CAREC

Central Asia Regional Economic Cooperation Program

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2013 Central Asia Regional Economic Cooperation Program Development Effectiveness Review: A Refined Perspective

Consultation Meeting with the CAREC National Focal Points
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Issyk Kul, Kyrgyz Republic

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Appendixes

ABBREVIATIONS

ADB	–	Asian Development Bank
BCP	–	border crossing point
CAREC	–	Central Asia Regional Economic Cooperation
CCC	–	Customs Cooperation Committee
CFCFA	–	CAREC Federation of Carrier and Forwarder Associations
CPMM	–	Corridor Performance Measurement and Monitoring
DEfR	–	development effectiveness review
EBRD	–	European Bank for Reconstruction and Development
ECD	–	Economic Corridor Development
ESCC	–	Energy Sector Coordinating Committee
EWP	–	Energy Work Plan
GDP	–	gross domestic product
HDI	–	Human Development Index
IMF	–	International Monetary Fund
IsDB	–	Islamic Development Bank
LPI	–	Logistics Performance Index
MC	–	Ministerial Conference
MDG	–	Millennium Development Goals
MFF	–	multitranche financing facility
RIBS	–	Regional Improvement of Border Services
RKC	–	Revised Kyoto Convention
SOM	–	Senior Officials' Meeting
SPS	–	sanitary and phytosanitary
TPCC	–	Trade Policy Coordinating Committee
TPSAP	–	Trade Policy Strategic Action Plan
TRS	–	Time Release Study
TSCC	–	Transport Sector Coordinating Committee
TTFS	–	Transport and Trade Facilitation Strategy
UNDP	–	United Nations Development Programme
UNESCAP	–	United Nations Economic and Social Commission for Asia and the Pacific
USAID	–	United States Agency for International Development
WCO	–	World Customs Organization
WTO	–	World Trade Organization

WEIGHTS AND MEASURES

GWh	–	gigawatt-hour	kV	–	kilovolt
km	–	kilometer	MW	–	megawatt
kph	–	kilometer per hour			

NOTE

In this report, "$" refers to US dollars

EXECUTIVE SUMMARY

1. The *2013 Central Asia Regional Economic Cooperation Program Development Effectiveness Review: A Refined Perspective* is the fifth annual performance assessment of the overall Central Asia Regional Economic Cooperation (CAREC) Program. It evaluates progress in all components of the program over the calendar year 2013 toward the goals - originally laid out in the Comprehensive Action Plan - that were translated into a more focused set of objectives by *CAREC 2020: A Strategic Framework for the Central Asia Regional Economic Cooperation Program 2011–2020.*

2. To remain relevant and effective as a monitoring mechanism, the development effectiveness review (DEfR) must respond to the evolving priorities and direction of the CAREC Program and incorporate insights arising from its use. A number of important developments have indeed taken place since 2009. CAREC 2020 was adopted at the end of the first decade of program implementation. Sector strategies and action plans were then realigned with it, taking into account the lessons from implementation and changes in the operating environment. CAREC membership also expanded. The DEfR process itself faced issues of methodology, data availability, and monitoring constraints.

3. A re-examination of the DEfR methodology and indicators was begun in 2013. A five-level results framework was proposed to provide a systematic progression between CAREC bodies involved, what is being done (inputs), what is delivered (outputs), how the outputs are used by beneficiaries (outcomes), and what these contribute to the region (impact). Results statements of inputs, outputs, and outcomes were agreed for each sector. Some relevant indicators from previous DEfRs were retained. For the transport and trade facilitation and energy sectors, more complete indicators and baselines were formulated, and data gathering will commence in 2014. Much of the year's work was thus devoted not only to strategy refinements but also to the methodological review.

4. *Regional impacts* (Level 5) are gauged in terms of the CAREC 2020 twin objectives of expanded trade and improved competitiveness. These are development goals achieved through cooperation and regional integration that are embodied in the CAREC Program. Data show that CAREC countries continued to trade at levels equivalent to about two-thirds of their GDP, and intra-CAREC trade as a proportion of total CAREC trade improved modestly. Logistics performance was bolstered by better index-scores on the ease of arranging international shipments and logistics services. Meanwhile, intra-CAREC energy trade and foreign investments, measured as a proportion of gross domestic product (GDP), showed no definite trend.

5. *Outcomes* (Level 4), *outputs* (Level 3), and *inputs* (Level 2)[1] are evaluated for each priority sector, using select indicators and qualitative descriptions. Sector strategies were refined into the Transport and Trade Facilitation Strategy 2020 (TTFS 2020) and the Trade Policy Strategic Action Plan 2013-2017 (TPSAP). The target for road length in good condition (80% of 24000 km) was reached ahead of schedule in 2012. Border crossing time was shortened by almost an hour between 2012 and 2013. Some 84% of the targeted railway length was also completed. Accelerated efforts are needed to sustain these positive trends in the long term, which includes attaining the TTFS 2020 goal of completing the 7,800 km of roads. Special

[1] Level 2 consists of (i) strategies, studies, and analytical work, (ii) policy changes, (iii) projects, and (iv) institutional improvements.

attention also needs to be paid to increasing the travel speed and reducing costs of clearing borders and of travel along corridors.

6. Positive outcomes were evident in specific areas. Rated highly successful was the North-South Corridor Project in Afghanistan, which rehabilitated the Mazar-e-Sharif-Dar-i-Suf and the Bamyan-Yakawlang roads and installed cross-border facilities in Spin Boldak and Hairatan. Travel time was reduced by 75% and transport costs by 40%; rural areas are now connected to markets even during winter months; traffic volumes quadrupled; vehicle operating costs dropped by 45%; border throughput was improved and transaction time reduced. Also highly successful was the Hairatan to Mazar-e-Sharif Railway Project in Afghanistan that built a 75 km railway line, transshipment facilities and a railway station, connecting to the ring road and airport, as well as with Uzbekistan, which leads to markets in Asia and Europe. Freight volume increased from 4,500 to 6,500 tons per day, costs fell by $0.08 per ton/km, transport time was cut in half, and job opportunities grew by 10% annually. The Road Network Development Program (Project 2) in Azerbaijan improved the Ganja bypass road, which is part of the primary east-west highway from the capital Baku to the Georgian border and a main route between the Caspian and Black Seas. Rated successful, traffic volume tripled, travel time was shortened, and the international roughness index improved. Freight charges and fares were lowered, cutting transport costs by 25–30%. Local businesses grew 30%; public transport services began to operate; remote areas became accessible; and travel to town centers more frequent. Similar successful outcomes also resulted from the CAREC Transport Corridor 1 (Bishkek-Torugart Road) Project and the Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II in Tajikistan.

7. Nonphysical barriers to cross-border transport and trade were addressed through customs cooperation. Diagnostic studies are currently assessing transport operations on a corridor and examining the requirements for establishing Designated Railway Corridors. Recommendations should lead to further work on cross-border transit facilitation. New regional technical assistance projects focus on sanitary and phytosanitary (SPS) modernization, customs reforms, border infrastructure, and Customs transit. Member countries are acceding to and aligning their Customs codes with the Revised Kyoto Convention (RKC). Assistance is being provided for compliance with World Trade Organization (WTO) accession commitments. Automation is being introduced in more countries, while national single windows are being established. Private sector participation is continuously supported through such organizations as the CAREC Federation of Carrier and Forwarder Associations (CFCFA).

