



**Central Asia Regional
Economic Cooperation**

2014 CAREC Program Results Framework

*(Excerpt from the 2014 Central Asia Regional Economic
Cooperation Program Development Effectiveness Review)*

Good Neighbors • Good Partners • Good Prospects

CAREC Results Framework (January–December 2014)

Strategic Objectives		Expanded Trade and Improved Competitiveness		
Regional Impact	<p>Investments reached a cumulative total of \$24.6 billion, an increase of 6% over the 2013 total. The number of projects grew to 156, about 6% more than in 2013. Contributions to regional impacts on expanded trade and improved competitiveness are assessed through preponderance of evidence on five indicators. Intra-regional trade as a proportion to total CAREC trade (%) rose to 6.5% in 2014 from 6.2% in 2013. Trade openness, the average trade-to-gross domestic product (GDP) ratio, remained at about 66% during 2012 and 2013 at levels higher than corresponding estimates in South Asia. Logistics performance index, which assesses six dimensions (efficiency of customs, quality of transport infrastructure, ease of arranging competitively priced international shipments, logistics competence, ability to track and trace consignments, and timeliness of shipments), remained at 2.43 on a scale of 1 to 5, similar to 2013 levels. Intra-regional energy trade (gigawatt-hours [GWh]) and foreign direct investments as a percentage of GDP did not have consistent trends during 2010–2013.</p>			
	Transport and Trade Facilitation	Energy	Trade Policy	
Sector Outcomes	<p>Competitive corridors established across CAREC.</p> <ul style="list-style-type: none"> By 2020, interregional trade value increases by five times (over the 2005 baseline: \$8.0 billion). In 2014, the figure stood at \$19.5 billion. Speed with delay to travel 500 kilometers (km) on a CAREC corridor section increases by 30% to 30 km per hour by 2020 (over the 2010 baseline: 23.5 km per hour). In 2014, the outcome indicator was 20.8 km. <p>Sustainable, safe, and user-friendly transport and trade networks developed in the CAREC region.</p> <ul style="list-style-type: none"> A regional road safety strategy prepared by 2017 and its targets achieved by the CAREC countries by 2020. In 2014, work started with cofinancing from the People's Republic of China Regional Cooperation and Poverty Reduction Fund. 	<p>Efficient movement of people and goods facilitated through CAREC corridors and across borders.</p> <ul style="list-style-type: none"> Time taken to clear a border crossing: 14.1 hours in 2014 (10.0 hours in 2013) Costs incurred to clear border crossing: \$172 in 2014 (\$235 in 2013) Speed of travel on a 500 km CAREC corridor section: 20.8 km per hour in 2014 (20.0 km per hour in 2013) Costs incurred traveling a corridor section (per 500 km, per 20-ton load): \$1,360 in 2014 (\$1,467 in 2013) 	<p>Effects of uneven distribution of energy resources among CAREC countries overcome.</p> <ul style="list-style-type: none"> Progress was achieved to enhance the Central Asia–South Asia energy corridor. 	<p>Increased coordination and collaboration between the Trade Policy Coordinating Committee and development partners to improve trade openness in CAREC member countries.</p> <p>As of 2014, the majority of member countries completed six of the nine policy action items that apply to all member countries. Where actions were stipulated for specific countries, progress was less visible.</p> <p>A stocktaking exercise assessed (i) existing sanitary and phytosanitary and technical barriers to trade measures in place across member countries, and (ii) existing bottlenecks hindering expansion of trade in services.</p>

	Transport and Trade Facilitation	Energy	Trade Policy		
Sector Outputs	<p>Multimodal corridor established.</p> <ul style="list-style-type: none"> Expressways or national highways built or improved annually: 1,450 km in 2014 (1,312 in 2013) Cumulative proportion of total CAREC road corridors in good condition: 74% in 2014 (85% in 2013) Railways built annually: 1,036 km in 2014 (0 in 2013) Railways improved annually: 317 km in 2014 (0 in 2013) 	<p>Operational and institutional effectiveness enhanced.</p> <ul style="list-style-type: none"> Priority investment projects of two pilot countries (Afghanistan and Pakistan) mapped in geographic information system using data provided by countries. Options for financing through toll roads studied in Azerbaijan; results will inform further action in other countries. Workshops on cross-border transport and road asset management completed. 	<p>Trade and border-crossing services improved.</p> <p>In September 2014, five CAREC member countries (People's Republic of China, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan) and the Russian Federation signed the Shanghai Cooperation Organization (SCO) agreement on facilitation of cross-border road transport among SCO members.</p>	<p>Targeted levels for domestic and cross-border energy projects reached by 2020. Data received in 2014 from Afghanistan, Kazakhstan, Mongolia, Pakistan, and Uzbekistan showed the following:</p> <ul style="list-style-type: none"> Installed or upgraded transmission lines (kilometers): 1,150 Increased energy-generation capacity (megawatts [MW]): 600 Rehabilitated generation capacity (MW): 520 Installed new substations (megavolt-amperes [MVA]): 4,200 Upgraded substations (MVA): 5,200 	<p>The World Trade Organization (WTO) collaborated with the International Monetary Fund and the Asian Development Bank (ADB) in capacity development and agreed to assist in accession and post-accession work.</p> <p>Preliminary tabulations of updated Trade Policy Strategic Action Plan (TPSAP) implementation in 2014 were presented at the 21st Trade Policy Coordinating Committee meeting in Bishkek, Kyrgyz Republic in November 2014. Six out of the ten countries submitted information for the preliminary tabulations of TPSAP implementation progress in 2014, so the overall tabulation was deemed partial.</p> <p>ADB support for Strengthening Tajikistan's Trade and Investment Regime continued work on organizational reforms of Tajikistan Standards Agency (Tajikstandart) and assessment of post-WTO accession.</p>

