



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

Eighth session of the SPECA Governing Council

(Almaty, Kazakhstan, 22 November 2013)

REPORT

I. Introduction

The eighth session of the Governing Council of the United Nations Special Programme for the Economies of Central Asia (SPECA) was held in Almaty on 22 November 2013.

II. Participants

Representatives of Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan, as well as the Executive Secretary of the United Nations Economic Commission for Europe (UNECE), Deputy Executive Secretary of UNECE, Deputy Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and the Head of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office, participated in the session. Representatives of other United Nations member States, the European Union, United Nations agencies, international and regional organizations, as well as the academic community and the private sector also participated as observers. The List of participants of the eighth session of the SPECA Governing Council and the 2013 SPECA Economic Forum is attached (Annex I).

III. Opening of the session

The session was chaired by H.E. Mr. Timur Zhaksylykov, Deputy Minister for Economy and Budget Planning of the Republic of Kazakhstan.

In his opening address, the Chairperson emphasized the importance of the current session which was going to discuss the proposals on the further strengthening of SPECA that will improve governance of the Programme, streamline its working methods and increase its effectiveness.

Mr. Sven Alkalaj, United Nations Under-Secretary General and Executive Secretary of the UNECE, in his opening statement, underlined: “Project implementation in the SPECA framework has increased several fold since the 2005 reform was introduced. But this increase in activities could not keep pace with the increase in demand. At recent Governing Council sessions, Governments of SPECA participating countries kept urging the two Regional Commissions to provide more resources for project implementation. Since the UNECE and ESCAP themselves are not donors, extrabudgetary resources need to be raised through a joint effort of participating countries and the two Regional Commissions. In response to demands by participating countries and based on their

ideas and concrete suggestions, last year at the Bangkok session of the Governing Council UNECE and ESCAP presented a set of proposals on further strengthening SPECA. Since then, I visited several SPECA countries, in the case of Kazakhstan together with my colleague, Dr. Noeleen Heyzer, to discuss these proposals. Overall, the reactions of top-level decision makers of these countries were positive and supportive, reconfirming the importance of the Programme”.

Mr. Shun-ichi Murata, Deputy Executive Secretary of ESCAP, emphasized that strengthening SPECA remains one of the most important items on the agenda. The approval of SPECA strengthening proposals at the 8th session of the Governing Council would increase SPECA’s relevance, leverage its governance and ownership by participating countries, and better align the Programme with the goals of inclusive, resilient and sustainable development. He also highlighted a four-point agenda for strengthening SPECA, namely: 1. The Terms of Reference of SPECA, which define more clearly the constitution and mandate of SPECA’s different structures – the Governing Council, the Economic Forum and the Project Working Groups. They also clarify the rules of decision-making, procedures for the adoption of work plans and Project Working Group progress reports, the election and mandate of the Chair country, as well as the role of National Coordinators. 2. Strengthening SPECA’s work by enhancing its ownership as SPECA has remained primarily UN-driven. 3. Building shared interests where SPECA should play a more active role in formulating common interests, agendas, and programmes of action to strengthen cooperation and integration between its participating countries, as well as within and between subregions. 4. Closer cooperation between SPECA and other partners, including United Nations agencies, other international organizations and multilateral development institutions. Mr. Murata also underlined the important role SPECA could play in better coordination of Central Asian subregional initiatives for implementation of the Rio+20 outcomes and helping Member States to forge the Post-2015 Development Agenda.

In their opening statements, the representatives of participating countries expressed their support for the efforts of the two Regional Commissions to further strengthen SPECA, to involve the Programme in regional level implementation of the outcomes of Rio+20 and in the preparation of the Post-2015 Development Agenda.

IV. Adoption of the Agenda

The agenda of the eighth session of the SPECA Governing Council was adopted by the delegations of the SPECA countries.

V. Outcomes of the 2013 SPECA Economic Forum “Inclusive and sustainable development through regional cooperation” (Almaty, Kazakhstan, 19-21 November 2013)

The Chairperson introduced the Joint Statement of the 2013 SPECA Economic Forum (Annex II). Representatives of the SPECA countries noted with satisfaction the outcomes of the Economic Forum and acknowledged the importance of strengthening regional cooperation for full implementation of the outcomes of Rio+20. The Governing Council also supported the inclusion of development priorities of SPECA countries in the Post-2015 Development Agenda.

VI. SPECA activities since the last session of the Governing Council (Bangkok, Thailand, 28 November 2012)

Mr. Marton Krasznai, Deputy SPECA Coordinator at the UNECE, informed participants on the activities of the SPECA Project Working Groups since the last session of the SPECA Governing Council (Annex III). While emphasizing the impressive results and stability of project implementation in the SPECA framework, he pointed out that a further increase in the number of projects and resources for project implementation would require additional efforts by the Governments of participating countries and the two Regional Commissions to raise more extrabudgetary resources.