8. Progress has also been registered in implementing the Energy Work Plan (EWP) for 2013–2015. To enhance regional energy trade and energy cooperation, preparations have begun for two complementary projects along the Central Asia-South Asia energy corridor. Two core activities address the constraints to electricity trade: the United States Agency for International Development-Regional Energy Security, Efficiency, and Trade (USAID-RESET) conducted seminars and offered a full university level curriculum on the design and operation of power markets, and the World Bank's Enhancing Central Asia Regional Power Trade and Cooperation Program undertook data analysis and consultations with energy ministries, dispatch centers, grid operators, and utilities. To manage energy-water linkages, knowledge platform and decision support systems are being reinforced through Basin Economic Allocation and AralDIF demonstration models, as well as the Central Asia energy-water knowledge portal and network. As part of the effort to mobilize funds for energy asset development, technical assistance is being provided to the CAREC Power Sector Financing Roadmap in evaluating the capacity of various CAREC countries to finance power infrastructure development. The list of medium-term priority projects has in the meantime been compiled based on national investment

plans. The capacity-building and knowledge framework program for 2013-2015 calls for the Energy Sector Coordinating Committee to strengthen its links with the Energy Charter, International Energy Agency, International Hydropower Association, and other organizations.

9. Financial and knowledge-based inputs into the CAREC Program as a whole are evaluated through indicators for organizational and operational effectiveness. Operations growth was sustained with $1.1 billion in additional loans and grants supporting 10 new projects. This included two projects supported by non-CAREC co-financiers, the CAREC Corridor 3 (Bishkek-Osh) Improvement Project Phase 4 which is partly funded by the Eurasian Development Bank, and the North-South Power Transmission Enhancement Project, partly funded by the Afghanistan Infrastructure Trust Fund. For the period 2001–2013, a total of 146 investment projects equal to $22.4 billion were approved. Finance mobilization was modest, owing to a moderate scale of additional inflows, especially in the transport sector. Technical assistance in 2013 came in the form of 15 new projects worth $15.8 million. A 2013 evaluation of past technical assistance showed successful delivery in all projects examined, including Foreign Trade and Investment Promotion in Uzbekistan, Black Sea Trade and Investment Promotion Program, CACILM Multi-Country Capacity Building in Kyrgyz Republic, and the multisector Strengthening CAREC project; rated highly successful was the assistance to the Power Sector Regional Master Plan.

10. The CAREC Program was introduced to a wider audience in December 2013 through a session on *Regional Cooperation and Trade in Central Asia: Integrating in the Global Economy* during the Bali Trade and Development Symposium, an event conducted simultaneously with the 9th WTO Ministerial Conference. Ownership of the CAREC Program was reinforced through national level consultation workshops. The monthly subscriber base to the CAREC electronic newsletter *e-Alert* grew by 30%; more CAREC-related articles appeared in print media, and more readers per month visited the CAREC Program website.

11. The number of participants in all CAREC-related training events rose by 20%, notwithstanding less frequent training activities and shorter durations. Knowledge sharing and capacity building activities were held over a wide range of topics under the CAREC Institute: Corridor Performance Monitoring and Measurement reports were widely disseminated, and joint training programs conducted with the Shanghai Customs College, World Customs Organization, ADB Institute, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), CFCFA, as well as government ministries and Customs administrations. The Trade Policy Coordinating Committee meetings served as a learning venue on trade issues. Study tours were organized in relation to integrated trade facilitation in Georgia and to solar power in Kapchagai, Kazakhstan where renewable energy initiatives were presented by the United Nations Energy Commission for Europe, UNESCAP and the United Nations Development Programme. Preparations were made for the establishment of the physical base of the CAREC Institute. Formal arrangements were established for the World Trade Organization (WTO) to work with the CAREC Program in delivering capacity development products, especially in the trade policy area.

12. CAREC implementing bodies (Level 1) held regular regional and subregional meetings that enabled CAREC members to interact and discuss crucial issues and share views and experiences. TTFS 2020 and the TPSAP 2013–2017 were endorsed at the 12th Ministerial Conference (MC), which focused on the *Integrated Transport and Trade* theme. TTFS 2020 will pursue the three original goals more comprehensively by prioritizing multimodal corridor network development, trade and border crossing service improvements, and institutional strengthening. The new TPSAP expands the original trade policy agenda to include reducing the trade

impeding impact of technical regulations and sanitary and phytosanitary measures, and enlarging trade in services.

13. A set of priority actions was also proposed to increase the effectiveness of operations and address issues in each sector. These are to be considered at the National Focal Points Consultation Meeting with subsequent progress to be reported at the 13th Ministerial Conference. Proposed actions to accelerate the implementation of CAREC 2020 consist of the following:

- Harmonize work programs in the Transport and Trade Facilitation areas with TTFS 2020
- Maximize the benefits of CAREC corridors by addressing key nonphysical barriers to cross-border transport
- Monitor the implementation of the Trade Policy Strategic Action Plan (TPSAP) 2013–2017 to ensure sufficient progress in trade liberalization
- Implement the CAREC EWP 2013–2015
- To sustain operations growth, endorse the medium-term priority project list and commence mainstreaming priority projects into national development plans
- To counter the drop in finance mobilization, step up efforts to explore cofinancing opportunities among CAREC governments, multilateral and bilateral institutions, other development partners, and the private sector
- Implement sector-focused training and capacity building activities as well as workshops on cross-cutting issues through the CAREC Institute
- Advance the WTO Accession Knowledge-Sharing Program and post-accession adaptation of newly-acceded members
- Expand dissemination of relevant knowledge products to all CAREC members especially through the CAREC web portal
- Coordinate closely to promote consistent messaging and information about the CAREC Program

I. INTRODUCTION

1. The Central Asia Regional Economic Cooperation (CAREC) Program is a practical, project-based, and results-oriented initiative implemented by 10 partner countries and 6 supporting multilateral institutions.[2] The *2013 Central Asia Regional Economic Cooperation Program Development Effectiveness Review: A Refined Perspective* (2013 CAREC DEfR) is the fifth annual performance assessment of the overall CAREC Program. In previous years, the DEfR was based on analyses of 32 aggregated performance indicators that formed the CAREC results framework, a distillation of the Comprehensive Action Plan (CAP) that first laid out the goals and objectives of the Program.

2. A number of important developments have taken place in the CAREC Program since the first DEfR in 2009. CAREC 2020[3], the strategic framework for 2011–2020, was formulated at the end of the first decade of Program implementation, and translated the original Program goals into a more focused set of objectives. Strategies and action plans at the sector level have been refined to align with CAREC 2020, include lessons from implementation, and respond to the changing environment. CAREC membership has expanded to include Pakistan and Turkmenistan. Aside from these, over the years, the review process has had to contend with issues of methodology, data availability and validation, and constraints in monitoring systems.

3. To ensure that the DEfR remains relevant and effective as a monitoring mechanism, it must be updated in response to (i) evolving priorities and directional shifts of the CAREC Program and (ii) lessons arising from its use. Thus, in 2013, a methodological re-examination was initiated[4], and the DEfR was streamlined by selecting the most relevant results indicators. This rationalization was endorsed at the Senior Officials' Meeting (SOM) during the 12th Ministerial Conference (MC) in October 2013.

