

Evaluation of the United Nations Special Programme for the Economies of Central Asia (SPECA)

Final Report

17 April 2018

Findings and Recommendations

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Executive Summary

The present report outlines the findings and recommendations of an evaluation conducted from September to December 2017 on the Special Programme for the Economies of Central Asia (SPECA), as stipulated by the decision of the 11th session of the Governing Council, held on 23 November 2016 in Ganja, Azerbaijan.

Relevance

Most people interviewed welcomed a neutral UN platform in support of regional economic cooperation, although admitted that SPECA was not able to take full advantage of its potential added value as a platform for policy dialogue and coordination. Other regional organizations were seen as much more effective in garnering support for the implementation of regional projects given their large-scale funding and institutional set up.

Lack of full relevance is also demonstrated by SPECA countries displaying limited interest in taking more ownership of the Programme, demonstrated by low level participation in meetings, lack of participation in fund raising for projects and lack of systematic initiatives to set agendas for meetings. Re-engaging countries more actively so that they take more ownership requires revisiting the rationale of SPECA as an entity, especially in light of the possible further engagement of Uzbekistan in regional cooperation and reinvigorating his platform to be used for the national and regional interests of the countries.

One way that SPECA can become more relevance is to enhance its potential as a platform for aligning policies and initiatives so that countries could achieve the SDGs through regional cooperation, especially the trans-boundary SDGs on water, environment, trade, energy etc. To do so, the Regional Commissions could support them by providing capacity building, studies, research and by coordinating better with other UN agencies also involved in supporting countries to achieve the SDGs.

SPECA, as the only organization that focuses solely on exchanges between the landlocked countries of Central Asian, Azerbaijan and Afghanistan, can also become an ideal platform to coordinate policies, overcome barriers to cooperation, exchange information, commission studies and learn from each other so that they could, as a group, be in a stronger position to negotiate with and integrate into larger processes, such as for example the One Belt One Road initiative, the Eurasian Economic Union etc.

Effectiveness

SPECA is invariably seen as a programme of the UN (with very little funding and little impact), a capacity-building initiative (which seems *ad hoc* and not always relevant), a platform for mere exchange of information (without necessarily much follow-up or networking opportunities), and a technical assistance programme of the UN that is not very relevant nor effective because it does not include projects that are adequately funded. Respondents lamented a number of shortcomings: The lack of concrete impact, neither policy or project wise; That the capacity being built was *ad hoc* and random; That documents coming out of the SPECA meetings were declarative in nature, without concrete implementation nor follow up; That while some TWGs were opportunities for exchanges, few had long-term impact on the policies of the countries. At the same, a number of TWGs have been effective as they have operated as opportunities for exchanges and coordination of policies, and need to be built on.

The effectiveness of SPECA in the meantime has been affected by both political and operational challenges, including lack of cooperation between countries, the entry of better funded and institutionalized regional platforms for cooperation, etc. As SPECA will not be able to compete with other schemes that have more capacity to actually implement projects, this evaluation recommends less focus on fund raising for projects and more on ways to facilitate regional dialogue and policy coordination which requires more commitment and political will. At the same time, the two Regional

Commissions may report their projects implemented in the region as SPECA projects contributing to subregional cooperation.

The most effective role of SPECA would be as a platform for exchanges of information and experiences and coordination of policies, supported by the Regional Commissions.

Efficiency

SPECA institutions have been set up with precise rules, Terms of References, reports etc. supported efficiency by United Nations.

Yet, challenges remain in terms of efficiency: While the Regional Commissions have also meticulously raised funds for SPECA activities, responses by the participating countries have been less than optimal. The system of National Coordinators at the very high level to systematically follow up on decisions between meetings has been eroded. One of the biggest problems of following-up on SPECA decisions and processes is the high staff turnover in national ministries and the loss of institutional memory.

SPECA Economic Forums have been held each year with different relevant themes, and background papers have been prepared for these meetings by the Regional Commissions. Their added value has been in the introduction of different themes that are strategic to the region as well as their openness to the participation by experts, NGOs and international organizations. Yet agenda-setting has been heavily dominated by the Regional Commissions and other UN organizations, with little systematic participation of representatives of SPECA countries. While some Thematic Working Groups are working together towards a specific regional strategy (such as the trade one), others are mostly opportunities for ad hoc exchanges of information and capacity building workshops without a specific goal and without follow-up between meetings. Thematic Working Groups have been efficient in functioning as forums for exchanges with counterparts from other countries, and not necessarily as opportunities for the harmonization of policies so far. One of the biggest challenges for SPECA is that the outcome documents of its Governing Council meetings are declarative documents with no follow up and implementation plan.

Furthermore, SPECA may be a Special Programme but it is one without adequate and sustainable resources available in the Regional Commissions, both in terms of human and financial resources. UNECE has raised funds for SPECA-specific activities through a Trust Fund, mostly financed by the Russian Federation. ESCAP supports the activities of SPECA mostly through its sub-regional office in Almaty and through tapping into its other programme areas. Without a proper secretariat/implementing agency, adequate and dedicated budget, the weakness of SPECA lies in its tendency to act like an add-on to existing work of substantive units and sub-regional offices, increasing their responsibility with little clarity about the impact and added value.

The revision of the modality of functioning of SPECA institutions, the follow up mechanisms of the work of the Thematic Working Groups and the outcome documents are some of the ways that the efficiency of SPECA institutions can improve. The appointment of a Secretariat for SPECA that is well staffed and funded, through extra-budgetary funds, including possibly through the contribution of participating countries, could alleviate responsibility from the two Commissions.

Sustainability

The TOR stipulates for SPECA participating countries to provide financial support to the implementation of the Programme. Kazakhstan has contributed financially to SPECA activities while other countries have made financial, human and other in kind contributions to the organization of a Forum, Governing Council session, a seminar or a TWG meeting. SPECA countries need to contribute more to fund-raising efforts together with Regional Commissions.

For the future, SPECA may also need to revamp its identity and activities to show its value as a platform for policy dialogue and coordination among participating countries, and not as a series of one off meetings organized by UN Regional Commissions, nor as a mechanism for implementation of

projects. Such a function may be less attractive for donor funding but is more cost effective, less expensive, more strategic, etc.

Recommendations

Based on discussions on the preliminary findings of the evaluation presented during the 12th Session of the Governing Council in Dushanbe in December 2017, SPECA participating countries opted for the option to reform SPECA in order to make it more country-led and country-driven. They agreed to discuss a proposed roadmap for implementing Option 2 on reforming SPECA, presented in this report, which maps out steps to increase the ownership and meaningful engagement of SPECA countries in order to turn the programme into a policy coordination platform on key regional SDGs. The roadmap makes a number of recommendations in key areas:

- 1) The identity of SPECA: what should be the added value of SPECA vis-à-vis the myriad of other organizations, programmes and frameworks operating in the region.
- 2) Achieving the SDGs through regional cooperation; Which of the SDGs should SPECA pursue?
- 3) Themes and functions of TWGs: How can the rationale and operation of Thematic Working Groups be improved to be made more relevant and efficient?
- 4) Structures: How should the SPECA institutions be restructured to become more effective, efficient and relevant?
- 5) UN support: In a scenario where country ownership increases, how should the UN Regional Commissions align themselves to provide support. What should they do more or less of?
- 6) Financing: How should SPECA continue to finance itself and become sustainable?
- 7) Relations with other partners and stakeholders (States, organizations, development banks, etc.): How can SPECA better coordinate with other partners, including UN agencies, IFIs, academics and the business community?

BACKGROUND, PURPOSE AND METHODOLOGY

The Special Programme for the Economies of Central Asia (SPECA) was established by the Tashkent Declaration on 26 March 1998, signed by the Presidents of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, the Republic of Uzbekistan and the Executive Secretaries of UNECE and ESCAP. The Islamic Republic of Afghanistan, the Republic of Azerbaijan and Turkmenistan joined the Program later as per their own request. SPECA was designed originally with the purpose of forging regional economic cooperation among them, including on issues related to trade, energy and transport, and supporting their integration into the global economy. Two UN bodies jointly support the Programme: the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

The Governing Council, in the 10th SPECA session held in 2015 in Dushanbe, decided to make SPECA a platform for regional cooperation in the implementation of the 2030 Agenda for sustainable development to achieve the SDGs. The 11th Session of the SPECA Governing Council, held on 23 November 2016 in Ganja, Azerbaijan, welcomed the proposal to conduct a forward looking evaluation on strengthening the role of SPECA in this regard. To this aim, ESCAP commissioned a consultant to conduct such an evaluation from September to December 2017 and assess, as systematically and objectively as possible, the performance of SPECA in fulfilling its mandate. Basing itself on the four standard criteria of efficiency, effectiveness, relevance, and sustainability, the evaluation proved an opportunity to:

1. analyze programmatic achievements and results of SPECA;
2. identify strengths and challenges in the current institutional and organizational setup;
3. highlight significant partnership arrangements and resource mobilization efforts;
4. formulate recommendations for strengthening SPECA in fulfilling its mandate in the context of the 2030 Agenda for Sustainable Development.

The key results and recommendations were presented at the 12th session of the SPECA Governing Council in Dushanbe, Tajikistan, and the options for the future discussed with participants. It was then agreed that the draft Evaluation Report would be sent to all SPECA countries for their views to be

sent to the consultant by February 2018 before finalization. The evaluation results will inform the discussions on how to strengthen SPECA by its 20th year anniversary in Astana, Kazakhstan in 2018.

