



UNITED NATIONS SPECIAL PROGRAMME FOR THE ECONOMIES OF CENTRAL ASIA (SPECA)

FOLLOW-UP MEETING OF THE 2010 SPECA ECONOMIC FORUM

“Launching a Plan of Action to Strengthen Stability and Sustainable Development of Afghanistan through Regional Economic Cooperation in Central Asia”

(Ashgabat, Turkmenistan, 7-8 June 2011)

ANNOTATED PROVISIONAL PROGRAMME

Background

The representative of Afghanistan speaking at the fourth session of the SPECA Governing Council in Bishkek in November 2009 underlined the need for closer economic cooperation between Central Asia and Afghanistan as an important contribution to the long-term stabilization and reconstruction of his country. He proposed to Central Asian partners to exchange ideas and jointly address shared challenges.

In light of the favourable reaction from other member countries, the SPECA Economic Forum in Geneva in October 2010 discussed how strengthening regional cooperation in Central Asia could contribute to long-term stability and sustainable development of Afghanistan. Speakers at the opening high-level session argued for a comprehensive approach to stability based on shared security and economic interests of Afghanistan and Central Asia. Key topics discussed at the meeting – in line with the priorities of the Afghanistan National Development Strategy - included trade, transport, border crossing, investment, infrastructure and the joint management of shared resources. The last session discussed the role of SPECA as a framework for political consultations, capacity-building, institutional and legal strengthening.

Turkmenistan, the SPECA Chair in 2011, proposed to host a follow-up event of the SPECA Economic Forum. The Governing Council at its fifth session welcomed this generous offer and decided to organize the follow-up meeting in the first half of 2011 in Turkmenistan. The meeting is expected to provide an opportunity to translate the substantive outcomes and recommendations of the Geneva Economic Forum into concrete programmes and projects in support of cooperation between Afghanistan and Central Asia and raise funds for yet unfunded projects.

The Annotated provisional programme proposed below is based on the programme and recommendations of the 2010 SPECA Economic Forum and offers a flexible framework for the presentation of relevant ongoing or new projects by the UNECE and ESCAP and their partner organizations. Discussions should facilitate coordination of investment projects (the “hardware”) and technical assistance projects (the “software”) supporting regional economic cooperation. *(All project proposals to be presented at the meeting will be circulated beforehand among participants in electronic format).*

The two-day meeting will be co-organized by the Government of Turkmenistan, the UNECE, ESCAP and the United Nations Regional Centre for Preventive Diplomacy (UNRCCA) in cooperation with the Secretariat of the Regional Economic Cooperation Conference on Afghanistan (RECCA).

7 June 2011

09.30 Opening session

- Statements by a high-level representative of the host country, the Executive Secretaries of UNECE and ESCAP, the Head of UNRCCA and a high-level representative of the Ministry of Foreign Affairs of the Islamic Republic of Afghanistan on behalf of the RECCA Secretariat
- Statements by the Heads of Delegations of SPECA member countries
- Statement by representatives of the G8 (tbc.)

11.00 Coffee break

11.30 Plenary session: Joining forces in promoting regional dialogue and cooperation

The discussion is intended to build links between the strategic objectives of SPECA and RECCA (SPECA is a member of the Core Group of RECCA), recognizing regional cooperation as an indispensable tool for addressing the challenges in Afghanistan and beyond. Significant ongoing and planned investments in infrastructure and other “hardware” can most effectively contribute to regional cooperation if they are combined with intensive capacity-building as well as policy coordination among countries of the region. As a regionally owned, steered and governed programme, SPECA has the capacity to contribute in both areas: it can deliver technical cooperation assistance to Afghanistan and its Central Asian partners and provide a neutral UN umbrella for political consultations on complex, often sensitive issues of regional cooperation. Partners are invited to discuss how SPECA can most effectively contribute to the success of their projects and programmes supporting cooperation between Afghanistan and Central Asia. The two Executive Secretaries might initiate the organization of annual Meetings of Economic Advisers (of the Presidents) to which representatives of the G8, the EU and interested international financial institutions could be invited to discuss strategic issues of regional economic cooperation. SPECA Economic Forums could serve as preparatory events of these high-level meetings.

