

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

Final Report

**Special session of the SPECA Regional Advisory Committee
(Astana, Republic of Kazakhstan, 27 May 2005)**

Introduction

1. The Special session of the SPECA Regional Advisory Committee took place in Astana (Republic of Kazakhstan) on 27 May 2005 after the closure of the International Conference on Strengthening Sub-regional Economic Cooperation in Central Asia and the Future Role of SPECA (Astana, Republic of Kazakhstan, 25 - 27 May 2005).

Participants

2. The session was attended by the official delegations of the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and the Republic of Uzbekistan. The official delegation of the Islamic Republic of Afghanistan participated in the session as a special guest. Representatives of the Russian Federation, the Executive Committee of the Commonwealth of Independent States (CIS) and the Eurasian Economic Community (EurAsEC) also took part in the session as observers.

Opening

3. The session was opened by Mr. Kim Hak-Su, Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), who proposed Mr. Asadullo Gulomov, Deputy Prime Minister of the Republic of Tajikistan, SPECA National Coordinator, for the post of the Chairman of the session. Mr. A. Gulomov was unanimously elected Chairman of the session.

4. Mr. A. Gulomov thanked the participants for their confidence and the Government of the Republic of Kazakhstan for hospitality extended to the participants of the present session. He introduced the Provisional Agenda of the session that was unanimously adopted.

Item 1. Presentation of the main outcomes of the Astana Conference

5. Mr. Askar Batalov, Deputy Minister of Industry and Trade of the Republic of Kazakhstan speaking on behalf of the Chairman of the Astana Conference presented the conclusions and recommendations of the Astana Conference that were circulated among the participants of the session. He particularly mentioned those, which were directly relevant to future work of SPECA, including overwhelming support of the invitation to the Islamic Republic of Afghanistan to join SPECA.

6. Mr. Kim Hak-Su, Executive Secretary of UNESCAP, in his statement briefly outlined three objectives of the session: firstly, to adopt the proposed institutional and organizational reform of SPECA; secondly, to decide to formally invite the Islamic Republic of Afghanistan to join SPECA; and thirdly, to endorse the SPECA Work Plan for 2005-2007, including the selection of the lead countries for the various working groups.

7. The proposed institutional and organizational reform was aimed at providing overall policy guidance to the work of SPECA by transforming the SPECA Regional Advisory Committee into the SPECA Governing Council composed of National Coordinators as well as the Executive Secretaries of the two UN Regional Commissions that would be supported by the SPECA Coordinating Committee composed of the Deputy National Coordinators at the level of Deputy Ministers of Foreign Affairs as well as senior representatives of UNECE and UNESCAP.

8. The proposed SPECA Work Plan for 2005-2007 contains 28 project concepts covering transport, water, energy and environment, trade development, statistical capacity building, and ICT for development. In support of this Work Plan, there will be need to establish working groups covering the various areas of cooperation. Mr. Kim further underlined that the assistance of bilateral and multilateral funding institutions and the cooperation of partner-organizations would be essential for the effective implementation of this Work Plan.

9. Ms. Brigita Schmögnerová, Executive Secretary of UNECE, in her statement underlined that the Astana Conference provided an excellent opportunity for a frank and serious discussion of a whole range of issues related to the more effective functioning of SPECA. The overall support by the member countries to the reform proposals presented by the two UN Regional Commissions was very encouraging, since it signaled their readiness to actively work with the UN on the revitalization and strengthening of SPECA.

10. The invitation of the Islamic Republic of Afghanistan to join the Programme is another proof of the willingness of the present member countries of SPECA to actively contribute further to international reconstruction efforts of the Islamic Republic of Afghanistan by facilitating its more effective involvement in sub-regional economic cooperation.

11. The proposals included in the 2005-2007 Work Plan in support of SPECA enjoyed the participants' interest and support. The additional proposals put forward by a number of SPECA member countries will get the most serious attention. After further consultations between the member countries and the UN Regional Commissions these proposals will be considered by the relevant SPECA working groups. The interest of member countries to co-chair both existing and proposed new SPECA working groups will further strengthen the political leadership within the Programme.