For the evaluation, the consultant undertook a number of missions to meet with:

1. Focal points of SPECA at the Ministries of Economy and Foreign Affairs and representatives of thematic ministries/agencies in Azerbaijan, Kazakhstan, Kyrgyzstan and Tajikistan.
2. Selected representatives of missions of SPECA countries to the United Nations (namely, the Permanent Representatives of Kazakhstan, Turkmenistan and Uzbekistan to the UN in New York and a First Secretary of the Mission of Kazakhstan to the UN in Bangkok).
3. Representatives of the leadership, planning unit and thematic units of the regional commissions in Bangkok (ESCAP) and Geneva (UNECE)
4. Managers and Programme officers with institutional memory at the Sub-Regional Office for North and Central Asia (SONCA) of ESCAP in Almaty
5. Representatives of international organizations (namely UNDP, UN Resident Coordinators and UN Regional Center for Preventive Diplomacy in Central Asia).

A number of challenges may affect the outcome of the evaluation. They include:

1. Overall limited interest in the Central Asian countries in engaging with a SPECA evaluation;
2. The lack of response from participating countries to the questionnaires sent at the end of September. Only Kazakhstan, Kyrgyzstan and Azerbaijan sent back their responses to the questionnaire.
3. Loss of institutional memory in the Regional Commissions and at the country level;
4. Lack of sufficient discussions with other international organizations such as UNDP, ADB etc.

KEY FINDINGS

Relevance

Overall added value

One of the fundamental questions that the evaluation scrutinized was what was the added value of SPECA in an environment where, while Central Asian countries had not created their own formal integration process, their cooperation was supported by a myriad of global, regional and sub-regional institutions.

Various countries in the region participate in various groupings, such as the Eurasian Economic Union (EEU), the Shanghai Cooperation Organization (SCO), the Commonwealth of Independent States (CIS), the Economic Cooperation Organization (ECO), the Organization of Islamic Cooperation (OIC), as well as the Cooperation Council of Turkic Speaking States (CCTS). Cooperation with Afghanistan is supported through the periodic Regional Economic Conferences for Central Asia (RECCA) and the Heart of Asia - Istanbul Process. The body that most closely resembles the objectives of SPECA is the Central Asia Regional Economic Cooperation (CAREC) Programme, a partnership of 11 countries and six multilateral development partners, which, since 2001, has mobilized almost \$29.4 billion in transport, trade and energy infrastructure investment. In October 2017, CAREC endorsed its long-term strategy CAREC 2030 with more than \$5 billion support from the Asian Development Bank (ADB).

We shall return below to the question of cooperation and coordination among these regional bodies but in this section, the question is about the added value of SPECA, a special programme without a large budget, in the midst of these more established structures. Despite the seeming disadvantages in terms of budget and institutionalization, the evaluation found that SPECA in fact presented a set of unique advantages that could be attractive to Central Asian countries and should not be seen as a duplication of efforts.

1. First, SPECA is the only forum that focuses solely on exchanges between Central Asian

countries as landlocked countries in cooperation with Azerbaijan and Afghanistan, which are economically linked to the region. It is for now the only forum specifically created to bring together only the countries of the sub-region to exchange experiences, build a common vision, and look for common solutions.

2. SPECA is also the only organization which is Central Asia centric. The other regional organizations all include the membership of larger powers from outside the region: China, the Russian Federation, the Islamic Republic of Iran, Pakistan, Turkey, or others. SPECA allows for a coordination of policy positions among countries before they are able to play a more decisive role within larger frameworks of which they are part.
3. The weakness of SPECA is also its advantage. Because it is not always successful in raising funds for large regional projects, it should not be billed as an implementation entity, like CAREC is for example, but can focus on its identity as a policy forum.

What SPECA represents, as a platform for cooperation and policy coordination at the regional level, remains more relevant than ever, now that Uzbekistan is more proactively pursuing regional cooperation, regional trade is increasing, and regional cooperation to achieve the SDGs has become an imperative.

Specifically, SPECA countries could use this platform to coordinate their policies, overcome barriers to cooperation, exchange information, commission studies and learn from each other so that they could, as a group, be in a stronger position to negotiate with and integrate into larger processes (such as cooperation in the International Fund for the Salvation of the Aral Sea, IFAS, or a network of national trade negotiators, notably, in the perspective of WTO negotiations). As such, the rationale of SPECA is different from other existing bodies, making it unique.

Ownership

The evaluation also found that despite the large potential, SPECA has not been used adequately to fulfil its relevance and provide added value. While countries welcome the role of the UN in establishing a neutral platform for discussions on regional economic cooperation, they have demonstrated little ownership over SPECA as a regional forum.

Lack of ownership and meaningful engagement by SPECA countries has become increasingly demonstrated by, among other indicators, dwindling interest in participation in activities of SPECA, notably in terms of decreasing levels of participation in SPECA activities; the dispatching of lower level participants to meetings including to the Governing Council ones and lack of willingness to chair the annual sessions of the Governing Councils in the past few years, although this changed dramatically at the 12th Session in Dushanbe when countries lined up to sign up for hosting the Governing Council meetings of the next three years.

The presence of ministerial level representatives (Minister or Deputy Minister) was noted only when a country organized a meeting in its capital (such as Kyrgyzstan in 2009, Turkmenistan in 2011 and 2014, Tajikistan in 2017 and 2015). etc.). Other countries were mostly represented by Department Heads of Ministries of Economy or the Ministries of Foreign Affairs. Representatives of Uzbekistan participated only in the first session of the SPECA Governing Council, the 2007 SPECA Economic Forum and the 2017 one in Dushanbe, signalling interest perhaps in eventually reengaging with the Programme. Regular participation of high-level decision makers in the Governing Council sessions could offer opportunities for systematic political level consultations and increased weight of the decisions of the Thematic Working Groups (TWGs) needing high-level endorsement to become policy. Yet, as it is, countries send lower level officials to the meetings of the Governing Councils, which usually follow the Economic Forums. Decisions in the Governing Councils are also taken very fast, with documents having been circulated before hand and little discussions raised by those present. For more ownership, countries need to be more proactive and involved in terms of agenda setting, discussions and decision-making.

While the UN Regional Commissions were appointed as facilitators of SPECA, when it was created in 1998, countries seem to relegate responsibilities to the Regional Commissions for preparing the agendas and work plans, raising funds for projects, and even raising the flag of SPECA at international and regional settings. For example, at the Samarqand Conference on regional cooperation on sustainable development and security held in November 2017, the only mentioning of SPECA was in the speech of the UN Resident Coordinators in the countries of the region in a combined UN speech about UN activities in the region. In the speeches of officials of the seven SPECA countries, while mention was often made to other regional institutions, no one alluded to SPECA. Other indicators of lack of interest and ownership include dwindling effectiveness of institutional set up at the national level, with Deputy Prime Ministers no longer acting as SPECA National Coordinators, lack of appointment of National Focal Points who can coordinate among other ministries and very high staff turnover in ministries leading to loss of institutional memory.

The question of increasing national ownership by countries has been raised at different occasions during the past few years. SPECA went through a comprehensive reform in 2005 in Astana which concluded with proposals on institutional and organizational reforms to increase its ownership and effectiveness. The 2014 and 2015 sessions of the SPECA Governing Council also reviewed the Programme with a view of raising its effectiveness and increasing its ownership by participating countries. Yet, revisiting the question of ownership of SPECA was limited to pondering on how to ensure that countries contribute funds to the organization or to the meetings, or, as it was considered at one point during the November 2016 Governing Council Meeting in Ganja, to increasing the term of chairing SPECA to 2 years as a possible way to lead to a higher sense of ownership by the chairing country.

However, re-engaging countries more actively so that they feel and take more ownership requires revisiting the rationale of SPECA as an entity, especially in light of the possible increase of cooperation and engagement of Uzbekistan, and how this platform can be used for the national and regional interests of the countries. Frank discussions may need to be started on the genuine commitment of the countries to regional cooperation, as well as their intention to use the potential of such a neutral UN Platform more proactively to discuss and solve matters of common interest. Following from that, questions related to effectiveness, mandate, structure, funding, relevance of existing structures, the themes and *modus operandi* of TWGs, secretariat, budget and governance could be revisited and a road map drawn out.

Perhaps one of the most important impediments to ownership is the appellation of SPECA as a Special Programme, which, in the minds of most of the officials interviewed for the evaluation, gave the responsibility to design, implement, and raise funds for this 'programme' to the UN, with countries acting not as 'owners' but as 'beneficiaries'. But as SPECA is not and should not be seen as a project-oriented entity but a platform for cooperation and coordination of policy by countries themselves, a name change may be appropriate.

Platform for implementing the 2030 Sustainable Development Agenda

A decision was made at the 10th session of the Governing Council in Dushanbe, Tajikistan in 2015, and reinforced at the 11th session in Ganja, Azerbaijan in 2016, to reinvigorate SPECA as a platform for achieving the Sustainable Development Goals (SDGs) and targets which necessitate regional cooperation. These can include water management, the rational use of the region's energy wealth, sustainable transport, trade, knowledge based development, innovation, gender equality and strengthening statistical capacity for monitoring progress. Interviews corroborated that SPECA can indeed be a platform for supporting progress towards achieving SDGs that can be addressed through regional cooperation, a platform for exchanging of best practices, for coordinating policies, for capacity-building, for joint discussions and solving of impediments to solving cross-border SDGs.

