



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

SEVENTH SESSION OF THE SPECA GOVERNING COUNCIL

(Bangkok, Thailand, 28 November 2012)

REPORT

I. Introduction

1. The seventh session of the Governing Council of the United Nations Special Programme for the Economies of Central Asia (SPECA) was held in Bangkok on 28 November 2012. The 2012 SPECA Economic Forum “Strengthening Regional Economic Cooperation and Integration in Central Asia by Sharing the Asian Experience” was also held in Bangkok on 27 and 28 November 2012 just prior to the session of the Governing Council.

II. Participants

2. Participating in the Governing Council session were representatives of Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. Representatives of India, the Russian Federation, Turkey and Viet Nam, as well as representatives of international and regional organizations and partners, participated as observers. The List of Participants of the seventh session of the Governing Council and the 2012 SPECA Economic Forum is attached (Annex I).

III. Opening of the session and adoption of the agenda

3. The session was chaired by H.E. Ambassador Esen Aydogdyev, Permanent Representative of Turkmenistan to the United Nations Office at Geneva.

4. The session was opened by H.E. Mr. Babamyrat Taganov, Deputy Minister of Economy and Development of Turkmenistan, who reaffirmed the intention of the Government of Turkmenistan, the Chair country of SPECA between 2010 and 2012, to continue to play an active role within the Programme.

5. Mr. Sven Alkalaj, Executive Secretary of UNECE, in his opening statement, expressed the hope that the discussions on the European, Eurasian and Asian experiences regarding regional economic cooperation and integration that had been held in recent years within the SPECA framework would help start a step-by-step process of building sustainable organizational and institutional frameworks for regional economic cooperation and integration in Central Asia. While a reform in 2005 had improved the governance of SPECA and significantly increased the number of projects implemented within its framework, the Governing Council urged that the regional commissions further expand project

implementation. Thus, the Programme needed to be further strengthened to meet such demand. The Proposals on Further Strengthening the United Nations Special Programme for the Economies of Central Asia, jointly developed by UNECE and ESCAP and distributed to delegates before the session, described a coherent set of measures that could improve the governance of the Programme and further expand project implementation. The Executive Secretary of UNECE offered to visit, in the course of 2013, possibly together with Dr. Noeleen Heyzer, Executive Secretary of ESCAP, SPECA member countries in order to discuss strategic issues of regional cooperation and to consult on the above-mentioned proposals. The Executive Secretary of UNECE thanked the Government of Turkmenistan for the active and successful chairmanship of SPECA between 2010 and 2012.

6. In her address, Dr. Noeleen Heyzer, Executive Secretary of ESCAP emphasized that Central Asia was of great and growing importance to the entire Asia-Pacific region. She noted that SPECA had been established to support cooperation, to create incentives for economic development and to advance the integration of Central Asian States into the economies of both Europe and Asia. Even though SPECA was changing and evolving, it was far from being fulfilled, and further strengthening was needed to facilitate progress with regard to cooperation and the integration of member countries. She asked how SPECA could be made to function better and more effectively, what was wanted from the Programme, what resources would be needed and what was the best way to achieve those goals? The Executive Secretary suggested a re-examination of the approach to the Programme's governance and accountability, and noted that its success was in the ownership of the Programme by the member countries. She suggested that changes be considered at three levels, namely, the organization, programme implementation and subregional and regional support levels. She urged the SPECA countries to partner even more closely with ESCAP and UNECE in the final push towards the 2015 deadline for attainment of the Millennium Development Goals, in view of the fact that the subregional and regional consultations on the post-2015 development agenda approaching. The Executive Secretary of ESCAP expressed sincere gratitude to the Government of Turkmenistan for its excellent chairmanship of SPECA between 2010 and 2012.

7. The Head of the Delegation of Afghanistan noted that the successful conclusion of the transition period to 2014 remained a challenge for his country. He stated that elections in 2014 should play an important role in consolidating the democratic process. Regional economic cooperation could help Afghanistan move towards self-reliance. Unfortunately, the RECCA process had so far produced only a few concrete achievements. He recognized the importance of SPECA, as a United Nations programme, in bringing legitimacy and greater weight to international efforts to promote regional economic cooperation. He proposed adding a seventh SPECA Project Working Group to the existing six, and that group would discuss the political dimensions of regional cooperation. Finally, he informed the Council that Afghanistan would be ready to assume the chairmanship of SPECA in 2014.

