

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

Protocol of the Fourth session of the Regional Advisory Committee of SPECA (28-29 November 2002, Bishkek, Kyrgyz Republic)

General provisions

1. The Fourth session of the Regional Advisory Committee of SPECA took place in Bishkek, Kyrgyz Republic, from 28 to 29 November 2002, in accordance with the Programme of Work of the RAC.

Participants

2. Official delegations from the Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, United Nations Economic Commission for Europe (UNECE) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) took part in the session. Delegation of Azerbaijan took part in the session as an observer. The representatives of Germany, Georgia, China, Russian Federation, Ukraine and the USA, and also of the Economic Cooperation Organization (ECO), UNDP, Organization of Central Asian Cooperation, the Eurasian Economic Union, Commission of the European Union, the World Bank, the Asian Development Bank and the Islamic Development Bank also took part in the session. The List of participants is attached herewith as Annex 1.

Organizational issues and general statements

3. On behalf of the Government of the Kyrgyz Republic, Minister of Foreign Affairs of the Kyrgyz Republic Mr. A. Ch. Aitmatov opened the session. He informed the participants that First Vice-Prime-Minister Mr. E. K. Osmonov had been nominated the Head of the delegation of the Kyrgyz Republic at the Fourth session of the RAC. Mr. E. Osmonov had been requested to chair the RAC session.

4. In his opening remarks, the Minister noted that Kyrgyzstan had been an active participant in the process of selection of the priority areas of activities of SPECA and also in working out its basic documents. The Kyrgyz Republic considered the Programme as an example of effective joining of forces by the participating countries of SPECA and as an activity of high political, economic and social importance.

5. The Minister acknowledged the United Nations' catalytic role in this important programme UN ECE and UNESCAP had been able to organize and mobilize considerable resources for the participating SPECA countries.

6. Mr. Aitmatov noted the successes of the SPECA programme in the area of cooperation on water and energy resources. In his view, there was a strong correlation between the relatively significant financing of the programme of activities in the area of water and energy and its achievements. On this basis, he appealed to international organizations of the UN system to better use the potential of SPECA by giving it more financial resources.

7. Referring to the forthcoming International Economic Conference on Tajikistan in the Regional Context of Central Asia (Dushanbe, 2-4 April 2003), Mr. Aitmatov noted that it could become a significant milestone in the development of the region. Potential investors and other trade and economic partners interested in projects of regional importance could use the proposals submitted by the Project Working Groups of SPECA, to the Conference. The Conference could give a new impetus to international activities, which would strengthen economic stability of the peoples of the region.

8. The President of the Kyrgyz Republic, His Excellency Mr. Askar A. Akayev addressed a special message to the participants of the RAC session. The text of the Message is attached to this Protocol as Annex 2.

9. In the message, President Akayev expressed his support to the request of Azerbaijan to join the programme of SPECA. He also supported the idea of Azerbaijan to give an impetus to the work of the SPECA Project Working Group on the search for alternative routes for delivery by pipelines of hydrocarbons to the world markets. In order to expedite the organizational work, he suggested that Azerbaijan use the good offices of the Coordinators for SPECA in UN ECE and UNESCAP.

10. President Akayev expressed his appreciation of the role of the SPECA programme as an instrument for effective regional coordination of international projects and also for developing and promoting international investment projects of regional importance.

11. President Akayev highly appreciated the establishment of the Business Advisory Council (BAC) of SPECA. He emphasized his strong support for the energetic development of cooperation between the Governmental structures and the business community within the framework of SPECA.

12. While fully supporting the elaboration, within the programme of SPECA, of the Memorandum of Understanding between the participating SPECA countries on the facilitation of road transport, the President suggested that there was a need for a similar Memorandum of Understanding between the participating SPECA countries on the issues of railroad transportation in the region. He also supported the concrete work of the Project Working Group on transport and Border Crossing Facilitation, which focused at settling mutual grievances and problems in the area of international transport on bilateral basis under the aegis of SPECA.

13. With reference to the preparatory work for the SPECA International Economic Conference on Tajikistan in the Context of Central Asia (Dushanbe, 2-4 April 2003), President Akayev supported the view that the process should benefit from a broad support and participation in the Conference of experts and representatives of the major trade and economic partners of the participating SPECA countries. In his view, the Conference should constitute an element in a series of international activities directed at stabilizing the economic and political situation in the economies of Central Asia, in the interest of Tajikistan and other SPECA countries.

