

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

SEVENTEENTH SESSION OF THE SPECA GOVERNING COUNCIL

(Almaty, Kazakhstan, 18 November 2022)

REPORT

I. Introduction

The seventeenth session of the Governing Council of the United Nations Special Programme for the Economies of Central Asia (SPECA) was held on 18 November 2022 in Almaty, Kazakhstan. The 2022 SPECA Economic Forum entitled "Greener and Safer Future" held on 16-17 November 2022, preceded the session of the Governing Council. The 2022 SPECA high-level meetings were jointly organized by the Government of the Republic of Kazakhstan, the Chair country of SPECA in 2022, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the United Nations Economic Commission for Europe (UNECE). The 2022 SPECA high-level meetings were held in a hybrid format allowing for participation both in-person and online.

II. Participants

Representatives of Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, as well as the Executive Secretaries and Deputy Executive Secretaries of ESCAP and UNECE, participated in the SPECA meetings. Afghanistan did not attend. Representatives from other United Nations member States, United Nations Resident Coordinators and representatives of the United Nations agencies and programmes in the SPECA countries, international and regional organizations as well as the academic community, private sector, civil society, and media also participated in the SPECA meetings. The list of participants of the seventeenth session of the SPECA Governing Council and the 2022 SPECA Economic Forum is enclosed (Annex I).

III. Opening of the session

The session was chaired by H.E. Mr. Abzal Abdikarimov, Vice Minister of National Economy of the Republic of Kazakhstan.

The Chairperson of the seventeenth session of the SPECA Governing Council, Mr. Kaveh Zahedi, Deputy Executive Secretary of ESCAP, and Mr. Dmitry Mariyasin, Deputy Executive Secretary of UNECE, delivered their opening statements. They welcomed all delegates to the seventeenth session of the SPECA Governing Council and wished all participants successful and fruitful deliberations.

The Chairperson expressed his gratitude to the ESCAP and UNECE Executive Secretaries and their secretariats for efficient support in organizing the 2022 SPECA high-level meetings in Almaty.

The Chairperson gave the floor to the Heads of Delegation of other SPECA participating countries to deliver their opening statements: H.E. Mr. Samad Bashirli, Deputy Minister of Economy of the Republic of Azerbaijan, H.E. Mr. Kanatbek Abdrahmanov, Deputy Minister of Economy and Commerce of the

Kyrgyz Republic, H.E. Mr. Abdurahmon Abdurahmonzoda, Deputy Minister of Economic Development and Trade of the Republic of Tajikistan, H.E. Mr. Serdar Jorayev, Deputy Minister of Finance and Economy of Turkmenistan, Mr. Sanjar Makhmudov, Head of Department, Ministry of Foreign Affairs of the Republic of Uzbekistan.

In their opening statements, the Heads of Delegation of the SPECA participating countries expressed their gratitude to the Government of the Republic of Kazakhstan for the cordial welcome, excellent organization of the SPECA meetings and warm hospitality offered to the participants of the 2022 SPECA meetings in Almaty. They noted with high appreciation the work carried out by the ESCAP and UNECE secretariats for the organization of these prestigious high-level events. In their statements, the Heads of Delegation of the SPECA countries briefly highlighted the challenges to sustainable development in their countries during the post-pandemic period and described the progress achieved over the past year, ongoing efforts to promote the sustainable economic development of their countries and plans to build the greener, sustainable, inclusive, and prosperous future of the SPECA participating countries after the pandemic. They noted that the increasing challenges of pandemics, climate change, biodiversity, geopolitics, trade, transport, investment, economic development, and other concerns can only be tackled successfully if they are addressed together. In this regard, they highlighted the role of SPECA as a unique platform to actively address these challenges. Regional cooperation is essential for dealing with the obstacles of the coming years and must be further broadened.

IV. Adoption of the agenda

The agenda of the seventeenth session of the SPECA Governing Council was adopted by the Delegations of the SPECA participating countries (Annex II).