4. Refinements to the results framework were also proposed, with a five-level structure to systematize progression from cause to effect (Figure 1).[5] This addresses the inadequacy of the previous three-level structure in distinguishing between outcomes and outputs at the sector level, and makes the logic of change clearer. The five-level structure provides an overview of the program at one glance, namely who are involved (CAREC bodies), what is being done (inputs), what is being delivered (outputs), how the outputs are being used by beneficiaries (outcomes), and what this contributes to the region (impact).

5. Program results are a composite of sector results, which will provide information only at three of the five levels – outcomes (Level 4), outputs (Level 3), and interventions (Level 2). The topmost result, regional impact (Level 5), will be for the program as a whole, since it is the ultimate end of sectoral work taken together. The work of implementing bodies (Level 1) is described separately.

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[2] The 10 country partners comprise Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The six multilateral institutions are the Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and the World Bank.

[3] Endorsed at 10th CAREC Ministerial Conference in 2011: http://www.carecprogram.org/uploads/docs/CAREC-Publications/2012/CAREC-2020-Strategic-Framework.pdf

[4] The methodological review is described in Appendix 1.

[5] The complete 2013 CAREC results framework is found in Appendix 2. Definitions and sources are in Appendix 3.

Figure 1: CAREC Program Strategies and Results Monitoring Framework

Regional Impact	**Expanded trade and improved competitiveness among CAREC member countries**								
	Transportation and Trade Facilitation			*Trade Policy*				*Energy*	
Sector Outcomes	Sustainable, safe, and user-friendly transport and trade networks developed in the CAREC region	Efficient Movement of Goods and Services through CAREC corridors and across borders		Trade and Business Environment Improved		Increased cross-border trade in services, including backbone services		Increased equity in energy resource distribution among CAREC Countries	Existing energy relationships optimized
Sector Outputs	Enhanced operational and institutional effectiveness	Multimodal corridor established	Trade and border crossing services improved	WTO membership achieved, commitments implemented, and WTO standards applied to VAT, tariffs, quotas, etc.	Capacity enhanced to effectively manage WTO, trade policy issues, and custom procedures[6]	Market access/ openness promoted to foreign companies	Expansion of service exports prioritized in government plans	Temporary movement of labor within CAREC increased	Increased power generation and energy infrastructure rehabilitation	Central Asia-South Asia Energy Corridor developed
CAREC Interventions	- Facilitate the construction and rehabilitation of roads, railways, airports/civil aviation, border crossing points, SPS facilities, and logistics hubs; - Enhance capacity/ south-south knowledge cooperation; - Support harmonization and joint conduct of customs and SPS procedures, and adopt modern technologies; - Monitor performance of the CAREC corridors; and - Provide institutional strengthening support. IP1: Road Infrastructure; IP2: Rail Infrastructure; IP3: Inland Waterways and Ports; IP4: Airports and Air Transport; IP5: Border Crossing Points; IP6: Logistics Mode; TA1: Designated Railway Corridors; TA2: Public-Private Initiatives; TA3: Corridor Management; TA4: Trade Facilitation; TA5: Transport Facilitation TA6: Road Safety and Maintenance; TA7: Other Infrastructure; TA8: Other Infrastructure-related			- Support WTO accession and implementation of pre- and post-WTO accession commitments; - Fund and support the implementation of recommendations from reviews, studies, and questionnaires. - Promote policies and practices to improve the quality of institutions and to encourage services investment in backbone services; - Encourage the development and use of Bilateral Labour Agreements Interventions include training seminars, knowledge sharing workshops, seminars on expansion of trade in services and reduction of non-tariff barriers, and the provision of technical assistance for trade facilitation and for services development.					- Guide the development of the Central Asia–South Asia Energy Corridor - Study and address regional energy dispatch issues - Steer the mobilization of funds - Guide and supervise knowledge-based activities - Guide the development of Medium Term Priority Projects portfolio - Programs to enhance regional energy trade and cooperation (List?) - Analytical works on the linkages between energy and water resources (List?)	
CAREC Bodies	Transport Sector Coordinating Committee CAREC Federation of Carrier and Forwarder Associations Customs Cooperation Committee			Trade Policy Coordinating Committee					Energy Sector Coordinating Committee	

[6] While capacity building is placed in one results chain only, it is understood that all Trade Policy Outputs require some capacity development and the resulting "improved trade/business environment" supports and sustains all Trade Policy Outcomes.

6. The results framework consists of (i) statements of outcome, output, and interventions at the sector level; (ii) specific indicators for each; (iii) base year or benchmarks to use for each indicator; and (iv) weights for indicators in case uniform weights are not deemed appropriate. Statements of key results are summarized in Figure 1 and presented in each sector's discussion below. Selected indicators that came out of the rationalization process are used for certain outcomes, outputs, and interventions. New indicators that were formulated for the transport, trade facilitation, and energy sectors will start to be measured in 2014. Trade policy sector indicators will be finalized by 2015 through consultations with the member countries and partners.

7. The DEfR continues to use a simple rating system designed to show (i) where progress is being made in the overall context of CAREC activities; (ii) where progress has slowed or begun to deteriorate; and (iii) where urgent attention is required to prevent further deterioration. The approach is applied not only to quantitative estimates but also to qualitative assessments where numerical data are not available. The traffic light system adopted by the CAREC DEfR is given below.

G	The indicator value for the current development effectiveness review (DEfR) has made progress and improved over the indicator value reflected in the previous DEfR cycle. This indicator is "on track."
A	The indicator value for the current DEfR has neither made progress nor deteriorated. This indicator has "stalled" and necessary action should be identified to prevent further deterioration.
R	The indicator value for the current DEfR has stalled and/or deteriorated for 2 consecutive years. This indicator is "off track" and immediate attention is required.

II. LEVEL 5: REGIONAL IMPACT

8. Level 5 of the 2013 CAREC DEfR presents broad regional progress toward development objectives that the CAREC Program – projects and activities together with the work of national governments and development partners – seeks to achieve. The impact desired for the region as a whole, is the final level in the results framework. In previous DEfRs, there were 16 indicators for this level, categorized into two groups of poverty reduction and human development, and economic progress. In this year's DEfR, four of the original economic progress indicators are examined. They embody the twin strategic objectives of CAREC 2020 of expanded trade and improved competitiveness. More openness to trade and greater intraregional trade are the direct targets of CAREC activities, as are better-integrated energy markets and increased energy trade. Foreign direct investment is the outcome of interventions that increase the attractiveness of CAREC countries to investors. A fifth indicator, the World Bank's Logistics Performance Index (LPI) that was introduced in the 2012 DEfR, uses perceived quality of logistics as a gauge for competitiveness. These indicators attempt to show whether trade and integration have resulted from CAREC initiatives to connect the countries and open up opportunities for economic activity.

