

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

PROTOCOL of the Third Session of the Regional Advisory Committee of the UN Special Program for the Economies of Central Asia (SPECA) (13-14 February 2002 Bishkek)

General Provisions

1. The Third Session of the Regional Advisory Committee (RAC) took place from 13-14 February 2002 in Bishkek in accordance with the Plan of Work of the Regional Advisory Committee (RAC) of the UN Special Programme for the Economies of Central Asia (SPECA).

Participants

2. The Session was attended by the official delegations of the members of the RAC – Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, UN Economic Commission for Europe (ECE), UN Economic and Social Commission for Asia and the Pacific (ESCAP). Delegation of Azerbaijan took part at the session as an observer. Representatives of Armenia, Russian Federation, USA, Ukraine, China, Germany and Italy, representatives of UN Development Programme (UNDP), Executive Committee of the Commonwealth of Independent States (CIS), Organization “Central Asian Cooperation” (CAC), Eurasian Economic Community, representatives of the Organisation for Security and Cooperation in Europe (OSCE), Commission of the European Union (CEU), World Bank, Asian Development Bank and of Islamic Development Bank. List of participants is attached to this Protocol as Annex 1.

Organizational issues

3. In absence of the National Coordinator of SPECA in the Kyrgyz Republic the First Vice-Prime Minister Mr. N.T. Tanayev, at the request of the Government of the Kyrgyz Republic, the Head of President’s Administration Mr. A.K. Karypkulov opened the session. He read out the address of the President of the Kyrgyz Republic Mr. A.A. Akaev. The text of the address is attached to this Protocol as Annex 2.
4. Mr. Ukulov, the Head of the Prime-Minister’s Office was designated Head of the Delegation of the Kyrgyz Republic at the RAC Session.
5. In accordance with para. 16 of the SPECA Concept, National Coordinator of the Kyrgyz Republic Mr. N.T. Tanayev was elected Chairman of the RAC. The participants noted valuable contribution of Kazakhstan and personally of the National Coordinator of SPECA in Kazakhstan Mr. Tokayev, who acted as a Chairman of the RAC in 2001-2002. The next rotation of RAC Chairmanship will take place at the Session of the RAC in

April 2003 in Dushanbe.

- 1) Representatives of Kazakhstan, Kyrgyzstan, ESCAP, UN ECE, UNDP and OSCE spoke at the opening session. They confirmed actuality of the SPECA Programme and expressed their readiness to cooperate with the Kyrgyz delegation in the course of the Kyrgyz RAC Chairmanship. They noted the positive meaning of the move on the part of Azerbaijan to join SPECA. An idea of strengthening the interaction of SPECA with neighboring countries, in particular with Afghanistan, was expressed by the participants.

Adoption of the Agenda

- 2) An item "Request of Azerbaijan for joining SPECA" was included into the Agenda on suggestion of the Executive Secretary of ESCAP Mr. Kim Hak-Su. The Agenda with this addition was approved unanimously. Thus supplemented Agenda of the Session was approved unanimously.

Admission of the Republic of Azerbaijan to the SPECA Programme

- 3) The Chairman informed that the Chairman of the RAC Mr. Kasymjomart Tokayev received a message from the Government of the Republic of Azerbaijan. The message dated 14 December 2001 was sent by the Minister of Foreign Affairs of the Republic of Azerbaijan Mr. Vilayat Muhtar ogly Guliev.
- 4) Representatives of Kazakhstan informed the participants of the content of the request of Azerbaijan and about the RAC Chairman's steps to inform the SPECA countries of this request. Kazakhstan supported the Azerbaijan's request for its admission into the SPECA Programme.
- 5) An observer from Azerbaijan appealed to the RAC members to support the request of his country for membership in SPECA.
- 6) Delegations of the Kyrgyz Republic, the Republic of Tajikistan, ECE UN and ESCAP also declared support for the Azerbaijan's appeal.
- 7) At the same time it was noted that there was no information on the position of Turkmenistan and Uzbekistan vis-à-vis the above-mentioned request of Azerbaijan.
- 8) The session requested the Chairman to hold consultations with Turkmenistan and Uzbekistan on the request by Azerbaijan, informing them that at the third session of the RAC Kazakhstan, Kyrgyz Republic and Tajikistan agreed to the request of Azerbaijan to join SPECA and UN ECE and ESCAP also supported the request. It is emphasized that there was urgency of a solution on this issue. It was agreed that the Chairman would keep the members of the RAC informed on the progress in the negotiations. The Chairman will also inform the Government of Azerbaijan on the progress on this issue.

On the implementation of the decisions of the 2nd Session of the RAC and establishment of the Business Advisory Council of SPECA.

