

CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM
SENIOR OFFICIALS' MEETING
20–21 June 2017
Tbilisi, Georgia

SUMMARY OF PROCEEDINGS

I. Introduction

1. A Central Asia Regional Economic Cooperation (CAREC) Senior Officials' Meeting (SOM) was held in Tbilisi Georgia on 20–21 June 2017. Delegations from CAREC member countries participated along with representatives of CAREC multilateral institution partners and the CAREC Institute (CI). Mr. Genadi Arveladze, Deputy Minister for Economy and Sustainable Development and CAREC National Focal Point (NFP) for Georgia welcomed the participants on behalf of the host country. Ms. Gulru Kayumova, Deputy Minister for Economic Development and Trade and CAREC NFP for Tajikistan chaired the meeting. Mr. Sean O'Sullivan, Director General, Central and West Asia Department (CWRD), Asian Development Bank (ADB), Mr. Ayumi Konishi, Director General, East Asia Department, ADB, and Mr. Hong Wei, Deputy Director General, CWRD, ADB, co-chaired the meeting.

2. The objectives of the SOM were to: (i) deliberate and provide guidance on the new CAREC long-term strategy; (ii) review progress and discuss key issues in the operational priority areas including CI; and (iii) discuss the structure and envisaged deliverables of the 16th CAREC Ministerial Conference (MC). The agenda and list of participants are in Appendix 1.

II. SOM Highlights

3. **CAREC Long-Term Strategy.** The SOM broadly endorsed the overall directions, operational priorities and institutional arrangements of the new CAREC strategy leading to 2030, as set out in the outline of the new strategy. Member countries, however, noted that they will review the full draft of the strategy document, once circulated by the Secretariat, and provide further comments on the document. The SOM appreciated the consultative and participatory approach in developing the new CAREC strategy. It noted the need to formulate the new CAREC strategy in alignment with national development priorities and the 2030 development agenda including sustainable development goals (SDGs) and COP21.¹ The SOM endorsed the proposed mission statement for CAREC to serve as "*A Regional Cooperation Platform to Connect People, Policies and Projects for Shared and Sustainable Development*". It underscored that CAREC should continue to build on its comparative advantages to deepen its existing operations in the areas of transport, energy, trade facilitation and trade policy, while continuing efforts to promote economic corridor development.

4. The SOM endorsed the selective broadening of CAREC's agenda to include new areas of operations in line with priorities identified by member countries. The proposed five operational clusters under the new strategy were agreed. These include the clusters on economic and financial stability; trade, investment, economic corridors and tourism; infrastructure and economic connectivity; agriculture and water; and social services. The SOM emphasized that, in addition, CAREC should promote application of information and communication technology (ICT) across all clusters to promote e-commerce and digital economy in the region. In this

¹ COP21 refers to Paris Agreement of 21st Conference of parties of UN Framework Convention on Climate Change.

regard, the SOM noted the project on the trans-Eurasian information super-highway (TASIM). The SOM proposed that CAREC should better leverage private sector financing and engage SMEs in global value chains, and promote business-to-business and people-to-people contacts among member countries.

5. The SOM instructed that appropriate institutional arrangements should be put in place to operationalize the five operational clusters while keeping CAREC's institutional structure simple, effective and efficient. The SOM reviewed the proposal for the Ministerial Conference to serve as a high-level policy development forum. At the same time, it noted the important role played by sector committees and observed that such committees should be further strengthened and rationalized going forward. The SOM noted the proposal of merging trade policy and trade facilitation under a unified trade cluster, and instructed to solicit views from related sector committees on the proposal.

6. The SOM agreed that CAREC should provide value-adding knowledge services to member countries to inform policy development and noted the important role of the CAREC Institute in providing knowledge and analytical support. It stressed the need to measure the effectiveness of CAREC through establishing a robust monitoring and evaluation system under the new strategy. The SOM also endorsed that CAREC should position itself as an open and inclusive platform to invite interested development partner institutions, with the potential to add value, to join CAREC and support its activities and operations. The SOM recommended to coordinate and cooperate with existing and emerging regional initiatives. The SOM instructed the Secretariat to develop a full draft strategy for further discussion at the National Focal Points' Meeting in September with an aim to endorse the new strategy at the 16th Ministerial Conference.