Projects presented by the UNECE and SPECA member countries will include: Regional capacity-building projects to facilitate the WTO accession of Afghanistan and its Central Asian partners, including projects introduced at the Ministerial Conference on the Aid-for-Trade Road Map for SPECA in Baku in December 2010; Improving regional statistics (two project proposals by the UNECE Statistical Division), Possible use of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources (UNFC) by the UNECE to support the development of Afghan Regional Resource Corridors (project proposal by the UNECE Sustainable Energy Division); Regional capacity-building project on PPPs (project proposal by the UNECE Economic Cooperation and Integration Division - ECID).

Partners to be invited: The Organisation for Economic Co-operation and Development (OECD) on improving the investment climate; the Central Asia Regional Economic Cooperation (CAREC) Institute on supporting research on regional cooperation; the Economic Cooperation Organization (ECO) on support to economic cooperation in the broader region.

13.00 Lunch break

15.00 Parallel break-away sessions

A. Building virtual bridges: improving information flows and regional IT and cell phone networks to strengthen trade and transport links

Developing economic cooperation among SPECA member countries faces several technical “bottlenecks”: one of them is the lack of high-speed and reliable Internet connection for data exchange among many of them. To make the development of cable and wireless broadband connections economically feasible, a critical amount of users are needed. On the other hand, developing electronic data corridors for trade, customs, transport and other data related to economic cooperation would not be feasible without high-speed Internet connection. So, development of these virtual data-corridors would create a demand for appropriate infrastructure. The session is to discuss how technical cooperation assistance to electronic data exchange and plans to develop high-speed Internet connection among SPECA member countries could lead to synergies.

Projects presented by the UNECE and SPECA member countries will include: Regional cooperation for the infrastructure development of the Transnational Eurasian Information Super Highway (presentation by the Government of the Republic of Azerbaijan); Virtual corridors for trade-related data (project proposal by the UNECE Trade Division); Electronic exchange of C2C data related to transit, with a special focus on TIR-related data (project proposal by the UNECE Transport Division); Improved border-crossing (joint project proposal to be developed by the UNECE Transport and Trade Divisions); PPPs for communication infrastructure (project proposal by the UNECE/ECID).

Partners to be invited: The World Bank and the Asian Development Bank (ADB) on investment in communication infrastructure and trade facilitation; the United Nations Conference on Trade and Development (UNCTAD) on electronic exchange of customs data.

B. Energy: a main driver of economic development in the region

While Central Asia is a significant exporter of hydrocarbons and has huge, partially untapped hydropower potential, Afghanistan and South Asian countries need energy for the development of their economies and to meet demand by their populations. Furthermore, Afghanistan could receive significant income from the transit fees of energy exports to Pakistan and India. Revenues from energy exports would equally boost the economic development of Central Asian countries and expanding energy ties with Afghanistan, Pakistan and India would help create the economic conditions for rebuilding the regional energy market of Central Asia. Improved energy efficiency, the adaptation and dissemination of innovative clean-energy technologies and, where feasible, broader use of public and private sources of external funding for climate-friendly solutions would further contribute to meeting long-term energy demands in the broader region with full respect for the environment.

Projects presented by the UNECE and SPECA member countries will include: The Turkmenistan-Afghanistan-Pakistan-India pipeline project (TAPI) presented by the host country; Renewable energy / Energy efficiency (project proposal by the UNECE Sustainable Energy Division); Building the capacity of SPECA member countries to adopt and apply innovative clean technologies (project presented by the UNECE/ECID and the UNECE Environment Division).

Partners to be invited: The World Bank, ADB and the Islamic Development Bank (IDB) on the Central Asia - South Asia energy bridge project (CASA 1000).