As a UNECE background paper prepared for the 2017 SPECA Economic Forum demonstrated, despite dramatic progress since 2000 in the achievements of SDGs, SPECA countries still lag behind

those in Europe.¹ Such studies, which present the aggregate picture of SDG implementation at the regional level based on data compiled by national institutions, demonstrate the added value of a regional bird's eyes view and that of the Regional Commissions expertise and support. A study distributed to participants of the 2017 SPECA Economic Forum for example presented a list of the targets in the SDGs (SDG targets) that can be better achieved through sub-regional cooperation in SPECA. The list identified the specific targets that each Thematic Working Group of SPECA had selected at their 2016 meetings for future work, based on filters such as those that (1) correspond to their mandates, (2) correspond to the priorities and needs of the SPECA participating countries, and (3) whether sub-regional cooperation can substantively help their achievement. It proposed that the WG on Statistics has a specific role in building capacity for the collection, processing and analysis of statistics. The paper proposed that the list of SDGs and targets, which the SPECA TWGs have selected for future work," may become an SDG framework, on which to concentrate the implementation of the SPECA Programme, in order to support the participating countries in achieving the identified SDGs and targets."²

While making SPECA a platform for achieving the SDGs and targets adds a clear purpose and rationalizes better the support by UN Regional Commissions, it is important to keep focus on the SDGs that can be best addressed through regional cooperation. After all, SPECA cannot be a coordinating body at the national level, where other institutions exist, namely other UN agencies and especially UNDP, that support countries' implementation and reporting on the SDGs. At the same time, SPECA countries can and do exchange among themselves and with others in the wider region on SDG implementation through other forums, including through the ESCAP Asia Pacific Forum for Sustainable development.

While ensuring that SPECA becomes a platform to facilitate the achievement of SDGs through regional cooperation, it would be important not to make these the sole objectives of the programme. SPECA thus risks becoming entangled in a UN-specific agenda of reporting along numbers (i.e. targets 6.1, 7.5, etc.), which may be the topical today, but may not have much shelf life or meaning outside UN circles. It may be more strategic to concentrate instead on thematic priority areas that require regional cooperation (such as for example enhancing connectivity, boosting regional trade, reversing the impact of natural and man-made disasters such as the drying up of the Aral Sea, coordinating transport and energy corridors), etc., rather than fitting and naming them under an SDG terminology.

The Focal Point from Azerbaijan, when asked through the Questionnaire, how SPECA could be used to support countries in implementing the 2030 Agenda for Sustainable Development, noted a host of suggestions, especially given that Azerbaijan had created a national SDG Unit within the Ministry of Economy. Suggested activities included preparatory workshops on the exchange of best national practices among SPECA countries; support to statistical development including for measuring progress on SDG indicators, monitoring and evaluation; and building capacity for aligning SDGs to national strategies and priorities. While this list is laudable, most of these activities could be done through existing programmes of UNECE, ESCAP or other UN agencies. Instead of capacity building for national implementation of SDGs, focus should be put on aligning policies for the realization of trans-boundary SDGs on water, environment, trade, energy, transport, statistics, gender, etc.

SPECA could add value as a platform to pursue only those SDGs that can benefit from cross-country/trans-boundary, regional cooperation, and not the full gamut of national goals, and to do so through promoting policy consistence and coherence. To lift the potential of SPECA to become a platform for the realization of SDGs that would benefit from regional cooperation, countries could sit together to decide which of the SDGs to pursue regionally and how, including what type of support

¹ Rumen Dobrinsky, "Promoting Innovation in Central Asia: Shaping New Markets", Study Commissioned by the UNECE for the 12th SPECA Economic Forum in Dushanbe, December 2017

² Aida Alzhanova, «Implementation of the Sustainable Development Goals in the SPECA Region» Study Commissioned by the UNECE for the 12th SPECA Economic Forum in Dushanbe, December 2017

would be needed from Regional Commissions. By developing a baseline, with the support of the UN Regional Commission, on where the sub region stands in terms of SDGs, SPECA participating countries will be in a position to review, measure, and adapt implementation on a cooperative basis, annually, through the year 2030. Furthermore, through a sub-regional consolidation of national assessments, SPECA can serve as a bridge which feeds them into the regional and global follow-up and review mechanism for Agenda 2030.

The UN could then provide assistance to SPECA in the realization of SDGs that can be facilitated through regional cooperation according to the added values and mandates of the Regional Commissions in the following areas: a) Knowledge and data generation work, which would include research and analysis, as well as the generation and sharing of data and indicators; (b) Consensus building, on key priorities of the region and how they are built into wider global processes; c) Technical assistance, which can include advisory services and capacity building in key areas of SDGs and guiding, designing and facilitating implementation of policies and tools, and d) Coordination and mobilization of support from partner institutions working in the region level.

Finally, as other UN organizations are heavily involved in supporting the implementation of SDGs, namely the UNDP Resident Representatives, UN Resident Coordinators, UN Country Teams and, especially, UNDP dedicated teams, better cooperation and coordination with international partners is imperative to ensure success and avoid duplication of efforts. Members of other UN organizations (e.g. UNDP, UNRCCA, DPA, UNIDO etc.) interviewed for the evaluation mentioned that they had been invited to and participated in Economic Forums of SPECA, but that they would have liked to see better cooperation through regular exchanges of information and coordination of activities.

Effectiveness

The effectiveness of SPECA in carrying out its objectives

The evaluation aimed to determine in which areas SPECA had been most successful in projecting its added value, inevitably by being most efficient and visible. Respondents were asked through a questionnaire to rank the objectives of SPECA outlined in its TOR (column 1) according to whether they had been met or not. The answers in writing as well as the interviews showed that SPECA had been most effective as a platform for exchanges of information and experiences between countries. The first objective of the TOR, to provide a neutral UN platform for regional economic cooperation, was only ranked as the fourth most effective outcome of SPECA.

Rank in order of importance	Objectives of SPECA according to its TOR	Are these objectives being met? Why or why not? What participants of the survey and interviews answered:
4	To provide a <u>neutral United Nations platform</u> for discussions on strategic issues of regional economic cooperation;	<ol style="list-style-type: none"> 1. While this function of SPECA was obvious to most respondents, almost no or little evidence was provided about concrete areas of policy impact that has been specifically advanced because its discussion between countries was facilitated by SPECA. One apparent exception was in the area of advancing trade facilitation at the regional level, to which SPECA had considerably contributed. 2. Although Economic Forums have been able to introduce new areas for discussions on strategic issues of potential cooperation (such as innovation, as per the theme of the 12th Session), those interviewed saw the potential of SPECA and its institutions more as a platform for exchanges of information rather than on cooperation per se. This may

		<p>mostly have to do with the way that the Economic Forums and some of the TWGs formats are run: Countries speak about their national experiences and national best practices, but very seldom about what they can do together in terms of regional or even bilateral cooperation.</p> <ol style="list-style-type: none"> 3. Furthermore, a large number of people interviewed complained about the mostly declarative aspects of the documents coming out of the different meetings, without concrete implementation (plans? Activities?) nor follow up. 4. While the neutrality of a UN Platform was appreciated, more concrete outcomes of discussions were requested by most.
2	To develop, support and coordinate relevant <u>capacity-building activities</u> in SPECA countries;	<ol style="list-style-type: none"> 5. Those interviewed found the experience of participating in the capacity building activities organized by the UN Regional Commissions within the SPECA TWGs as good opportunities to exchange views and experiences. 6. At the same time, as a high official of the Ministry of Economy of Kyrgyzstan summed up what was heard in different countries, training and capacity building activities were sometimes seen as ad hoc, not always in line with the needs and demands of the countries, and with very little follow up after the meetings.
3	To <u>promote compliance</u> with relevant international legal instruments, norms, guidelines, standards and recommendations;	<ol style="list-style-type: none"> 1. Regional Commissions take full advantage of SPECA TWGs to guide countries make use of the conventions, standards and best practice recommendations developed in UNECE and ESCAP (e.g. the TIR Convention, the “Water Convention”, the Single Window and other trade facilitation recommendations, best practice guides for national statistical systems, innovation promotion systems, etc.) 2. Respondents however were not able to provide concrete information as to the areas where these standards and norms were mainstreamed into the national policies of the countries, with some exceptions, such as the work conducted on statistics, transport and road safety.
4	To stimulate the <u>exchange of best national practices</u> among SPECA countries	<ol style="list-style-type: none"> 1. This fourth objective of SPECA was ranked as the most effective by respondents who appreciated the opportunity to share experiences between participating countries, international organizations and experts. 2. Respondents saw SPECA meetings as opportunities for networking and exchanging of information between countries.
5	To <u>raise funds</u> from multilateral and bilateral donors for capacity-building activities in participating countries	<ol style="list-style-type: none"> 1. SPECA was created as a SPECA programme but without adequate, sustainable funding by the UN. Consequently, the UN constantly has to raise finances from IFIs, donors (Russia) or tap into its other funding mechanisms for capacity building activities of SPECA. 2. While money is continuously raised by ESCAP and UNECE to finance the participation of representatives to the TWG and Economic Forums annual meetings, this was not seen by respondents from SPECA countries as fundraising, given their expectations on financing of joint projects. Respondents thus encouraged ESCAP and UNECE to step up their efforts to seek extra-budgetary funding for SPECA projects. When it came to contributing to SPECA activities themselves, only Kazakhstan stepped up to the responsibility.

