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Geneva, 18 October 2010
Opening Statement by Mr. Ján Kubiš
United Nations Under-Secretary-General
Executive Secretary of the United Nations Economic Commission for Europe

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to welcome you to the 2010 Economic Forum organized in the framework of the United Nations Special Programme for the Economies of Central Asia (SPECA). The SPECA Forums traditionally deal with issues of strategic importance for Central Asia and those so far held in Baku, Almaty, Berlin, Moscow or Bishkek discussed how economic cooperation within and beyond the region can help countries of Central Asia to achieve their full growth potential.

Today's meeting is focusing on a strategic issue too. At last year's session of the SPECA Governing Council, the Representative of Afghanistan spoke of the need for closer economic cooperation between Central Asia and Afghanistan as an important contribution to the long-term stabilization and reconstruction of his country. He underlined the importance of improved transport and trade links and enhanced supply of gas and electricity to Afghanistan and proposed to Central Asian partners to exchange ideas and jointly address shared challenges. Other member countries supported this proposal. It was therefore decided to devote this 2010 Economic Forum to the discussion of how strengthened regional cooperation in Central Asia can contribute to the long-term stability and sustainable development of Afghanistan.

There is no need to explain why the countries of the region share a common interest in preventing the rise of militancy and extremism, the spread of organized crime, in particular drug and weapons trafficking and illegal migration. Since many of the threats are regional, to successfully counter them would require effective regional cooperation. Work to strengthen regional cooperation can build upon the desire for the stability and security of Central Asia, an interest shared not only among countries of the region but also by neighbouring countries and the international community.

Ensuring strong and sustainable development of the economies of the region is a sine qua non for achieving long-term stability. Therefore a regional approach must have a sound economic underpinning. Recent developments both in Afghanistan and other parts of the region confirm the importance of the "economic factor". Using regional cooperation to boost economic development would channel energies away from insurgency towards peaceful economic activities. Accelerating economic growth would contribute to poverty reduction and provide much needed resources for the proper functioning of the state.

To effectively contribute to the long-term stability of Afghanistan, Central Asian countries need to cooperate among themselves too. Only a stable and prosperous Central Asia can make a significant contribution to reversing the spread of extremism, drug- and weapons trafficking. Only through strengthened regional cooperation can Central Asian countries become more active partners in the fight against these threats and exert a positive, stabilizing influence over the broader region. Recent events in Kyrgyzstan and Tajikistan show that a lot remains to be done.

Why, despite these compelling arguments, does cooperation in the SPECA region remain below its potential and desired level? In my view the reasons are complex. Weak human and institutional capacity and insufficient resources are obviously among them. In some cases the complicated security situation is an overriding factor. But often it is the lack of confidence and political will that are hindering cooperation. These problems need to be addressed simultaneously and in a comprehensive manner to achieve sustainable progress.

Today we propose to focus on the areas of cooperation which can contribute most effectively to the sustainable economic development of SPECA countries and thus to the stabilization of the whole region. Our agenda is based on the priorities for regional cooperation set by the Afghan National Development Strategy, which is the vision of the Afghan Government and the international development community for the future of the country. All these priorities are also covered by SPECA.

First we propose to discuss trade. The bulk of Afghanistan's trade is with countries in its geographic proximity. Therefore the revival of regional and continental trade is the single most important potential engine for positive change in the region.

Transport is crucially important too. Expanding trade cannot happen without heavy investment in

transport and transit infrastructure, i.e. roads, railways, electrical power lines and pipelines. A stable Afghanistan could serve as a supplementary, cost-efficient point of access to world markets plus a transit route from energy-rich Central Asian countries to the energy-deficient South-Asian subcontinent.

A regionally coordinated energy infrastructure is critical to allow the region to benefit from its abundant natural resources. The importance of energy to accelerate Afghanistan's economic development is so overwhelming that since the early nineties the majority of political forces in Afghanistan supported the building of a trans-afghan gas pipeline.

Intra-regional investment in Central Asia has significantly contributed to economic development. Kazakhstan, Uzbekistan, Turkmenistan or Azerbaijan, for that matter, have the capital, know-how and experience to participate in the development of the extractive sector or other industries in Afghanistan.

More effective joint management of shared regional resources is necessary to remove the most stubborn stumbling block to regional cooperation in Central Asia: disputes over water. Increased water use from the Amudarya due to the expansion of irrigated areas in Afghanistan, demographics and economic development require a major improvement in the effectiveness of regional water resources management. The effects of climate change will increasingly contribute to this challenge. Existing regional institutions, in particular the International Fund for Saving the Aral Sea would offer a suitable framework for such joint work with Afghanistan.

To achieve sustainable progress in the mentioned areas there is a need to dramatically increase human and institutional capacity for regional cooperation. The 50 million dollar Kazakh education grant for Afghanistan is an important investment in the future of the region. The United Nations and other members of the international development community need to intensify their efforts too.

The SPECA programme has the potential to further contribute to the strengthening of cooperation in Central Asia. Established in 1998, through successes and failures it has accumulated considerable experience in addressing the complex, often sensitive problems of regional cooperation. It offers a neutral platform, in-house expertise of the UN Regional Commissions that support it as well as relevant international legal instruments of which the UNECE is the custodian. It relies on a broad network of policymakers and experts in the region and boasts a history of some solid successes, like the elaboration of the Regional strategy for the rational and efficient use of water and energy resources in Central Asia.

The UNECE works closely with a number of important partners in the region. For example, it implements the 2 million dollar programme "Regional dialogue and cooperation on water resources management", funded through the GTZ by the Government of Germany in the framework of the Berlin Process, which is part of the Water and Environment Pillar of the Central Asia Strategy of the European Union. The Executive Committee of the International Fund for Saving the Aral Sea is also a key partner in this programme.

Technical level efforts by the UNECE are complemented by high-level political intervention. During his visit to the countries of Central Asia, Secretary General Ban Ki-moon invited Governments to work constructively with the UN on the resolution of regional problems and in particular towards a more effective management of their water resources – a priority area of UNECE activities.

The UN Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA) has a strong mandate to serve as the UN platform to mobilise the political will of the countries of the region and to link them with their international partners in their common work to foster regional cooperation for the sake of stability, sustainable development and prosperity. The UNECE has developed close cooperation with the Centre, including through the deployment of our liaison officer in Ashgabat. From our perspective the work of the RCCA is instrumental in building confidence and political will in the region to search for mutually acceptable solutions to complex, often sensitive issues. We will cooperate with UNRCCA in the implementation of the outcomes of the Economic Forum too.

Furthermore, I myself regularly meet with high-level representatives of the Governments of Central Asian countries to strengthen confidence and build political will to act together.

I hope that our discussion today will help the efforts of SPECA countries, their neighbours and the international development community to make full use of regional economic cooperation to achieve stability and sustainable economic development in Central Asia and Afghanistan. We all are aware of the large gap between needs and available resources as well as the complexity of political and security challenges. At the same time the spectacular economic development of many

countries in the region and the growing realization of indivisibility of regional security can give us a degree of optimism: together we have a chance to succeed.

I wish you fruitful discussions and success in our common endeavours.

I declare the 2010 SPECA Economic Forum open.