

**PROPOSALS
ON FURTHER STRENGTHENING
OF THE UNITED NATIONS SPECIAL PROGRAMME FOR
THE ECONOMIES OF CENTRAL ASIA (SPECA)**

(Discussion paper prepared by the ESCAP and UNECE secretariats)

The paper summarizes proposals and ideas by the representatives of SPECA countries at recent sessions of the Governing Council, Economic Forums and the sessions of the Project Working Groups.

Background

SPECA addresses key areas of economic and environmental cooperation among its member countries, directly influencing the sustainable development, stability and security of the region. It provides a framework for supporting reconstruction and stabilization efforts in Afghanistan through strengthened regional economic cooperation. The comprehensive reform adopted in 2005 in Astana at the International Conference “Strengthening Sub-regional Economic Cooperation in Central Asia and the Future Role of the UN Special Programme for the Economies of Central Asia (SPECA)” has successfully reinvigorated the Programme. The number of Project Working Groups increased from two to six and funding for projects implemented in the SPECA framework has increased several times. Yet delegates at recent sessions of the Governing Council urged further efforts to enable SPECA to meet the needs of its member countries more effectively. The experience gained since 2005 provides a solid basis for the elaboration and adoption of a set of organizational and institutional steps that would contribute to the further strengthening of the Programme, increase its relevance and ownership by its member countries.

This discussion paper sets out some ideas and proposals for consideration by the Governments of SPECA countries. A preliminary discussion of the paper is scheduled during the 7th session of the SPECA Governing Council on 28 November 2012 in Bangkok.

Highlighting the role of regional cooperation in the implementation of UN development goals

Regional cooperation – or the lack of it – influences the ability of countries to achieve UN development goals and implement outcomes of UN summits. The SPECA framework should be actively used to raise the awareness of policymakers about the benefits of regional cooperation to enhance the ability of their countries to successfully achieve the Millennium Development Goals and other relevant development priorities. Regional aspects of the post 2015 Development Agenda should be discussed at dedicated SPECA policy seminars. Programme implementation in the SPECA framework – including the development and implementation of projects by Project Working Groups – should support the achievement of Rio+20 output priorities, including sustainable development goals. During the 2013 SPECA Economic Forum a side event should be dedicated to the discussion of the role of regional cooperation in the implementation of the post 2015 Development Agenda and the Rio+20 output priorities, with special emphasis on improving the ability of the region to attract public and private financing for green development and climate change adaptation.

Improved organizational support

It is proposed that at its 8th session the Governing Council adopts Terms of Reference for SPECA, clearly defining the constitution and mandate of various bodies – the Governing Council, the Economic Forum and the Project Working Groups – rules of decision making, procedures for the adoption of Work plans, PWGs Progress Reports, the election and mandate of the Chair-country and the role of National Coordinators. The draft Terms of Reference is attached.

Strengthened ownership

a) In-kind and financial support

Some of the member countries have become donors within the Programme. E.g. Kazakhstan is financing the annual sessions of the Project Working Group on Transport and Border Crossing. While other member countries might not be in the position to offer financial support to SPECA activities, they might chose to offer in-kind support (conference facilities, translation, etc.) to facilitate the organization of annual sessions of Project Working Groups. Considering that these are relatively small meetings with no more than 20-25 participants, this would require a relatively modest effort.

b) Project development and resource mobilization by member countries

The number and funding of projects implemented within the Programme could be increased through joint efforts by member countries and the Regional Commissions. The agendas of the sessions of the Governing Council should include an additional item called “Identification of future projects”: under this agenda item delegates of member countries would be encouraged to present their own projects or proposals for projects to be developed within the SPECA framework. Project proposals prepared by the Regional Commissions would be included in biennial Work Plans as “Projects Requiring Extrabudgetary Funding”. Governments of member countries would then be encouraged to seek funding for these projects from bilateral and multilateral donors through high-level contacts or regional events. ESCAP and UNECE would also step up their efforts to seek extrabudgetary funding for SPECA projects.

c) Increased political support and visibility

Regular political level contacts between the Governments of member countries and the senior management of Regional Commissions (Executive Secretaries and Deputy Executive Secretaries) would facilitate the more effective involvement of SPECA in strategic issues of regional cooperation. Bi- or tri-annual visits of senior managers of ESCAP and UNECE to SPECA member countries (upon invitation by the Governments) would contribute to their better understanding of opportunities and challenges and allow them to address political level issues of regional economic and environmental cooperation. High-level visits also offer much needed visibility to the Programme.