		<ol style="list-style-type: none"> 3. The Tashkent Declaration invited donors, IFIs and the private sector to provide financial or other support to the Programme but little outreach had been made to the private sector. IFI involvement has been limited to supporting the participation of some TWGs. The Islamic Development Bank for example financed the activities of the WG on Sustainable Transport for some time, upon request from Kazakhstan. It also financed a SPECA Ministerial Meeting on Aid-for-Trade in December 2010. 4. At the same time, the documentation prepared by UNECE and ESCAP for the Governing Council meetings, such as the Progress Reports on the Activities of the TWGs as well as the Draft Work Plans (such as the one for 2018-2019) include a host of projects in guise of « Ongoing, planned and possible UNECE and ESCAP activities in support of SPECA » which basically outline the projects of the Regional Commissions in the SPECA Region. This is not the same thing as SPECA projects 5. And yet, the added value of SPECA as a program that raises funds for implementing projects is not evident. As SPECA will not be able to compete with other schemes that have more capacity to actually implement projects, this evaluation recommends less focus on fund raising for projects and more on ways to facilitate regional dialogue and policy coordination, something that would require less financing but will have much more political and strategic weight.
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Discussions revealed that as is, SPECA is invariably seen as a programme of the UN (with very little funding and little impact), a capacity-building initiative (which seems ad hoc and not always relevant), a platform for mere exchange of information (without necessarily much follow-up), and a technical assistance programme of the UN that falls below expectations because it cannot compete with much better funded programmes and structures.

Respondents lamented a number of shortcomings in the effectiveness of SPECA that had contributed to the diminishing interest of their countries: The lack of concrete impact, neither policy nor project wise; The capacity being built was ad hoc and random; Documents coming out of the SPECA Economic Forums or sessions of the Governing Council were declarative in nature, without concrete implementation nor follow up; Some of the TWGs produced a better process than others, involving ideas and exchanges between experts, but TWGs mostly had no long-term impact on the policies of the countries.

These negative perceptions had been accumulated primarily because SPECA is seen as a programme of the UN without a large budget for activities and a secretariat specifically in charge of its implementation, in an environment in Central Asia, Azerbaijan and Afghanistan, where donors, UN agencies and IFIs have been implementing large scale programmes with large scale funding which dwarf the interventions of SPECA. Lack of financing for implementation of projects by SPECA has led consequently to its marginalization by much better funded entities with more ability – and mandate - to raise resources and investments.

Lack of finances would not have been such a problem if SPECA had been able to show the added value of its original purpose: To act as a platform for cooperation among Central Asia countries and among them and Azerbaijan and Afghanistan.

To be fair to the Secretariats of the Regional Commissions supporting SPECA, the lack of effectiveness has also been mostly the outcome of geopolitical factors and dynamics in the region:

1. Effectiveness has been largely impacted by politics and the lack of will among countries to truly cooperate in the region. The withdrawal of Uzbekistan from regional cooperation schemes, including from SPECA, hampered efforts to cooperate on common challenges in the region until very recently.
2. Cooperation around questions of water has become too difficult and political to be handled through SPECA. For cooperation on issues related to trade, transport etc., other organizations have grown in membership, relevance and size in the region, some much better funded and owned by international development banks (such as ADB supported CAREC) or larger political processes backed by giants of the region (such as the Eurasian Economic Union).
3. Immediate regional concerns related to trade among neighbours, transport routes and water sharing have become diluted, including through the involvement of extra-regional countries with other poles of interest: Azerbaijan pursuing interest in becoming a door between Central Asia and the West and continuing conflict and fragility in Afghanistan impeding its full potential as a bridge to the warm ports of Pakistan and the Islamic Republic of Iran.

Cooperation with other international and regional bodies

A paper for the Second session of the SPECA Coordinating Committee in Dushanbe on 15 December 2006 drew out the opportunities for cooperation and coordination between SPECA and CAREC. It called for the need to develop pragmatic, flexible and innovative approaches for creating synergies, given that they both concentrated on transport, energy and trade as the core of their programme. The First session of the SPECA Governing Council on 27 June 2006 in Baku, Azerbaijan, endorsed several proposals for strengthening cooperation between SPECA and CAREC to achieve better synergies and complementarities of efforts under the two Programmes.

Coordination between SPECA and CAREC were recommended to be established at three levels:

1. **Strategic coordination**, facilitated by a Memorandum of Understanding between ESCAP, UNECE, and ADB, which provides the framework for a strategic policy review by the Executive Secretaries of ESCAP and UNECE, and the President of ADB, of SPECA and CAREC programmes and activities. These meetings could provide overall guidance for coordination and cooperation at subsidiary levels.
2. **Coordination among decision making** and consultative forums through for example systematic coordination of meetings through joint planning, cross-representation or holding them back-to-back to facilitate cohesiveness. Coordination could also be enhanced through involving regional academics and business community through the SPECA Economic Forum, the CAREC Regional Business Roundtable, etc.
3. **Operational coordination** was also deemed necessary given the scope for duplication. However, as it had been correctly pointed out at the time, SPECA primarily provides “the software”, aiming at national capacity building through technical assistance projects, while CAREC concentrates on financing “the hardware” – financing of infrastructure projects and providing significant technical assistance. The paper recommended establishing operational coordination between the two programmes (e.g. by annual meetings/inter-action to harmonize programme planning and evaluate implementation results) to help avoid duplication and overlap and create synergy.

All these ideas are sound but require first and foremost commitment and will for cooperation between equals. By 2017, the synergy between the two entities had not taken place and CAREC was seen as a funding mechanism, while SPECA was seen as a smaller programme better known for conferences and meetings resulting in declarative statements.

The issue is not just cooperation with CAREC, which is a consortium of six development agencies—ADB, EBRD, IMF, Islamic Development Bank, UNDP and World Bank. It is also necessary to forge better operational and strategic cooperation between the Regional Commissions and UN agencies, including the UN Resident Coordinator system and UNDP. Yet, discussions with international organizations such as UNDP and UNRCCA showed that while sister organizations have all been invited to participate in the Economic Forums and some of the TWG meetings, there is scope for better cooperation and coordination with UN agencies at the national and regional levels. UN Country Teams for example would like to see better cooperation, if SPECA plans to become a platform for supporting the implementation of SDGs, even limited to the regional ones, given that they are heavily involved in similar activities.

Matters of coordination between UN agencies and UN Regional Commissions need to be taken up by the senior management. SPECA, in the meantime, could in principle use the “convening power” of the UN Regional Commissions to enhance synergy between the different regional bodies operating in Central Asia, Afghanistan and Azerbaijan.

This was the role for example that the representative of the IDB present at the 2017 Economic Forum in Dushanbe wanted to see for SPECA. Given that multiple organizations are present in the field of transport, for example, each promoting its own mapping, networks and corridors for connectivity, the IDB representative suggested that SPECA, as a neutral UN platform, be given the overarching task of coordination. This idea, attractive as it may be, may however be beyond the reach of a UN supported platform politically and, as it is without a proper secretariat or funding, also beyond the capacity of SPECA.

Nonetheless, better coordination is necessary among the different UN entities and IFIs working on similar issues: Trade, energy, transport, SDGs etc. The UN Regional Commissions, through the office of UNESCAP in Almaty, could consider organizing regular meetings gathering all secretariats of multilateral institutions working in Central Asia (specifically CAREC, SPECA, Shanghai Cooperation Organization and Eurasian Economic Community) to discuss areas for collaboration and cooperation.

Efficiency

Governing Councils, Governance and Institutional arrangements

The SPECA TOR stipulate that the decision-making body of the Programme is the Governing Council, composed of National Coordinators at the Deputy Prime Minister or Minister level appointed by the governments of SPECA participating countries or their representatives as well as the Executive Secretaries of the UNECE and ESCAP. SPECA is chaired by one of the participating countries, elected by the Governing Council on a rotational basis normally for a period of one year. The Governing Council holds its annual sessions, chaired by a National Coordinator of a SPECA Chair country or its representative at a date and venue agreed by participating countries.

Findings however show that the effectiveness of the governance system is not as smooth as the TOR would suggest:

The system of National Coordinators at the Deputy Prime Minister or Minister levels does not seem to be the rule for the recent past. The National Coordinator role is more likely to be dedicated to the Deputy Ministers of Economy, who make decisions about the level of participation in sessions of the Governing Council and the SPECA Economic Forum, in accordance with the subject matter under consideration. Except for the Kyrgyz Republic and to an extent Azerbaijan, the system of Focal Points has also been eroded.

Interviewees mentioned that the National Coordinators only chair the meetings when their country hosts SPECA events but do not act as convener of decisions between meetings. In fact, recommendations and decisions made at the Governing Council and policy recommendations of the

Economic Forums and TWG meetings do not get systematically followed-up as there is no system for this. This is the single most important reason why SPECA decisions are considered more declarative than binding, detracting from the efficiency and impact of the Programme.

