



**Central Asia Regional  
Economic Cooperation**

# 2015 CAREC Program Results Framework

*(Excerpt from the 2015 Central Asia Regional Economic  
Cooperation Program Development Effectiveness Review)*

Good Neighbors • Good Partners • Good Prospects

## CAREC Results Framework, January–December 2015

Strategic Objectives	Expanded Trade and Improved Competitiveness
Regional Impact	Investments reached a cumulative total of \$27.7 billion, an increase of 12.7% over the 2014 total. The number of projects grew to 166, or 6% more than in 2014. These and other interventions contributed to the strategic objectives, which are assessed through evidence on five indicators at the regional level. <b>Intraregional trade</b> as a proportion of total CAREC trade rose to 7.92% (2015) from 6.49% (2014) primarily due to a drop in exports and imports to the world in 2015, although trade across CAREC member countries remained more or less at the same levels compared to earlier years. <b>Trade openness</b> or trade as a proportion of gross domestic product (GDP), declined to 60.6% in 2014 from 66.7% in 2013. <b>Logistics Performance Index</b> , 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) every 2 years, was reduced to 2.39 (2016) from 2.43 (2014) on a scale of 1–5 (does not include Azerbaijan). <b>Foreign direct investments</b> as a percentage of GDP fluctuated downward, settling at 3.6% in 2014.

	Transport and Trade Facilitation			Energy	Trade Policy
Sector Outcomes	Competitive corridors established across CAREC region.  By 2020, intraregional trade value should increase five times over the 2005 baseline of \$8.0 billion. In 2015, the figure was \$20.4 billion.  By 2020, speed with delay to travel 500 kilometers (km) on a CAREC corridor section should increase by 30% to 30.0 km per hour	Efficient movement of people and goods facilitated through CAREC corridors.  Time taken to clear a border crossing: 13.1 hours in 2015 (14.1 hours in 2014).  Costs to clear border crossing: \$161 in 2015 (\$172 in 2014).  Speed of travel on a 500 km CAREC corridor section: 21.1 km per	Sustainable, safe, and user-friendly transport and trade networks developed in the CAREC region.  CAREC member countries signed the Commitment to Road Safety.  A CAREC Road Safety Strategy is being prepared, with targets that will be achieved by 2020.	Effects of uneven distribution of energy resources among CAREC member countries overcome.  Work to develop the East-Central Asia-South Asia Regional Energy Market continued.  Existing energy interrelationships optimized.  Analysis to promote power trade	Trade and business environment improved.  As of 2015, a majority of CAREC member countries had reduced tariffs, and eliminated or tariffed quantitative restrictions and miscellaneous taxes on imports.

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Sector Outcomes	over the 2010 baseline of 23.5 km per hour. In 2015, the figure was 21.9 km per hour.	hour in 2015 (20.8 km per hour in 2014).  Costs of traveling a corridor section (per 500 km, per 20-ton load): \$1,323 in 2015 (\$1,360 in 2014).  Costs by truck: \$1,359 in 2014 (\$1,341 in 2015).  Costs by train: \$1,250 in 2015 (\$1,364 in 2014) on average.		was undertaken.	
Sector Outputs	Multimodal corridor network developed.  Expressways or national highways built or improved annually: 809 km in 2015 (1,450 km in 2014).  Cumulative proportion of total CAREC corridors in good condition: 77% in 2015 (74% in 2014).	Trade and border-crossing services improved.  National single window in the Kyrgyz Republic was modernized and was piloted in Tajikistan.  A border-crossing point in Tajikistan was improved as part of the CAREC Corridor 3 Improvement Project.	Operational and institutional effectiveness enhanced.  Pakistan acceded to the <i>Transports Internationaux Routiers</i> (TIR) Convention, and is preparing its customs transit guarantee system.  The Quadrilateral Traffic in Transit Agreement among four CAREC	Targeted levels of domestic and cross-border energy projects reached by 2020.  Data from three CAREC member countries show that 923.1 km of transmission lines were installed or upgraded; 136.3 megawatts of energy generation capacity increased, 65 megawatts of generation capacity	There are seven World Trade Organization (WTO) members and two observers.  Five CAREC member countries eliminated discrepancies between taxes on domestic goods and imports.  Eight CAREC member countries eliminated or incorporated import taxes and fees.