Regular participation of high-level decision makers from member countries in the sessions of the Governing Council, Economic Forums and sessions of the Project Working Groups should also be encouraged. It offers an additional opportunity for political level consultations and contributes to better media coverage of SPECA events.

Highlighting shared interest

While in other geographical regions great numbers of governmental or non-governmental organizations, institutions and associations support regional cooperation, Central Asia is characterized by an extremely small number of functioning regional arrangements. SPECA could play a more active role in formulating common interests, agendas and programmes of action of the countries of the region. E.g. more discussions on the challenges of land-locked status or the increasing water scarcity due to climate change would help develop a sense of shared interests among SPECA member countries.

Closer cooperation with partner organizations

Member countries would be encouraged to identify those areas and concrete issues upon where they would like to see closer cooperation between SPECA and other UN organizations (e.g. UNDP, UNRCCA, UNEP or FAO). Cooperation between SPECA and partner organizations and programmes could take three forms:

- Regular exchange of information and coordination of activities;
- Funding of SPECA projects by interested donors; and
- Partnerships between SPECA and partner organizations and donors in specific areas of regional cooperation in Central Asia.

THE INTERGOVERNMENTAL CONSULTATION PROCESS

High-level consultations on the proposals contained in this paper should take place between the Governments of SPECA countries and the senior leadership of the two Regional Commissions in the course of 2013. These consultations could take place during visits by the Executive Secretaries of ESCAP and UNECE to countries or during dedicated visits by senior officials of the two Regional Commissions. Based on these consultations the Regional Commissions should prepare consolidated proposals on strengthening SPECA and circulate it before the 8th session of the SPECA Governing Council in 2013. The Governing Council should discuss the document and adopt a decision on it.

DRAFT TERMS OF REFERENCE OF THE UNITED NATIONS SPECIAL PROGRAMME FOR THE ECONOMIES OF CENTRAL ASIA (SPECA)

PREAMBLE

1. The United Nations Special Programme for the Economies of Central Asia was established by the Tashkent Declaration on 26 March 1998, signed by the Presidents of the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan, the Republic of Uzbekistan and the Executive Secretaries of the United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). The Islamic Republic of Afghanistan, the Republic of Azerbaijan and Turkmenistan joined the Programme later.
2. The Tashkent Declaration invites United Nations agencies and programmes, United Nations member States, in particular donor countries, international financial organizations as well as the private sector to provide financial and other types of support to the Programme.

OBJECTIVES

3. The objective of the Programme is to facilitate regional economic cooperation in Central Asia and the integration of the participating countries in the world economy.
4. The Programme (a) provides a neutral United Nations platform for discussions on strategic issues of regional economic cooperation; (b) develops, supports and coordinates relevant capacity-building activities in SPECA countries; (c) promotes compliance with relevant international legal instruments, norms, guidelines, standards and recommendations; (d) stimulates the exchange of best national practices among SPECA countries; and (e) raises funds from multilateral and bilateral donors for capacity-building activities in participating countries.

GOVERNING STRUCTURE

SPECA Governing Council

5. The supreme governing and decision-making body of SPECA is the Governing Council, composed of National Coordinators at the deputy prime minister or minister level appointed by the Governments of SPECA participating countries or their representatives as well as the Executive Secretaries of the UNECE and ESCAP. It meets annually at a date and venue agreed by the participating countries.
6. SPECA is chaired by one of the participating countries. The Chair country is elected by the Governing Council on a rotational basis normally for a period of one year. A chairmanship can be extended for another or several years with the consensus of SPECA countries.
7. The Governing Council holds its annual sessions, chaired by a National Coordinator of a SPECA Chair country or its representative. Decisions are taken by consensus.
8. The Governing Council provides overall policy and strategic guidance to the work carried out within the Programme, including:

- Taking decisions on setting up or disbanding Project Working Groups;
- Approval of the Terms of Reference of the SPECA Project Working Groups;
- Identification of priorities for the future work and adoption of biennial SPECA Work Plans, consisting of work programmes of the six Project Working Groups;
- Reviewing progress reports of the SPECA Project Working Groups on the implementation of their work programmes and making relevant decisions;
- Discussing the recommendations of the SPECA Economic Forums and adoption of decisions;
- Reviewing the work carried out by the Joint ESCAP/UNECE SPECA Office;
- Reviewing cooperation between SPECA and partner organizations, programmes and donors;
- Discussing any strategic issue pertaining to regional economic cooperation and making decisions; and
- Discussing issues related to the United Nations Development Agenda, in particular the achievement of the Millennium Development Goals.

9. Representatives of neighbouring countries, other countries interested in supporting the Programme, United Nations agencies and programmes, international and regional organizations, international financial institutions and donor agencies can attend the sessions of the SPECA Governing Council as observers.

10. Representatives of the private sector and the academic community might be invited to participate in the discussion of specific agenda items by a decision of the Governing Council.

SPECA Economic Forums

11. SPECA Economic Forums are organized, as a rule, annually in conjunction with the sessions of the Governing Council.

12. SPECA Economic Forums focus on selected strategic issues of economic development and cooperation in the SPECA region, provide a platform for high-level policy dialogue among all relevant stakeholders and make concrete recommendations to the Governing Council.

13. Representatives of United Nations agencies and programmes, relevant international and regional organizations, international financial institutions, donors as well as representatives of the private sector and the academic community are invited to participate in the SPECA Economic Forums.

SPECA Project Working Groups

14. The SPECA Governing Council has six subsidiary bodies:

- Project Working Group on Water and Energy
- Project Working Group on Transport and Border Crossing
- Project Working Group on Trade
- Project Working Group on Statistics
- Project Working Group on Knowledge-based Development
- Working Group on Gender and Economy.

15. The Project Working Groups shall comprise National Representatives, nominated by the Governments of the SPECA countries. The National Representatives shall be senior officials

involved in the formulation and implementation or be aware of national policies and programmes.

16. The Project Working Groups are chaired by one or two SPECA participating countries.
17. The Project Working Groups shall hold annual sessions at a date and venue agreed by the participating countries.
18. The Project Working Groups develop, agree upon and adopt their Terms of Reference and/or review them if necessary, and submit them to the Governing Council for final approval.
19. The Project Working Groups shall develop, agree upon and implement their annual work programmes.
20. The Project Working Groups draw up their biennial work programmes which are integrated into SPECA Work Plans.
21. The Project Working Groups prepare annual reports to the Governing Council on progress made in the implementation of their work programmes and any other relevant issue.
22. Important policy conclusions should be brought to the attention of the SPECA Governing Council.
23. Neighbouring countries, relevant bilateral and multilateral agencies and organizations are invited to nominate their representatives to participate in the work of the SPECA Project Working Groups as observers.

RESOURCES AND FUNDING

24. The two Regional Commissions provide substantive support to SPECA:
 - (a) By providing assistance in project implementation and supporting other activities within the framework of the Programme;
 - (b) By supporting programme and project implementation by the Joint ESCAP/UNECE SPECA Office;
 - (c) By supporting the activities of the six SPECA Project Working Groups by experts within each Regional Commission; and
 - (d) By providing secretariat support on a rotational basis to the preparation and organization of the sessions of the Governing Council, Economic Forums and sessions of the Project Working Groups, including the preparation of documents and studies as well as maintaining records of their activities.
25. The costs of participation of National Coordinators and experts in the sessions of the Governing Council and Economic Forums as well as in the sessions of the SPECA Project Working Groups shall, as a rule, be borne by the Governments of the participating countries. In addition, the UNECE and ESCAP shall provide financial support, within their available resources.
26. The Project Working Groups shall, to the extent possible, seek extrabudgetary resources and technical assistance from multilateral and bilateral donors for the implementation of specific

capacity-building projects falling under the scope of the approved work programmes.

27. SPECA participating countries are invited to provide financial and other types of support to the implementation of the Programme.

OTHER MATTERS

28. The current Terms of Reference shall be reviewed after 5 years or sooner if the SPECA Governing Council so decides.
