

Central Asia Regional Economic Cooperation Program (CAREC)



Mr. Robert Y. Siy, Jr.
Director
Central and West Asia Department
Asian Development Bank

The views expressed in this paper/presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequence of their use. Terminology used may not necessarily be consistent with ADB official terms.



East Asia ↔ EU

1995 = \$244 billion

2006 = \$604 billion

East Asia ↔ Middle East

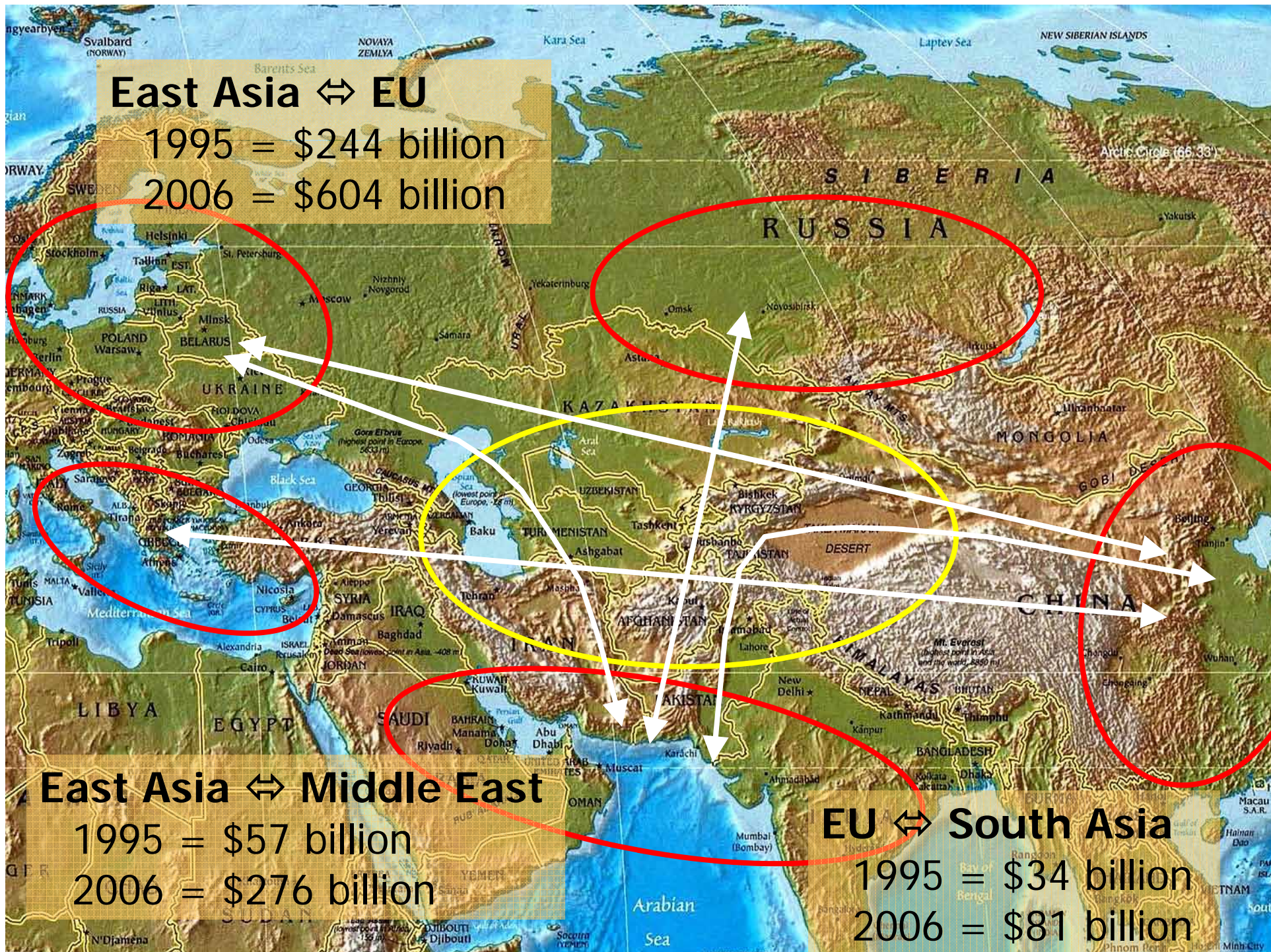
1995 = \$57 billion

2006 = \$276 billion

EU ↔ South Asia

1995 = \$34 billion

2006 = \$81 billion



CAREC is a partnership

- 8 countries and 6 institutions, each with clear roles
- Not a treaty, but a serious commitment by all
- Rich on country ownership and consensus

Project focus, clear strategy, action plan

- Focus areas: transport, energy, trade facilitation, and capacity development/ networking

Eight countries: Afghanistan Kyrgyz Republic
Azerbaijan Mongolia
PRC Tajikistan
Kazakhstan Uzbekistan

Six multilateral institutions:

- Asian Development Bank
- European Bank for Reconstruction and Development
- International Monetary Fund
- Islamic Development Bank
- United National Development Programme
- World Bank

