

PROTOCOL
SECOND SESSION OF THE REGIONAL ADVISORY COMMITTEE
OF THE UN SPECIAL PROGRAMME FOR THE ECONOMIES OF CENTRAL
ASIA (SPECA)

19-20 September 2001, Almaty

General Provisions

1. In accordance with the Work Plan of the Regional Advisory Committee (RAC) of the UN Special Program for the Economies of Central Asia (SPECA) the RAC SPECA Second Session (SPECA) was held on September 19-20, 2001 in Almaty.

Participants

2. The official delegations of the RAC such as: the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, Turkmenistan, the UN Economic Commission for Europe (ECE), the UN Economic and Social Commission for Asia and the Pacific (ESCAP), the official delegation of the Azerbaijan Republic (as an observer), the representatives of the United Nations Development Programme (UNDP), the Executive Committee for the Commonwealth Independent States (CIS), the Executive Committee for the Interstate Council of the Central Asian Economic Community (CAEC), the Executive Committee for the Eurasian Economic Community (EEC), as well as representatives of the Organization for Security and Cooperation in Europe (OSCE), the Commission of the European Union (CEU), the World Bank (WB), the International Monetary Fund, the European Bank for Reconstruction and Development, the Asian Development Bank (ADB) and the Islamic Development Bank (IDB) participated in the session. The representatives of Armenia, the Russian Federation, the US and South Korea also participated as observers. List of the participants is attached herewith (Annex 1).

Organizational issues

3. On behalf of the of RAC Chairman Mr. K.Tokaev, Prime-Minister of the Republic of Kazakhstan and SPECA National Coordinator in Kazakhstan the session is led by Mr.D.Akhmetov, First Deputy Prime-Minister of the Republic of Kazakhstan.
4. The Agenda of the session was unanimously adopted.

Expert Meeting

5. The discussion were conducted on the issues of: "Practical possibilities of economic development acceleration in the region on the basis of bilateral and multilateral cooperation". The national experts of member-countries from Kazakhstan, Kyrgyz Republic and Tajikistan have made statements. The experts-representatives from

Azerbaijan, ECE/ESCAP UN, UNDP, Executive Committee CAEC, EEC, World Bank, CEU/TACIS, ADB, IBD, EBRD participated in discussions.

6. The main provisions of national expert statements were focused on the following:
 - SPECA is an effective instrument for mobilization of additional internal and external resources towards effective solutions of the priority issues that should be considered by all member countries at the regional basis rather than at the national level.
 - In order to implement program it is necessary to utilize the existing SPECA potential within sectors and inter-branch cooperation of participating countries and institutions. The availability of expert advice at ministerial level within the framework of the working groups as well as the solution of these issues at the high RAC decision making level establishes favorable environment.
 - In order to increase utilization of regional resources effectively and to speed up economic development, the RAC may adopt the recommendations on implementation of cooperation and investment projects of a practical nature for the whole region.
 - The Project Working Groups should actively select the most significant projects for their consideration by the RAC and with their further submission to financial institutions.
 - CAEC Executive Committee is ready to assist in selection and evaluation process of the regional project appraisal.
 - International financial institutions demonstrate their interest to the regional projects which getting the political support of RAC. In principle, the regional status of the projects may lead to favorable conditions of their funds.
 - SPECA regional projects could play a consolidated role in the economic and political development of the region. That potential of SPECA needs to be utilized.
 - SPECA has possibilities for coordination of national and international activities in the region on the issues within its competence. The exchange of information on current work as well as the results of the surveys and evaluation, mutual participation should become the major methods of coordination with other programs and organizations.
 - SPECA Project Working Groups demonstrated the effectiveness of bilateral consultations between countries participated under auspice of SPECA. The RAC policy level creates the additional opportunities to overcome narrow ministerial interests and to solve complex inter-branch and problematic issues for mutual benefit. This is a unique and beneficial feature of the RAC that should be utilized on a systematic basis.
 - The position of the UN Special Coordinator on the issues of stability and development in Central Asia has confirmed on the basis of SPECA. The UN

Special Coordinator should work on the SPECA established basis. The major framework of the UN Special Coordinator's activities could be mobilization of additional resources to the region, compatibility, complementarily and systemic consolidation of international investment projects in Central Asia.