Another major hurdle to follow-up on SPECA decisions and processes is the high staff turnover in national ministries and the loss of institutional memory. While this problem is characteristic of the administrative set-up of most transition countries, it may also be an evidence of the lack of prioritization that SPECA has at the national level. If SPECA were considered an important platform, countries would dedicate a focal point who could follow the activities systematically and ensure handover. Furthermore, the problem of loss of institutional memory could be overcome by the establishment of a permanent secretariat among Central Asian countries, Azerbaijan and Afghanistan, with dedicated appointments, etc. Such a secretariat has not been institutionalized even though the issue has been discussed several times. As is, the system of follow-up seems very much on an *ad hoc* basis.

Inter-governmental coordination of SPECA activities is the task of the Ministry of Economy. However, as the counterpart to the Regional Commissions and international organizations, it is the Ministries of Foreign Affairs that are responsible for handling correspondence on SPECA matters with external partners. This may lead to disconnect between those involved in the substance of SPECA and others coordinating with other countries and with the UN. This point was demonstrated during the preparation of the survey for the evaluation, which was distributed to the MFAs, which were tasked with coordinating the answers from the ministries, including the ministries of economy, but were not always successful at getting adequate or any answers at all from them, with the exception of Azerbaijan and Kazakhstan. The Kyrgyz Republic has a Focal Point within the Ministry of Economy who was able to get answers directly from the relevant bodies.

The Declarations coming out of the Governing Councils are documents prepared in advance by the Secretariats of the Regional Commissions, sent to participants ahead of the sessions of the Governing Councils, which are held for half a day after the Economic Forums. This evaluator sat through the 12th Session of the Governing Council in Dushanbe, in December 2017, and noted very little discussion after each agenda item among SPECA participating countries. Lack of proper discussion in Governing Council sessions may have to do with the participation of officials that cannot take decisions, or the variety of issues on which to deliberate (such as the recommendations of the different TWGs) hence a quick approval without scrutiny, or the very formal and bureaucratic format of the sessions run by the Regional Commissions. The floor is given after each agenda item for comments, but the floor is seldom taken by country representatives. While countries can send their comments to the Secretariat of the Regional Commissions, opportunities are lost for an inter-state discussion and debate. The documents are then deposited on the website of SPECA within the UNECE site in both English and Russian,³ but as such, they add to the impression that the Programme is UN owned.

The declarations coming out of the Governing Council also seem to be very declarative in nature and include a host of issues related to the work of the Regional Commissions in the region or at the global level, and not necessarily issues of regional cooperation raised between SPECA countries. For example, the five-page Ganja Declaration^[11] of the 2016 SPECA Economic Forum^[12] “Strengthening Implementation of SDGs through Enhanced Cooperation” includes some very vague commitments among its 28 points, such as OP25 “We commit to seeking all ways and means of strengthening cooperation and collaboration among SPECA participating countries.” It also includes a number of issues that may be of relevance to Central Asia and to the work of the Regional Commissions but are not directly SPECA-related themes: OP22 for example notes « We also recognize that protecting the rights of migrant workers and well managed migration policies are a specific focus of SDGs 8 and 10. To this end, we will make our best efforts to ensure that the rules governing international migration are effective in maximizing their contributions to the development of countries of destination and

³ <https://www.unece.org/speca/welcome.html>

origin, while in line with international standards. » The outcomes of such meetings then become declarative documents that include many different vague commitments which are not even binding.

Ideally, Declarations should be very short, concrete and operational/action oriented, based on the concrete recommendations stemming directly from the working groups. They should become live documents that have an action plan and a system for follow up and not be simply uploaded on a static UN website.

SPECA Economic Forums

One of the main institutional set ups of SPECA is the annual Economic Forum, held around the Governing Council sessions, which are meant to focus on selected strategic issues of economic development and cooperation in the SPECA region, provide a platform for high-level policy dialogue and make concrete recommendations to the Governing Council.

The SPECA Economic Forums focus on selected strategic issues of economic development and cooperation in the SPECA region. They have two important advantages: One is that they introduce different themes every year to be discussed at the regional level, themes that are chosen by the Secretariat of the Regional Commissions in cooperation with the SPECA countries. Second, their participation is open to members of experts, non-government organizations, the business community and representatives of other regional and international organizations. As such, they get the most profile among SPECA partners.

Yet, here also the relevance and ownership by countries themselves is less than evident. The agendas of Economic Forums are heavily dominated by speakers from the two regional commissions and UN organizations, who provide high quality information on global standards, norms, analysis, etc. Representatives of SPECA countries often only speak about their own experiences. Opportunities for cross-country fertilization are missed when the formats of the meetings are strict and formal, a line up of different papers with little discussion. SPECA country representatives should be encouraged more to present about their regional or bilateral cooperation themselves, not delegating these issues only to external experts or those of the Regional Commissions.

The 2017 SPECA Economic Forum held in Dushanbe, Tajikistan, which the evaluator attended, provided an example of the added values, but also shortcomings, of the format. Held on the subject of innovation, it became an opportunity for very substantive and high quality presentations on this subject viewed from different perspectives and from the advantage of the bird's eye view by UNECE experts, and for some concrete examples and best practices from officials and business representatives of SPECA countries. As such, it was deemed useful by participants, even though there may not have been consensus on what the broad theme of innovation entailed: a methodology, a product, a theme etc. At the same time, however, there was little space dedicated for discussion beyond the usual question and answer period at the end of each panel. A less formal format could have led to more meaningful exchanges, departing from a conference format with formal papers to considering panel discussions and exchanges between countries. Participants asked the papers presented by all delegations to be distributed to them at the end, something that the Secretariats of the Regional Commissions should consider.

The draft of the final Conclusions and Recommendations of the Forum document was critiqued by a number of participants for being declarative and elaborative in nature, of including conclusions and recommendations together, of not clarifying for whom recommendations were intended, for not taking into consideration what was already done by countries or what was feasible within the national legislation, etc. They suggested that outcome documents be action oriented, specifying to whom recommendations are directed, by when, how, etc. One concrete recommendation that came out of the Economic Forum was for the need to develop a SPECA Innovation Strategy for the region, which could then be used to raise funds and assess benchmarks at the national level, etc.

The Thematic Working Groups

The operational side of SPECA side is institutionalized through Thematic Working Groups (TWGs), the number of which increased from two (2005) to six (2006) following decisions taken at the Astana meeting of the Governing Council in 2005. These WG are as follows:

1. WG on Water, Energy and Environment
2. WG on Sustainable Transport, Transit and Connectivity
3. WG on Trade
4. WG on Statistics
5. WG on Knowledge-based Development
6. WG on Gender and Economy.

The TWGs hold annual sessions, have their own TORs and annual work programmes and prepare annual reports to the Governing Council on progress made and important policy conclusions. Each TWG is supposed to be chaired by one or two SPECA participating countries.

A study of documentation however points out to the *ad hoc* nature of the work of some of the TWGs, lack of follow up on the recommendations, and the domination of the interests, projects and norms of the Regional Commissions in the workplans. While some TWGs are working together towards a specific regional strategy (such as the trade one), others examine in an *ad hoc* way the implementation of global and wider regional conventions facilitated by UNECE or ESCAP, and are mostly opportunities for exchanges of information.

Participants of the TWG Meetings that were interviewed pointed out to the value of these exchanges of information and opportunities to get to know counterparts in other countries, but many lamented the lack of follow-up between meetings. Between the annual sessions, the TWGs are supposed to carry out their activities (trainings, seminars, studies, etc.) in accordance with their work programs. However, there is not much evidence of this collective work being carried out in all the TWGs systematically. TWGs (with some notable exceptions) are *de facto* once a year meeting of different experts, many of whom have no institutional memories given the change in sub-themes. The annual meetings end up being organized by ESCAP and UNECE on a rotational basis, except that ESCAP has pulled out in recent years from a number of TWGs. With the lack of follow up between meetings, and TWG sessions turning into capacity building opportunities under different sub-themes each year, it may be safe to say that most TWGs (against, with the exception of a few) operate as workshops and not as groups with a mission per se.

Other findings concerning the efficiency and relevance of the TWGs include:

- While some TWGs have a donor that funds the participation of countries to the annual meetings (notably the IDB sponsoring the infrastructure group, or support provided by the Russian government through UNECE), other TWGs annual meetings often have to be latched on to the capacity building activities that Regional Commissions organize because that allows them to be funded. As per the TOR of SPECA, countries need to ensure the financial cost for the participation of personnel in the TWG meetings. However, except for Kazakhstan that has funded its own and other country's participation in the transport TWGs, SPECA country have not been funding their own participation.
- As nominations to participation in the TWGs is made according to the subthemes of the particular meeting, there is not much continuity between meetings and not much networking between a set of experts who could be in charge of advancing a particular objective together systematically.
- In the responses to the questionnaire received, almost no information was filled out in terms of

concrete policy impacts of any of the TWGs. This finding was corroborated by interviews in capitals among SPECA government officials that showed very little institutional memory on the impact on the TWGs, unless the respondent was directly responsible as Chair of a WG (i.e. Tajikistan's Deputy Minister of Economy who was also the chair of the WG on trade, the Ministry of Economy of Kazakhstan as Chair of the Sustainable Transport, Transit and Connectivity and the Women's Committee of Azerbaijan as Chair of the WG on Women and the Economy).