7. The SOM reviewed progress in the four priority sectors and discussed key issues.

- a. **On transport**, the SOM expressed satisfaction that road and railway targets set for 2020 have been surpassed. The SOM noted achievements in the areas of railways strategy development, transport facilitation, road safety and road asset management. The SOM endorsed (i) implementation of the CAREC Railway Strategy through continued support to the railway working group, including translation of the strategy into national action plans; (ii) enhancing transport facilitation by supporting full implementation of key international transport agreements; (iii) implementation of the CAREC Road Safety Strategy 2030; and (iv) undertaking of further efforts to support road asset management. The SOM reaffirmed the importance of aviation and dry ports for the landlocked CAREC region, and welcomed to include aviation as a new pillar in the transport sector work plan. The SOM endorsed the preparation of a scoping study to identify specific areas for regional cooperation in aviation.
- b. **On trade facilitation**, the SOM endorsed the need for CAREC to support member countries in meeting their WTO Trade Facilitation Agreement (TFA) related commitments. It welcomed the initiative to undertake an assessment of the TFA implementation status in CAREC countries. The SOM appreciated the pilot initiatives of CAREC Advanced Transit System and noted the need to develop a legal framework and arrangement to regulate electronic data exchange among the three CAREC countries (Azerbaijan, Georgia and Kazakhstan) related to customs clearance and customs control. The SOM also noted the progress on implementing the CAREC

Common Agenda for Modernization of Sanitary and Phytosanitary Measures and standards for Trade and instructed to undertake concrete actions on this agenda including building quality management infrastructure.

- c. **On energy**, the SOM welcomed the initiative of developing a CAREC New Energy Technology Roadmap. It also welcomed the progress made on the cross-border energy projects, and instructed the Energy Sector Cooperation Committee (ESCC) to intensify its efforts to establish markets for energy. The SOM endorsed the conduct of mid-term review of the 2016-2020 ESCC Work Plan. It appreciated that ESCC in cooperation with ADB, the Government of Kazakhstan and the Astana EXPO 2017, will organize CAREC 2017 Energy Investment Forum on 18-19 July 2017 in Astana, Kazakhstan with a focus on financing clean energy investments. The SOM encouraged active participation of member countries in this important event.
- d. **On trade policy**, the SOM stressed that with the 2013-2017 Trade Policy Sector Action Plan coming to an end, a new trade policy agenda needs to be agreed and developed. It emphasized that the new trade policy agenda should be consistent with the directions of the new CAREC long-term strategy. The SOM welcomed the discussions at the 24th Trade Policy Coordinating Committee (TPCC) held in Tbilisi on 19 June 2017, and encouraged TPCC to continue working closely with the WTO and other partners on capacity development and knowledge sharing activities.

8. The SOM was apprised of the CI 2017 workplan and progress on signing and ratification of the CI's Intergovernmental Agreement. The SOM acknowledged the signing of the IGA by Azerbaijan on 16 June 2017 and encouraged member countries to expedite their internal processes to complete the signing and ratification process. It welcomed the planned official inauguration of the CI and the Eminent Speakers' Forum to be held on 12 September and the Second Think Tanks Forum on 13 September 2017 in Urumqi, Xinjiang Uygur Autonomous Region, PRC, and encouraged active participation of member countries in these events.

9. The SOM affirmed that the 16th MC would be held in Dushanbe, Tajikistan on 27 October 2017 with the theme "*Evolving Common Approaches on SDGs and COP21 Climate Agreement in CAREC Countries.*" The SOM encouraged high-level participation in the MC, and expedited work to deliver the expected deliverables by the 16th MC.

10. The SOM was updated on the recent progress of Almaty Bishkek Economic Corridor (ABEC), on which an Intergovernmental Council has been established by Kazakhstan and the Kyrgyz Republic, chaired by their respective Prime Ministers. The SOM welcomed the ongoing work in developing an ABEC Implementation Plan to operationalize its Investment Framework endorsed in 2016.

11. The SOM welcomed Georgia's participation in its first SOM and expressed its appreciation particularly to the Ministry of Economy and Sustainable Development, for hosting the meeting, and to the Government of Tajikistan for its able leadership of the meeting. The SOM also expressed its gratitude to ADB and the CAREC Secretariat for helping organize and conduct the meeting. The SOM extended its appreciation to other development partners present in the meeting, namely, the International Monetary Fund, United Nations Development Programme, and European Bank for Reconstruction and Development as well as the representatives of CI.