



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

**2013 SPECA ECONOMIC FORUM
“Inclusive and Sustainable Development through Regional Cooperation”**

(Almaty, Kazakhstan, 19-21 November 2013)

REPORT

The 2013 SPECA Economic Forum “Inclusive and Sustainable Development through Regional Cooperation” was held in conjunction with the eighth session of the SPECA Governing Council in Almaty on 19-21 November 2013. The Economic Forum brought together high-level representatives of SPECA countries, observer countries, United Nations agencies, international and regional organizations, financial institutions as well as the academic community and the private sector. The List of participants is attached (Annex I).

The 2013 SPECA Economic Forum consisted of an Expert Segment (19 and 20 November 2013) and a High-level Segment (21 November 2013).

The Expert Segment was the concluding regional meeting of the UNDA project “Building the capacity of SPECA countries to adapt and apply innovative green technologies for climate change adaptation”. The UNECE secretariat presented the outcomes of this capacity-building project, which has two components: the use of innovation policy to address environmental challenges and the mobilization of financing to introduce green technologies through the use of public-private mechanisms.

One of the key outcomes of the project is the formation of networks of interested practitioners which will serve to exchange experiences. The project has also produced training materials on both innovation policies and PPPs, which will facilitate the dissemination of the outcomes of the project and increase awareness and technical competencies on innovation policies and PPPs throughout the region.

A number of speakers discussed different international experiences of regional cooperation in innovative policies and public-private partnerships. Representatives from SPECA countries presented their national perspectives on the issues considered at the Expert Segment and provided information on different ongoing initiatives regarding environmental innovation, PPPs and the green economy.

Participants agreed that climate change is going to have a severe impact on economic activity and safety - but there are technological solutions that can be deployed to offset this impact, as the international experience shows. Factors that constrain technology transfer and PPPs, such as small domestic markets, can be addressed through regional cooperation. Regional

cooperation can also be used to develop infrastructures of common interest, including through the PPP mechanism. Investors' perceptions of a given country are influenced by the regional situation, so efforts to improve the regional context are beneficial for individual countries.

Collaboration is essential to modern innovation processes, bringing together researchers, companies, policymakers (suppliers of technology, users of technology and facilitators). This collaboration can also take place across borders. Research, business and educational organizations form the typical "innovation triangle". This can be extended to include government (as policies can be a barrier or a facilitator of technological change) and, in the context of the Central Asian region, international organizations, which may be a source of funding and policy advice.

Regional cooperation provides opportunities for exchange of experiences. By increasing the scope for these exchanges, it facilitates and accelerates the identification of best practices. Experiences that are piloted in a given country can then spread throughout the region if proved successful and supported by appropriate mechanisms. Networks play an important role in facilitating access to technology and information on opportunities.

The value of education and training (for entrepreneurs, researchers and policymakers) was emphasized by different participants. Regional and international cooperation offer opportunities to upgrade human capital that can be exploited for the benefit of the national economies.

The High-level Segment discussed regional aspects of Rio+20 and the post-2015 development agenda, in line with the Rio+20 outcomes which call for the design of the sustainable development goals to be consistent with the post-2015 development process.

The High-level Segment was opened by **Mr. Alexey Volkov**, Deputy Minister of Foreign Affairs of the Republic of Kazakhstan. He underlined the importance of the United Nations Special Programme for the Economies of Central Asia in supporting regional cooperation in the implementation of the outcomes of the Rio+20 Conference and reconfirmed the full support of the Government of the Republic of Kazakhstan, the Chair country of the Programme, to these efforts.