- Most of the impact of the TWGs has been in the area of capacity building, as opposed to policy impact, again with noted exceptions. The TWG on Trade, chaired by Tajikistan, has been working on a regional trade facilitation strategy, a collective exercise and had become a venue for exchange of information and experiences on WTO accession. The Sustainable Transport, Transit and Connectivity, chaired by Kazakhstan, has contributed to exchanges between countries that facilitated the implication of border crossing procedures, thus increasing the potential of transit. It has worked to help countries with the promotion of international transit transport, simplification of border crossing procedures and the harmonization of national transport and customs legislation with international standards, such as for example the TIR Convention, road safety, etc.
- TWGs that work together on a concrete task, such as the TWG on trade which is working on trade facilitation from a regional perspective, are deemed more relevant and efficient than those that simply offer an opportunity for ad hoc exchanges once a year.
- An examination of the reports of the working group shows that they tend to be formal meetings consisting of presentations on a variety of issues, not always in sync, and not necessarily conducive to collective action. For example, the 21st session of the Water, Energy and Environment WG held in Almaty in June 2017 was heavily dominated by presentations made by ESCAP and UNECE experts presenting analysis or updates on all projects pertaining to the theme that were being implemented in the SPECA countries in other formats, of potential projects for future work. Government representatives of SPECA countries made formal speeches discussing the national progress in achieving the SDGs in their respective countries. The same critique raised about the missed opportunities in the formal format of Economic Forums raised above also apply here.
- The choice and number of the TWGs may need rationalization. While it seems that the question of trade, water and energy, and transport, are key to regional integration and cooperation, requiring intense work to harmonize policies, solve conflicts, align positions regionally and globally, other TWG themes seem to have less priority relevance. The themes of the TWGs may need to be aligned to the most pressing regional issues identified by the countries rather than the programmatic areas of the Regional Commissions. SPECA may need to consider fewer thematic areas in order to concentrate on concrete actions.
- The work/activities of the TWGs is supposed to be discussed during the sessions of the Governing Council. Yet, because of the short time devoted to these meetings and the large number of TWGs, sufficient time is not devoted to the examination and discussion on the results of the meetings, the advancement of the agendas, the needed policy reforms, result of any project implementation, etc.

In conclusion, the most efficient TWGs are the ones that have relevance to regional priorities, have a common strategy, unity and sense of purpose. The TWGs were praised not as opportunities for the harmonization of policies in those fields, but as forums for exchanges with other countries and with counterparts from other republics. Yet, the TWGs have the potential to become more relevant institutions for developing and coordinating thematic policies, leaving the task of networking, information exchange and even capacity building to other parts of the UNECE and ESCAP activities.

In rethinking the rationale and *modus operandi* of the TWGs in order to make them more effective, SPECA may need to decide on priority areas and assign to each relevant TWG a key task, such as for example the preparation of a regional strategy, conducting research and providing strategic recommendations, conducting a feasibility study, coordination of legislation and policies etc. The preparation of these outputs by dedicated experts from the countries could be facilitated by the Regional Commissions. The work of the TWGs can be done online and reporting done to the chairs electronically, and not necessarily each time through a workshop, which could facilitate saving on budget and concentrating instead on outputs.

Role of the UN

A unique feature of SPECA is that it is facilitated by two Regional Commissions. This is due to the unique feature of Central Asian region, which belongs to both the European region and the Asia Pacific one. The two Commissions have divided responsibilities by rotation, each taking charge of preparing the Economic Forum and the sessions of the Governing Council every second year. This requires a smooth system of coordination between them and exchanges of information in the preparation of the sessions. Coordination at the level of thematic units in charge of preparing the TWG meetings vary from group to group, and went beyond personal contacts and good will between officers and depended on whether the Regional Commission chose to be implicated in that particular group or not.

In interviews and questionnaires, the work of the two Regional Commissions was highly evaluated by respondents, for their efforts in preparing all substantive documents related to the SPECA meetings, for supporting organizational issues and for responding to the needs of the countries. The support from the ESCAP Sub-Regional Office for North and Central Asia (SONCA) in Almaty and dedicated UNECE staff and focal points in Geneva were especially welcomed. The qualification and quality of personnel of both commissions were highly praised. SPECA countries value the work of the UN and do not want the Programme to be shut down from the UN side.

Nonetheless, the appellation of a Special Programme raises expectations from the UN to step up the implementation, funding and support of its own programme. From the UN perspective, however, SPECA is a platform that rationalizes involvement in the region but it must be, as for its original purpose when it was founded in 1998, a country-led and country-owned Programme facilitated by the UN.

One major puzzle for the evolution was whether SPECA represents a stand alone programme for cooperation among countries (in which case it should be attuned to what the Central Asian countries, Azerbaijan and Afghanistan directly need and request), or a platform for the two Regional Commissions to report all the projects they are implementing within the region (as is the case of the UNECE), or with the region as part of a much larger set of countries (as is the case for ESCAP). This discrepancy was especially evident in the progress report of the activities of the SPECA TWGs, which was prepared for the 12th Session of the Governing Council in Dushanbe. It included a number of activities, as it said, “organized inside and/or outside of the SPECA region”, a wide range of projects implemented or conferences organized by UNECE or ESCAP, with the participation of some of the SPECA countries. In such instances, SPECA becomes the metaphor for a region, and not necessarily a specific programme of cooperation, let alone a body with its own identity.

Perhaps the vision of SPECA being a mere geographic place may be more realistic, given that as a Special Programme, SPECA was not created with adequate and sustainable financially resources by the UN. UNECE has been able to raise funds for SPECA-specific activities through a Trust Fund, currently mostly financed by the Russian government. ESCAP supports the activities of SPECA mostly through its extra-budgetary funds. In terms of allocation of personnel, SPECA was the full responsibility of a regional advisor until 2016 within UNECE. After the retirement of that person, the responsibility of focal point was added to the responsibility of the lead of the Regional Adviser in

Trade. Within ESCAP, SPECA matters are followed up by the staff of the Sub-Regional Office for North and Central Asia (SONCA) in Almaty, notably by a staff that has long-term institutional memory. The substantive work of the TWGs is followed up by thematic staff at the HQs in Geneva and Bangkok. As the next section will discuss, the issue is the lack of a dedicated secretariat, which compounded with the lack of adequate dedicated budget, creates challenges for the effective operation of SPECA as a special Programme of the UN.

Secretariat support provided by ESCAP and UNECE

The TOR of SPECA stipulates that the two Regional Commissions are to provide secretariat support on a rotational basis to the preparation and organization of the sessions of the Governing Council, Economic Forums and sessions of the TWGs. This type of secretariat support includes the preparation of documents and studies as well as maintaining records of their activities. Indeed, ESCAP and UNECE coordinate with each other to prepare these sessions, even though ESCAP has withdrawn from a number of TWGs. The tasks however are very labour intensive, especially because of lack of evidence of substantive support from the SPECA countries themselves in preparing documents, studies, maintaining records, etc.

While it was the wish of the original participating countries that a SPECA secretariat be created and funded by the UN, there is no *de facto* permanent secretariat for SPECA at the moment. ESCAP-SONCA, the Sub-Regional Office of ESCAP for North and Central Asia, located in Almaty, provides facilitation support to the work of the SPECA TWGs in which ESCAP participates (Sustainable Transport; Transit and Connectivity, Water, Energy and Environment), as well as organizes (in cooperation with the UNECE) the SPECA Economic Forum and Governing Council when ESCAP is the lead organization. UNECE staff, in charge of relevant thematic groups, provide support directly from the headquarters in Geneva. Despite ambiguities on documentation and the mention of a joint SPECA Office, the ESCAP-SONCA is not the Secretariat of SPECA. Until 2016, a UNECE staff was located there to help with SPECA activities on behalf of UNECE but he has since been relocated to Geneva and given a portfolio related to the theme of the environment.

The appointment of a Secretariat for SPECA that is well staffed and well-funded will alleviate the responsibility on the staff of the two Regional Commissions and will especially allow more ownership and follow up by countries. One suggestion that came out of discussions with the Ministry of Economy of Kazakhstan was for the establishment of a Secretariat housing representatives of each country seconded and funded by its own government. The Secretariat could also be virtual, with focal points coordinating together to advance SPECA activities and interests online.

Sustainability

Resources available for SPECA activities

SPECA was not created with adequate budget neither for its operational nor programmatic work, and the task of finding finances has fallen on the Regional Commissions. As stipulated by the TOR, the costs of participation of National Coordinators and experts in the sessions of the Governing Council and Economic Forums as well as in the sessions of the SPECA TWGs shall, as a rule, be borne by the governments of the participating countries. In addition, the UNECE and ESCAP shall provide financial support, within their available resources. The reality however has been that the participation of representatives of SPECA countries to events are solely covered by UNECE and ESCAP, with the exception of the Kazakh contribution to the tune of an annual contribution of USD 15,000 USD since 2010 as support to the TWG on Sustainable Transport, Transit and Connectivity.

The cost of TWGs has been mostly related to the organization of annual meetings and capacity building workshops that have been born by ESCAP and UNECE through their donors, such as for example the Islamic Development Bank for the Working Group meeting on Transport. In 2016, UNECE was able to raise funds from the Russian Federation for a contribution of USD 547,000 to

strengthen the capacity of SPECA countries to achieve the SDGs, which mainly goes to the organization of the Governing Council sessions, the Economic Forums and the TWG meetings on Knowledge-based Development.