- It is difficult to implement the regional decisions effectively without agreement reached between all SPECA member-countries. It is necessary to continue undertake efforts to involve the representatives of Uzbekistan and Turkmenistan to the program.
- The participation of the International Financial Institutions shall be required for involvement to solve organizational and substantial issues in order to prepare for an International Economic Conference on Tajikistan within the context of Central Asian region.
- The Tajikistan conference should be considered as SPECA part, that strengthens and expands the activities of its regional project groups.
- Mid term Tajikistan's economic project development strategy should be changed taking into account events and changes in social, economic and political development of the country starting from 1998 through 2001.
- it is relevant to amend mid term Tajikistan's economic project development strategy with its work plan implementation.
- The useful contribution of ECE and ESCAP to SPECA was underlined.

Overall discussions

7. As the head of Kazakhstan's delegation, the First Deputy to Prime-Minister Mr. Akhmetov emphasized the special importance of SPECA in context of globalization and integration processes reinforcement at the regional level. SPECA being as a flexible and multidimensional regional presidential program should become the forum for elaboration of strategic approaches and coordination of overall efforts of the countries in the region as well as donor organizations in the area of development and stability.

8. It is necessary to activate the participation of all member countries, to establish working contacts on SPECA on a regular basis. Another major task of the program is to mobilize resources for implementation of the projects developed by working groups. Successful pilot financing of two or three projects in different areas of SPECA will enable to launch the mechanism of financing and will strengthen the trust and interest to SPECA in the region and outside. All member countries ECE, ESCAP, UNDP and other IFI could play their role in mobilization of resources.

9. The Chairman of State Energy Committee of Kyrgyz Republic and the Chairman of PWG-“Energy” Mr. U. Mateev informed about participation of the Republic in SPECA. Kyrgyzstan supports all directions of program work. It supports the proposal on the focused preparation of one or two regional investment projects and their submission to financial institutions.

10. In the area of energy and utilization of water resources the project of Argun complex construction might be selected.

11. The First Deputy Prime-Minister of the Republic of Tajikistan Mr. A. Turandzhonzoda underlined that Tajikistan participates with a big interest in the work of the UN and other international organizations, by supporting the efforts to smooth negative processes of globalization for social and economic development of all countries, against deepening or expanding of the existing gap between the developed and developing countries.

12. Tajikistan places big expectations for presidential SPECA supported by the UN system and it would mobilize additional internal and external resources to solve the priority problems of Central Asia Region countries.

13. Tajikistan foresees SPECA as the real instrument to improve economic development of the country and to collaborate with partners in the area of trade and economy. Implementation of SPECA will help all countries of the region to blend with world experience in the establishment and regulation of market economy institutes. It will enable to set up ground for wider economic ties among the countries of Central Asia as in European and in Asian parts.

14. The UN and the world community should utilize the potential of SPECA in order to strengthen stability and development in Central Asia. We think to assign the Chairman of the RAC to inform about the decision of the Committee to the UN General Secretary.

15. The observer from Azerbaijan Mr. F. Pashaev thanked for an opportunity of their country's delegation to participate in RAC SPECA session. Azerbaijan is interested in all aspects covered by the program. Azerbaijan can be involved actively in SPECA on a wide array of issues, in particular, on the issues of transport, delivery of carbohydrates materials to world markets and in the area of economic cooperation. The delegation will submit their recommendations to the government of Azerbaijan.

16. The ESCAP Executive Secretary Mr. Kim Hak-Su informed about the activities of the Regional Commission in the countries of Central Asia. ESCAP provides substantive assistance to the countries of the region, in particular, on establishment of market economy institutions and in improvement of national staff qualification.

17. In addition to SPECA components, the ESCAP implemented a number of important projects such as advancement of entrepreneurial activities of women in rural locations, access of women to information technology. Information packages were compiled for foreign businessmen on the issues of entrepreneurial regulation in Kazakhstan.

18. ESCAP is planning to implement a big project on improvement of staff qualification and institutional capacity building in transition countries in the areas of microeconomics, trade and investment.

19. The Deputy of the UN ECE Executive Secretary Mr. Garonna has confirmed that the UN ECE supports SPECA. The Commission provides consultative assistance to program bodies and member countries on a regular basis within the framework of working groups. This assistance will be continued.

20. The ECE Secretariat is trying to find the possibilities for financing of an international economic conference in Tajikistan and is ready to collaborate on this issues with ESCAP and other international financial institutions.

21. The ECE is trying to mobilize resources for preparatory stage of the mid term economic strategy implementation for Tajikistan with the involvement of the national experts. The ECE will take into consideration the recommendations made on implementation of the UN energy and water management project.

22. The representatives of international organizations and financial institutions made suggestions to support RAC SPECA. They are in favor of coordination of the related matters, information exchange and work results as well as for mutual participation in the organized events.