Mr. Andrey Vasilyev, Deputy Executive Secretary of the UNECE in his opening statement, delivered on behalf of **Mr. Sven Alkalaj**, Under-Secretary-General and Executive Secretary of the UNECE, pointed out that the United Nations Conference on Sustainable Development (Rio+20) in June 2012 has generated new momentum for achieving sustainable development, with governments renewing their political commitment to drive progress in the social, economic and environmental spheres. The outcome document "The future we want" acknowledges the importance of the regional dimension of sustainable development and the role of regional frameworks to complement and facilitate effective translation of sustainable development policies into concrete action at the national level. It also emphasizes that regional and subregional organizations have a significant role to play in promoting a balanced integration of the economic, social and environmental dimensions of sustainable development in their respective regions. The General Assembly urged these institutions, among others the UNECE, to prioritise sustainable development through more efficient and effective capacity-building, development and implementation of regional agreements, and exchange of information, best practices and lessons learned. He underlined the potential of the United Nations Special Programme for the Economies of Central Asia to effectively support efforts by its participating countries to implement the Rio+20 outcomes and shape the post-2015 development agenda.

Mr. Nikolay Pomoshchnikov, Head of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office in his opening statement delivered on behalf of **Dr. Noeleen Heyzer**, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP pointed out that there is a need for the Central Asian countries to embark on a new development paradigm with the strategic goal of becoming more regionally integrated to generate rapid growth which is inclusive and sustainable. For boosting regional economic integration, the countries would have to address a wide spectrum of constraints in the institutional and physical infrastructure as well as in the policy agenda. North and Central Asia needs to diversify its economic structure, with an enhanced focus on inclusive and sustainable growth, as well as to take effective measures to integrate trade and trade capacity-building policies into their national development strategies. One of the key challenges of the Central Asian countries is to eradicate poverty and promote empowerment of the poor and people in vulnerable situations, including removing barriers to opportunity, enhancing productive capacity, developing sustainable agriculture and promoting full and productive employment and decent work for all, complemented by effective social policies, including comprehensive social protection for all. Governments need to take the leading role in tackling problems of falling demand and long-term structural impediments, by synergizing action on the economic, social and environmental fronts, to address critical risks through supportive fiscal and monetary policies. In this respect, the Central Asian countries need to ensure that the policies for green economy in the context of sustainable development are guided by and in accordance with all the Rio Principles, Agenda 21 and the Johannesburg Plan of Implementation, and that they contribute towards achieving relevant internationally agreed development goals, including the MDGs.

The Head of Delegation of **Afghanistan** underlined the importance of regional cooperation for the stability and sustainable development of his country. The Regional Economic Cooperation Conference on Afghanistan (RECCA) and SPECA are the two most important frameworks for the promotion of such cooperation. Large regional projects, such as the Tajikistan-Afghanistan-Pakistan-India (TAPI) gas pipeline and the CASA 1000 electricity line, are expected to considerably speed up economic development in Afghanistan. UNECE support to the joint watershed management of the upper AmuDarya by Afghanistan and Tajikistan was mentioned as a good example of direct contribution to mutually advantageous cooperation between Afghanistan and its neighbours.

The Head of Delegation of **Azerbaijan** emphasized that his Government fully supports global efforts to implement the Rio+20 outcomes. Azerbaijan is paying special attention to the development of the non-oil sector of the economy where 600 000 jobs have been created. The Government supports the development of sustainable cities and improved disaster readiness. A state company for renewable energy was established and policies supporting energy efficiency are being introduced. SPECA is playing a special role in supporting regional cooperation on sustainable development. Azerbaijan is proposing to increase the exchange of experiences and good practices between Azerbaijan and its Central Asian partners. The International Development Agency of Azerbaijan could support SPECA partners through several programmes.

The Head of Delegation of **Kyrgyzstan** praised the good work accomplished by the Expert Segment of the Forum. Rio+20 is helping countries to find solutions to existing problems. Kyrgyzstan played an active role in Rio+20 implementation, drawing attention to the problems of mountainous countries, the need to effectively manage water resources and the need to shift economies to the minimization of the use of natural resources. The region needs green development projects to resolve existing economic, environmental and social problems.

Governments need to take political decisions on concrete issues and work closely with the United Nations.