V. Outcomes of the 2022 SPECA Economic Forum on "Greener and Safer Future"

The seventeenth session of the Governing Council reviewed the results of the 2022 SPECA Economic Forum. The 2022 Economic Forum focused on the sustainable economic transformation, sustainable and balanced energy transition, digital transformation, gender equality and women's economic empowerment in the SPECA region. Delegates noted that the main topics of the Forum are of great importance for the greener and safer future of the SPECA countries.

The Chairperson informed the participants of the 17th session of the Governing Council that the concluding document of the 2022 SPECA Economic Forum was based on the recommendations of the Forum, including proposals from the SPECA countries, SPECA Thematic Working Groups and the ESCAP and UNECE secretariats. The draft concluding document of the 2022 SPECA Economic Forum was sent to the Heads of Delegation, and comments/suggestions received were incorporated into the Almaty Declaration.

Representatives of the SPECA participating countries reviewed the text of the Almaty Declaration. The representative of Turkmenistan stated that due to the need for thorough elaboration and coordination with the relevant structures of Turkmenistan on the proposed draft outcome documents of the SPECA Economic Forum 2022 and the 17th session of the SPECA Governing Council, the Turkmen side reserves its position on the content of all items of the Almaty Declaration, as well as the draft Decisions of the 17th session of the SPECA Governing Council, with the exception of the draft Decisions 8 and 9. He requested to include a note on the reservation by the Turkmen side's position on the essence of the outcome documents at the end of the texts of the above-mentioned documents.

The representative of Tajikistan noted that according to the Terms of Reference of SPECA, all decisions are taken only by consensus of the participating countries, and the consensus on the adoption of the

Declaration by the Governing Council has not been reached. The UNECE representative underlined that "to reserve a position" means that Turkmenistan is not waiving its rights to adopt the Declaration in the future.

The Chairperson of the session requested the UN secretariat to reflect the position of Turkmenistan in the text of the Declaration and the Decisions of the 17th session of the Governing Council. The draft Almaty Declaration is enclosed (Annex III).

VI. SPECA activities since the last session of the Governing Council (Tashkent, Uzbekistan and online, 19 November 2021)

The Chairperson noted that the Progress Reports on the work carried out by the SPECA Thematic Working Groups since the last session of the Governing Council were uploaded on the ESCAP and UNECE websites and distributed among the participants before the session. The Chairperson of the Governing Council session noted that all delegates had the opportunity to review the document.

The Governing Council noted with appreciation the Progress Reports of the SPECA Thematic Working Groups, noting that the reservation of the position of Turkmenistan on this issue would be reflected in the Decisions of the Governing Council session.

VII. SPECA Fund, SPECA Secretariat and other issues

1. SPECA Secretariat

Representatives of the SPECA countries expressed their gratitude to Kazakhstan for conducting additional consultations among the SPECA participating countries on the establishment of the SPECA Secretariat in Almaty. However, delegates noted that an expert group to draft the Terms of Reference of the Secretariat had not been established. Clarifying the modalities of the Secretariat's operation, funding and budget are of great importance.

The Delegation of Azerbaijan requested Kazakhstan to distribute its Concept on the establishment of the SPECA Secretariat among the countries to analyze the feedback details and take the final decision. The Governing Council requested the SPECA countries to nominate experts for the Expert Group at the level of senior officials from relevant structural departments no later than 31 December 2022 to draft the Terms of Reference of the Secretariat. The Expert Group will meet and discuss the Terms of Reference on the establishment of the SPECA Secretariat in Almaty as the first location by 31 March 2023 for further approval by the participating countries.

2. SPECA Fund

During the last session of the SPECA Governing Council held in Tashkent in 2021, the Governing Council recommended considering the establishment of a SPECA Fund in the UN Multi-Partner Trust Fund (MPTF) format under the auspices of the United Nations. The Governing Council further requested the UNECE and ESCAP secretariats to prepare a concept on the establishment of the SPECA Fund in the MPTF format.

The ESCAP and UNECE secretariats recruited a consultant Ms. Sarah Cramer to develop a draft Terms of Reference for the SPECA Fund to guide the SPECA countries on the process of establishing a SPECA Fund as a regional United Nations Multi-Partner Trust Fund (MPTF). She prepared a zero draft Terms of Reference, conducted interviews with representatives of several SPECA countries, and based on these

consultations she prepared inputs to facilitate a discussion at the session of the SPECA Governing Council.