14. Noting the progress in the area of regional cooperation on energy and water resources, the President stated that he would be ready, when the draft of the Strategy was agreed at the level of experts, to take the initiative to consider the text of the Strategy at the top level of political leadership of the participating countries of SPECA.

15. President Akayev expressed his appreciation of the effective coordination of the work in the region between UN ECE, UNESCAP and UNDP. As the scale of

reconstruction work in Afghanistan increased, this process would contribute to strengthening stability and improving the investment climate for foreign, regional and national investors. The positive response of the top leadership of the United Nations to the request of the Regional Advisory Committee, concerning the establishment of the post of the UN Special Coordinator on the issues of development and stability in Central Asia on the basis of the programme of SPECA, would further strengthen development and stability in the region.

16. Mrs. Brigita Schmognerova, Executive Secretary of UNECE, noted in her statement the important coordinating function of SPECA in the region of Central Asia. The participating states had made considerable progress in all the areas of active regional cooperation, which attested to the fact that the participating countries were striving for practical cooperation.

17. Mrs. Brigita Schmognerova appreciated practical achievements of the PWG-Transport and Border-Crossing Facilitation, in particular in settling mutual grievances between the participating SPECA countries and in working out the Memorandum of Understanding on the road transport in the region.

18. Concerning the International Economic Conference on Tajikistan in the Regional Context of Central Asia, Mrs. Schmognerova reconfirmed that UN ECE would contribute to the preparation of the basic documentation for the Conference, to raising awareness of the Conference in the ECE member states and to resource mobilization for the Conference.

19. The Executive Secretary welcomed the establishment of the Business Advisory Council of SPECA. This new body of SPECA would open up new possibilities for the involvement of the business communities of SPECA countries in the development of regional business cooperation.

20. The UNESCAP Coordinator on SPECA, Mr. Ravi Sawhney delivered a statement on behalf of the Executive Secretary of UNESCAP, Mr. Kim Hak-Su.

21. In his statement, Mr. Kim Hak-Su reiterated the United Nations commitment to promote the welfare of the peoples of Central Asia and assumed UNESCAP's continuing support for the further implementation and strengthening of SPECA.

22. Mr. Kim observed that many of the major issues and problems, particularly those concerning sustainable development in Central Asia, were transboundary in nature and scope and thus underscored the importance of intra-Central Asian and international cooperation for meeting the challenges of globalization and pursuing the path of sustainable development.

23. Mr. Kim informed the meeting of UNESCAP's positive response to the request from the Government of Tajikistan to assist them in the organization of the International Economic Conference on Tajikistan in the Regional Context of Central Asia. UNESCAP would be organizing a back-to-back Regional Round Table on Foreign Direct Investment for Central Asia to which he invited all SPECA member countries to participate actively.

24. UN Resident-Coordinator and UNDP Resident-Representative in the Kyrgyz Republic Mr. Jerzy Skuratowicz noted with satisfaction that in SPECA the participating countries tackled the issues of high urgency and importance in the area of regional cooperation and development. The programme addressed the particular interests of the great majority of the population of those countries. In its activities, the UNDP Country

Office planned to fully take into account the activities of SPECA and to cooperate with the programme as much as was practical.

Request of the Republic of Azerbaijan for Membership in SPECA

25. Minister of Foreign Affairs of the Kyrgyz Republic Mr. A. Aitmatov informed the participants on the procedural activities, undertaken by the Kyrgyz Republic as the Chairman-in-Office of the RAC of SPECA, to ascertain the positions of the participating countries of SPECA on the request of Azerbaijan for membership in the programme. Official letters from the Chairman of the RAC were sent to the leaders of Turkmenistan and Uzbekistan, with reference to the urgency of the issue. Unfortunately, there was no response to those official letters.

26. Minister Aitmatov informed that the procedure of accession had been fulfilled. On that basis and in view of the decision of the Third session of the RAC on this issue, the Minister recommended that the participants take a decision to accept the Republic of Azerbaijan as a full-fledged participant of the United Nations Special Programme for the Economies of Central Asia (SPECA).

27. The Session supported the proposal of the Kyrgyz Republic by acclamation whereupon the Chairman announced that the Republic of Azerbaijan had joined the programme of SPECA as a full-fledged member country.

28. The head of delegation of Azerbaijan, Deputy Minister of Foreign Affairs, Mr. Mamed-Kuliev, expressed his gratitude to the representatives of the participating SPECA states for their support of the candidacy of Azerbaijan. He stated that Azerbaijan would be actively participating in SPECA. In particular, he proposed that the next session of the SPECA Project Working Group on Transport and Border Crossing Facilitation be held in Baku.