The Head of Delegation of **Tajikistan** pointed out that the two strategic objectives of the National Development Strategy of Tajikistan are sustainable development and poverty reduction. Water resources play a key role in the implementation of sustainable development goals, therefore Tajikistan is ready to cooperate on their management with other countries of the region. Tajikistan supports the idea of a water-energy consortium that would equally guarantee timely water releases, a multi-year regulating capacity and clean energy. The present rationing of winter electricity is not a sustainable option for Tajikistan. Thanks to the use of hydropower, CO₂ emissions in Tajikistan are much lower than in other Central Asian countries. The proposed hydropower stations could help reduce the consumption of fossil fuels in the region by producing cheap electricity and improving flood and drought management capabilities.

The representative of **Turkmenistan** outlined the National Strategy of Turkmenistan on Climate Change announced by President Gurbanguly Berdimuhamedov in 2012. The main objective of the strategy is to ensure water and food security and sustainable development of the country. Climate change is forcing the countries of the region to change irrigation regimes. The new Regional Centre on Climate Change Technologies will focus on adaptation and mitigation, including irrigation, clean technologies, desertification, health and renewable energies. The Economic Forum is providing new ideas and new impetus to efforts to address climate change at the regional level.

Mr. Bektas Mukhamedzhanov, Deputy Minister of Environment and Water Resources of the Republic of Kazakhstan described the transition of his country to a green economy. He underlined the importance of the “Green Bridge” initiative and the 2017 EXPO in stimulating and supporting action on climate change and transition to a green economy. The first International Green Bridge Conference that took place in 2013 developed a partnership between Kazakhstan and a number of interested countries. Kazakhstan would be ready to transfer renewable technologies to other Central Asian countries. There is a need to develop a legal basis for the transfer of clean energy technologies, be it biogas, solar, wind or thermal, to other countries. Kazakhstan’s green programmes generate new directions in regional development.

Ms. Yulia Kudasova, speaking on behalf of the Russian Federation, underlined the importance of regional cooperation for efforts to achieve sustainable development and expressed the full support of her Government to SPECA.

Mr. Jan Dusik, Acting Director of the UNEP Regional Office for Europe, noted that Central Asian countries were actively present through their government and civil society delegations in the Rio +20 Summit plenary and side events. They put forward an unanimous appeal inviting United Nations bodies and their specific programmes to help further elaborate and implement their plans towards green sustainable development based on best practices, and national, regional and global cooperation mechanisms.

One concrete example of this collaboration was the informal meeting of the Interstate Committee on Sustainable Development of Central Asia on 20 November 2013 on the plans to strengthen the institutional and legal framework for regional cooperation in fulfilling the commitments made at the Rio+20 Summit by the Governments of Central Asia.

The meeting covered such key areas as optimizing interaction within ICSD and its bodies as well as with IFAS structures; strengthening ICSD in line with the IFAS mandate; updating and upgrading the Regional Environment Action Plan; activating ratification of the Ashgabat Convention; identifying regional priorities for Central Asia's transition to a green economy and other highly topical issues. UNEP, together with UNECE, has supported the ICSD's efforts so far and will continue to do so.

Ambassador Aurélie Bouchez, Head of the EU Delegation to Kazakhstan underlined that the European Union supports effective multilateralism, among others by contributing to the main United Nations programmes. The Agenda for Change is a key vector for cooperation between the EU and its partners in the implementation of Rio+20 as the overarching programme for green development. The Strategy 2020 aims at promoting inclusive and sustainable growth and a low-carbon economy. At the ministerial meeting between the European Union and Central Asian countries, the EU offered 1 billion Euro to support development efforts in Central Asian countries between 2014 and 2020. Strengthened regional cooperation on water resources management is highly important for regional stability. Decreasing energy intensity and more extensive use of renewable energy resources will be a priority in coming years.

Mr. Jalil Buzrukov, Director of the Tajikistan Branch of the Scientific Information Center of the Interstate Commission on Sustainable Development (SIC ICSD) informed participants of the outcomes of the meeting where the report of the Task Force of SIC ICSD on the strengthening of ICSD had been discussed. He presented recommendations of the Task Force that include more active donor coordination and updating of the Regional Environmental Action Plan in light of Rio+20.