	Transport and Trade Facilitation	Energy	Trade Policy
Sector Investments and Interventions	<p>11 projects for roads and railways completed during January–December 2014. 65 projects for roads and railways ongoing in 2014.</p> <p>13 physical infrastructure projects being implemented in other transport subsectors (two port and shipping projects, two logistics centers, three border-crossing points, six civil aviation projects).</p> <p>Work undertaken to complement physical investments and support CAREC countries in operational and institutional strengthening:</p> <ul style="list-style-type: none"> Support knowledge sharing and services. Regional technical assistance 8789: Knowledge Sharing and Services in Transport and Transport Facilitation approved in December 2014, with funding from the Asian Development Bank (ADB) (\$1.4 million) and the People's Republic of China Regional Cooperation and Poverty Reduction Fund (\$0.4 million). Focus areas based on Transport and Trade Facilitation Strategy (TTFS) 2020 operational priorities in transport and transport facilitation. Enhance road safety. Regional technical assistance 8804: Enhancing Road Safety for CAREC Member Countries approved in December 2014. Outputs are a CAREC road safety strategy, strengthened capacity of CAREC member countries to manage and coordinate road safety activities, including improved data collection and road-collision research. Use of geographic information system to track progress on TTFS 2020. <p>ADB regional technical assistance 8147: Facilitating Cross-Border Transport in the CAREC Region (Phase 1) supports CAREC's initiative to improve cross-border transport in the CAREC region.</p>	<p>3 projects completed during January–December in 2014. 21 projects for energy ongoing in 2014.</p> <p>ADB technical assistance for CAREC Power Sector Financing Roadmap was approved in September 2014. A list of energy sector priority projects consolidated by the Energy Sector Coordinating Committee with inputs from CAREC members' national investment plans.</p> <p>United States Agency for International Development (USAID) through its Regional Energy Security, Efficiency and Trade (RESET) Program, commissioned a study of conditions of parallel operation of power systems of southern Kazakhstan, the Kyrgyz Republic, and Tajikistan in relation to the proposed construction of new transmission facilities.</p> <p>Work on energy–water linkages continued. A World Bank study plan (it was in the inception stage) for Energy Vulnerability to Climate Change was presented in September 2014. It sought to increase understanding of climate change–induced energy sector vulnerabilities and build resilience through coordinated adaptation policies.</p> <p>Activities continued under the energy sector capacity-building and knowledge framework for 2013–2015.</p>	<p>Four sets of activities undertaken. First, advance the World Trade Organization Accession Knowledge-Sharing Program and supplement the regional program with country-specific technical assistance.</p> <p>Second, initiate implementation of the updated Trade Policy Strategic Action Plan (TPSAP) by each CAREC member country.</p> <p>Third, build capacity of and share knowledge among CAREC member countries on trade policy issues. Two roundtable discussions covered progress made and challenges faced in implementing the updated TPSAP, and role of developments partners.</p>

	Transport and Trade Facilitation	Energy	Trade Policy
Implementing Bodies	<p>The CAREC Transport Sector Coordinating Committee and Customs Cooperation Committee jointly implement the CAREC Transport and Trade Facilitation Strategy (TTFS). The TTFS 2020 refined the strategy and classified the sector outputs into three operational priority areas: (i) multimodal corridor network development, (ii) trade and border-crossing service improvements, and (iii) operational and institutional strengthening.</p>	<ul style="list-style-type: none"> In May 2014, about 50 participants from CAREC member countries and Armenia and Georgia attended the Energy Efficiency Training Seminar: Central and West Asia Region in Kuala Lumpur, Malaysia. In September 2014, the Regional Energy Trade Workshop, organized by ADB in Manila in September 2014 drew lessons from regional energy trade arrangements. <p>The Energy Sector Coordinating Committee implements the 2013–2015 work plan, which prioritized six elements:</p> <ul style="list-style-type: none"> develop a Central Asia–South Asia corridor, resolve energy dispatch and trade issues, manage energy–water linkages, mobilize funds to build energy assets, implement energy priority projects, and build capacity and manage knowledge. 	<p>Fourth, analytical inputs for policy makers' workshops. At the 21st Trade Policy Coordinating Committee meeting in November 2014, the World Bank presented the latest developments and tools in trade in services and nontariff measures.</p> <p>The Trade Policy Coordinating Committee coordinates activities under the updated Trade Policy Strategic Action Plan (TPSAP) for 2013–2017, which covers (i) reducing and rationalizing the trade-impeding impact of sanitary and phytosanitary and technical barriers to trade measures, and (ii) expanding trade in services. The updated plan retains the original three objectives of the 2008–2012 plan: (i) achieve WTO accession, (ii) achieve more trade openness independent of WTO accession, and (iii) develop capacity on trade issues.</p>

Source: CAREC Program Portfolio, Sector Progress Reports.