA countries on the co-chairmanship of the PWG on Trade, as well as on the second co-chairpersons of PWGs listed above should be expedited so that agreement could be reached in time for the meetings to be held prior to the Governing Council session in June 2006.

Decision VI (SPECA/CC/Dec/2005/6)

The Committee decided that further implementation of the initiative on SPECA Business Council should be carried out in the context of the recent decision of CAREC taken at its 4th Ministerial Meeting (Bishkek, 5-6 November 2005) to establish the Regional Business Roundtable for Central and South Asia, and invited the business community from the SPECA region as well as from interested neighbouring countries to actively participate in the relevant CAREC and SPECA activities.

Decision VII (SPECA/CC/Dec/2005/7)

The Committee considered and endorsed the progress report on the initiative to set up a SPECA Network of Economic Research Institutes. The Committee encouraged UNECE, UNESCAP and their partner organizations and institutions cooperating on the project to continue the intensive preparatory work with the objective of inaugurating the Network at the first meeting of the SPECA Economic Forum to be held in June 2006 in Baku (see draft decision IX). The Committee also endorsed the proposed institutional linkage with ARTNet in trade related research.

Decision VIII (SPECA/CC/Dec/2005/8)

The Committee endorsed Azerbaijan as the first Chairman of the SPECA Governing Council. The Committee welcomed with appreciation the proposal of Azerbaijan to convene the first session of the Governing Council in mid-June 2006 in Baku.

Decision IX (SPECA/CC/Dec/2005/9)

The Committee welcomed [proposals of UNECE and UNESCAP regarding the objectives and format of the SPECA Economic Forum](#) and endorsed the proposal of Azerbaijan to hold the first meeting of the Forum in conjunction with the first session of the SPECA Governing Council in mid-June 2006 in Baku. The Committee agreed that the theme of the first meeting of the Economic Forum would be determined through consultation by no later than 15 January 2006. The Committee invited SPECA member countries, UNECE and UNESCAP and other interested organisations and institutions, as well as the representatives of academic and business communities to take an active part in its preparations and deliberations.

Decision X (SPECA/CC/Dec/2005/10)

The Committee noted with appreciation the report on on-going consultations on strengthening SPECA/CAREC cooperation. It encouraged member countries as well as the UNECE, UNESCAP and members of the CAREC, namely the Asian Development Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the Islamic Development Bank, the United Nations Development Programme and the World Bank to take further step towards strengthening cooperation between the two Programmes in order to achieve maximum complementarity of efforts while avoiding possible duplication.

The Committee also discussed and approved the text of a letter from the Chairman of the Committee to be sent on behalf of its members to the Head of Delegation of the European Commission to Kazakhstan, Kyrgyzstan and Tajikistan, proposing to start consultations on developing cooperation between SPECA and the European Commission.

Decision XI (SPECA/CC/Dec/2005/11)

The Committee decided that the date and venue of its next formal session would be determined during the first session of SPECA Governing Council in Baku in June 2006. The session of the Governing Council would also provide members of the Coordinating Committee an opportunity to meet informally, if required.