12. The discussions during the previous two days gave a confidence that the proposed reforms, combined with the renewed political will of member countries to make better use of potential advantages offered by the Programme will contribute to the achievement of concrete, visible progress. The institutional reform alone would be insufficient to turn SPECA into a highly effective framework for the joint work to strengthen sub-regional economic cooperation. Reforms must go hand-in-hand with the efforts to improve coordination and cooperation among the multitude of multilateral and bilateral actors providing support to the economic development and sub-regional cooperation among member countries. Closer coordination between the two UN Regional Commissions, IFIs, UNDP and bilateral donors would help achieve significant sustainable progress.

13. Mr. A. Gulomov drew attention of the participants to the draft decisions prepared for discussion on the basis of reform proposals, and conclusions and recommendations of the Astana Conference that were distributed among the participants.

14. He underlined that the outcome of the Astana Conference and informal consultations held during the Conference showed that all SPECA member countries present in Astana

generally supported the SPECA reform proposals. At the same time it is understandable that the delegations of the SPECA member countries need more time to agree on some technical aspects of these draft decisions, selection of co-chairpersons of the SPECA project working groups and clarification of some organizational questions.

15. In this regard the Chairman suggested that the draft decisions be adopted in general with the understanding that the SPECA member countries would hold additional consultations with the Governments and between themselves for reaching agreement on some technical aspects, electing the Chairpersons of the First session of the SPECA Governing Council and Coordinating Committee, selecting the Co-Chairpersons of the SPECA project working groups and clarification of some organizational issues. Mr. Gulomov also suggested that after adopting these draft decisions the SPECA member countries would submit to the UNECE and UNESCAP secretariats their possible concrete proposals and additional information concerning the above final draft decisions by 15 August 2005. The secretariats will circulate these proposals and additional information to all the SPECA member countries and will consolidate them promptly so that the final texts would be finally adopted through diplomatic channels. He also stated that it would be desirable to conclude this work by the end of September 2005 so that the reinvigorated SPECA would start functioning in common interests of the member countries as soon as possible.

16. The delegations of the SPECA member countries fully agreed with these suggestions.

Item 2. Membership of Afghanistan in SPECA

17. The Chairman drew attention to the draft Decision 1 “Membership of Afghanistan in SPECA” and noted that at the Conference all the SPECA member countries overwhelmingly supported the initiative to invite the Islamic Republic of Afghanistan to join SPECA and the delegation of the Islamic Republic of Afghanistan reconfirmed its interest in joining SPECA.

18. The delegations of the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and the Republic of Uzbekistan fully reconfirmed their support to this invitation. The Chairman declared that Decision 1 was adopted in the final form since there was no need for additional consultations. The text of Decision 1 is contained in Annex 1.

19. The delegation of the Islamic Republic of Afghanistan thanked all the SPECA member countries for strong support and expressed the desire to work on the implementation of SPECA as a member of one family.

Item 3. Institutional reform of SPECA

20. The Chairman drew attention to the draft Decision 2 “Establishment of the Governing Council of SPECA” and suggested that this decision be generally adopted with the understanding that it would be finally agreed upon according to the procedure outlined in paragraph 15 above. The delegations of the SPECA member countries agreed with this suggestion.

21. The Chairman declared that final draft Decision 2 was adopted in general. The text of final draft Decision 2 is contained in Annex 1.

22. The Chairman drew attention to the draft Decision 3 “Establishment of the SPECA Coordinating Committee” and suggested that this decision be generally adopted with the

understanding that it would be finally agreed upon according to the procedure outlined in paragraph 15 above. The delegations of the SPECA member countries agreed with this suggestion.

23. The Chairman declared that final draft Decision 3 was adopted in general. The text of final draft Decision 3 is contained in Annex 1.