8. The Head of the Delegation of Azerbaijan thanked ESCAP and UNECE for organizing a highly interesting discussion on the Asian experience of regional economic cooperation and integration. Such discussions could help pave the way for the elaboration of common positions by countries of the region. He praised the good progress achieved within the "Aid for Trade" programme following adoption of the Baku Declaration and assured participants that his Government was making every effort to strengthen regional economic cooperation.

9. The Head of the Delegation of Kazakhstan expressed appreciation for the fruitful discussions that had been held during the SPECA Economic Forum. While SPECA had achieved good results, it was time to move forward, produce new ideas and find new drivers. Analysing current trends and making efforts to implement the priorities of the United Nations Conference on Sustainable Development (Rio+20) would help in the process of moving forward. He thanked the Government of Turkmenistan for the excellent chairmanship of SPECA.

10. The Head of the Delegation of Kyrgyzstan characterized the discussions of the SPECA Economic Forum as constructive and productive, as they had focused on the core questions of regional cooperation. She voiced appreciation for the work carried out by ESCAP and UNECE within the SPECA framework, as it was aimed at facilitating the common efforts of member countries to strengthen regional cooperation. She fully supported the idea of using the SPECA framework to discuss the post-2015 development agenda and the Rio+20 priorities. As Kyrgyzstan had just set up the National Council for Sustainable Development, she informed the Council that her Government would be ready to participate actively in those discussions.

11. The Head of the Delegation of Tajikistan thanked ESCAP and UNECE for the organization of a highly successful Economic Forum and expressed appreciation for the active chairing of the Programme by Turkmenistan. He emphasized that SPECA was a needed and important platform for regional cooperation. Tajikistan would continue its active participation in the work of all six SPECA Project Working Groups. He expressed his full support for the Proposals on Further Strengthening the United Nations Special Programme for the Economies of Central Asia and expressed hope that in the future all seven member countries would take part in SPECA activities.

12. The Governing Council adopted the agenda of its seventh session.

IV. Outcomes of the 2012 SPECA Economic Forum (27-28 November 2012, Bangkok, Thailand)

13. Mr. Shun-ichi Murata, Deputy Executive Secretary of ESCAP presented the recommendations of the 2012 SPECA Economic Forum “Strengthening Regional Economic Cooperation and Integration in Central Asia by Sharing the Asian Experience” (27-28 November 2012, Bangkok, Thailand). He called for a greater role of SPECA in promoting economic cooperation and integration processes in the Asia-Pacific region. He underlined the importance of careful study of Asian best practices in the field of regional economic cooperation and integration, as well as increased attention to regional aspects of the post-2015 development agenda and implementation of the Rio+20 priorities. He called on SPECA to catalyse efforts to better integrate the needs and priorities of the Central Asian region into the post-2015 development agenda and implement other initiatives. He pointed out that the positive outcome of the 2012 SPECA Economic Forum was based on a productive exchange of experiences and best practices and that the outcome would contribute to strengthened regional cooperation and integration in Central Asia.

V. Briefing on the side event “Review of Work in the SPECA Framework in Support of Implementation of the Decisions of the Fifth Regional Economic Cooperation Conference on Afghanistan” (26 November 2012, Bangkok, Thailand)

14. Mr. Marton Krasznai, Regional Adviser, Economic Cooperation and Integration Division of UNECE, and SPECA Deputy Coordinator at UNECE noted that the side event reconfirmed that a key priority of SPECA was to assist in the stabilization and sustainable economic development of Afghanistan through the strengthening of regional cooperation. The commitment of UNECE and ESCAP to the Istanbul Process on Regional Security and Cooperation for a Secure and Stable Afghanistan had been convincingly demonstrated by the Follow-up meeting of the 2010 SPECA Economic Forum “Developing a Plan of Action to Strengthen the Stability and Sustainable Development of Afghanistan through Regional Economic Cooperation in Central Asia” held in Ashgabat in June 2011. He summarized statements that had been made at the side event by the representatives of Afghanistan and Tajikistan, the Special Representative of the Secretary-General for Afghanistan and the representative of the United Nations Regional Centre for Preventive Diplomacy for Central Asia.

15. The representative of Afghanistan was encouraged by the focus of the side event on the RECCA process. He was convinced that the meeting would contribute to strengthening regional cooperation between Afghanistan and its neighbours. The projects presented at the side event were much needed. He expressed hope that SPECA could also develop projects that would facilitate cooperation in the wider region.