Implementation of decisions of the Third session of the RAC

29. The Session took note of the information of the Chairman of the session, on behalf of the Chairman of the RAC, on the implementation of decisions and recommendations of the Third session of the RAC (Annex 3).

Concept of the Regional Strategy for Rational and Efficient Use of Energy and Water Resources of Central Asia

30. Information on this issue was presented by Chairman of the Project Working Group on Rational and Efficient Use of Energy and Water Resources (PWG-Energo), Mr. U. Mateyev, international expert Dr. I. Krasnova, Regional Adviser from UN ECE, Mr. E. Nadezhdin and Economic Affairs Officer from UNESCAP Mr. Yuri Steklov. The Session took note of their information, in particular – of the information relating to the principles and the basic outline of the Concept of the Regional Strategy.

31. The Session agreed with the decisions adopted by the PWG-Energo at its session on 28 November 2002. The Session:

(i) Approved the Concept of the Regional Strategy for Rational and Efficient Use of Energy and Water Resources of Central Asia and its circulation to the Governments of all SPECA participating states and to all relevant international organisations.

(ii) Agreed with the decision of the Tenth session of the PWG-Energo to adopt the text of the first draft of the Regional Strategy, as a basis for further work on the Strategy and to add to the strategy paper a section on the Plan of Action.

(iii) Agreed that international consultants and experts of the UN ECE and UNESCAP prepare, on the basis of the comments and suggestions (concerning the proposed Strategy), the second draft of the Strategy for Rational and Efficient Use of Energy and Water Resources of Central Asia and to circulate that draft to national coordinators of the Project before 10 February 2003.

(iv) Agreed with the proposals of PWG-Energo concerning the organisation of further work on the draft of the Strategy. National Coordinators of SPECA were requested to organize the consideration of the suggested draft of the Strategy at the national level. It was also recommended that the National Coordinators of SPECA organise the consideration of the proposed draft of the Strategy at the national level. National Coordinators of SPECA and national consultants, working on the project “Rational and Efficient Use of Energy and Water Resources of Central Asia”, were requested to submit to the secretariat of the PWG-Energo, before 25 February 2003, their suggestions on the improvements to the second version of the Strategy.

(v) Agreed to hold on 5 - 6 March 2003 in Bishkek (Kyrgyz Republic) a meeting of international and national consultants of the Project “Rational and Efficient Use of Energy and Water Resources of Central Asia”, with the participation of the secretariat of the PWG-Energo, to finalize the second version of the Strategy and to circulate that version to National Coordinators on SPECA and to the secretariats of the UN ECE and UNESCAP.

(vi) Agreed to hold the 11th session of the PWG-Energo from 9 to 11 April 2003 in Bishkek.

(vii) Agreed to take note of the decision of the PWG-Energo to consider as completed the work on the creation of the Zones of energy- and water efficiency in Almaty and Bishkek. It supported the recommendation of the PWG-Energo to continue the implementation of the projects on energy and water efficiency in the above mentioned Zones and to strengthen the work aimed at attracting national and international financing institutions for the implementation of those projects.

(viii) Approved the activities undertaken to implement the Concept on the Establishment of the Regional Information Network for the lead institutions on water and energy issues in the countries of Central Asia and supported the appeal of the PWG-Energo to the national coordinators of the SPECA programme to ensure tax-free importation in the respective countries of the equipment for the above mentioned information network.

Regional meeting of experts on “Regional cooperation in the area of transport and border crossing facilitation. How to improve its efficiency. Contribution of international organisations”.

32. The Chairman of the meeting – First Vice-Minister of Transport and Communications of Kazakhstan Mr. K. Jakupov – presented the information on that agenda item.

33. The Session took note of the information of Mr. K. Jakupov and agreed:

(i) Strengthen the efforts at national and regional levels aimed for attracting the participation of national private sector in the activities of SPECA;

(ii) Request the secretariats of UNECE and UNESCAP to include capacity-building activities of specific interest to the participating countries of SPECA into their respective sections of the project, financed from the UN Development Account - Project for Capacity Building in the Development of Interregional Land and Land-cum Sea Transport Linkages;

(iii) Recommend to the National Coordinators of SPECA to support the preparation and holding in 2003 in Kazakhstan of the Meeting of Ministers of transport of land-locked and of developing transit transport countries, of donor countries and of international financing institutions on the issues of cooperation in the area of transport;

(iv) Accept the invitation of Azerbaijan to hold the next session of the SPECA Project Working Group on Transport and Border Crossing Facilitation in Baku, Azerbaijan.