Item 4. SPECA Work Plan for 2005-2007

24. The Chairman drew attention to the draft Decision 4 “2005-2007 Work Plan in Support of SPECA” and noted that during the Conference the Work Plan elaborated jointly by UNECE and UNESCAP had received common interest and approval. He thanked the secretariats of both UN Regional Commissions for their work. This Plan should be considered as a “living” document that would be developed and revised further in the process of its implementation. During the Conference interesting proposals aimed at developing and deepening the Work Plan were outlined and the delegations of the Republic of Azerbaijan and the Republic of Tajikistan suggested additional project proposals for consideration. It was agreed that these additional project proposals would be considered further in detail by the project working groups on relevant themes. In addition, the Conference supported the proposal to consider a possibility of including a project on gender and economy in the Work Plan and setting up a relevant project working group. The Chairman pointed out that this interesting proposal would be considered in detail during the next meeting of the Governing Council. He further suggested that this decision be generally adopted with the understanding that it would be finally agreed upon according to the procedure outlined in paragraph 15 above. The delegations of the SPECA member countries agreed with this suggestion.

25. The Chairman declared that final draft Decision 4 was adopted in general. The text of final draft Decision 4 is contained in Annex 1.

26. The Chairman drew attention to the draft Decision 5 “SPECA Project Working Groups” and suggested that this decision be generally adopted with the understanding that it would be finally agreed upon according to the procedure outlined in paragraph 15 above.

27. The delegation of the Republic of Azerbaijan expressed its interest to co-chair the SPECA Project Working Group on Trade.

28. The delegations of the SPECA member countries agreed with the Chairman’s suggestion.

29. The Chairman declared that final draft Decision 5 was adopted in general. The text of final draft Decision 5 is contained in Annex 1.

30. The Chairman drew attention to the draft Decision 6 “Extra-budgetary Support to SPECA” and suggested that this decision be adopted in the final form since it was addressed to donors and international organisations, and there was no need for additional consultations. The delegations of the SPECA member countries agreed with this suggestion.

31. The Chairman declared that Decision 6 was adopted in the final form. The text of Decision 6 is contained in Annex 1.

32. The Chairman drew attention to the draft Decision 7 “SPECA Business Council” and suggested that this decision be adopted in the final form since there was no need for additional

consultations because it was aimed at attracting private sector to participate in the work of SPECA. The delegations of the SPECA member countries agreed with this suggestion. The delegation of the Republic of Kazakhstan specifically pointed out the need to attract the private business from all the SPECA member countries and other countries to participate in the SPECA implementation through the Business Council.

33. The Chairman declared that Decision 7 was adopted in the final form. The text of Decision 7 is contained in Annex 1.

Item 5. Arrangements for the next meeting

34. The Chairman stated that all the SPECA member countries agreed in principle with the proposal to transform the Regional Advisory Committee of SPECA into the SPECA Governing Council and expressed hope that this decision would be officially adopted in the final form before the end of September 2005. Without prejudice to such a decision the Chairman invited the participants to voice their possible intention to host the next meeting already in the new format.

35. The delegation of the Republic of Azerbaijan called upon all the SPECA member countries to actively participate in the implementation of SPECA. It officially suggested that the first session of the SPECA Governing Council and SPECA Economic Forum be held in Baku, Azerbaijan in 2006.

36. The delegations of the SPECA member countries welcomed this invitation.

Closing

37. The Chairman thanked all the SPECA member countries for their constructive participation in the Special session. He underlined that in his view the session reached the tangible results by agreeing in principle on a set of proposals aimed at reforming and strengthening SPECA. He expressed the hope that all remaining opened issues were of organizational nature and they would be agreed upon before the end of September 2005 so that the new reinvigorated and expanded SPECA could enter the new level of cooperation in the nearest future.

38. He once again expressed his gratitude to the Government of the Republic of Kazakhstan for hosting the Special session and the delegation of the Republic of Azerbaijan for its proposal to host the next meeting in Baku, and declared the Special session closed.

