UNECE Executive Secretary's Remarks

Ministerial meeting of SPECA participating States and UNECE and ESCAP representatives

Dialogue of the SPECA participating-States Ministers with Permanent Missions of UN Member-States, heads of international organizations, specialized agencies and non-governmental organizations

> 17 April 2023 11.00-13.00 Palais des Nations, E Building, Room XXIII

Distinguished Ministers, Excellencies, colleagues,

Allow me to greet you on behalf of the UN Economic Commission for Europe at this important meeting and thank Azerbaijan as the chair of the UN Special Programme for the Economies of Central Asia (SPECA) in 2023 for convening this meeting and all of you for being here.

Let me start by reminding us about the history of SPECA.

SPECA was established in 1998 by the Tashkent Declaration as a UN Special Programme for economic cooperation and development among four Central Asia Republics, later joined by Turkmenistan and then Azerbaijan and Afghanistan. UNECE and UNESCAP provide the coordination of the Programme from the UN side on a principle of rotation every year.

Twenty-five years later, SPECA is region is facing many similar but also new challenges.

First, the level of openness and regional cooperation is significantly higher, and the very fact of the Ministers from the six SPECA Countries being in the room today is a clear signal.

I want to congratulate the respective member states on this important progress.

Second, while economies of Central Asian countries and Azerbaijan had a relatively strong recovery in GDP from the COVID-19 crisis this recovery is tempered by several key risks. Let me explain how:

The region is in the process of re-positioning itself in the context of the current geopolitical situation, being the traditional cross-roads between the East and the West.

The region is also working to reduce past reliance on the export of natural resources calls for efforts to diversify trade, moving up the value chain and enlarging the number of export destinations

And, today's triple planetary crisis is putting many of the region's development gains at risk being through the effects of desertification, from the perspective of water scarcity or pollution.

Third, despite the risks, the SPECA region is a region of opportunity.

The connectivity and transit potential of the region is impressive, and work is underway to ensure multiple corridors work seamlessly, offering better opportunities for trade and investment.

The SPECA countries are rapidly integrating into a more digital world, with Central Asia's experience with leapfrogging technologies, expanding digital infrastructure, and benefitting from an increasing, vibrant start-up scene offers great potential.

And, importantly, even on the toughest issues of transport and energy connectivity or water management, countries of the region are able to come together, join forces and find solutions.

Fourth, in this connection, we note the important cooperation formats that exist: regular meetings of the leaders of the five Central Asian Countries; meetings within the CIS; meetings within the EU-Central Asia dialogue; the Organization of Turkic States; the Central Asia Regional Economic Cooperation Programme (CAREC) and others.

From the UN perspective, we also actively engage:

On the political side, the UN Centre for Preventive Diplomacy in Central Asia, headquartered in Ashgabat, plays a critical role.

On the economic side, I dare say, SPECA is the most important cooperation format.

My main message for you today is: in SPECA you have a <u>unique</u> mechanism of coordinating, cooperating, and learning from each other, <u>based on the UN</u> norms, standards, and instruments, and with UN regional commissions as partners.

I will give a few practical examples – just those that a relevant to this year's theme of SPECA – digitalization and connectivity, both in transport and trade:

First, the SPECA countries are contracting parties to nearly all UN conventions relating to facilitation of cross-border and transit transport.

UNECE sees an opportunity to work with the SPECA on facilitating border crossings especially through the applications of our flagship Conventions.

The TIR Convention is a case in point, and especially the E-TIR.

To support operation of Central Asia-South Caucasus corridor, we are working with countries of the region that have not finalised the interconnection of their national Customs systems with the eTIR international system to do so during 2023, especially the Customs authorities of Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan.

Second, let me turn to the important topic of corridors.

The SPECA corridors, including the Middle Corridor, are well defined and described in our UNECE Euro-Asian Transport Links project (EATL). The UNECE ITC Working Party on Transport Trends and Economics (WP.5) has already established a Coordination Committee on the Trans-Caspian and Almaty - Istanbul Corridors which will convene periodically.

Notably, the agreed thematic priorities of this initiative are digitalization of transport documents to transform both physical corridors into digital ones; investment in transport infrastructure and missing links; and the strengthening of economic viability and resilience of both corridors.

Third, a vision of sustainable transport connectivity

Connectivity is not limited to effective physical connections and efficient operational facilitation. Road safety, energy efficiency, environment, decarbonization and gender equality all need to be addressed to develop sustainable connectivity among the countries.

Relevant UN conventions can help SPECA countries to achieve sustainable connectivity. UNECE in cooperation with other organizations has developed a digital tool to assist you in comprehensively assessing, planning and prioritizing projects to develop sustainable connectivity, namely the Sustainable Inland Transport Connectivity Indicators (SITCIN).

Fourth, regarding the potential to boost trade as well as innovation in SPECA.

The SPECA Working Group on Trade, with long-standing leadership from Tajikistan has produced a number of very concrete strategic documents. There is now a strong momentum to bring these decisions, strategies, initiatives to life!

Together, with the support of partners, we can work together to:

Bolster connectivity, by fully rolling out SPECA Trade Facilitation Strategy, adopted in 2019, and link it to the UN norms, standards and instruments, including important ones in the area of digital transformation, such as those I mentioned earlier, and the ones dealing with document exchange standards under UN CEEFACT.

Diversify and green trade, by implementing the SPECA Sustainable Trade Principles, also from 2019, – making SPECA region more competitive in global markers which increasingly expect and prioritize greener and more sustainable products.

Also, based on the SPECA Strategy on Innovation for Sustainable Development (adopted 2019) and its Action Plan (adopted 2021) we can ensure that Digitalization as a policy priority is supported by a vibrant SPECA Network of Business Incubators and Accelerators for Sustainable Development.

These are just some of the examples of the practical work we can do within SPECA.

There is more on Energy & Environment, Gender and Innovation, as well as Data & Statistics.

And, Ladies and Gentlemen, Excellencies, I would like to emphasize that:

In each of these areas we do have specific cooperation ideas, which can be scaled up and become larger regional cooperation projects.

In each of these areas, we are working very closely with many of the bi-lateral and multi-lateral partners and the UN agencies, and, importantly, with UN Resident Coordinators.

In each of these areas, we look forward to engaging with key regional organizations such as the Shanghai Cooperation Organization and the Organisation of Turkic States – with both of which UNECE is about to conclude a Memorandum of Understanding as well as others.

Let me close by outlining once again that SPECA is a unique format, and now is the moment to support it, by supporting the planned General Assembly Resolution, by supporting the work of the possible SPECA Trust Fund, and by participating in the activities of SPECA more broadly.

From UNECE side, we stand ready to support this format, in close partnership with UNESCAP and the participating states.

Thank you.