8 June 2011

09.30 Parallel break-away sessions

C. Promoting trade, transport, services and joint training for entrepreneurs

The session will review ongoing activities and new projects in the areas of trade, transport, energy and services. Particular attention will be paid to facilitating cross-border economic activities. As it is exemplified by Central and Eastern Europe (Alps-Adriatic Cooperation, CEI) in the 1990s, strengthening cross-border economic ties offers a relatively low cost way to develop regional cooperation and may result in rapid improvement in the living conditions of populations along borders. However, significant security threats – drugs and arms trafficking, illegal migration – in the SPECA region require specific solutions and approaches to the promotion of cross-border trade and other economic activities. The UNECE has acquired experience in developing solutions that facilitate cross-border economic activities without compromising the security and safety of the countries involved.

Projects presented by the UNECE and SPECA member countries will include: Simplified regimes for cross-border trade and transport (project proposal by the UNECE Trade and Transport Divisions, possibly in cooperation with the OSCE Border Management Staff College); Joint training of women entrepreneurs from neighbouring countries (project proposal by the UNECE Gender Focal Point).

Partners to be invited: The Aga Khan Development Network on cross-border projects; the United Nations Development Programme (UNDP) on cross-border projects, including small hydropower; the European Union on customs modernization; the IDB on trade facilitation (in particular supply side); the IDB on trade, transport, transit and cross-border activities.

D. Joint management of shared resources, particularly water: involving Afghanistan

Water resources in Central Asia are already under considerable stress. Effective management of shared water resources is vitally important to avoid conflict and develop an optimal balance among various uses – agriculture, energy, environmental services, communal uses and health – also at the regional scale. Involving Afghanistan in regional water resources management should go hand-in-hand with raising its effectiveness and strengthening its institutional and legal frameworks. Monitoring, information exchange and analysis need to be improved to provide decision support to integrated water resources management and facilitate regional-level adaptation to new challenges, like climate change.

Projects presented by the UNECE and SPECA member countries will include: Relevant UNECE conventions to help resolve disputes and strengthen regional cooperation (project proposal by the UNECE Environment Division); Dialogue and cooperation on the management of regional water resources (presentation by the UNECE/ECID and the UNECE Environment Division on the project financed by the Government of Germany through the German Company for International Cooperation (GIZ); Improving water monitoring and data exchange (UNECE Environment Division on the project financed by the Russian Federation).

Partners to be invited: The United States Agency for International Development (USAID) on regional trans-boundary water dialogue support; UNRCCA on workshops and seminars with different partners on regional cooperation regarding trans-boundary water issues; the Executive Committee of the International Fund for Saving the Aral Sea (EC IFAS) on selected environmental project proposals from the Third Aral Sea Basin Programme that can include Afghanistan as a partner; the World Bank on support to hydro-meteorological services and monitoring of the upper flows of the Amudarya; GIZ on water management projects that involve Afghanistan; UNDP on integrated water resources management.

11.30 Coffee break

12.00 Closing plenary session: Outlining a SPECA Plan of Action to Strengthen Stability and Sustainable Development of Afghanistan through Regional Economic Cooperation in Central Asia

The SPECA Plan of Action should reflect the needs of and supported by member countries of the Programme. It should complement and support activities by UN partners and other members of the development community. In particular, it should complement and support activities coordinated by the Secretariat of the Regional Economic Cooperation Conference on Afghanistan and offer a concrete input into the agenda of the RECCA V to be hosted by Tajikistan.

The Plan of Action could be developed on the basis of the results of the meeting and submitted to the SPECA Governing Council for discussion and approval at its sixth session. Activities under the Plan of Action could be included in the SPECA Work Plan for 2012-2013.

12.45 Closing session

- Statement by a representative of the host country
 - Statements by the Executive Secretaries of UNECE and ESCAP
 - Statement by the Head of UNRCCA
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