Because of the misnomer Special Programme, and because of the presence of a large number of UN organizations in these countries that have provided twenty years of technical assistance, there is a general impression that SPECA, as a programme of the UN for the countries of the region, needs to raise funds to implement programmes and deliver technical assistance. Respondents continuously asked this evaluator what SPECA had done for their country, instead of seeing themselves in the drivers' seat. Government officials saw their countries as beneficiaries, sometimes passive, instead of as owners of a platform they could actively use for regional discussion and cooperation. At the same time, they lamented the low impact of meetings and annual sessions – what the bulk of SPECA budget goes to - that produced what they considered as declarative statements with no substantive follow-up.

Sustainability as a platform for policy coordination

As is, most of SPECA activities are limited to meetings for exchanges of experiences and capacity building workshops, often one off. This type of initiatives are usually difficult to get donor funding, given the preference of donors for tangible 'results'. At the same time, SPECA should not become an implementation body that oversees regional and bilateral/trilateral projects, for at least two reasons: First, it would never be able to compete with much more established bodies funded by a consortium of IFIs (such as CAREC). Second, dedicating it to a platform for project implementation misses the opportunity for SPECA to occupy an empty niche in the region as a convener of Central Asian countries, Afghanistan and Azerbaijan to dialogue and coordinate their policies on issues of high relevance to the region.

This function may not be able to attract large donor funds, but the good side is that to carry out such a function effectively does not take much money. Instead, it requires other types of capital: strategic positioning, political commitment, focus, direction, coordination etc. An organization/initiative may be small but highly effective because it is strategic and shows its value. Without positioning itself, SPECA may be stuck in between, neither a strategic policy platform nor a project implementation one. As such, it will never be sustainable.

Sustainability thus would come from a rethink of the purpose of SPECA and especially more commitment and active involvement by countries themselves in setting the agendas and developing coordinating policies which they can then advocate for both nationally and in other regional and international settings. This engagement may need to be, symbolically at least, represented by a minimal financial contribution by countries that would then ensure that they engage meaningfully. Yet UN practice shows that in order for member States to make financial contributions there should be a basic document: a convention or agreement, adopted by the countries. The 20th anniversary review of SPECA may include the adoption of such a founding document (some type of agreement) that would invite countries in concrete terms to make contributions to the joint secretariat, be it virtual or real.

A revamped and relevant SPECA can also positively solve the question of sustainability if it can improve the ability of the region to attract external financing (for green development, for adaptation, for water management, etc.) and it can do so by highlighting problems – and solutions – of common concern in the region.

CONCLUSIONS

It transpires from the evaluation that SPECA has a lot of untapped potential to become an effective and relevant platform for cooperation. The identity and added value of SPECA should become much clearer for the countries themselves. They need to take strategic decisions on how they would want to use this platform, for what priority areas and issues, by when and how. In other words, the evaluation findings point to the need for a revisit of the rationale and *modus operandi* of SPECA, a process that needs to start now in order to use the occasion of the twentieth anniversary as a launching ground.

As far as relevance is concerned, there is much potential value in cooperation through SPECA, especially as the only platform that includes only the countries of Central Asia, Azerbaijan and Afghanistan, allowing them to coordinate their policies among themselves. Yet, the potential of SPECA as a platform for policy dialogue and coordination should be highlighted and political will demonstrated even stronger by the countries.

To become more effective, the outcome decisions and recommendations of the various meetings of the TWGs, Economic Forums and Governing Council should become better integrated into national policies. Declarative statements need to be implemented and followed-up adequately.

The institutions set up by SPECA and the support provided by the UN could be boosted in order to respond to the new impetus to activate the policy platform. TWGs should be given more specific tasks to support priority areas of cooperation and integration. Adequate institutional support is necessary from the UN, including human and financial resources.

But the question of sustainability is not only through developing partnerships with regional banks and IFIs or generous donors that could support large scale projects. For the future, SPECA may need to revamp its identity and activities to become a strategic platform for policy coordination and not a fundraising platform, and nor merely an opportunity for exchange of information.

The return of Uzbekistan to the regional scene seems promising, as demonstrated by commitments made at the Samarkand Conference on enhancing regional cooperation on sustainable development and security of 9-10th November 2017 by the Uzbek President Shavkat Mirziyoyev to create a High Level Consultative Group of the Heads of States. Central Asian leaders, in response, did not foresee the creation of a formal institution or inter-governmental super-structure at this point but endorsed the creation of a consultative platform for dialogue. They also suggested the inclusion of Afghanistan into the regional economies for peace and prosperity. Priority areas highlighted were cross-border trade, transport, borders, energy, agriculture, water, ecological issues related to the Aral Sea, exchanges of private sector, cultural exchanges and of course security. While there is no appetite for the creation of a formal institution or inter-governmental body at this moment, proposals for the creation of a formal consultative framework could be an opportunity for SPECA. If Heads of States start meeting regularly, then decisions about issues related to cooperation along some priority areas need to be worked out at the technical level by some technical groups of Senior Officials (SOC or SOM). That is where SPECA services could be of use for example. SPECA Working Groups could use the comparative advantages of the UN Regional Commissions per se, i.e. new ideas, best practices, norms, examples, data/evidence/analysis, etc., to respond to concrete demands coming from Central Asian states.

OPTIONS FOR NEXT STEPS and RECOMMENDATIONS

During the 12th Session of the SPECA Governing Council in Dushanbe, a draft of the evaluation was presented, together with four options for the path ahead:

Option 1: Status quo. Keep the SPECA purpose and institutions as is, but the two Regional Commissions should make more concerted efforts to engage States more extensively in the work of SPECA, including perhaps for funding. This approach has not proven successful in the past, and may

not succeed even with redoubling of efforts because of the low ownership of SPECA by its members.

Option 2: Reform. Revisit the SPECA rationale and *modus operandi* to make it a more country-owned and country-led loose structure, which could help existing or developing regional processes of cooperation (such as Consultative Platform if the idea materializes or other existing regional bodies for now). In this option, the countries and their needs become priority demands and UN Regional Commissions take a back seat, and play a facilitating role in the future. SPECA becomes a platform for technical and policy support to decisions taken by Heads of States. This option seemed to be the preferred one among participants who asked for a roadmap, elaborated below.

Option 3: Institutionalization. Transform SPECA into a member driven, and member financed inter-governmental organization, where members get together to decide on format, rationale, method: legal/institutional issues, governing body, TWGs, financing, secretariat, headquarters, role of the UN etc. While in the future this may be an option to consider, participants of the 12th Session of the Governing Council did not foresee readiness of the region and the regional states to create such an institution at this point in time. While this option may be the most desirable one in the long term, it may be premature for now as there is no appetite for institutionalizing a formal process of integration in the region yet.

Option 4: Closure: A gradual closure of SPECA and absorption of its operational and thematic functions into existing ESCAP and UNECE programmes of work as well as the work of other UN agencies, funds and programmes. This option may solve the problem of ownership as the UN Regional Commissions fully take back the activities of SPECA under their own umbrellas and mainstream them into their ongoing work in the region. The problem with this drastic option, however, is the loss of opportunity to take advantage of the new changes in the region and the growing impetus for regional cooperation, to build on the only existing platform for dialogue solely between Central Asian countries, Azerbaijan and Afghanistan, and to show that dialogue and policy coordination are as important as implementation of regional infrastructure projects, etc. This option was deemed undesirable during the 12th Session of the Governing Council in Dushanbe.

Having deliberated the options, participants of the 12th Session of the Governing Council opted for option 2, asking for incremental changes and step by step reforms towards more ownership and institutionalization. They requested a roadmap of areas that needed decisions for substantially reforming and revamping SPECA, together with some recommendations.

The roadmap below could serve as a basis for discussion by a Task Force/Expert Group that can convene in the spring/summer of 2018 to decide on recommendations to the Jubilee 20th Anniversary of SPECA during the 13th Session of the Governing Council in Astana. The Task Force/Expert Group, with the substantive support of the Regional Commissions, could then draw together a draft Strategy to be discussed and adopted in Astana. It is recommended that the Jubilee Session in Astana be of very high level and last at least 1.5 or 2 days long in order to give adequate time for deliberations on the future of a region-led SPECA.

Proposed roadmap for implementing Option 2 on reforming SPECA

➔ The objective of this roadmap is to increase the ownership and meaningful engagement of Central Asia countries, Afghanistan and Azerbaijan in SPECA, in order to turn the programme into a policy coordination platform on key regional SDG in line with Option 2 above.

In time for the 20th anniversary of SPECA in 2018, the following areas could be revisited for a reset of the Programme:

1. Identity of SPECA
2. Achieving the SDGs through regional cooperation
3. Themes and functions of TWGs

4. Structures
5. UN support
6. Financing
7. Relations with other partners and stakeholders (States, organizations, development banks, etc.)

1. **Identity**

Question:

What should be a revamped identity of SPECA? In other words, what should be the added value of SPECA vis-à-vis the myriad of other organizations, programmes and frameworks operating in the region.

Recommendations:

- As a Platform for policy coordination and cooperation, SPECA should move away from the idea of project implementation or mere conference/workshop organization and instead organize activities related to dialogue, consolidation of positions, solving of common problems, elaboration of strategies, expertise, etc. based on actual demands. SPECA should become a service oriented, flexible and strategic platform for cooperation and policy coordination.
- SPECA agenda should have more practical content through the implementation of concrete joint programs between participating countries (suggestion of Kazakhstan).
- SPECA should consider becoming more demand driven, attuned to the expressed needs of SPECA countries, rather than supply driven, related to the activities and norms of the Regional Commissions in the region.
- Regional Commissions should nonetheless report all their project activities in Central Asia, Azerbaijan and Afghanistan as part of SPECA when they are contributing to regional cooperation.
- Consider changing the name to Special Platform for Economic Cooperation in, dropping the misnomer of Programme from the title, which could allude to expectations of project implementation.