Table 1: Level 5—CAREC Regional Impacts

Indicator	2006 Baseline	2010	2011	2012	2013	Rating
1. Trade Openness (%)[a]	67.9	64.2	67.2	66.8	…	A
2. Intraregional trade in total CAREC trade (%)	6.25	6.25	5.62	6.16	6.18	G
3. Intraregional energy trade (GWh)	5,061	3,544	5,304	4,752	…	A
4. Foreign direct investment (% of GDP)	6.0	3.8	4.3	3.9	…	A
5. Logistics Performance Index[b]	2.53 (2010)	2.53	…	2.46	2.43 (2014)	A

… = data not available, GWh = gigawatt-hour, GDP = gross domestic product

[a] No data for Afghanistan and Turkmenistan. Series changed from using 2000 to 2005 constant $.

[b] The LPI score ranges from 1 for worst to 5 for best. Since the index is computed every 2 years, the most recently available LPI for 2014 is included to show general trends.

Notes: Data sources constantly revise their estimates to incorporate more recent information, hence figures will vary from those in the previous DEfR. Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region of the People's Republic of China are not available for these indicators.

Sources: World Bank. World Development Indicators Online Database, for indicator 1 and 4; IMF, *Direction of Trade Statistics,* for indicator 2; Coordinating Dispatch Center, Tashkent, Uzbekistan, for indicator 3; World Bank. *Connecting to Compete 2012: Trade Logistics in the Global Economy. The Trade Logistics Performance Index and Its Indicators,* for indicator 5.

9. CAREC countries continued to trade at levels equivalent to about two-thirds of their GDP over the years (Table 1). The magnitude of total trade for four of the seven countries included in the estimate exceeded their respective GDP levels. For the rest, trade volumes were one-third to three-fourths their GDP volumes. Three countries became more open compared to the previous year, while three experienced the reverse. The CAREC region was similarly situated as Europe and Central Asia (67.8%), and more open than South Asia (54.9%).

10. Intra-CAREC trade as a proportion of total trade showed sustained improvement in both 2012 and 2013, after experiencing a slight fall from the 2010 baseline figure (Table 1). The expansion in both intraregional and total trade was more restrained in 2013 relative to 2012. Over the last 12 years, these grew by 18% on the average, an upward trajectory that must be maintained to bring the indicator to the desired level. The proportion of Europe and Central Asia's intraregional trade to its total trade was 30.5%, or triple that of CAREC while South Asia's was 3.5%, or half that of CAREC.

11. Intra-CAREC energy trade did not present a consistent trend between 2010 and 2012, first growing by 50% then shrinking by 10% (Table 1). However, it is noteworthy that the 2011 figure surpassed the baseline by almost 5%, showing potential for future expansion.

12. Foreign investment inflows as a proportion of GDP in 2012 were similar to the 2010 level after the slight resurgence in 2011 (Table 1). Mongolia was the extreme performer with double-digit shares that were 5 to 80 times the single-digit shares of the rest. Nevertheless, total financial infusions into the region were relatively greater than in Europe and Central Asia (2.4%) or South Asia (1.3%).

13. LPI measures logistics efficiency along a country's supply chain, and is based on a survey of perceptions on six components.[7] It echoes the CAREC 2020 approach to bring about transport connectivity, easier cross-border movements, and developed economic corridors. Produced every 2 years, the most recent estimate is for 2014 (Table 1). The average LPI for CAREC, which is midway between best and worst, was similar to the 2010 estimate. The average scores for some LPI components, such as timeliness, tracking consignments, customs and infrastructure components, need to match the improved average scores for ease of arranging international shipments, and logistics services. The index is higher in Europe and Central Asia (2.92), and South Asia (2.66).

14. Economic growth and poverty reduction are re-emphasized as the long-term vision of the CAREC Program, guided by the principle of development through cooperation. To this end, some indicators from the previous years' DEfRs are utilized to provide the macro-level context of CAREC activities and CAREC's operating environment, and enable a holistic view.

[7] These are the (i) efficiency of customs and border management clearance, (ii) quality of trade and transport infrastructure, (iii) ease of arranging competitively priced shipments, (iv) competence and quality of logistics services, (v) ability to track and trace consignments, and (vi) frequency with which shipments reach the consignee within the scheduled delivery time.

Table 2: Macro-Level Context

Indicator	Baseline Year	Baseline Value	2010	2011	2012	2013
1. Population living on less than $2 a day (%)[a]	2002	64.8	51.1 (2005)	49.1 (2008)	41.9 (2010)	…
2. Human Development Index	2000	0.544	0.632	0.636	0.641	0.645
3. GDP PPP (constant 2011 international $ billion)	2006	1,197	1,460	1,530	1,609	1,712
4. GDP per capita PPP (constant 2011 international $)	2006	4,671	5,286	5,436	5,617	5,877
5. Real GDP growth rate (%)	2006	9.4	4.8	5.3	5.3	6.5

… = data not available GDP = gross domestic product, GNI = gross national income, PPP = purchasing power parity
[a] No data for Afghanistan, Mongolia, and Uzbekistan.
Notes: Data sources constantly revise their estimates to incorporate more recent information, hence figures will vary from those in the previous DEfR. The GDP base year was also changed from 2005 to 2011. Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region of the People's Republic of China are not available for these indicators.
Sources: World Bank. PovcalNet Online Database, for indicator 1; United Nations Development Programme. 2013. *Human Development Report 2013*. New York, for indicator 2; World Bank. World Development Indicators Online Database, for indicators 3-5.

15. Poverty reduction is tracked through a variant of the Millennium Development Goal[8] measure of extreme poverty – "proportion of people living on less than $1.25 a day" – adjusted to the more appropriate level of $2 a day for the CAREC region.[9] Estimates are available up to 2010 for six countries, and show significant reductions in the average relative to the 2002 baseline (Table 2). The indicator was already very low for three countries at the start, and this dropped even further to almost negligible levels. The other three countries with relatively high proportions also experienced considerable declines, although one has yet to breach the 50% mark. CAREC regional averages over the years are several multiples of Europe and Central Asia's[10] 6.2 in 2002 and 1.9 in 2010, but compare favorably with South Asia's 76.6 in 2002 and 67.1 in 2010.

16. The composite Human Development Index (HDI) of the United Nations Development Programme measures a broad spectrum of human development. The estimate for 2013 is a slight rise from the 2012 average, sustaining steady progress over the last 4 years (Table 2). Progress was registered in all three HDI components, with more pronounced increases in life expectancy and education in 2012, even as literacy and schooling levels are already relatively high. The average standard of living rose steadily while three countries enjoyed markedly high per capita incomes. Two of the nine countries are classified in the "high", five in the "medium",

[8] Additional Millennium Development Goal (MDG) indicators for the CAREC region are given in Appendix 3.
[9] Under the UN MDG system of classification, 7 CAREC countries are "early achievers" because they are already within target for this indicator, hence the CAREC results framework chose to use the next level of measurement for which data is routinely captured, i.e., population living below $2 a day.
[10] In this section, Europe and Central Asia excludes Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan, while South Asia excludes Afghanistan and Pakistan.

and two in the "low" human development category.[11] The CAREC average HDI is also midway between the 0.76 average for Europe and Central Asia, and 0.62 for South Asia.

