

## **The UN Special Programme for the Economies of Central Asia (SPECA)**

Its strategic importance makes Central Asia a unique region within the UNECE area: it plays a significant role in the energy security of Europe and Asia, it is a potential transport hub between the two continents and plays an active role in the fight against such global security challenges as terrorism, religious extremism or drug trafficking. These countries face unique challenges too: all of them are land-locked, they follow divergent paths of economic development and there is a rapidly growing gap between the income levels of energy exporting and non-energy exporting states. All of these states face an urgent task of diversifying their economies, moving away from their present status of energy and commodity exporters. Strengthening regional cooperation is a key precondition for the rapid, balanced and sustained economic development of all the countries of the region. Only through close regional cooperation can they fully capitalize on their strategic advantages and fight jointly and effectively the challenges that can potentially de-stabilize the region.

The UN Special Programme for the Economies of Central Asia addresses the unique needs of its member countries. It was established in 1998 by the presidents of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Azerbaijan joined it in 2002 and Afghanistan in 2005. It is supported jointly by the UNECE and UNESCAP. The Programme has distinct comparative advantages: it was initiated and established by its member countries, it is governed by them, it addresses crucial issues of regional cooperation taking advantage of international legal instruments, norms, standards and recommendations the two Regional Commissions are custodians of, and it combines technical assistance and capacity building by in-house experts of the UNECE and UNESCAP with high-level, cross-sector, inter-ministerial policy discussions and regular policy-business-research dialogue. Since all major partner countries of Central Asia are members either of the UNECE or UNESCAP, SPECA can provide a neutral forum for the discussion of complex strategic issues of intra- and inter-regional cooperation.

Due to these comparative advantages the Programme has demonstrated an impressive level of adaptability. In 2004 the UN Secretary General tasked the two Regional Commissions to reinvigorate and strengthen the Programme. The reform of SPECA was launched at the International Conference on Strengthening Sub-Regional Economic Cooperation in Central Asia and the Future Role of SPECA in May 2005 in Astana. The first results of the reform are now becoming visible. The new governing structure (the Governing Council attended by deputy prime-ministers and the Coordinating Committee attended by deputy foreign ministers) provides dynamic and effective strategic guidance to the six Project Working Groups (PWG on Transport, Water and Energy, Trade, Statistics, ICT for Development and Gender and Economy).

The 2005-2007 SPECA Work Plan includes 28 projects/activities in the above areas. Presently there are fourteen projects that have assured funding with a total outlay of about US 4 million. Three projects with an outlay of about US 1 million have been approved for funding under the 5<sup>th</sup> tranche of the UN Development Account.

The activities of each Project Working Group are supported by the relevant Divisions of UNECE and UNESCAP in a coordinated and mutually reinforcing way.

*The PWG on Transport* focuses on the development of Euro-Asian transport linkages, including the possible extension of the TER (railway) and TEM (road) networks into the region. It plays an active role in preparations for the Mid-Term Review (2008) of the Almaty declaration of Land-Locked and Transit Developing Countries.

*The PWG on Water and Energy*, among others, worked out the Cooperation Strategy for the Rational and Efficient use of Energy and Water Resources of Central Asia (2003) and prepared diagnostic reports on the energy and water resources of Central Asia. It played a key role in establishing institutionalized cooperation between the Kazakh and Kyrgyz governments in the management of water installations on the Chu-Talas Rivers. Presently it works on a project on dam safety for Central Asia, strongly and actively supported by all SPECA member countries.

*The PWG on Trade* is engaged in trade facilitation through the introduction of electronic data corridors based on UNECE norms, recommendations and standards, as well as capacity building on issues related to the WTO accession of Central Asian countries.

*The PWG on ICT for Development* facilitates cooperation in the initiatives related to knowledge-based economy development. It has been organizing capacity-building activities in the area of ICT policy-development and supporting initiatives to improve ICT access through Community Access Points. The PWG serves as a forum for discussion and knowledge sharing among ICT policy makers of SPECA member countries.

*The PWG on Statistics*, besides general capacity building activities for the statistical offices of SPECA member countries is presently launching projects on some areas, where there is an urgent need to improve data collection and analysis, like labour migration statistics or MDG-related statistics.

*The PWG on Gender and Economy* is about to launch a project financed by the UN Development Account on developing additional MDG targets for the region in the area of social inclusion and the participation of women in the economy.

*More detailed information on the activities of each Project Working Group can be found in the reports of the relevant Divisions of UNECE and UNESCAP.*

At the December 2006 meeting of the Coordinating Committee in Dushanbe representatives of member countries strongly demanded better coordination between SPECA and other regional programmes and organizations, first of all CAREC. (The Central Asia Regional Economic Cooperation programme (CAREC) is a coordination framework for ADB, the World Bank, IMF, EBRD, IDB and UNDP.) In 2007 UNECE plans to make serious efforts to establish regular coordination and cooperation between SPECA and CAREC.

*The SPECA Economic Forum*, a one-day event co-organized with the Governing Council is a venue of strategic discussions and the source of new ideas, proposals for

the Programme. The 2006 Economic Forum in Baku addressed the theme “The Energy Dividend”: spreading the growth impulse for prosperity and stability in the SPECA region. The 2007 SPECA Economic Forum will deal with trade and investment links between Central Asia and its most important partners in Asia and Europe. It will be constituted of two meetings: the first in May 2007 in Almaty (“Focus on Asia”) will be part of the Asia-Pacific Business Forum of UNESCAP. The second in November in Berlin (“Focus on Europe”) will be an event jointly organized with the Government of Germany, which holds the EU Presidency in the first half of 2007. The Berlin meeting will also offer an opportunity to discuss practical implementation plans of the new Central Asia Strategy of the European Union, including potential contributions by SPECA. The two meetings are expected to identify shared or identical interests of the largest economic partners of Central Asia; the 2008 SPECA Economic Forum may discuss the conclusions of the previous two conferences in this crucial area.

The Partnership for Economics Education and Research Support (PEERS) presently being established by UNECE, UNDP, OSCE and the Economics Education and Research Consortium will support economic research in Central Asia and provide analytical underpinning for the activities of SPECA PWG-s.