
Mid-Term Review of CAREC 2020

CAREC Senior Officials' Meeting
Islamabad, Pakistan
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CAREC 2020: An Overview

- 10 year strategy with two objectives:
 - expanded trade;
 - increased competitiveness
- Seven operational priorities:
 - transport
 - trade facilitation
 - trade policy
 - energy
 - *economic corridors*
 - *the CAREC Institute; and*
 - *second-tier areas (social impacts of trade expansion, agriculture and the environment, among others)*

MTR Assessment: Significant progress

- **Transport sector:** on track to achieve or exceed planned outputs by 2020
- **Trade facilitation:** established the CPMM
- **Trade policy:** has supported WTO accession
- **Energy:** supported major projects
- **Economic corridors:** piloted under ABCI
- **CAREC Institute:** physical basis established, legal identity being finalized

MTR Assessment: Mixed Picture

- **Trade facilitation:** progress needs to be translated into results on ground
- **Trade policy:** forward agenda is modest and will need review
- **Energy:** scope to develop further large-scale regional projects and increase regional power trade
- **CAREC Institute:** can more effectively address regional needs for knowledge and capacity building

New Economic Environment and Vulnerabilities

- New environment with globally sluggish growth and slowdown in important trading partners
- Lower inflows from commodity exports and remittances result in lower growth rates and fiscal stress
- Common goal: inclusive growth, infrastructure investments, jobs

Expanded CAREC Agenda

- New economic environment calls for broader CAREC agenda
- New growth drivers need to be identified and supported
- Economic diversification, increased productivity, enhanced job creation through increased scale and specialization in regional markets
- Transport and energy infrastructure to remain core

Shifting Regional Landscape for Cooperation

- Growing available resources for infrastructure
 - Increased lending capacity of ADB
 - Creation of new development banks (AIIB and NDB),
 - Country led initiatives: One Belt One Road (PRC); New Silk Road (US); Quality Infrastructure Initiative (Japan); Eurasia Initiative (South Korea)
- Thus, partnerships and international coordination is becoming more important given several mega-initiatives
- Also, overlapping but separate multi-country initiatives: SCO; EEU

Summary of Recommendations

CAREC should:

1. Strengthen strategic coherence
2. Explore broadening its agenda
3. Develop new, flexible mechanisms (such as ExGs) => revisiting OIF (Overall Institutional Framework)
4. Explore new approach to development partnerships

Thank you for your attention.

