



**Joint Ministerial Statement  
15<sup>th</sup> Ministerial Conference on  
Central Asia Regional Economic Cooperation  
Islamabad, Pakistan  
26 October 2016**

***Linking Connectivity with Economic Transformation in CAREC***

*Representing the Governments of Afghanistan, Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan, Ministers adopted the following statement at the conclusion of the 15<sup>th</sup> Ministerial Meeting on Central Asia Regional Economic Cooperation (CAREC) in Islamabad on 26 October 2016.*

**I. Regional Cooperation to help Rebuild Growth Momentum**

1. We noted the challenging regional outlook and reaffirmed our resolve to rebuild economic momentum by continuing structural and other reforms to diversify our economies and foster more inclusive growth over the longer term. We confirmed that regional cooperation will continue to play an important role in helping growth in the CAREC region through enhanced connectivity to enable new market opportunities, improved enterprise efficiency, and increased private investments.

**II. Georgia's Membership in CAREC**

2. We welcomed Georgia as the 11<sup>th</sup> country to join the CAREC Program. We expressed optimism that Georgia's participation in CAREC could increase synergies in the region as a whole and looked forward to strengthening economic ties through the framework of regional cooperation.

**III. Sound Progress**

3. We were pleased with the progress and results achieved in our areas of cooperation. The **transport** sector has reached 93% of its 2020 target for the length of roads built or upgraded. To operationalize our Commitment to Road Safety in CAREC made last year, we adopted a **Road Safety Strategy for 2017-2030** which aims to halve road fatalities in CAREC by 2030, from 2010 levels. This would translate into saving 23,000 lives and avoiding 250,000 serious injuries per year by 2030. We endorsed the **CAREC Railway Strategy 2017-2030** to unleash the potential of railways as an engine for regional cooperation in CAREC. The strategy prioritizes six designated railway corridors aligned with trade routes. We recognized that in order to maximize returns on infrastructure investments, parallel efforts on cross-border transport facilitation would need to be stepped up to improve transit outcomes in our region.

4. In **energy**, we were satisfied with the major energy infrastructure projects coming on stream. We welcomed preparations for the Turkmenistan-Afghanistan-Pakistan (TAP) Transmission Line for export of power from Turkmenistan to Pakistan through the southern Afghan corridor. We noted that the 500kV transmission line of the Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan Interconnection Project (TUTAP) for the Turkmen section has been completed and for the other sections construction has started. We appreciated that an **Energy Investment Forum** was successfully held on 24 October 2016, which provided a platform for government officials, potential investors, energy companies, financing institutions and development partners to deliberate on policy environment and investment opportunities in the energy sector. We looked forward to increased role of private sector in CAREC's efforts towards a more integrated regional energy market that could provide reliable, affordable and sustainable energy for all.

5. We are strongly committed to climate actions through adaptation and mitigation in building infrastructure in the region. We noted increased emphasis on sustainable infrastructure under CAREC will contribute to Intended Nationally Determined Contributions submitted by most of us under COP21 Paris Agreement of 2015.

6. In **trade facilitation**, we expressed appreciation for member countries' efforts to modernize customs through use of information and communication technologies, risk management per guidance of the Revised Kyoto Convention, and good endeavors in coordinated border management. We also took note of joint customs control (PRC-Mongolia) and new initiatives to improve regional transit and information exchange. We welcomed the launching of the Regional Food Safety Initiative. The initiative will help institutionalize international food safety standards in participating countries and contributes to CAREC's Common Agenda for Modernization of Sanitary and Phytosanitary Measures.

7. In **trade policy**, we congratulated Kazakhstan and Afghanistan on their accession to the World Trade Organization (WTO) as the 162<sup>nd</sup> and 164<sup>th</sup> members, which is a landmark in their endeavors for an open, predictable and transparent trading environment. In recognition of the post-accession challenges, we called for deeper collaboration with international development partners to help newly-acceded CAREC countries in meeting their WTO commitments especially in the areas of sanitary and phytosanitary measures, technical barriers to trade and expansion of services trade. Noting the evolving needs of countries and the trading environment, we looked forward to an adaptive and demand-driven work program to align with and serve member countries' trade policy reforms.

8. We noted with satisfaction progress in the pilot Almaty-Bishkek Corridor Initiative (ABCI) and the adoption of its Investment Framework (IF). The IF details the conceptual development plan for economic corridor in the region, comprising investments, policy reforms and institutional development. We welcomed the intention of Kazakhstan and the Kyrgyz Republic to institutionalize Almaty-Bishkek economic corridor development by establishing a Corridor Development Authority with coordination at the higher level. We looked forward to further development of this pilot corridor through implementation of prioritized projects and initiatives. We hoped to draw lessons from this pilot initiative for applications in other parts of CAREC.

#### **IV. Mid-Term Review**

9. We applauded the timely conduct of the Mid-Term Review of CAREC 2020 and concurred with the findings and recommendations. We agreed CAREC should formulate a new long-term strategy to address a changing regional landscape and country needs. The new

strategy should explore selective expansion of the CAREC Program's agenda keeping in view national strategies of member countries and priorities of development partners. It should also consider improvements to CAREC's institutional framework and development partnerships to increase the effectiveness and impact of our cooperation. We requested the CAREC Secretariat to initiate work immediately on the new long-term strategy for the region's sustainable and inclusive development with a view to completing it by 2018.

## **V. The CAREC Institute**

10. We congratulated the countries for concluding negotiations on the Intergovernmental Agreement Establishing the CAREC Institute and initiating procedures for signing and ratification of the agreement. We noted that the discussions took place in translating the Ministerial Announcement on the Establishment of the Physical Base of the CAREC Institute in 2014 into this Agreement. With the entry into force of the Agreement, following ratification by at least three countries including the host country of the CAREC Institute headquarters, we envisaged the CAREC Institute functioning more effectively as an intergovernmental organization to support the CAREC agenda and building partnerships with other institutions to expand knowledge access. We supported the proposal of Kazakhstan to open the first CAREC Institute branch office.

## **VI. Enhancing Institutional Mechanisms**

11. We are grateful for the continued financial and technical support provided by our multilateral institution partners, and participating bilateral partners active in the region. We look forward to strengthening these partnerships, as well as developing new ones, as we begin to chart a new strategy for CAREC. Recognizing human capital, innovation and technology as the new drivers of growth, we shared the view that effectively engaging the private sector in the CAREC process would be increasingly important. We expressed our appreciation to the CAREC Secretariat, the sector coordinating committees and the CAREC Institute for their dedicated support to the CAREC Program.

## **VII. Conclusions and Acknowledgement**

12. We thank the Government of Pakistan for chairing and hosting our 15<sup>th</sup> Ministerial Conference, and our Secretariat, the Asian Development Bank, for the excellent arrangements made. We look forward to our 16<sup>th</sup> meeting to be held in 2017 in Tajikistan.