- 9) A representative of Kazakhstan made a report on the subject. In particular, he pointed out as follows:

- 10) In accordance with the decision of the 2nd Session of the Regional Advisory Committee (RAC) of SPECA (para. 32 of the Protocol), in his letter addressed to the Secretary-General of the United Nations, the President of Kazakhstan Nursultan A. Nazarbayev raised a question concerning the development of a system of UN measures on strengthening the processes of economic development and cooperation in the region on the basis of the SPECA Program. The core element of the system could be the creation of a post of a UN Special Coordinator on the issues of stability and development in Central Asia on the basis of the Programme of SPECA. It was noted that the existing organizational mechanisms of SPECA could provide a basis for the work of the UN Special Coordinator. The main direction of the activities of the UN Special Coordinator could be the attraction of additional resources into the region, ensuring the utmost interconnectivity, mutual complementarity and systemic nature of international investment projects in Central Asia. The participants requested the leadership of the Kyrgyz Republic to provide support this appeal to the United Nations Secretary-General in the period of the Kyrgyz Chairmanship in the RAC of SPECA.
- 11) The Protocol of the 2nd session of the RAC provides for forming the Business Advisory Council (BAC) of SPECA. At the request of the Chairman of the RAC, a draft of the Terms of Reference of the BAC has been prepared. The delegation of Kazakhstan submitted the document for consideration at the 3rd session of the RAC.
- 12) The draft provides for the BAC functioning as a voluntary association of entrepreneurs of countries of the region and of the donor countries, which are interested in the success of the SPECA Programme. The Council can give recommendations and conclusions on the issues of interest to entrepreneurs in relevant sectors of economy as well as give recommendations on solving particular problem issues. The main goals of the Council are the identification and elimination of the obstacles in the way of trade and investments in the Central Asia region, the development of partner relations and coordination between government bodies and the private sector, the promotion of business contacts between national enterprises and international companies and corporations.
- 13) The session approved the Terms of Reference of the Business Advisory Council. On submission from the delegation of Kazakhstan, it has also approved Mr. Raimbek A. Batalov as the Chairman-organiser of the Business Advisory Council of SPECA. It was agreed that all participating countries of SPECA, as a matter of urgency, would submit their candidates for the BAC and would assist establishing BAC activities at the national level.
- 14) The 2nd Session of the RAC had requested the National Coordinators to ensure a high quality preparatory work for a regional conference on the subject "Energy and water resources of the Central Asia region. Status of regional cooperation on energy and water issues." The preparation was done very productively. The conference on 13 February 2002, within the framework of the RAC-3, confirmed that the work on water and energy issues in the region is being carried out in a very active and productive way.
- 15) It was noted that the regular sessions of the SPECA Project Working Groups on Transport and border crossing facilitation and on Tajikistan had to be postponed in view of the high tension and hostilities in the region in the aftermath of September 11 terrorist attacks against the USA.

- 16) PWG-Energo continued its active work in the field of energy and water resources. Diagnostic materials on the state and perspectives of the development and use of those resources in the countries of the region were completed. The process of development of a Concept of a Regional Strategy of Rational and Effective Use of Energy and Water Resources was started. To a considerable extent, the progress in the work of the PWG is determined by financial and consultative assistance that it has been receiving as a result of the implementation of the UN Project on water and energy resources in Central Asia, financed from the UN Development Account. The session requested the National Coordinators to personally oversee the development and coordination of a draft of the Concept in their respective countries.
- 17) The Session took note of the information by the delegation of Kazakhstan on the implementation of the decisions of the 2nd Session of the RAC and on the creation of the Business Advisory Council.

Taking stock of the work of the international meeting of experts on the subject “Water resources of Central Asia and its energy. Status of regional cooperation on energy and water issues. Contribution of international organizations».

- 18) The meeting considered updated versions of diagnostic materials on fuel and energy resources and on water resources. It also considered a few ideas of regional investment projects.
- 19) International experts, delegations of the participating SPECA countries and of the Electric Energy Council of the CIS took part in the discussion.
- 20) The following decisions were made on the basis of the discussion:
- To approve the final version of the study “Rational and Efficient Use of Energy Resources in Central Asia”. After the introduction of amendments and corrections, the study will be sent to the participating in SPECA governments for comments.
 - To approve the final version of the Diagnostic Report for preparation of the regional strategy of rational and efficient use of water resources in Central Asia. It was decided to make amendments and corrections to the report, as suggested at the 8th session of the PWG-Energo and to send the report to the governments of the participating SPECA countries for their comments.
 - To recommend UN ECE and ESCAP to finalize the Study “Rational and Efficient Use of Energy Resources in Central Asia” and the Diagnostic Report for Preparation of the Regional Strategy of Rational and Efficient Use of Water Resources in Central Asia materials by taking into account the comments of the participants of the meeting, and publish them as official documents of the United Nations.
 - To accept the text, prepared by national and international consultants, as a basis for the Concept paper for the Strategy for the rational and efficient use of energy and water resources in Central Asia. The methodology of the preparation of the regional strategy should be the one, accepted in the project “Rational and efficient use of energy and water resources in Central Asia”. To have the second draft of the Concept of the regional

Strategy prepared by 15 April 2002.