**Decisions of the Special Meeting of National Coordinators of the
UN Special Programme for the Economies of Central Asia**

27 May 2005, Astana

**Decision 1
Membership of Afghanistan in SPECA**

The Special Meeting decided to invite Afghanistan to join the UN Special Programme for the Economies of Central Asia as a full member. This decision takes effect upon the official acceptance of this invitation by the Government of the Islamic Republic of Afghanistan and notification of the SPECA member countries and the Executive Secretaries of UNECE and UNESCAP.

**Final draft Decision 2*
Establishment of the Governing Council of SPECA**

The Special meeting of the National Coordinators decides on the following:

- 1) To transform the Regional Advisory Council of SPECA into the SPECA Governing Council, which will provide overall policy guidance to the work carried out within the SPECA framework, oversee the work of the SPECA Working Groups, take stock of progress achieved, identify priorities for the future and approve the SPECA work plans.
- 2) The Governing Council will be composed of the National Coordinators appointed by each SPECA member country, as well as, *ex officio*, the Executive Secretaries of UNECE and UNESCAP as institutional members of the Council.

* Final draft Decisions 2, 3, 4 and 5 marked with (*) are adopted in general with the understanding that the SPECA member countries will hold additional consultations with the Governments and between themselves for reaching agreement on some technical aspects, electing the Chairpersons of the First session of the SPECA Governing Council and Coordinating Committee, selecting the Co-Chairs of the SPECA Project Working Groups and clarification of some organizational issues.

It was agreed that the SPECA member countries would submit to the UNECE and UNESCAP secretariats their possible concrete proposals and additional information concerning the above Final draft Decisions by 15 August 2005. The secretariats will circulate these proposals and additional information to all the SPECA member countries and will consolidate them promptly so that the final texts would be finally adopted through diplomatic channels. At the meeting it was agreed that it would be desirable to conclude this work by the end of September 2005 so that the reinvigorated SPECA will start functioning in common interests of the member countries as soon as possible.

- 3) SPECA member countries will, without delay, reconfirm/appoint their National Coordinators by notifying the Chairperson of the Governing Council and the Executive Secretaries of the UNECE and UNESCAP.
- 4) The Chairperson of the Governing Council will be elected, on a rotational basis, from among the National Coordinators at the end of the annual session of the Governing Council, normally for a period of one year.
- 5) To elect H.E. (*Name, Function*), the National Coordinator of (*Country*) as the Chairperson of the First session of the SPECA Governing Council to take place in 2006 (time of the session to be determined through consultations among National Coordinators, UNECE and UNESCAP).
- 6) UNECE and UNESCAP will provide substantive secretariat support to the Governing Council on a rotational basis.
- 7) The annual sessions of the Governing Council will be open for participation, as observers, by the representatives of: (a) interested countries which are not members of SPECA; (b) European Community; (c) UNDP and other institutions participating in CAREC as well as other interested international organisations and agencies, (d) regional and sub-regional organisations and programmes in which the SPECA member countries are also members; (e) other partner organisations and donors involved or interested in the implementation of activities in support of SPECA.
- 8) SPECA member countries, hosting annual sessions of the Governing Council, will consider organising in conjunction with the Council's sessions, a one-day "SPECA Economic Forum" with broad participation of all interested partners and stakeholders, including the business community. The agendas of such forums will focus on selected strategic issues of economic development and cooperation in the SPECA region and provide a platform for high-level policy dialogue and interaction among all relevant stakeholders.

Final draft Decision 3*
Establishment of the SPECA Coordinating Committee.

The Special Meeting decides on the following:

- 1) To establish the SPECA Coordinating Committee, as a subsidiary body to the Governing Council, which will be responsible for maintaining regular communication among the SPECA member countries, as well as regular coordination of activities within the SPECA framework. The Coordinating Committee will also assist the Governing Council in preparations for its annual sessions.
- 2) The Coordinating Committee will be composed of Deputy National Coordinators appointed by the SPECA member countries at the level of Deputy Foreign Minister as well as representatives of UNECE and UNESCAP.
- 3) The Chairperson of the Coordinating Committee will be elected, on a rotational basis, from among the Deputy National Coordinators at the end of its annual session, normally for a period of one year.