2. **SDGs**

Question:

Which of the SDGs should SPECA pursue?

Recommendations

- SPECA should only pursue the SDGs that are directly regional in nature or require strong regional coordination in order to be achieved.
- The scoping study commissioned by UNECE on the SDGs pursued by the TWGs could be further analysed in order to draw concrete recommendations on how to regional-level SDGs, and what it would take concretely. Based on this analysis, countries could then chart their Strategy for Implementation of SDGs at the Regional Level until 2030 for reaching selected specific regional SDGs, ways to get there, benchmarks, indicators etc. These priority areas, together with an analysis of the major regional challenges, should then inform the choice of the TWGs.
- Such a strategy could then be reviewed every year to assess how well countries are doing and what adjustments are needed to overcome challenges.
- By analysing feasibilities and bottlenecks in the implementation of SDGs in the region, SPECA should be more proactive rather than reactive to what is happening in the region. For this, frequent, updated and strategic assessments are needed to be carried out within the TWGs. the work of the Regional Commissions in the region.

3. Themes and functions of TWGs

Question:

How can the rationale and operation of Thematic Working Groups be improved to be made more relevant and efficient?

Recommendations

Themes

- A strategic decision should be taken at the Astana session of the Governing Council on what the themes can be, based on consideration of regional issues, challenges and opportunities.
- The choice of the TWGs should be made on the basis of the key priority areas that have been identified by the States and which are needed to achieve SDGs that can be achieved better through regional cooperation (and not nationally). Only themes that have regional (inter-state) implications should become the focus of TWGs.
- The themes should reflect the priority concerns of the countries and not be organized according to the thematic interests/mandates of the Regional Commissions. At the same time, however, they should be within the competence of the Regional Commissions so that they could provide adequate support.
- As an example, in the questionnaire distributed, the respondent from the Kazakh Ministry of Development and Investment made a list of specific and in-demand areas of cooperation which could become the responsibility of each Central Asian country as lead. They were: transport infrastructure and simplification of border crossing procedures (lead country - Kazakhstan); rational and effective use of energy and water resources of the countries of Central Asia (Kyrgyzstan); Trade facilitation and cooperation in the WTO (Tajikistan); regional cooperation in the development of pipeline routes for the supply of hydrocarbon resources to world markets (Turkmenistan); Reforming the industrial potential of the region with the aim of creating international competitive industrial enterprises (Uzbekistan).
- Recommendations stemming out of the TWG meetings should be concrete and a system should be developed to ensure that all recommendations from all SEPCA bodies are followed up on properly and, when feasible, integrated into national policy frameworks.
- As stated above, in rethinking the rationale and *modus operandi* of the TWGs, it is recommended to assign to each relevant TWG a key task, such as for example the preparation of a regional strategy, conducting research and providing strategic recommendations, conducting a feasibility study, coordination of legislation and policies etc. The preparation of these outputs by dedicated experts from the countries could be facilitated by the Regional Commissions.
- The work of the TWGs can be done online and reporting done to the chairs electronically, and not necessarily each time through a workshop, which could facilitate saving on budget and concentrating instead on outputs.
- The TWGs should report to the Secretariat once every two years during a face to face meeting, while on-line reporting can be organized more regularly (suggestion of Kazakhstan).
- Each country should appoint a number of experts for each TWG who could interact on an on-going basis with their counterparts in other countries and maintaining communication and interactions electronically between meetings. These specialists should also be in charge of implementing/integrating the results of the TWG recommendations/projects into their national economies (suggested by Kazakhstan).

Function

- Overall, it is recommended to have less TWGs, and revamp the remaining ones with more concrete responsibilities, actions and outputs.
- TWGs should not be one-off capacity building workshop with little follow up but be given the task, by the Secretariat of SPECA acting on behalf of the Governing Council, to work on concrete tasks and outputs (such as a joint strategy, an implementation plan, a study, etc.). They should then report to the Secretariat on a bi-annual basis, either through a working

meeting or virtually (online).

- Members of the TWGs should ideally remain the same group of experts so that they could create a functional network and keep communication together between meetings. They should also ensure that the outcomes of TWGs are implemented, translated into national policies.
- The founding documents of the TWGs (their ToR) could specify that countries should nominate experts on longer term basis and include their work with SPECA in their job description.
- Each country could individually or jointly lead a TWG and be responsible for the elaboration of the outcomes and follow up on the implementation of the recommendations.

4. Structures

Question:

How should the SPECA institutions be restructured to become more effective, efficient and relevant?

Recommendations:

- Governing Council Sessions should be attended by high level officials as much as possible in order to give credence to outcomes.
- The system of Focal Points should be restored with each country nominating a person to follow up on all SPECA related matters in coordination with other ministries.
- SPECA should consider establishing a Secretariat, even if virtual and online tasked with coordinating the TWGs, and acting as interface between the needs and demands of the Governing Council and the TWGs. Ideally, the Secretariat should be populated with focal points seconded from each country (virtually or in person).
- Countries should consider preparing an agreement document whereby they will agree to contribute to the cost of the Secretariat (be it virtual or physical) and appointing specific focal points or personnel with dedicated TOR to work on SPECA related issues.
- A system of national coordinators should be enforced, whereas each country should appoint a person, preferably in the ministries of Economy or Development, in charge of following up on SPECA issues (suggested by Kazakhstan).
- Economic Forum meetings should find a creative way to enhance discussions and not be organized as mere conferences with a series of papers. Other ways of organizing them could be considered, for example through panel discussions, task orientation, simulations etc.
- Introduce follow-up mechanisms to ensure the implementation of the policy decisions stemming out of the meetings of the TWGs, Economic Forum and Governing Council. This would require outcome documents that are shorter, focused documents with specific policy recommendations, defining, to the extent possible, the feasibility of the reforms needed, who should carry them out, how and by when etc.
- Economic Forums, as key policy and operational meetings should consider adopting a less formal format could have led to more meaningful exchanges, departing from a conference format with formal papers to considering panel discussions and exchanges between countries.
- All Documentations, in English and in Russian, including presentations, studies, database of experts, etc. could be gathered in a standalone website (www.speca.org for example has not been registered yet) and made interactive so that countries could use it actively and contribute to it.

5. UN support

Question:

In a scenario where country ownership increases, how should the UN Regional Commissions align themselves to provide support. What should they do more or less of?

Recommendations:

- SPECA activities should be kept and fully included in the work programme of the two commissions and adequate resources, both in terms of human and financial resources be allocated. This entails appointing and empowering dedicated focal points.

- The ESCAP SRONCA office could be enhanced to house, once again, a joint ESCAP and UNECE SPECA office as part of its functions.
- Alternatively, a country could provide a locale for a secretariat consisting of personnel seconded from the SPECA participating countries.
- The UN Regional Commissions, through the office of UNESCAP in Almaty, could consider organizing regular meetings gathering all secretariats of multilateral institutions working in Central Asia (specifically CAREC, SPECA, Shanghai Cooperation Organization and Eurasian Economic Community) to discuss areas for collaboration and cooperation.

6. Financing

Question:

How should SPECA continue to finance itself and become sustainable

Recommendations:

- As discussed above, the question of sustainability is not limited to finances, but to the overall reason d'être of SPECA. SPECA does not need to be a big structure with lots of funding for project implementation and/or ad hoc capacity building workings but a small strategic platform that concentrates on strategic policy development and coordination. Finances should be rationalized so that strategic results are achieved. Nonetheless funds are necessary to support the operation of the Platform, the secretariat (even if virtual) commissioning of studies, meetings, selected capacity building workshops etc.
- The two Regional Commissions could consider raising funds together through a joint Trust Fund, and not separately as part of their other activities, even within the region (highlighted by Kazakhstan).
- Countries should be encouraged to pay a contribution to such a Trust Fund, even if it were small and symbolic, as it would signal their interest and engagement. After all, SPECA participating countries have large reserves of minerals, industrial, agricultural, human, scientific and technical potential for establishing a mutually beneficial relationship and accelerating economic development in the region (suggested by Kazakhstan).

7. Relations with others

Question:

How can SPECA better coordinate with other partners, including UN agencies, IFIs, academics and the business community?

Recommendations:

- Coordination with other UN agencies, including in the implementation and follow up on the SDGs should be ensured through more systematic and joint meetings between UNECE/ESCAP representatives and those of such agencies as UNDP, UNRCCA, UNIDO and the IFIs (World Bank, ADB, IDB etc.).
- Bi-annual or quarterly coordination/information exchange meetings could be organized by SPECA bringing together the secretariat of different regional organizations (ECO, CAREC, SCO etc.) to inform about their activities and improve coordination.
- Consider the creation of an Advisory Council or Association for SPECA consisting of members of academia and the business community. These members could serve as experts, advisors, advocates, etc.
- Within the SPECA framework consider organizing investment forums with the participation of representatives of major national companies, small and medium sized businesses in order to stimulate the integration of business communities in the region (suggested by Kazakhstan).