Delegates expressed their satisfaction with the broad scope of activities and the stability of extrabudgetary funding received by SPECA projects.

VII. Adoption of the SPECA Work Plan for 2014-2015

Mr. Batyr Hajiyev, Deputy Head of the Joint ESCAP/UNECE SPECA Office, introduced the draft Work Plan for 2014-2015 (Annex IV).

During the discussions, one representative raised objections to projects implemented within the SPECA framework that cover less than all the seven participating countries. He proposed that in the future every SPECA project must cover all participating countries. The majority of delegates of the SPECA countries supported continuation of the existing practice of including in the Work Plan projects that cover only part of the SPECA region, i.e. projects involving fewer than all seven participating countries. Certain challenges – like the environmental catastrophe resulting from the shrinkage of the Aral Sea – do not directly affect all seven SPECA countries. There is no reason not to include projects addressing such challenges in the work plan, as they are addressing the needs of several participating countries and their solution requires regional cooperation.

The Governing Council adopted the SPECA Work Plan for 2014-2015 with a silence procedure.

VIII. Approval of the Terms of Reference of the Project Working Group on Trade

Ms. Virginia Cram-Martos, Director of the UNECE Economic Cooperation, Trade and Land Management Division, introduced the draft Terms of Reference of the Project Working Group on Trade (Annex V).

The Governing Council adopted Terms of Reference of the Project Working Group on Trade with a silence procedure.

IX. Briefing on consultations of the Executive Secretaries of UNECE and ESCAP in the capitals of SPECA countries on the “Proposals on further strengthening SPECA”

Mr. Sven Alkalaj reported on joint consultations with Dr. Noeleen Heyzer in Kazakhstan, and his official visits to Kyrgyzstan, Tajikistan and Turkmenistan. In Bishkek, he met with H.E. Prime Minister Jantoro Satybaldyev. In Dushanbe, he was received by H.E. President Emomali Rahmon and in Ashgabat by H.E. President Gurbanguly Berdimuhamedov. He also met and conducted more detailed discussions with the Ministers for Foreign Affairs of Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan.

During these consultations, the high-level leaders and decision makers underlined the importance of SPECA and its role in strengthening regional cooperation. They supported the main direction of the proposals: more active participation of the Governments of SPECA countries in the management of the Programme, which should be more responsive to the needs of its participating countries and include more projects to be implemented in those areas of regional cooperation where they could have greatest impact.

After concluding the first round of visits, the Executive Secretary underlined that the proposals on further strengthening SPECA were in line with the needs and suggestions expressed by his counterparts during these consultations. He believed that their adoption and implementation could significantly enhance the effectiveness of Programme.

He summarized the main areas where the proposals foresaw further strengthening of SPECA:

- The adoption of the Terms of Reference of SPECA would clearly define the composition and mandate of various bodies under the Programme, including rules of decision-making and the role of SPECA National Coordinators. Thus, 15 years after its creation, SPECA would be able to operate on the basis of agreed and clearly defined rules.
- By encouraging participating countries to provide both financial and in-kind support (conference facilities, interpretation, etc.) to SPECA activities, the Proposals would strengthen their ownership of the Programme.
- The more active role of SPECA countries in project development and implementation would guarantee that projects implemented in the SPECA framework properly reflect the needs and demands of participating countries. It would also facilitate fundraising by convincing donors that SPECA projects are truly demand-driven.

Recent consultations in SPECA capitals have convincingly demonstrated the importance of regular high-level contacts between the Governments of the SPECA participating countries and the senior management of the two Regional Commissions supporting the Programme, as well as with other United Nations agencies. Such consultations on the one hand provide authoritative guidance to the Regional Commissions on the needs of SPECA countries and, on the other hand, offer an opportunity to further strengthen the political will for strengthening regional cooperation.

The Governing Council adopted the “Proposals on further strengthening SPECA” (Annex VI) and the Terms of Reference of SPECA (Annex VII).

X. Report on the work of the Joint ESCAP/UNECE SPECA Office since the last session of the Governing Council

Mr. Nikolay Pomoshchnikov, Head of the ESCAP Subregional Office for North and Central Asia and the Joint ESCAP/UNECE SPECA Office, delivered a report on the activities of the Office since the last session of the Governing Council in Bangkok, Thailand on 28 November 2012.

Mr. Pomoshchnikov briefed the participants about the activities the Office carried out at the end of 2012 and during 2013. He highlighted that the Office led the preparation of the 2012 SPECA Economic Forum and the seventh session of the SPECA Governing Council on 27-28 November 2012 and provided active support to the 2013 SPECA events. In addition, throughout 2013 the

Office supported meetings of the SPECA PWGs on Transport and Border Crossing, Trade, Water and Energy Resources and Knowledge-based Development.