23. The UNDP representative Mr. S. Ramachandran admitted the readiness for cooperation in all aspects of SPECA. The UNDP hired the Project Manger who will be responsible for Silk Road regional initiative and SPECA PWG Transport and Border Crossing implementation. It will enhance coordination of activities and complementarily of these regional initiatives.

Information about implementation of the first RAC session decisions

24. The consultations are being conducted about the establishment of the SPECA Cooperation Council. These consultations should be accelerated in the near future in order to set up the Cooperation Council. It is suggested that national delegations should submit information about their candidates to the Council prior to the beginning of the third RAC session.

25. It is noted, that preparation is being carried out to regional meeting of the experts on the issues of energy and water resources, the meeting is planned to be conducted in February 2002 in Bishkek. It will be the first experience to utilize the RAC for coordination of all international organizations working in the region on the issues of energy and water resources. The national coordinators should monitor the preparatory process to the meeting. The Committee called for international organizations dealing with energy and water issues in the region to cooperate actively with the RAC and with the SPECA PWG Energy and Water Resources.

26. The PWG on Transport and Border Crossing is working on the development of the interstate MOU about the intentions on the issues of road transport in the region of Central Asia. At present, the main focus is given towards road transport. The opinions of member countries are being coordinated on the MOU on bilateral basis as well as within

the framework of the PWG on Transport and Border Crossing. For adoption of the MOU, the meeting will be conducted at the ministerial level as soon as the draft of the MOU will be completed and distributed to member countries.

27. The bilateral consultations under the auspices of the UN within the PWG on Transport and Border Crossing for simplification of border crossing procedures on a stage by stage basis (between Kazakhstan and Kyrgyzstan) are proved to be very efficient, it was noted about it at the sixth session of the PWG on Transport on April 9-11, 2001. The practice of such consultations will be continued further.

28. The SPECA PWG on Transport will invite on a regular basis the representatives of the Silk Road project to participate at the meetings. Coordination on the basis of the exchange information and results of the survey shall be envisaged be useful for all SPECA and Silk Road project member countries. The issues about contribution of international organizations to the solution of transport problems of the region shall be included in the agenda of the following RAC session.

29. The work is carried out on the implementation of the UN General Assembly Resolution “Transit System in Land Lock and Neighboring Developing Transit Countries”. The resolution strengthens the positions of Central Asian countries in promotion of their projects, financed by the UN development account. It enables to attract the attention of an international community and additional resources to the region. The work will be continued with the support of the UN ECE and the UN ESCAP.

30. The RAC will continue its work on proposals related to practical cooperation with Tajikistan within the framework of rational utilization of resources in the region. Since the time for conducting an international economic conference on Tajikistan within the framework of the Central Asian region shall be postponed to Fall 2002. It will allow to be better prepared for this work.

31. The work on the establishment of the regional investment projects will be continued in order to submit these projects at the forthcoming international economic conference. The recommendations will be finalized and adopted to the investment projects at the next RAC session for possible financing.

32. The RAC confirms the actuality of appeal to the UN General Secretary with the proposal to develop the UN system of measures to strengthen economic development and cooperation processes in the region on the basis of SPECA. The world community should consequently resolve the problems of development which might create favorable environment for instability, terrorism and extremism. The proposal for the post of the UN Special Coordinator on the issues of stability and development in Central Asia on the basis of SPECA will be submitted officially to the UN General Secretary with utilization of SPECA mechanisms within the current UN General Assembly.

Information and decisions of project working group activities

33. The participants of the session were briefed about the work of the PWG Transport and Border Crossing and confirmed the readiness to make the processes of regional cooperation active on the issues of transport infrastructure development and border crossing procedures. They admitted positive results, achieved in the work of the PWG.

34. The participants of the session agreed that the PWG on rational and effective utilization of energy and water resources in Central Asia is working actively in solving of the set up tasks. The work of the PWG contributes to implementation financed by the UN development account of the joint ECE and ESCAP project.

35. The participants of the session were briefed about the work at the PWG “International Economic Conference in Tajikistan within the context of Central Asia Region”. Regional and international importance of the forthcoming international and economic conference was emphasized.

36. All Project Working Groups were recommended to continue their activities in accordance with the work plan and taking into account the priorities in further development of mutually beneficial and effective regional cooperation.