Goal and Engagement

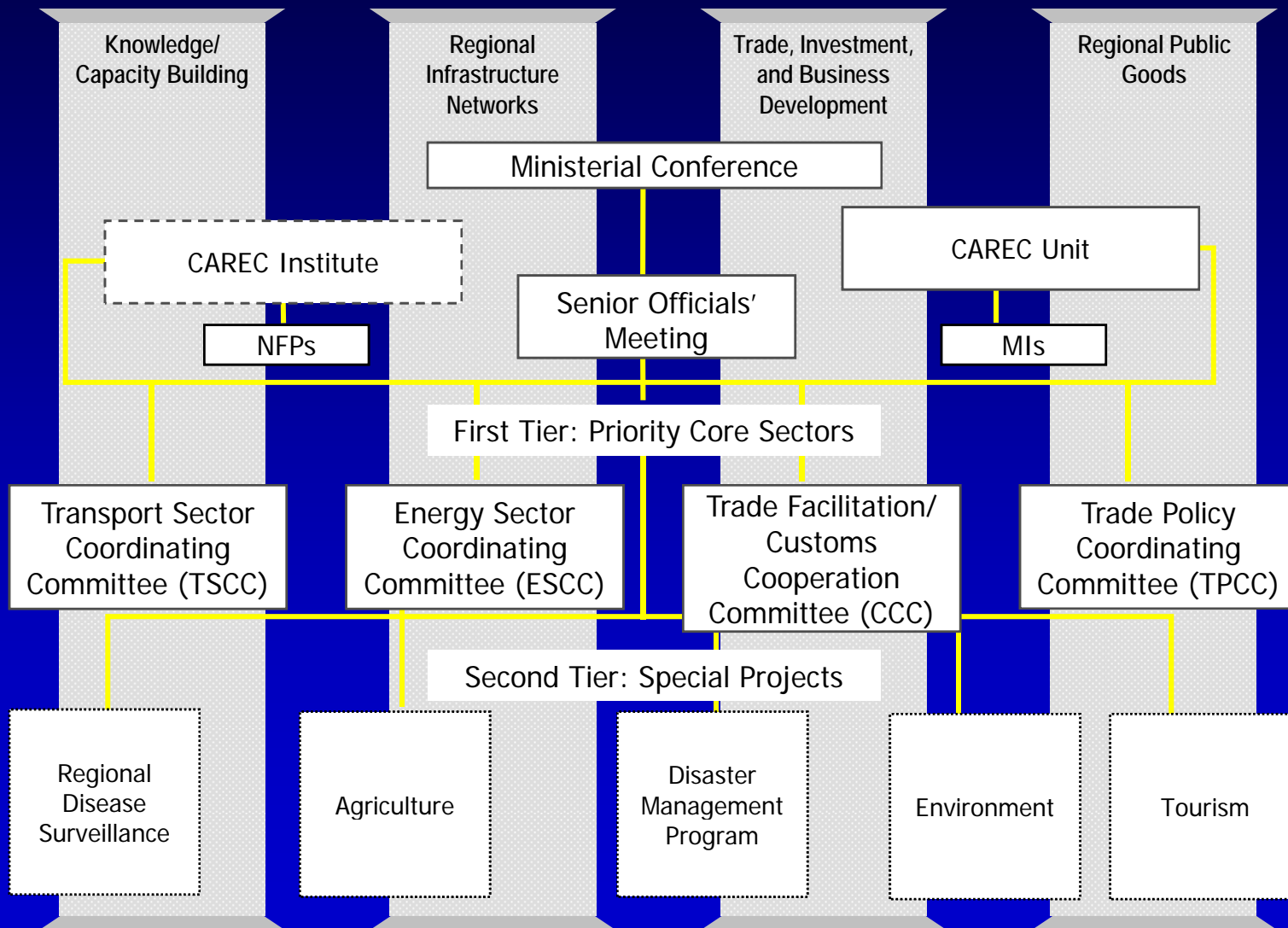
Goal

- Development through cooperation, leading to accelerated economic growth and poverty reduction in Central Asia

Pillars of Engagement

- Knowledge/capacity building
- Infrastructure networks
- Trade, investment and business promotion
- Regional public goods

Comprehensive Action Plan



Focused Dialogue

- Consistent interaction
- Project focus
- Frank, practical, detailed
- Consensus-based decisions