- 4) To elect H.E. (*Name, Deputy Foreign Minister*) of (*Country*) as the Chairperson of the Coordinating Committee.
- 5) The Coordinating Committee will maintain regular coordination and communication among its members and with the Secretariats of UNECE and UNESCAP through diplomatic channels, including the Permanent Missions of the SPECA member countries to the United Nations, as well as electronic means of communications.
- 6) Sessions of the Coordinating Committee will take place as required but at least once a year. Whenever possible sessions of the Coordinating Committee will be organised in conjunction with other international and regional meetings involving all or the majority of the SPECA member countries. In addition, the Coordinating Committee will meet just prior to the annual sessions of the Governing Council serving, inter alia, as the preparatory body for the annual meeting of the National Coordinators.
- 7) UNECE and UNESCAP substantive secretariat support to the work of the Coordinating Committee on a rotational basis.
- 8) Sessions of the Coordinating Committee will be open for participation of observers represented in the Governing Council in the same capacity.

Final draft Decision 4*
2005-2007 Work Plan in Support of SPECA

The Special Meeting endorses the 2005-2007 Work Plan in support of SPECA as contained in the Annex to this decision. The Special Meeting recalls that at the International Conference on Strengthening Sub-regional Economic Cooperation in Central Asia and the Future Role of SPECA (Astana, 25-27 May 2005) it was agreed that additional proposals and projects presented during the Conference would be considered by the relevant SPECA Working Groups. The Special Meeting invites interested countries, international organisations, international financial institutions and donors to support the implementation of projects and activities included in the Work Plan.

Final draft Decision 5*
SPECA Project Working Groups

1. The Special Meeting decides that the following Working Groups will function within SPECA:
 - (a) Project Working Group on Transport and Border Crossing (Co-chaired by Kazakhstan and (*interest expressed by Uzbekistan*))
 - (b) Project Working Group on Water and Energy Resources (Co-chaired by Kyrgyzstan and (*interest expressed by Uzbekistan and Tajikistan*))
 - (c) Project Working Group on Trade (Co-chaired by (*interest was expressed by Uzbekistan, Kyrgyzstan and Azerbaijan*))
 - (d) Project Working Group on Statistics (Co-chaired by (*interest was expressed by Tajikistan*))
 - (e) Project Working Group on ICT for Development (Co-chaired by (*interest was expressed by Azerbaijan*)).

The two countries that co-chair the Working Groups will appoint the two Co-chairpersons and inform the other SPECA member countries and the Secretariats of UNECE and UNESCAP.

The two Co-chairpersons should agree on the modalities of their joint work and prepare proposals for the schedule of meetings in consultation with the other SPECA member countries and the Secretariats of UNECE and UNESCAP.

The Working Groups will report to the SPECA Governing Council. Co-chairs of the Working Groups will also participate in the work of the SPECA Coordinating Committee, as appropriate.

The Working Groups will be open for participation, as observers or, when relevant, as full members, subject to a decision by the SPECA member countries, by the representatives of the non-SPECA countries, partner-organisations and donors.

The Governing Council will decide on the duration of mandates of the above-mentioned Working Groups and on the need for setting up additional Working Groups, if required.

Decision 6 Extra-budgetary Support to SPECA

The Special Meeting calls upon interested donors and other partners to support the work of SPECA, including implementation of its Work Plans with additional financial resources. The Special Meeting also calls upon interested donors and other partners to provide UNECE and UNESCAP with extra-budgetary resources, which could be used in support of travel of representatives of the SPECA member countries to the meetings of the SPECA Governing Council and Coordinating Committee, as well as to fund national SPECA liaison officers/focal points.

Decision 7 SPECA Business Council

The Special Meeting welcomes the initiative to activate the work of the SPECA Business Council and invites the representatives of the private sector to participate in the work of SPECA through the Council.

* * * * *