VI. Briefing on the Subregional Workshop on Millennium Development Goals and the Post-2015 Development Framework for Central and East Asia, jointly conducted by ADB/ADB/ESCAP/UNDP (26-28 September 2012, Almaty, Kazakhstan)

16. Mr. Nikolay Pomoshchnikov, Head of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office presented the report on the Subregional Workshop on Millennium Development Goals and the Post-2015 Development Framework for Central and East Asia, which had been jointly conducted by the Asian Development Bank, the Asian Development Bank Institute, ESCAP and the United Nations Development Programme, in Almaty, Kazakhstan, from 26 to 28 September 2012. He indicated that the workshop was the first in a series of subregional country consultations that had been arranged by ESCAP in different subregions, and that the ESCAP Office supported and actively participated in them. He noted that the progress of countries in the Asia-Pacific region in attaining the Millennium Development Goals was being monitored mainly through the progress that was being achieved by 10 countries in Central and East Asia, all of which were represented at the workshop. He emphasized that all those countries had achieved gender parity in primary education, while all except one country had done so at the secondary and tertiary levels. He pointed out that most countries would not be able to meet targets for reducing maternal and child mortality, for halting and beginning to reverse the spread of HIV/AIDS, and for halving the proportion of the population without sustainable access to safe drinking water and basic sanitation.

17. He suggested that Mongolia be invited to share its experience in reducing maternal mortality, as the maternal mortality ratio in that country had dropped from 130 maternal deaths per 100,000 live births in 1990 to 65 such deaths in 2008. Some member countries suggested that a special body be created at the national level with the capacity and authority

to link policies at the sectoral level. He mentioned several ways that goals could be developed for the development agenda beyond post-2015 goals: (a) keep the Millennium Development Goals, but add additional goals to meet current issues faced by countries; and (b) develop sustainable development goals, broaden them to make them more universal, incorporate strategic issues, and foster national adaptation while ensuring that the goals could be monitored.

VII. SPECA activities since the last session of the Governing Council (11 November 2011, Ashgabat, Turkmenistan)

18. The Regional Adviser and SPECA Deputy Coordinator at UNECE emphasized that the Progress Reports on the activities of the six SPECA Project Working Groups (Annex II) that had been distributed to the representatives of SPECA member countries before the meeting, provided a clear indication that SPECA was a mature and stable Programme that was implementing projects worth millions of dollars. There was a high degree of continuity in programme implementation: several projects had an implementation period stretching over several years, which provided for a degree of stability and predictability. It was noted that, since the previous session of the Governing Council, all six Project Working Groups had continued project implementation in a planned way. It was mentioned that SPECA had adopted biennial Work Plans and was currently working on the basis of the Work Plan for 2012-2013.

VIII. Approval of the broadened Terms of Reference (ToR) of the Project Working Group on Knowledge-based Development (PWG on KBD) and the Terms of Reference (ToR) of the Project Working Group on Statistics

19. The Head of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office clarified the reasons why changes had been proposed in the Terms of Reference of the Project Working Group on Knowledge-based Development (Annex III). He indicated that all member States had expressed and supported the idea to expand the Terms of Reference to include disaster risk reduction in response to the evolving needs of member countries. The only addition that had been proposed was the inclusion as a thematic area “knowledge-based disaster risk reduction and management”.

20. The Regional Adviser and SPECA Deputy Coordinator at UNECE reminded participants that the SPECA Project Working Group on Statistics had been established as a result of the SPECA Reform in 2005, and that the Group had become one of the most active of the Project Working Groups. It had taken advantage of support by Eurostat, the statistical agency of the European Commission, and the Interstate Statistical Committee of the Commonwealth of Independent States. Heads of national statistical agencies (members of the SPECA Project Working Group on Statistics) asked for elaboration and adoption of the Terms of Reference for that Project Working Group (Annex IV). The Terms of Reference of the Project Working Groups would need to be brought into harmony with the Terms of Reference of SPECA, once it would be adopted by the Governing Council.