17. CAREC economies had a combined total GDP reaching $1.7 trillion in 2013, registering real growth of 6.5% and outdoing the previous period's expansion of 5.3% (Table 2). The region performed better than South Asia (5.1%) or Europe and Central Asia (2.2%), although still some distance from its own record 9.4% in 2006. Pakistan and Kazakhstan had the largest economies, together making up more than two-thirds of the region (70%), followed by Azerbaijan and Uzbekistan. The Kyrgyz Republic, Mongolia, and Turkmenistan showed impressive double-digit growth rates. The regional economy was one-fifth the size of South Asia ($7.21 trillion) or Europe and Central Asia ($6.07 trillion[12]). Average per capita GDP expanded to $5,877 in 2013, owing to the high levels in Kazakhstan, Azerbaijan, and Turkmenistan, and is a 26% improvement overall from the baseline and 4.6% from 2012. The region's per capita GDP was about 19% higher than that of South Asia ($4,944), and 31% of Europe and Central Asia's ($18,402).

III. LEVELS 4, 3, AND 2: SECTOR OUTCOMES, OUTPUTS, AND INTERVENTIONS

18. This section discusses the intervening results that each priority sector delivers for regional impacts to be realized. Level 4 articulates the desired sector outcomes, which are defined as the use of sector outputs by beneficiaries. Outputs or Level 3 refer to the desired changes in systems and infrastructure brought about by CAREC-related projects and activities in each sector. Output indicators show the extent to which targets were achieved, and suggest where hindrances may lie. Their monitoring helps the priority sectors ascertain areas of complementarity that would enhance the planning and implementation of projects across the region. Most indicators from the previous DEfRs were retained, some will be modified further, and new ones will be defined to reflect refined sector strategies and action plans.

19. Level 2 consists of inputs or interventions made to implement the CAREC Program, and includes (i) strategies, studies, and analytical work; (ii) policy changes; (iii) projects; and (iv) institutional improvements. These are undertaken or overseen by sectoral implementing bodies. As the corresponding indicators are still being developed, there are no quantitative assessments yet. Rather, the initiatives are described to illustrate sector work. Nevertheless, operational and organizational effectiveness of the Program as a whole is assessed through some indicators of financial and knowledge-based contributions.

A. Transport and Trade Facilitation Sectors

20. The CAREC Transport Sector Coordinating Committee (TSCC) and the Customs Cooperation Committee (CCC) have been implementing the CAREC Transport and Trade Facilitation Strategy (TTFS)[13] for 2008–2017 jointly to take advantage of collaborative synergies. The target outcomes of the TTFS are to (i) establish competitive corridors across the CAREC region; (ii) facilitate the efficient movement of people and goods through CAREC

[11] The "high" human development category has an average 0.735 HDI, 74.5 years life expectancy, 8.1 years of schooling, $13,231 GNI per capita; "medium" has an average 0.614 HDI, 67.9 years life expectancy, 5.5 years of schooling, $5,960 GNI per capita; "low" has an average 0.493 HDI, 59.4 years life expectancy, 4.2 years of schooling, $2,904 GNI per capita.

[12] Excluding Latvia and Lithuania.

[13] Endorsed at the 6th CAREC Ministerial Conference in 2007. The Implementation Plan was endorsed at the 7th CAREC Ministerial Conference in 2008: http://www.carecprogram.org/uploads/events/2007/6th-MC/001_101_201_CAREC-Transport-Trade-Facilitation-Strategy.pdf

corridors and across borders; and (iii) develop sustainable, safe, user-friendly transport and trade networks. The consolidated approach of the TTFS optimizes the use of resources devoted to increasing the region's competitiveness and trade.

21. In 2013, a mid-term review of the TTFS was conducted to enhance the contribution of sector outputs to outcomes through a re-examination of their linkages. The refined TTFS reflects the CAREC 2020 strategic framework, the expanded CAREC membership, and lessons learned from the initial phase of implementation. The resulting Transport and Trade Facilitation Strategy 2020 (TTFS 2020)[14] and Implementation Action Plan for 2014–2020, seeks to achieve the three original goals more efficiently and comprehensively, and was endorsed at the 12th MC. Completion of the six strategic multimodal corridors continues to be a priority. TTFS 2020 also introduces corridor extensions that will (i) connect with seaports; (ii) provide alternative routes along existing corridors; (iii) increase geographic coverage and interconnectivity; (iv) include a rail network which is ideal for long distance freight; and (v) establish intermodal hubs.

22. TTFS 2020 incorporates the results framework that is reproduced in Table 3. Outputs in three operational priority areas are identified, to meet the CAREC 2020 objectives of expanded trade and improved competitiveness.

(i) Multimodal corridor network development, consisting of support for corridor extensions; railway network and multimodal logistics hub development; and border crossing point improvements
(ii) Trade and border crossing service improvements, consisting of customs reform and modernization; coordinated border management; national single window development; and sanitary and phytosanitary reform and modernization;
(iii) Institutional strengthening, consisting of improvements in planning, financing, and management of road and railway assets; road safety management; and increasing private sector participation.

Table 3: Transport and Trade Facilitation Sector Results Framework

Bodies	Intervention	Sector Outputs	Sector Outcome
TSCC, CCC, CFCFA	Road development	Multimodal corridor network developed	Competitive corridors established; Efficient movement of people and goods facilitated; Sustainable, safe, user-friendly transport and trade networks developed
	Rail development		
	Logistics center development		
	Border crossing points development		
	Coordinated border management	Trade and border crossing services improved	
	Customs modernization		
	Beyond-Customs integrated trade facilitation		
	Single window development		
	Road maintenance	Operational and institutional effectiveness enhanced	
	Road safety		
	Policy reform, industrial restructuring, privatization, and institutional development		

TSCC = Transport Sector Coordinating Committee, CCC = Customs Cooperation Committee, CFCFA = CAREC Federation of Carrier and Forwarder Associations.

[14] http://www.carecprogram.org/uploads/docs/CAREC-Publications/CAREC-Transport-TradeFacilitation-Strategy.pdf

23. The following outcome indicators were identified in TTFS 2020:

(i) Competitive corridors established – (a) a five-fold increase in interregional trade value over the 2005 baseline of $7.9 billion, and (b) 30% increase in travel speed on CAREC corridor section to 30 km per hour.
(ii) Efficient movement of goods and people facilitated – (a) 35% decrease in time to clear a BCP to 5.7 hours, and (b) 20% decrease in cost incurred at BCP to $149.
(iii) Sustainable, safe, and user-friendly transport and trade networks developed – (a) 60% of the six CAREC corridors with international roughness index of less than 4 meters per km, (b) a regional road safety strategy prepared by 2017 and targets achieved by 2020, (c) National Joint Transport and Trade Facilitation Committees (NJCs) functioning to sustain integrated transport and trade facilitation initiatives, and (d) transport and trade facilitation capacity strengthened.

24. The corresponding output indicators also specified in TTFS 2020 are as follows:
(i) Multimodal corridor network developed – (a) 7,800 km of expressways or national highways built or improved, (b) 70% of total CAREC road corridor built or improved, (c) 1,800 km new railways built, (d) 2,000 km of railway track renovated, electrified, or signalized, (e) five multimodal logistics centers operational, five BCPs completed, and (f) at least five BCPs improved.
(ii) Trade and border-crossing services improved – (a) eight CAREC countries acceded to the Revised Kyoto Convention, (b) joint customs control and coordinated border management implemented at five pairs of BCPs along selected CAREC corridors, (c) three national single window facilities established, and (d) regional SPS cooperation programs implemented in 5 CAREC countries,
(iii) Enhanced operational and institutional effectiveness – (a) CAREC road maintenance-related investment and technical assistance projects successfully completed, (b) three performance-based maintenance contract programs initiated, (c) road safety features integrated into CAREC road projects, (d) NJC secretariats established in 3 CAREC countries, (e) one or more corridor management units established in pilot corridors, and (f) at least six transport and trade facilitation capacity building activities conducted annually.

