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OPENING STATEMENT
by Mr. Marek BELKA
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at the Conference

“Central Asia and Europe: a New Economic Partnership for the 21st Century”

(Berlin, 13 November 2007)

Ministers, Madame Commissioner, Excellencies, Ladies and Gentlemen,

I would like to express my sincere gratitude to the Government of Germany and personally to Foreign Minister Steinmeier for hosting this conference, co-organized by the UNECE. In recent decades, Germany has played an outstanding role in initiating and fostering a dialogue between East and West and later between the European Union and its Eastern neighbours. Let me just mention the famous Ostpolitik or the key role of the German EU Presidency in the development of a new Strategy for Central Asia.

This Conference continues this fine tradition: it aims at promoting a dialogue and building a new partnership with a region of rapidly growing strategic importance, that once was part of the Soviet Union: Central Asia. Both sides can gain a lot from this future-oriented partnership.

In recent years, we have witnessed tremendous changes in the global economy. It is mentioned daily in the media that many of the Eurasian economies are among the main winners of globalization: China, Russia, India and also the most dynamic and competitive economies of the European Union. But let me add here that in 2006 Central Asia was the fastest growing region of Eurasia, with an average GDP growth of 12,4%!

This region has the potential to hugely benefit from the formation of the giant Eurasian economic space not only as an important energy and raw material supplier to its neighbours and as an evolving transport hub but also as a market and a production base. But, for the time being, it is a possibility rather than reality: as it was mentioned at the recent Central Asia Regional Economic Cooperation Ministerial Meeting in Dushanbe: even though Central Asia lies at the centre of the Eurasian continent, less than 1% of all trade between Europe and Asia currently goes through the region.

A future oriented partnership with Europe can help Central Asia to fully develop its impressive economic potential. The European Union offers the region not only its highly successful integration experience and provides much needed investment and technology to diversify Central Asian economies. It can also share with Central Asia its visionary policies aimed at preserving the continent for future generations, covering among others the protection of the environment, the preservation and management of water resources, contribution to the fight against global warming, preparation for the post-oil economy and knowledge-based development.

Europe can also benefit from such a partnership: it can strengthen its energy security, it can assure the stable supply of minerals and other commodities through investment and technology transfer, and it can develop joint strategies with Central Asia in the fight against such common challenges as religious extremism, terrorism, drug-trafficking and organized crime.

The United Nations Economic Commission for Europe is uniquely suited to effectively contribute to the full development of a fruitful partnership between these two important *sub* regions within its region.

Why is this so? In the *first* place, it undertakes a broad range of practical activities facilitating the development of trade, investment and transport links. In addition it has the mandate, expertise and experience and implements successful projects in areas, where the two sub-regions need to work together to successfully meet future challenges: management of water resources, energy efficiency or the protection of the environment.

Secondly, it promotes regional and subregional cooperation. It supports – together with UNESCAP – the UN Special Programme for the Economies of Central Asia. Strengthened regional cooperation and integration is probably the most important precondition of sustained economic growth and stability of Central Asia. But the security of a region *is only as good as* the security of the least stable country within it. Or, to put it in positive terms: Central Asia as an integrating subregion is a much more promising economic partner for Europe and other important neighbours than the individual countries in it. And as a region it is a much more powerful and effective partner in dealing with future challenges.

But in real terms, how does the UNECE promote this subregional cooperation? Well, It facilitates and helps countries to come together, to sit around a table and to work out solutions to their problems. In other words, it promotes dialogue but not empty dialogue – rather a dialogue that leads to those practical and joint activities, activities that lead to strengthened cooperation. Stated in another way, the UNECE engages people in solving problems: improving border crossing reduces the cost of transport, produces more trade and jobs. The agreement – with UNECE support – on the joint management of water installations on the Chu and Talas rivers has a positive influence on the riparian communities, generates new economic opportunities. This helps to remove the root causes of tensions and creates a solid basis for regional cooperation and integration.

Thirdly, the UNECE- together with its sister-Commission, UNESCAP – can bring together all partners of Central Asia, including Russia and such important Asian neighbours as China and Japan. They can participate as full members in any of the SPECA Project Working Groups, if they wish, and as observers in the Governing Council. This can happen because we are the UN.

Fourthly, UNECE is undertaking a successful effort to overcome the limitations imposed by its non-resident status. It is building a close partnership with the UNDP. This is a true win-win relationship. The UNDP has an office in every Central Asian country, a broad network of local experts and unparalleled experience in project implementation. The UNECE and UNESCAP on

their part offer their in-house expertise, the international legal instruments, norms and standards they are custodians of and their experience in promoting regional economic cooperation. The MoU just signed between the UNDP and the UN Regional Commissions provides a solid foundation for this joint work. *But let me also stress that it is not the paper that counts but the will of people to work together. And, I would like to note that this will now exists, both on behalf of UNDP and on our side, and I am confident that this partnership will benefit regional cooperation.*

The recently adopted Central Asia Strategy of the European Union invites the UN and in particular the UNECE as an implementing partner. The Strategy covers a number of areas, where sustainable progress requires a regional approach. Most of these areas are exactly the ones, where the UNECE has a mandate, in-house expertise and where it successfully promotes regional cooperation in Central Asia. UNECE can effectively contribute to the achievement of the overall objectives of the Strategy: a prosperous and stable Central Asia, which is a strong economic partner of the European Union. I am positive that closer cooperation with the European Union will also strengthen the ability of the UNECE to provide more effective assistance to regional cooperation in Central Asia.

I have spoken about partnerships – partnerships with the EU and other organizations. But I would be remiss if I did not speak about partnerships with the private sector. I believe that it is the private sector, which can bring the weightiest arguments in favour of regional cooperation. In the final analysis it is more trade, more investment, more employment, a wider choice of goods and better services, which make a real difference for the economies and the societies of Central Asian countries. It is private investment, which can most effectively help the diversification of the economies of these countries and their integration into the global production and distribution chains. What the UNECE and its partners can offer to the private sector is assistance to the creation of a positive regional business and investment climate.

The timing of this Conference is auspicious: in recent months an increasing number of SPECA member countries have urged the UNECE and UNESCAP to do more for the strengthening of regional cooperation. The same message was delivered a few days ago in Dushanbe during the Ministerial Meeting of the Central Asia Regional Economic Cooperation Group. This clearly signals the readiness of Central Asian Governments to work actively to strengthen further regional economic cooperation. I am sure that the discussions today will yield a wealth of new ideas and proposals on how the UN, the European Union, CAREC, bilateral donors and the private sector can work together more effectively to help Central Asia meet the challenges of the present and the future.