Mr. Nikolay Pomoshchnikov, Head of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office presented a study prepared by ESCAP "Development Prospects and Challenges for the SPECA Countries: Some Selected Perspectives". The paper combined the discussion of two closely interrelated subjects, such as Implementation of Rio+20 outcomes in the Central Asian countries and Regional perspectives on the post-2015 development agenda. The study addresses some key concerns like, water security, energy security and natural disasters faced by the Central Asian countries, development partnerships for the implementation of the Rio+20 outcomes in the Central Asian countries; and the way forward: how ESCAP can assist in the implementation of Rio+20 outcomes, including regular support to relevant regional institutions, such as ICSD and SIC ICSD. It also focuses on the role of regional cooperation in reflecting the Central Asian issues and concerns in the post-2015 development agenda and in realizing that agenda, development partnerships, including mobilizing public and private resources for the implementation of the post-2015 development agenda in the Central Asian economies.

Mr. Bo Libert, Regional Advisor of the UNECE accounted for the work of UNECE Statistical Division in cooperation with OECD and Eurostat and countries in the UNECE region to develop indicators for sustainable development. This process has resulted in three proposed sets of indicators: with 60, 90 and 24 indicators to be used for different purposes. The next step is to test the set of indicators in a number of pilot countries, including Kazakhstan.

Mr. Stephen Tull, United Nations Resident Coordinator and UNDP Resident Representative in Kazakhstan described ongoing consultations on the post-2015 development agenda at the local, national and global levels. He emphasized that over one million people have been engaged in local consultations. As a result, a strong wish to finish the job of the MDG-s has

been identified. People want the international development community be more ambitious in the post-2015 period. Poverty reduction, education, healthcare, water and sanitation, the fight against discrimination and inequalities, job creation and better functioning governments were mentioned by the majority of people.

Mr. Andrey Vasilyev, Deputy Executive Secretary of the UNECE speaking on behalf of **Mr. Sven Alkalaj**, United Nations Under-Secretary-General and Executive Secretary of the UNECE pointed out that the post-2015 development agenda will define the priorities of the United Nations and other members of the international development community until 2030. Agreeing on regional priorities for Central Asia's post-2015 development agenda is important. Regardless of the outcome of global post-2015 discussions policymakers of the SPECA region could use the priorities from a "regional agenda" for their own decision making purposes. Ensuring that the role of regional cooperation is fully recognized within the post-2015 development agenda would considerably increase the chances of all SPECA countries being able to successfully achieve the new goals by 2030. Including regional cooperation among the tools facilitating the achievement of development goals would strengthen the practical focus of the post-2015 development agenda; it would strengthen the important role that SPECA can play in regional cooperation and it would increase the chances that Central Asian countries can deliver on their ambitions.

Mr. Armands Pupols, Deputy Head of the United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA) praised the role that SPECA is playing in ensuring a peaceful and prosperous future for Central Asian countries through strengthened regional cooperation. UNRCCA supports this cooperation in such areas as water resources management and the fight against extremism and terrorism.

Mr. Timur Suleimenov, Member of the Board, Minister of Economy and Financial Policy of the Eurasian Economic Community pointed out that the world economic crisis showed the weaknesses of EEC countries. They reacted by strengthening regional integration. The locomotive of this integration is the Customs Union. By 2012, free movement of goods, work force and capital was achieved. Trade turnover among member countries has doubled since the Customs Union was introduced.

The Representative of the Regional Mountain Centre of Central Asia **Mr. Ismail Dairov** underlined the importance of mountain ecosystems, in particular mountain forests in mitigating climate change. The dwindling of mountain forests in Central Asia is an alarming trend that must be reversed.

Participants of the Expert Segment and the High-level Segment of the 2013 SPECA Economic Forum discussed and adopted the Joint Statement that is attached (Annex II).