25. The transport and trade facilitation sectors in this DEfR are represented by six indicators that were retained from previous DEfRs. Progress in physical infrastructure is shown through two indicators for transport connectivity: (i) expressways or national highways built or improved (km), and (ii) the proportion of total CAREC corridor built or improved (%). Trade facilitation is monitored through four indicators that proxy the ease of movement along corridors and across borders: (i) time taken to clear a border crossing (hours), (ii) costs incurred at a border crossing clearance ($), (iii) speed to travel 500 km on CAREC corridor section (km per hour), and (iv) costs incurred to travel corridor section ($).

1. Transport Output Indicators

26. The implementation of the TTFS and its Action Plan advanced in 2013. The cumulative 80% of CAREC corridor roads that was originally targeted in TTFS 2008-2017 to be in good condition by 2013, had been achieved as early as 2012 (Table 4). However, kilometers built yearly in both 2013 and 2012 did not meet annual targets. Thus, progress will need to be accelerated to sustain the long-term satisfactory performance of the program.

Table 4: Transport Output Indicators

Indicator	2008 Baseline Year	2010	2011	2012	2013	2013 Target	Progress
Annual expressways or national highways built or improved (km)	177	1,025	1,022	430	545	1,200	A
Cumulative proportion of total CAREC corridor built or improved (%)*	64	74	79	80	83	80	G

CAREC = Central Asia Regional Economic Cooperation, km = kilometer
Source: TSCC, Transport Sector Progress Report (April-September 2013), 23-24 Oct 2013.
*It should be noted that this may overstate overall road condition due to ongoing deterioration on some road sections rated to be in good condition in 2007.

27. The 545 km of expressways or national highways built or upgraded in 2013 represent about 6% of the total 8,640 km corridor length originally identified for improvement, and 45% of the 2013 target of 1,200 km. The additional road length includes the Bishkek-Torugart Road section in the Kyrgyz Republic, the East-West Highway in Azerbaijan, the Western Regional Road in Mongolia, and the Aktau-Beyneu Road in Kazakhstan. The Regional Ulaanbaatar-Russian Border Road Rehabilitation Project, which forms CAREC Corridor 4b and a section of Corridor 4c, was mostly completed and is open to traffic. At the end of 2013, approximately 4,487 km of road sections, which is equivalent to 58% of the TTFS 2020 target, had been completed. Thus, 83% of the total length of CAREC corridors (24,000 km) is now in good condition.

28. For railways, approximately 3,185 km or 84% of the targeted 3800 km had been completed. Construction of the Atamyrat-Ymamanzar-Akina Railway (88 km) was initiated in 2013. Thirteen projects in other transport subsectors, i.e. civil aviation, ports, and logistics centers, were being implemented.

2. Trade Facilitation Outcome Indicators

29. Estimates of the 2013 indicators from the *CAREC Corridor Performance Measurement and Monitoring (CPMM)* Annual Report present mixed results. There is a reduction in the time to clear a border crossing, although it still has not matched the 2010 baseline time (Table 5). Faster clearance was offset by slower travel time along CAREC corridors, as average speed dropped from the previous year's estimate. The nominal costs of clearing a border as well as travelling along CAREC corridors increased substantially; the latter follows two consecutive years of upward movements.

Table 5: Trade Facilitation Outcome Indicators

Indicator	Indicative Target	2010 Baseline Year	2012	2013	Progress
Time taken to clear a border crossing (hours)	↓	8.7	10.9	10	G
Costs incurred at a border-crossing clearance ($)	↓	186	157	235	R
Speed to travel 500 km on CAREC corridor section (km per hour)	↑	24	23	20	A
Costs incurred to travel corridor section ($, per 500 km, per 20-ton)	↓	712	999	1,482	R

CAREC = Central Asia Regional Economic Cooperation, km = kilometer
Speed is measured "with delays" for a 20-ton truck or a 20-foot equivalent unit container.
Sources: CAREC Corridor Performance Measurement and Monitoring Annual Reports, 2010-2013.

30. The average **time taken to clear a border crossing** improved by 8% or almost an hour faster, from 10.9 hours in 2012 to 10 hours in 2013 (Table 5). This reverses the deterioration between 2011 and 2012, and repeats the improvement registered between 2010 and 2011. However, over the 4-year period, clearance time is 15% longer overall. Queuing due to congestion at high-traffic border-crossing points (BCPs) was the principal cause of delays for both road and rail transport. Trucks spent an average of 4.6 hours while trains waited 31.5 hours for their turns to cross the border. This was most pronounced at BCPs along Corridor 1, particularly for Kazakhstan-bound traffic. Other contributors were loading/unloading and the break in (railway) gauge.

31. Road border crossing times shortened remarkably, from an average of 8.9 hours to 5.6 hours, due to shorter durations across all corridors except for Corridor 4. Substantial improvements were observed at BCPs in Irkeshtan (PRC) and Khorgos (PRC) for trucks bound for PRC. However, extremely long waits of up to 120 hours still had to be endured, a persistent adverse effect of the Customs Union. The complexity of road transport, while still present, was lessened. Varied levels of improvement were recorded at BCPs in Tazhen (KAZ), Torugart (PRC), and Ayraton (UZB).

32. Rail border crossing conditions lengthened instead, from an average of 24.7 hours in 2012 to 29.9 hours, in 2013. This is largely due to prolonged times at Corridor 1, particularly at Dostyk (KAZ) and Alashankou (PRC) for Kazakhstan-bound cargo. Reasons for this delay include busy reloading facilities, lack of wagons, and marshalling and waiting for priority trains to pass; the transloading between wagons due to railway gauge differences is a key factor. The opening of Khorgos to rail traffic along sub-Corridor 1b alleviated traffic volumes – but did not relieve congestion – at Dostyk-Alashankou. Nevertheless, clearance times at Zamyn-Uud (MON) and Erenhot (PRC) in Corridor 4 dropped noticeably.

33. Average **costs incurred at a border crossing point** surged to $235 in 2013, an increase of 50% from 2012 that completely offsets the cost declines in 2011 (Table 5). A handful of road BCPs, particularly those along Corridor 4, were the reason for this, since average cost changes in all other corridors were insignificant. Average costs for Corridor 4 rose from $172 to $433. Relatively high customs clearance fees were imposed by Mongolia on imports, e.g., $450–$650 at Khiagt-Altanbulag, $350–$650 at Zamyn-Uud; while PRC assessed $300–$400 at Erenhot for outbound goods. Along Corridor 6, cargo from PRC bound for Kyrgyz Republic also paid high fees at Irkeshtan (KGZ). The localized escalation of fees imposed on truck cargo is expected to persist.

34. Border crossing costs at Khorgos (PRC) also remained high, given the large volumes of throughput, particularly during peak months, which strained parking capacity and border formalities. This was compounded by unofficial payments to expedite processing.