Activities of Project Working Groups of SPECA

34. The Session took note of the reports, presented by the Chairmen of the Project Working Groups of SPECA.

Chairman of PWG-Tajikistan, Mr. I. Makhmudov, brought to the attention of the Session the difficulties encountered in preparatory activities for the International Economic Conference on Tajikistan in the Regional Context of Central Asia. In particular, he noted that the participating countries had not yet submitted to the Organizing Committee of the Conference documentation on the investment projects of regional importance, which could be presented at the Conference. Mr. Makhmudov expressed his appreciation for the considerable support of UNESCAP for the preparation of the Conference by organizing a back-to-back Regional Round Table on Foreign Direct Investment for Central Asia. In his view, the Conference was a regional event of importance to all participating SPECA countries. Therefore there was a need to ensure active participation and effective coordination of activities and contributions of all the parties, participating in the preparation of the Conference.

The status of formation of the Business Advisory Council (Report of the Chairman of the BAC).

35. Chairman-organiser of the Business Advisory Council (BAC) of SPECA, Mr. Raimbek Batalov, informed the Session of the status of formation of the BAC (Annex 4). The process was delayed by the fact that Kyrgyzstan, Turkmenistan and Uzbekistan had not nominated their candidates to the BAC. Nevertheless, the Council had started its work. The first session of the BAC had taken place in which representatives of the business community of Kazakhstan and Tajikistan participated. It was also attended by the representatives of Afghanistan, Asian Development Bank, Islamic Development Bank and UN ECE. The session adopted a preliminary Plan of Work of the BAC. At the forthcoming International Economic Conference on Tajikistan in the Regional Context of Central Asia and Regional Round Table on Foreign Direct Investment for Central Asia (Dushanbe, 2-4 April 2003), the Council plans to present a concrete position of the business community on the issues of improving the investment climate in the region of Central Asia.

36. The Session suggested that the Chairman of the BAC repeats his request for the submission of the national candidates in the Business Advisory Council within a short deadline – for example, before the end of 2002. After that deadline, the Chairman would be authorized to make the selection of candidates exclusively on the basis of recommendations of the business community.

37. The RAC endorsed the suggestion of Mr. Ravi Sawhney, Coordinator on SPECA in the UNESCAP, that the Business Advisory Council should establish contacts with existing national and joint Chambers of Trade and Commerce or other business associations in the member countries to participate in the Council. This would enable the Council to use the existing professional capacities and networks of business community for the purposes of SPECA.

Miscellaneous

38. To initiate a discussion on the Agenda of the Fifth session of the Regional Advisory Committee, the Chairman submitted for consideration of the session a draft Agenda of the session, to be held in April 2003 in Dushanbe.

As a result of the exchange of views, it was suggested that the session takes place immediately after the International Economic Conference on Tajikistan in the Regional Context of Central Asia and Regional Round Table on Foreign Direct Investment for Central Asia (Dushanbe, 2-4 April 2003).

The Agenda could include the following items:

- (1) Election of the Chairman-in-Office of the RAC.
- (2) Adoption of the Agenda.
- (3) Implementation of decisions and recommendations of the Fourth session of the RAC (Report of the delegation of Kyrgyzstan).
- (4) Results of the International Economic Conference on Tajikistan in the Regional Context of Central Asia and Regional Round Table on Foreign Direct Investment for Central Asia (Information of the Chairman).
- (5) Reports of the Project Working Groups:
 - PWG-Energo;
 - PWG-Transport;
 - PWG-Tajikistan.
- (6) Miscellaneous.
- (7) Approval of the Protocol.

39. The Session took note of the suggested draft Agenda. It was agreed that comments and suggestions on the draft, including those on the timing of the session, would be submitted to the Chairman of the RAC, if appropriate, by fax or by e-mail.

40. With regard to the RAC work plan for the next year, the Session requested UN ECE and UNESCAP to jointly formulate a work plan and submit it at the next session of

RAC. Participants of the session expressed their gratitude to the Government of the Kyrgyz Republic for effective organization of the Fourth session of the RAC of SPECA.

Chairman of the Fourth session
of the Regional Advisory Committee
of SPECA
First Vice-Prime-minister of the Kyrgyz Republic

K. Osmonov

Bishkek, 29 November 2002