During the session, the consultant briefed participants on the possible options for the governance structure and financing architecture of the Fund, reported on the outcomes of consultations with the SPECA countries and presented the key points for discussion.

Representatives of the SPECA countries thanked Ms. Cramer for the preparation of the draft Terms of Reference of the SPECA Fund in the MPTF format and for the useful information they received. Some delegates noted that it is too early to discuss the creation of the SPECA Fund; a step-by-step approach is required - first, the SPECA Secretariat should be established and then consensus should be reached on a political level on the creation of the SPECA Fund. The issue of funding and budgeting needs first to be resolved, and then the creation of a Fund should be discussed. Several delegates underlined that the role of the Fund Secretariat and linkages with the SPECA Secretariat are not clear.

After a thorough discussion, the Delegations of the SPECA participating countries agreed that the creation of the SPECA Fund needs to be considered and discussed further.

VIII. Election of the next Chair country of SPECA. Dates and venue of the 2023 SPECA Economic Forum and eighteenth session of the SPECA Governing Council

On behalf of ESCAP and UNECE, the representative of ESCAP expressed his sincere gratitude to the Government of Kazakhstan for its active work as the Chair country of SPECA in 2022.

The Head of Delegation of Azerbaijan announced that the Government of the Republic of Azerbaijan expressed its willingness to assume the Chairmanship of the Programme in 2023. The Chairperson of the session expressed his appreciation for the decision of the Government of the Republic of Azerbaijan to assume the Chairmanship of SPECA in 2023 and host the next session of the Governing Council and the 2023 SPECA Economic Forum in Azerbaijan.

The SPECA National Delegations elected Azerbaijan as the SPECA Chair country for 2023. The SPECA participating countries decided that the eighteenth session of the SPECA Governing Council and the 2023 SPECA Economic Forum would be held in Azerbaijan in 2023. The dates and venue of these meetings would be agreed upon and communicated through the diplomatic channels. The theme of the 2023 SPECA Economic Forum would be determined in due course.

The Council expressed its sincere gratitude to the Government of the Republic of Kazakhstan for the Chairmanship and excellent organization of the 2022 SPECA Economic Forum and the seventeenth session of the SPECA Governing Council as well as the warm hospitality offered to all participants.

IX. Other business

There were no issues raised under this agenda item.

X. Adoption of decisions

The Chairperson of the session proposed to the Delegations of the SPECA countries to discuss and adopt the draft decisions of the 17th session of the SPECA Governing Council. The Chairperson read aloud all draft decisions. The draft decisions were shown on the screen of the conference hall.

The Delegation of Turkmenistan informed participants that the Turkmen side reserved its position on the content of all draft Decisions of the 17th session of the SPECA Governing Council, except draft decision 8 regarding the gratitude to Kazakhstan for its active work as the Chair country of SPECA in 2022 and draft decision 9 regarding the election and adoption of the Chairmanship of SPECA in 2023 by the Republic of Azerbaijan.

When discussing <u>draft decision 6</u>, the representative of Azerbaijan proposed the following text:

"The Governing Council supports the proposal of Azerbaijan to prepare a draft resolution "On the commemoration of the 25th Anniversary of establishment of SPECA" for approval at the 78th session of the General Assembly in 2023."

After discussion, the Delegations thanked the Republic of Azerbaijan for its proposal to draft a resolution for submission at the 78th session of the United Nations General Assembly in 2023. The delegations of Turkmenistan and Kyrgyzstan reserved their positions on this draft decision.

When discussing <u>draft decision 7</u>:

"To improve the coordination of SPECA activities in Geneva, the Governing Council welcomes the initiative to establish an informal council of the Permanent Representatives of SPECA participating countries in Geneva.",

the Delegation of Azerbaijan proposed to remove the word "informal" as there was a need for an official platform on a regular basis to coordinate activities within SPECA, given that the Governing Council meets only once a year. The representative of Azerbaijan also proposed to capitalise the word "council". The representative of Azerbaijan proposed to replace the word "welcomes" with "takes note" and underlined that the creation of a Council is a new initiative, not a decision of the Governing Council. He also reminded that the previous initiatives were on the creation of the SPECA Secretariat and SPECA Fund.