Agenda of the third RAC session

37. The participants confirmed the draft agenda of the third session for regional consultative committee according to RAC SPECA work plan for 2001-2001 that will take place in February 13-14, 2002 in Bishkek:

- 1) Adoption of the draft agenda
- 2) Results of the regional expert meeting on the issue “Water Management and Energy Resources in Central Asia. Contribution of international organizations”. Information of the National SPECA Coordinator from Kyrgyzstan.
- 3) Information of the RAC Chairman about the implementation of the RAC second session decisions
- 4) Information of the project working groups about the implemented work and adoption of their work plans.
- 5) Consultations of the RAC Chairman, SPECA National Coordinators with the representatives of international organizations and countries supporting SPECA
- 6) Adoption of the protocol
- 7) Miscellaneous

38. The protocol draft was adopted including recommendations and suggestions of the participants.

Chairman
D. Akhmetov
First Deputy Prime-Minister
Republic of Kazakhstan
Almaty, September 20, 2001

THE LIST OF PARTICIPANTS
Second session of the Regional Advisory Committee of the UN Special
Programme for the economies of Central Asia (SPECA)
(19-20 September 2001, Almaty)

Republic of Kazakhstan

1. Akhmetov D.K. - First Deputy Prime-Minister,
2. Abouseitov K.H.- Vice-Minister of Foreign Affairs,
3. Zverkov V.P. - Vice-Minister of transport and communications.
4. Kazyhanov E.H.- Director of multilateral cooperation Department of MFA,
5. Tolmachev V.G. - Head of international organisations division of MFA.

Kyrgyz Republic

1. Mateev U.A. – Chairman of State energy Committee of Kyrgyz Republic,
2. Anapiyaev E.A. - First Vice-Minister of foreign trade and industry.
3. Azhikeev A.T. - Vice-Minister of transport and communications,
4. Shaikenjv B. - Consul of Kyrgyz Embassy to the Republic of Kazakhstan,
5. Insirov – II Secretary of Kyrgyz Embassy to the Republic of Kazakhstan.

Republic of Tajikistan

1. Turadzhonzoda Akbar - First Deputy Prime-Minister of Tajikistan,
2. Mahmudov Israil - Deputy Minister of economy and trade,
3. Isaev Kamil - expert of division on communication with CIS countries of the Executive President Administration.

Turkmenistan

1. Altyev A. - I Secretary, Consul of Embassy of Turkmenistan to the Republic of Kazakhstan.

Azerbaijan Republic

1. Pashaev F. - Deputy Director of economic cooperation Department of MFA,
2. Davudov I. - III Secretary of economic cooperation Department of MFA,
3. Kassimov N. - Ministry of transport of Azerbaijan,
4. Ali-zade E. - Ministry of transport of Azerbaijan.

UN European Commission for Europe (UNECE)

1. Paolo Garonne - Deputy Executive Secretary,

1. P.Tsyba - Regional Coordinator SPECA ECE,
2. Nadezhdin E.V. - Regional Coordinator SPECA.

**UN Economic and Social Commission for Asia and the Pacific
(UNESCAP)**

1. Kim Hak-Su - Executive Secretary,
2. S.Thampi - Special Assistant,
3. R.Sauhney - Coordinator SPECA ESCATO.

Executive Committee for the Interstate Council of the Central Asian Economic Community (CAEC)

1. S.Primbetov - Deputy Chairman

UN Development Programme (UNDP)

1. S. Ramachandran - acting Permanent Representative of UNDP to the Republic of Kazakhstan,
2. A.Idrisova - project manager.

Asian Development Bank (ADB)

1. A.Muhamedjarova - project manager

World Bank (WB)

1. R.Solodchenko - WB Representative in Kazakhstan

Islamic Development Bank (IDB)

1. A.Isabayeva - project manager

Commission of the European Union (CEU)

1. B. Toll - acting Head of EUC Representation in Kazakhstan,
2. A.Baytibekova - expert.

Organisation for Security and Cooperation in Europe (OSCE)

1. H.Haupt - Head of OSCE Centre

Executive Committee for the Euroasian Economic Community (EEC)

1. R.Dzhienbayev - Permanent Representative of the Republic of Kazakhstan to the Commission of Permanent Representatives of EEC,
2. Sh.Suzhikova - Adviser

Executive Committee for the Commonwealth Independent States (CIS)

1. O.Rybkin - Deputy Department Director

Representatives of Diplomatic Corp in the Republic of Kazakhstan

Armenia

1. Yu. Petrosyan - Consul

Republic of Korea

1. Ch.S.Ho - Ambassador Extraordinary and Plenipotentiary

Russian Federation

1. Yu.Kazachenko - trade Representative

USA

1. M.Wood - economic expert,
2. T.Omoev - economic expert

Ukraine

1. S.N.Kravchenko - Consul