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Looking Back: Meeting Commitments of the Third Ministerial Conference and Progress in Core Sector Areas

**(SENIOR OFFICIALS REPORT)
for the
Fourth Ministerial Conference
5-6 November 2005, Bishkek**



Meeting Commitments of the Third Ministerial Conference

- All requests of the third ministerial conference were addressed:
 - Transport initiatives intensified and expanded (rail/air)
 - Energy initiatives also intensified and expanded
 - Dialog established on water/energy matters
 - Work in progress re comprehensive action plan
 - Work ongoing re transport/trade/transit
 - Work ongoing re impediments to growth/trade
 - Pro-poor benefits emphasized in project analysis
 - Capacity building underway/OIF review

Progress in Core Areas: Transport

Ministerial Instruction: Intensify and broaden regional transport initiatives

- Response: Regional Transport Sector Roadmap to 2010
- Goal: an efficient multi-modal transport system for the region
- Priorities:
 - Development of transport corridors
 - Harmonizing/simplifying cross-border procedures
 - Harmonizing transport regulations
 - Restructuring/modernization of railways
 - Sector funding and management

Progress in Core Areas: Transport Con't

- CAREC investment commitments in 2005, US \$657.8 m (includes co-financing)
 - North-South Corridor (AZE), East-West Road Corridor 1&2 (AZE), Taraz-Talas-Suusamyр Road (KGZ), Shagon-Zigar Road (TAJ), Locomotive and track renewal (AZE), Second Highways Project (AZE), Osh-Irkeshtam Road Rehabilitation ((KGZ), Dushanbe-Kyrgyz Road Rehabilitation (TAJ), TSA Air fleet Upgrade (TAJ)

Progress in Core Areas: Trade Policy

Ministers agreed that WTO accession should be a common goal, together with reduction of tariff/non-tariff barriers.

- Response: focus on WTO membership, trade opening, minimizing distortions
- Analysis of entrance and transit delays and financial costs, and of barriers to border trade
- Studies/recommendations for reducing barriers to transit trade

Progress in Core Areas: Trade Facilitation

Ministers endorsed the practical, results –oriented approach of the Customs Coordination Committee

- Response: Building on past success
- Harmonization/modernization of customs procedures
- Bilateral transit and cooperation agreements: KGZ/TAJ; AZE/PRC; UZB/PRC
- Pilot testing for joint customs control: KAZ/KGZ
- Training, regional forums, country studies on priority elements of trade facilitation
- Advisory services on trade finance; guarantees for trade finance
- Launching of 2nd phase of the Silk Road Regional Programme.
- Launch of CAREC's Trade Facilitation Program website

Progress in Core Areas: Energy

Ministers encouraged a regional power market, dialogue on water/energy issues, the forum of electricity regulators, and energy efficiency initiatives

- Response: Establishment of CMERF, ESCC
- Goal: Energy efficiency and development of energy potential consistent with international best practices
- Investment projects: North-South Transmission Line (KAZ); KGZ/TAJ Transmission Line
- Technical assistance: CMERF support; regional electricity export potential study; IWECC/CACO support; the Sangtuda 1 Hydropower Project

Conclusion

- All requests of the third ministerial conference were addressed and their implementation is underway
- Significant progress for the recent reporting year in all four priority areas of the CAREC Program achieved
- A certain level of coordination among CAREC's development partners achieved
- Momentum of CAREC Program increasing