The representatives of ESCAP and UNECE informed that any changes to the governance and coordination of SPECA, whether through a council or any other mechanism, required due process of consultations culminating in the agreement to revise the Terms of Reference of SPECA by its Governing Council as per paragraph 6 of the Terms of Reference. Until such time the creation of any new governance or coordination mechanism would contradict the current Terms of Reference of SPECA. The representatives of ESCAP and UNECE pointed out that according to the UN practice, the word "council" could be capitalised when it is formally constituted (e.g. official name). The representative of ESCAP further brought to the attention of the meeting that ESCAP's support to SPECA is part of its programme of work overseen by its member States through the Commission where all SPECA participating countries are represented, as well as the Advisory Committee of Permanent Representatives in Bangkok and falls outside of the jurisdiction of Geneva based representatives.

The representative of Kazakhstan noted that the council in Geneva will not replace the Governing Council but will coordinate activities as a working group. The Delegation of Kyrgyzstan requested to remove draft decision 7 as there was no consensus and reflect this in the report. The Chairperson suggested Kyrgyzstan to reserve its position concerning draft decision 7 and requested the UN secretariat to reflect the decision of Kyrgyzstan on reservation in the report of the session.

As a compromise, the representative of Azerbaijan proposed the following text of draft decision 7:

"The Governing Council takes note of the initiative to establish a council of the Permanent Representatives of SPECA participating countries in Geneva as a working mechanism to improve coordination of SPECA activities in Geneva."

The delegates reviewed all draft decisions, made their comments and changes, and requested the UN secretariat to incorporate all changes made by participants of the session in the texts of the Almaty Declaration and Draft Decisions. The Council also requested the UN secretariat to prepare a report of the 17th session of the Governing Council within two weeks and circulate these documents to participants for their consideration.

The Council decided to hold an ad hoc meeting in one month, in mid-December, to reach a final decision on the adoption of the above-mentioned documents.

The Draft Decisions of the 17th session of the SPECA Governing Council is enclosed (Annex IV).

XI. Closing of the session

The Chairperson of the session H.E. Mr. Abzal Abdikarimov thanked all participants for the intensive and productive work during the 2022 SPECA Economic Forum and the 17th session of the SPECA Governing Council. He also expressed his gratitude to the UN organizations, observer countries, and international partners for taking part in these important meetings. He stressed that such efficient work and constructive decision-making during these high-level meetings demonstrate the importance of SPECA as a platform for regional economic cooperation and expressed his hope to continue work on strengthening SPECA.

Mr. Kaveh Zahedi, Deputy Executive Secretary of ESCAP, noted that the challenges faced by SPECA member countries shared during the Forum were considerable and their expressed sustainability ambitions high. Translating these ambitions into action through the SPECA would require: (1) consolidating the operational modalities of SPECA including through the proposed creation of the SPECA Secretariat and SPECA Fund; (2) raising the political stature and visibility of SPECA including through the proposed United Nations General Assembly Resolution on SPECA, as well as through Summits of the Presidents of SPECA countries, and ESCAP Commission Meetings); (3) evolving SPECA into an instrument of implementation as well as discussion. He thanked the Government of Kazakhstan and H.E. Mr. Abzal Abdikarimov personally for his effective and efficient chairing the 2022 SPECA Economic Forum and the 17th session of the SPECA Governing Council and excellent organization of these high-level meetings.

Mr. Dmitry Mariyasin, Deputy Executive Secretary of UNECE, expressed his sincere thanks to the Government of the Republic of Kazakhstan and H.E. Mr. Abzal Abdikarimov personally for excellent organization of the SPECA events, the ESCAP secretariat for the efficient teamwork in the preparation and organization of the 2022 SPECA meetings and looked forward to working with all participants in the SPECA events the following year.

The Chairperson of the session expressed his gratitude to all participants for their active participation and declared the seventeenth session of the SPECA Governing Council closed.