Funding Cooperation

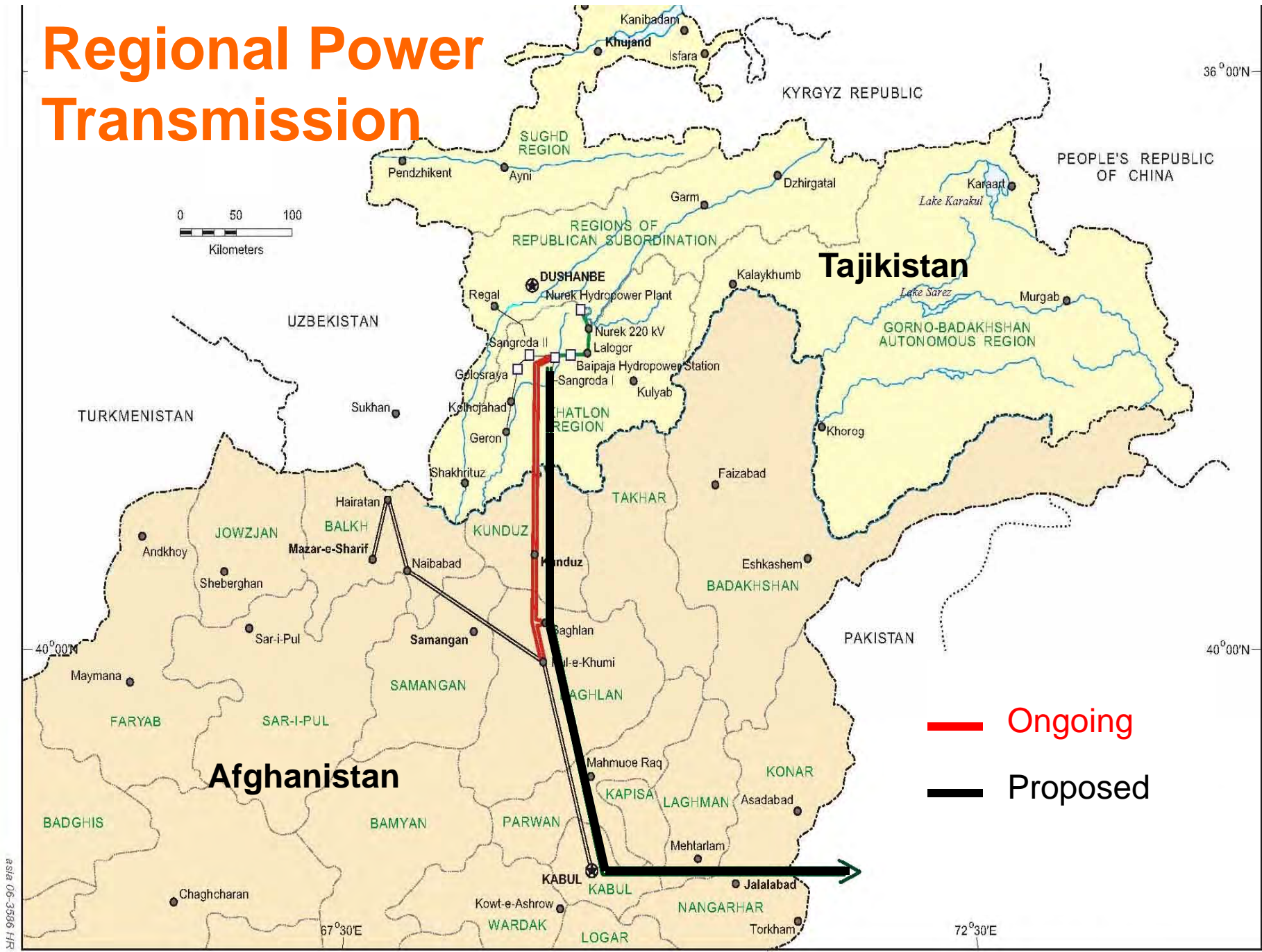
- Mobilization of financial resources for cooperation
 - 2006–2008 Pipeline:
 - Approximately 42 loans
 - \$1.2 billion approved in 2007; \$1.4 billion planned for 2008

Regional Perspective



- Almaty-Bishkek Road
- Bishkek-Osh Road
- Southern Transport Corridor
- Dushanbe-Kyrgyz Border Road

Regional Power Transmission



Analysis

- UNDP:
 - Central Asia Human Development Report
- ADB:
 - Increasing Gains from Trade Through Regional Cooperation in Trade Policy, Transport, and Customs Transit
- World Bank:
 - Regional Electricity Export Potential Study
- Country-specific studies
 - e.g., trade studies on individual countries under World Bank initiative on Trade and Transport Facilitation in Central Asia

Key Initiatives

- Sector Strategies:
 - Integrated Transport and Trade Facilitation Strategy
 - Energy Sector Strategy
 - Trade Policy Strategic Action Plan
- CAREC Institute

Trade Policy Strategic Action Plan

- Vision:
 - Trade openness in the region, contributing to development and poverty reduction
 - WTO accession for all CAREC countries

CAREC Institute

- **Mission**
 - Enhance the quality of regional cooperation by generating world-class knowledge resources in the priority areas of transportation, trade, and energy
- **Purposes**
 - enhance the capabilities of CAREC government officials
 - apply new solutions and best practices to regional challenges
- **Main outputs**
 - capacity building training program
 - applied research program
 - outreach program
- **Structure**
 - Initially “virtual”

Impact of CAREC

- Better transport connectivity
- More energy resources and trade
- Better customs systems
- Better regional perspective in national planning
- More capacity, networking and best practices
- Greater competitiveness, productivity
- More investment, jobs, higher incomes
- Improved water and power nexus