IX. Report on the work of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office, including the work on the Post-2015 Development Agenda and Rio+20 outcomes

21. Mr. Nikolay Pomoshchnikov introduced to the Governing Council the activities of the Joint ESCAP/UNECE SPECA Office as well as the ESCAP Subregional Office for North and Central Asia established last year. He pointed out that the main objectives of the ESCAP/UNECE SPECA Office were to help countries achieve internationally agreed development goals by promoting inclusive and sustainable socioeconomic development, and to facilitate the improvement of regional connectivity by encouraging transport infrastructure development and facilitating agreements aimed at boosting regional trade and economic prosperity. He also described a number of activities in different sectors that dealt with various socioeconomic aspects of member countries, which indicated that a number of projects that were considered a priority were related to water and energy issues, in particular, effective water resource management and use, advanced energy technologies, renewable energy and clean fossil fuel technologies. The ESCAP Subregional Office was actively participating in the process of national consultations in Kazakhstan on the post-2015 development agenda and the Rio+20 priorities.

X. Cooperation between SPECA and regional organizations and institutions

22. The Executive Secretary of UNECE reminded participants that strengthening coordination and cooperation with relevant regional organizations and institutions was an important part of the SPECA reform adopted in 2005. The decision on reform opened up SPECA decision-making bodies and Project Working Groups for partner organizations. Over the years, mutually advantageous cooperation had evolved between SPECA and a great number of partners. UNECE was in the process of developing long-term partnerships with the World Bank, the German Agency for International Cooperation and the Swiss Agency for Development and Cooperation in the implementation of comprehensive programmes. The Executive Secretary briefed participants on his talks a week previously with the President of the Asian Development Bank, and other senior members of the Bank's management on strengthening cooperation between SPECA and the Central Asia Regional Economic Cooperation Programme, which was coordinated by the Bank.

XI. Preparation of proposals on further strengthening SPECA

23. The Executive Secretary of UNECE thanked the representatives of the SPECA member countries for a series of suggestions and a wealth of ideas on how to further strengthen the Programme. On the basis of those suggestions and ideas, UNECE and ESCAP had prepared the Proposals on Further Strengthening the United Nations Special Programme for the Economies of Central Asia (SPECA). That document had been circulated in advance among participants of the session (Annex V).

24. In the Proposals, major areas where SPECA implementation could be further improved and strengthened were identified. The Programme could be used more actively to raise the awareness of policymakers and experts about the close interlinkage between regional cooperation and sustainable development. SPECA, supported by UNECE and ESCAP, both regional development arms of the United Nations, was particularly well suited for that purpose. Integration of a regional perspective into the post-2015 development agenda and follow-up to and implementation of the Rio+20 outcomes would offer several advantages.

Such activities would better reflect the particular challenges faced by the region and increase the contributions that regional cooperation made to sustainable development. The activities would provide a platform for developing a common position by SPECA member countries, increase their voice, participation and leverage in the policy decisions of various international development forums and supranational negotiations. Finally, they would facilitate the mobilization of public and private resources for implementing relevant programmes within the SPECA framework, as well as those of individual countries.

25. By discussing and adopting the SPECA Terms of Reference at the next session of the Governing Council in 2013, the Council would put in place clear, agreed rules for the operation of the Programme. That would enable the Governments of member countries to better govern the Programme and increase its effectiveness.

26. The Executive Secretary of UNECE emphasized that foreseen in the Proposals was a significant strengthening of coordination and cooperation between SPECA and its partner organizations. In building on earlier achievements, it was proposed that SPECA develop long-term partnerships with key partners and donors for the implementation of more complex programmes.

27. The Executive Secretary of UNECE offered to visit SPECA member countries in the course of 2013, possibly jointly with the Executive Secretary of ESCAP, in order to discuss the proposals, as well as to exchange views on strategic issues of regional economic cooperation. On the basis of those consultations, the two regional commissions would further elaborate on the proposals for strengthening SPECA, taking fully into account the views of member countries. Such proposals could then be discussed and approved by the next session of the Governing Council in the fourth quarter of 2013.

XII. Election of the next Chair (country) of SPECA

28. The Governing Council elected Kazakhstan as the next Chair country of SPECA for the period 2012-2013.

29. The representative of Afghanistan reconfirmed the willingness of his Government to assume the chairmanship of SPECA for the period 2013-2014.

XIII. Other business, including date and venue of the 2013 SPECA Economic Forum and eighth session of the SPECA Governing Council

30. The Governing Council noted that the exact dates and venue for the next session of the Governing Council and Economic Forum would be decided through consultations with the Chair country and SPECA member countries.

XIV. Adoption of conclusions and decisions

31. The Governing Council adopted the decisions (Annex VI) as read out by the Chairperson of the session and amended by delegations.

XV. Closing session

32. Closing statements were made by the Heads of Delegations of the SPECA member countries, the Executive Secretary of ESCAP and the Executive Secretary of UNECE.