35. PRC exports to Central Asia invariably cross Khorgos, being the most direct route to destination markets such as Almaty. However, because of different truck standards and limited vehicle licenses, most PRC trucks carry the goods to Khorgos and unload these into export supervisory warehouses. Kazakh carriers then handle the goods from there to Almaty where further consolidation or deconsolidation takes place. While the high customs clearance fees did not change significantly, the entire process of loading and unloading cargo bound for Kazakhstan entails fee payments on both sides, totaling a hefty $450 in 2013, up from $250.

36. Data for rail border crossing costs show improvements. Fees imposed at Dostyk (KAZ) dropped significantly, positively affecting the Corridor 1 average. However, since the sample for road transport outnumbers rail by 4 to 1, the overall cost outcome is high.

37. There was a 13% slowdown in the average **speed**[15] **to travel 500 km on CAREC corridors** to 20 kph in 2013 from 23 kph in 2012 (Table 5). The indicator deteriorated by 16% from the 2010 baseline. For road transport, it dropped from 25.9 kph to 22.3 kph and for railways, it slowed down from 14.5 kph to 12.8 kph. Better road conditions on Corridors 1, 2, and 6 translated into faster travel, but the relatively longer transit time on Corridor 4 pulled down the overall average. The slowest truck speed, recorded on Corridor 4, was worsened by poor road conditions in Mongolia. The completion of the trans-Mongolian highway on Corridor 4b in late 2013 may alleviate this result. Rail conditions are challenging, e.g. freight trains from Russia to PRC via Mongolia travelled at an average 18.3 kph, which is substantially below the CAREC average of 38–45 kph.

38. Marked improvements in border crossing times at road BCPs along Corridors 1, 2, 3, and 5 mitigated the slowdown. Some road and rail corridors exhibited varying levels of improvement. However, physical conditions and serious border crossing delays in Corridor 4 affected an otherwise stable trend in overall speed.

39. The **costs incurred to travel a CAREC corridor section** ballooned to $1,482, double the 2010 baseline figure and 48% higher than in 2012 (Table 5). Similar percentage increases in road and rail transport costs contributed to this: the former grew by 51% from $1,067 to $1,612 and the latter rose by 44% from $638 to $920. This increase is attributed mainly to higher road vehicle operating costs and rail transactions costs along particular corridors.

40. For road transport, costs along Corridor 5 escalated the most, from $1,580 to $2,393. Of this total, vehicle operating costs alone rose sharply from $1,178 per 500 km to $2,131 per 500 km in 2013, attributable to movements of PRC goods from Afghanistan to Tajikistan. Aside from the need to transfer cargo to different trucks from Kashi-Irkeshtan to Dushanbe, transport fees are also more volatile depending on the season and business volume. The cost of transporting cargo along other corridors was similar. On an alternative sub-corridor directly linking PRC to Tajikistan through the Kulma Pass, vehicle operating costs averaged $2,294 per 500 km, further affecting the indicator negatively. Vehicle operating costs made up about 85% of total costs to travel a corridor section, and grew by an average of 58% in 2013. Composed largely of fuel and

[15] The indicator used is Speed With Delay (SWD), computed as the average travelling speed on a 500 km section along a CAREC corridor, including delays at border crossing and intermediate stops.

salaries, such cost increases were apparent in the whole region and was overshadowed only by higher customs clearance fees in Corridor 4.

41. For rail transport, the cost increase was due mainly to the substantial escalation for rail traffic along Corridors 1 and 4. Along Corridor 1, the additional surcharge that PRC railways imposes on all transit cargo accounts for much of the increase, i.e. $300 for a 20-foot and $600 for a 40-foot container. Transit cost for train freight along Corridor 4 climbed to an average $876 per 500 km in 2013 from $390, largely attributable to deliveries from Tianjin to Ulaanbaatar.

3. Contribution of Transport and Trade Facilitation Sector Outputs to Outcomes

42. Aside from tracking sector outputs, the DEfR process also seeks to understand how these contribute, positively or negatively, to sector outcomes, by looking at project completion reports issued in the year of review. These assessments provide qualitative information about a project's impact in a specific area. Since the impact of infrastructure projects usually tends to be observable only some years after completion, the DEfR augments the quantitative indicators of annual progress with such qualitative assessments. Box 1 describes a number of projects that successfully enhanced economic welfare in specific areas.

Box 1: Stimulating Local Economies through Better Roads, Railways, and Border Facilities

The North-South Corridor Project in Afghanistan rehabilitated the Mazar-e-Sharif-Dar-i-Suf 140 km road and the Bamyan-Yakawlang 98.9 km road, and installed cross-border facilities in Spin Boldak and Hairatan, and was rated highly successful. Despite the extremely difficult security and weather conditions, outputs were fully achieved. The two roads connect to the major national road network through central Afghanistan and are now two-lane asphalt paved, and have set a benchmark for road quality. Cross-border facilities including scanners and computers with internet connections, and cargo handling equipment, were installed at Spin Boldak. Travel time was reduced from 6 to 1.5 hours between Bamyan and Yakawlang, and from 8 to 2 hours between Dar-i-Suf and Mazar-e-Sharif; towns are now connected during the four winter months; vehicle traffic increased by 10%; vehicle operating costs dropped by 45%. The overall impact is positive, having linked rural areas to markets, cut transport time by 75% and reduced transport costs by 40%; traffic volumes quadrupled compared to the 2005 level. Cross-border facilities improved throughput and reduced transaction time.

The Road Network Development Program (Project 2) in Azerbaijan, funded by a multitranche financing facility, improved the 39 km Ganja bypass road, which is in the second largest city and forms part of the country's primary east-west highway linking Baku to the Georgian border, and is a main route between the Caspian and Black Seas as part of the Asian highway network to Europe. The project was rated successful. There was a tripling in traffic volume from 1,500 to 4,485 vehicles between 2007 and 2013. Travel time shortened from 40 minutes to 20 minutes. The international roughness index improved from above 6 in 2007 to 2.5 in 2013. These reduced transport costs by 25–30%, through lower freight charges and fares. Several local public transport services began operating and the number of fatal accidents fell by more than 10%. The project stimulated rural growth by improving access to remote areas and allowing a more efficient movement and exchange of goods and services. Local businesses grew by 30% from 2008 to 2012. Residents travel to town centers more frequently, from 5 to 17 times a year.

The Hairatan to Mazar-e-Sharif Railway Project in Afghanistan built a 75 km railway line and transshipment facilities and a railway station at Mazar-e-Sharif, and upgraded the marshaling yard and railway station at Hairatan, with signaling and telecommunication systems. Rated highly successful, the line established an integrated system connecting the ring road and airport, as well as with Uzbekistan, which leads to markets in Asia and Europe. Between 2008 and 2012, freight increased

from 4,500 to 6,500 tons per day, trade with Uzbekistan rose from $3.5 billion to $6.8 billion, cost of freight transport dropped by $0.08 per ton/km and freight time fell from 2 hours by road to 1 hour by rail. Job opportunities grew by 10% annually, as 1,200 locals were employed in logistics operations.