The National coordinators of the project “Rational and efficient use of energy and water resources in Central Asia”, with the support from National Coordinators of SPECA, to undertake national consultations on the second version of the Concept paper and send to the Chairman of the RAC of SPECA Mr. Tanayev, before 1 June 2002, the conclusions and suggestions that would be produced as a result of the consultations. On the basis of those conclusions and suggestions, the international consultants jointly with the secretariats of UN ECE and ESCAP, should prepare before 30 June 2002 the third version of the Concept of the Strategy for rational and efficient use of energy and water resources in Central Asia. The third version of the Concept should be submitted for consideration of the Ninth session of PWG-Energo from 10-12 July 2002.

- 21) The session recognized the investment projects on building and bringing into exploitation of Rogun Hydro-Power Station (Tajikistan) and Kampar-Atinsk hydro-system (Kyrgyz Republic) project as projects of regional importance and agreed with the proposal of the Chairman to take steps towards promotion of these investment projects of highest priority.
- 22) As far as the regional issues of effective use of energy and water resources in Central Asia can hardly be solved without full-scale participation of Turkmenistan and Uzbekistan, the Chairman of the session was requested to continue his efforts aimed at involving the mentioned countries in the SPECA work.

Information of Project Working Groups of SPECA on their work and approval of their plans of work for 2002 and 2003

- 23) The session took note of the information on the work of the PWG -Transport and Border Crossing Facilitation. The delegation of Kazakhstan was requested to designate without delay the new Chairman of the PWG and proceed with implementation of its Plan of work.
- 24) The session took note of the information of the PWG-Tajikistan on its Plan of work for the upcoming year. The priority of seeking donor help for convening an International Economic Conference on Tajikistan was emphasized. The participating SPECA countries are requested to prepare investment projects of regional importance and submit them for approval as regional projects for the next session of the RAC.
- 25) The session has reviewed and approved the Programme of work of the RAC when discussing the Agenda item on the international meeting of experts on the subject “Water resources of Central Asia and its energy. Status of regional cooperation on energy and water issues. Contribution of international organizations».

Program of work of the Regional Advisory Committee (RAC) of SPECA for 2002-2003

- 26) The Chairman of the Session proposed and the session approved the following Program of work of the RAC:

- 1) Third session of the RAC (13-14 February 2002, Bishkek, organizer – Kyrgyz Republic)
 - 2) Organizational Session of the SPECA Business Advisory Council (BAC) (20-21 May 2002, Almaty, organizers – Kazakhstan plus all participating countries of the SPECA).
 - 3) International consultations on SPECA issues (February-November 2002, organizer – Kyrgyz Republic. Potential participants of the consultations are: UN, ECE, ESCAP, OSCE, EU, Austria, China, Finland, France, Germany, India, Iran, Japan, Nederland, Norway, Russia, Switzerland, Turkey, USA, World Bank, Asian Development Bank, Islamic Development Bank).
 - 4) The Fourth session of the RAC (21-22 November 2002, Bishkek, Kyrgyz Republic).
 - 5) Regional meeting on the subject “Regional cooperation on the issues of transport and borders crossing facilitation. How to improve efficiency. Contribution of international organizations”. (An element of the Fourth session of the RAC – 21 November 2002, Bishkek, Kyrgyz Republic).
 - 6) The Fifth session of the RAC (13-14 April 2003, Dushanbe, organizer – Republic of Tajikistan).
 - 7) Regional meeting of experts on the subject “Problems of attracting investments into Central Asia countries. Optimal strategies for attracting external resources”. (An element of the Fifth session of the RAC, 13 April 2003, Dushanbe, Republic of Tajikistan).
32. Participants of the Session agreed to hold the Fourth session of the RAC from 21-22 November 2002 in Bishkek. They adopted the following preliminary Agenda of the session:
- 1) Adoption of the agenda.
 - 2) Implementation of decisions of the Third session of the RAC (Information of the Chairman).
 - 3) Concept paper of the Regional Strategy on the Use of Energy and Water Resources (Report of the PWG-Energo).
 - 4) The results of the International meeting of experts on the subject: “Regional cooperation on the issues of transport and borders crossing facilitation. How to improve efficiency. Contribution of international organizations”. (Information of the Chairman. Report of the PWG -Transport).
 - 5) Problem issues of the work of the Project Working Groups of SPECA:
 - a. -PWG “Energo”;
 - b. -PWG “Transport”;
 - c. -PWG “Tajikistan”.
 - 6) The state of formation of the Business Advisory Council (Information of the Chairman of the BAC).

- 7) Approval of the Protocol of the session.
- 8) Miscellaneous

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

Chairman of the Third Session of the
Regional Consultative Committee
of SPECA

K. Ukulov
Chef de Cabinet of the Prime-minister of the
Kyrgyz Republic

14 February 2002