Besides SPECA, the Office's main activities in 2013 were focused in the areas of strengthening inclusive and sustainable development, building resilience (environment, technology and climate change), water and energy and connectivity (trade, transport and ICT). The specific activities included the High-level panel at the VI Astana Economic Forum, Youth Forum on the Implementation of Rio+20, High-level policy dialogue "Macroeconomic Policies for Sustainable and Resilient Growth in North and Central Asia", national consultations in Kazakhstan on the Post-2015 Development Agenda, the Asian and Pacific Energy Forum (APEF 2013), Subregional seminars on energy and water in North and Central Asia, and the final Regional Review of the Almaty Programme of Action, to name a few.

Mr. Pomoshchnikov also informed delegates about the project activities the Office carried out, including the project "Strengthening Cooperation for Disaster Risk Reduction in North and Central Asia" implemented in 2013, ongoing project "Strengthening Economic Ties between Afghanistan and Central Asia" and a new project on safety assessment of small dams in Central Asia.

Delegations of the SPECA countries noted with satisfaction the report on the work of the Joint ESCAP/UNECE SPECA Office and encouraged the further strengthening of the role of the Office in project implementation within the SPECA framework.

XI. Cooperation between SPECA and regional organizations and institutions

Mr. Sven Alkalaj delivered a report on cooperation between SPECA and other regional organizations since the last session of the Governing Council.

He underlined that adoption of the document "The future we want" at the Rio+20 Conference provided a strong momentum to ongoing cooperation between the UNECE, ESCAP and UNEP. The latter is playing an important role in the implementation of Rio+20 outcomes. At the same time, the outcome document also assigns important tasks to the Regional Commissions, in particular in the field of invigorating regional cooperation. UNECE and UNEP are jointly supporting efforts to strengthen the Interstate Commission on Sustainable Development (ICSD), which is supposed to play a central role in the implementation of Rio+20 outcomes at the regional level. In light of the outcome of discussions during the High-level Segment of the 2013 SPECA Economic Forum on regional aspects of Rio+20 and the Post-2015 Development Agenda, cooperation between UNECE, ESCAP and UNEP is expected to remain intensive and close.

SPECA, through its various Project Working Groups, works closely with a large number of partners and donors, including the Czech Republic, the United Kingdom's Department for International Development (DFID), Finland, Germany, Israel, Norway, the Russian Federation, Sweden, Switzerland, Turkey, and USAID, as well as multilateral donors, such as the Asian Development Bank, the Eurasian Development Bank, the European Union, the Global Environment Facility, the Islamic Development Bank, the World Bank, and partner organizations such as the Eurasian Economic Community and the Eurasian Economic Commission, ILO, ITC, OSCE, UNCTAD, UNIDO and WTO.

The UNECE continues to work closely with the one of the most important Central Asian regional organizations – the International Fund for Saving the Aral Sea. Following the rotation of the Chairmanship from Kazakhstan to Uzbekistan, a new work programme is being discussed and

agreed upon. It focuses on supporting implementation of the Third Aral Sea Basin Programme through intensive donor coordination, further institutional and legal strengthening of IFAS, capacity-building on international water law and dam safety. Work with the Regional Environmental Center for Central Asia (CAREC) is likely to receive new momentum with the possible continuation of work on water quality.

The Governing Council noted with satisfaction the report on cooperation between SPECA and regional organizations and institutions.

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

The Governing Council expressed its sincere gratitude to Kazakhstan for its active work as the Chair country of SPECA between 2012 and 2013.

The Governing Council elected Afghanistan as the Chair country of SPECA for 2013-2014.

The Governing Council took note with appreciation the offer by the Government of Turkmenistan to provide assistance to the Afghanistan Chairmanship of SPECA.

XIII. Other business, including the date and venue of the 2014 SPECA Economic Forum and the 9th session of the SPECA Governing Council

Participants took note of the statement by the representative of Afghanistan that the date and venue of the 2014 SPECA Economic Forum and the 9th session of the SPECA Governing Council will be communicated to the governments of participating countries through diplomatic channels.

The Governing Council expressed its sincere gratitude to the Government of Kazakhstan for the excellent organization and hospitality offered to the participants of the 2013 SPECA Economic Forum and the 8th session of the SPECA Governing Council.

Delegations of the SPECA countries also expressed their deep appreciation to the secretariats of UNECE and ESCAP and their Executive Secretaries for their effort to organize these important annual events and their work on the further strengthening of the Programme.

The Governing Council adopted 14 Decisions. The Decisions of the eighth session of the SPECA Governing Council are attached to this report (Annex VIII). In accordance with the established practice, the Decisions will enter into force, if no objection is received, within 30 days.

XIV. Closing of the session

The Chairperson closed the 8th session of the SPECA Governing Council.