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<b>Sector Outputs</b>	<p>Railways built annually: 0 km in 2015 (1,036 km in 2014).</p> <p>Railways improved annually: 140 km in 2015 (317 km in 2014).</p>		<p>member countries (People's Republic of China, Kazakhstan, Kyrgyz Republic, and Pakistan) resumed operations.</p> <p>The CAREC Railway Strategy 2030 is being prepared.</p> <p>A workshop on road asset management was held, and a compendium of good practices produced.</p> <p>A geographic information systems (GIS) database on investment projects is in progress.</p>	<p>were rehabilitated, 429.1 megavolt amperes of new substations were installed, and 351.1 megavolt amperes of substations were upgraded.</p> <p>The Central Asia–South Asia Regional Energy Market continued.</p> <p>The use of clean technology energy increased.</p>	<p>Eight CAREC member countries reduced average tariffs to 10%.</p> <p>Eight CAREC member countries capped tariffs at 20%.</p> <p>Nine CAREC member countries eliminated or tariffed quantitative import restrictions.</p> <p>Ten CAREC member countries acknowledged the importance of WTO sanitary and phytosanitary standards and technical barriers to trade agreements.</p> <p>Ten CAREC member countries participated in training and technical assistance for accession, compliance, and alignment of customs procedures with the revised Kyoto Convention.</p>

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<b>Sector Investments and Interventions</b>	<p>Forty-three projects for roads and railways and 10 for trade facilitation were completed, and 69 projects for roads and railways and 5 for trade facilitation are ongoing.</p> <p>Thirteen other transport subsector projects are in progress: two ports, two logistics centers, three border-crossing points, and six related to civil aviation.</p>	<p>Knowledge Sharing and Services in Transport and Transport Facilitation (TA 8789-REG), which is developing the CAREC Railway Strategy 2030, exchanging knowledge on road asset management, and developing a GIS database on investment projects.</p> <p>Enhancing Road Safety for CAREC Member Countries (TA 8804-REG) will develop the CAREC road safety strategy, strengthen road management capacities, and integrate road safety evaluation in CAREC road projects.</p> <p>Facilitating Cross-Border Transport in the CAREC Region (TA 8147-REG) was recently completed, supporting the Regional</p>	<p>The CAREC Common Agenda for Sanitary and Phytosanitary Measures was adopted.</p> <p>The Regional Workshop on Strategic Initiatives for Trade Facilitation of the World Customs Organization discussed the implementation of the WTO Trade Facilitation Agreement and its synergy with the revised Kyoto Convention.</p> <p>The CAREC Federation of Carrier and Forwarder Associations (CFCFA) deliberated on a regional transit system and the CAREC market for cargo insurance.</p>	<p>Sixteen energy projects were completed, with 23 projects ongoing.</p> <p>Analyses and databases include the Regional Power Trade Development in Central Asia, to help promote power trade; Energy Vulnerability to Climate Change, to build resilience to vulnerabilities through coordinated adaptation policies; Central Asia energy-water knowledge data portal and network; and technical assistance to develop the CAREC Power Sector Financing Road Map.</p> <p>Capacity building and training on new technologies, energy forecasting, regulation, and off-grid electrification kits were implemented.</p>	<p>Knowledge sharing through training included Strengthening Tajikistan's Trade and Investment Regime (TA 8380-TAJ), and produced policy research and analysis of organizational reforms of the Tajikistan Standards Agency (Tajikstandart), executive training on quality infrastructure reforms, and an international trade and investment conference.</p> <p>Knowledge sharing during Trade Policy Coordinating Committee meetings included analysis of trade in services in Kazakhstan, the CAREC Common Agenda for Sanitary and Phytosanitary Measures, and challenges faced in implementing the strategic action plan.</p>

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<b>Sector Investments and Interventions</b>		<p>Improvement of Border Services project in the Kyrgyz Republic and Tajikistan.</p> <p>Aligning Customs Trade Facilitation Measures with Best Practice (TA 8585-REG), Coordinated Border Management for Results (TA 8584-REG), and Facilitation of Regional Transit (TA 8586-REG) are also ongoing.</p>		

	Transport and Trade Facilitation		Energy	Trade Policy
<b>Implementing Bodies</b>	<p>The CAREC Transport Sector Coordinating Committee and Customs Cooperation Committee jointly implement the CAREC Transport and Trade Facilitation Strategy 2020, which prioritizes multimodal corridor network development, trade and border-crossing improvements, and operational and institutional strengthening. The transport sector work plan, 2015–2017 translated this into a program that focuses on road safety, road asset management, railways, and transport facilitation.</p>	<p>Activities are implemented through cooperation among CAREC member countries, the CAREC Secretariat, and development partners. CAREC member countries are engaged through national focal points. The Customs Cooperation Committee is composed of heads of customs authorities of CAREC member countries.</p>	<p>The Energy Sector Coordinating Committee implements the energy work plan, 2016–2020, which has six elements: develop the East Central Asia–South Asia regional energy market (E-CASAREM), promote regional electricity trade and harmonization, manage energy–water linkages, mobilize financing for priority projects, capacity development and knowledge management, and promote and prioritize clean energy technologies.</p>	<p>The Trade Policy Coordinating Committee oversees the activities under the trade policy strategic action plan, 2013–2017, which aims for accession to WTO, greater trade openness with simplified trade taxes and eliminated quantitative restrictions, reducing the trade-impeding impact of technical regulations and sanitary and phytosanitary measures, expanded trade in services, and capacity building and knowledge sharing on trade issues.</p>