The CAREC Transport Corridor 1 (Bishkek-Torugart Road) Project improved 39 km of the road that connects the capital to the border with PRC, and is the shortest road link from Kashgar in the PRC to consumer markets in the north. Vehicles now travel at 50–90 km per hour compared with 25–35 km per hour. Between 2007 and 2011, trade with PRC increased from $417 million to $936 million, travel time from Bishkek to Kashgar dropped from 3–4 days to 1.5–2 days, average traffic volume increased at 13% annually, average sales of roadside businesses rose from Som27,633 to Som33,000. The project was rated successful.

The Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II in Tajikistan improved 118.7 km along CAREC Corridors 3 and 5, and 59.9 km of rural roads in Nurobod and Rasht districts. Between 2006 and 2012, daily international freight traffic increased from 10 to 82 trucks, annual average daily traffic on the main road rose from 864 to 2,071 vehicles, and average travel time dropped from 10 to 7 hours. It provided access to markets, jobs, and social services, and was also rated successful.

The Regional Customs Modernization and Infrastructure Development Project (Kyrgyz Republic) developed and installed the Unified Automated Information System (UAIS) in 37 BCPs, with satellite-based communications, and rehabilitated 3 BCPs with anti-smuggling equipment and power generators. Border post procedures were also streamlined. Customs processing time dropped from 60 minutes in 2005 to 5-15 minutes in 2012, corruption was reduced as the number of irregularities fell from 4,488 to 3,076 cases, 15 regional customs offices became streamlined to 6, and customs collection rose from $114 million to $639 million.

Sources: ADB. 2013. Project Completion Reports: North-South Corridor Project (Afghanistan); Azerbaijan: Road Network Development Program (Project 2); Hairatan to Mazar-e-Sharif Railway Project (Afghanistan); CAREC Transport Corridor 1 (Bishkek-Torugart Road) Project (Kyrgyz Republic); Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (Tajikistan). Also ADB.2014. Regional Customs Modernization and Infrastructure Development Project (Kyrgyz Republic).

4. Transport and Trade Facilitation Sector Interventions

43. To implement TTFS 2020, the Transport Sector Work Plan for 2014–2016 is being developed to identify priorities and sources of financing. It will be a rolling 3-year plan, to be updated annually to ensure alignment between national plans and TTFS 2020 priorities; this also allows greater flexibility in the addition of investment projects. The Trade Facilitation Work Plan will likewise be aligned with the TTFS 2020 to reflect the shift in emphasis. The need for trade facilitation measures to be implemented simultaneously with trade and investment liberalization is stressed. An updated CAREC Trade Policy Strategic Action Plan, also approved in 2013, complements TTFS 2020.

44. The TSCC developed a list of 108 priority projects that would require a total of $38.8 billion in financing. The list is integrated into TTFS 2020, the majority of which covers the remaining sections of the originally identified CAREC corridors. TSCC also took part in a first roundtable meeting with development partners in Astana in June 2013, to explore cofinancing opportunities.

45. An essential component of CAREC's transport and trade facilitation agenda, which seeks to maximize the benefits generated by CAREC corridors, is to address nonphysical barriers to cross-border transport. Two diagnostic studies were initiated to assess transport operations along the corridor connecting the Kyrgyz Republic, Tajikistan, Afghanistan, and

Pakistan. The studies will provide recommendations for the implementation of existing agreements. Following the endorsement of particular recommendations, further work on cross-border transit facilitation will focus on the areas of: harmonization of CAREC member country transport regulations with international conventions and agreements, stronger implementation of existing multilateral and bilateral transport agreements, streamlining of cross-border transport operations, and capacity development of the private road transport sector.

46. Other studies will examine the requirements for the establishment of Designated Railway Corridors (DRCs), which are selected linear rail sections or routes over which prioritized service operates. This concept will then be piloted as a means of scaling up railway interventions and associated services toward achieving CAREC goals.

47. The Customs Cooperation Committee (CCC) adopted the refined TTFS 2020, which advocates for intensified efforts in customs reform and modernization, coordinated border management, development of regionally interconnected national single window facilities, and beyond-Customs trade facilitation. In a joint meeting with the TSCC in September 2013, the two sector committees identified three specific areas of importance: (i) improved joint monitoring and evaluation of strategy implementation; (ii) stronger NJCs for greater cross-sector coordination and private sector participation; and (iii) stronger role of the CAREC Institute in training, research, and knowledge creation and dissemination. CPMM will be expanded to cover railway traffic and trade logistics services. Efforts to integrate Pakistan and Turkmenistan fully into sector work continue.

48. At its 12th Meeting, the CCC also supported three proposed regional technical assistance (RETA) projects for (i) Aligning Customs Trade Facilitation Measures with Best Practices, (ii) Coordinated Border Management for Results, and (iii) Regional Transit Trade. The first focuses on “behind the border” measures and will promote a concerted approach to Customs reforms by applying best practice in procedures, strengthening risk management, and developing automated information exchange. The second focuses on “at the border” measures and will benchmark and monitor border crossing points through a time release study, expand joint Customs control pilots, and integrate Customs with other border procedures. The third will enhance cross-border transit through a single regional guarantee mechanism, assess requirements for a streamlined legal and regulatory framework for regional Customs transit, and recommend ICT system development. These RETAs were approved by the Asian Development Bank (ADB) in December 2013.

49. CAREC members are addressing country-specific trade facilitation issues such as revising their Customs codes to adhere to the RKC, and improving risk management systems. Five countries have acceded to the RKC while five others are at various stages of accession. The Kyrgyz Republic is in its final stage, while Tajikistan has revised its Customs Code. Uzbekistan will implement a risk management system once its revised Customs Code is approved by Parliament. Mongolia is introducing an Authorized Economic Operator program.

50. Automated customs information systems were developed in more countries, after three ADB-funded investments in the Kyrgyz Republic, Mongolia, and Tajikistan, with similar World Bank projects in Afghanistan and Kazakhstan. Pakistan introduced its Web-Based One Customs that may evolve into a single window facility.

51. Cooperation advanced as customs authorities from the People’s Republic of China (PRC) and Mongolia agreed to expand pilot testing of joint Customs control to two more pairs of border crossing points (BCPs), and to conduct tests of the electronic exchange of cargo

manifests. Agriculture and veterinary officials of both countries also agreed on an implementation plan for the development of the institutional mechanism for PRC-Mongolia cooperation in transboundary animal disease control, a 5-year capacity building program, and a user manual for transboundary animal disease control at the community level.

52. CAREC continued to support private sector participation as well as enhance the capacity of the CAREC Federation of Carrier and Forwarder Associations (CFCFA) for eventual self-sustainability. Custody over the website (www.cfcfa.net) was transferred from ADB to the Association for Development of Business Logistics, which will use it to generate advertising revenue for CFCFA and transform it into a virtual bulletin board and information hub. CFCFA will also pursue the following actions taken up in its 4th annual meeting: (i) dialogue with CAREC governments for greater private sector participation and standardization of procedures; (ii) adopt internationally accepted practices through information sharing and capacity building; (iii) amend the CFCFA Charter to allow membership of for-profit companies; and (iv) refine CPMM, with emphasis on the improvement of rail data collection.

53. SPS modernization forms an important part of the trade facilitation agenda, since SPS-related inspections are a common cause of delay for perishables, which make up one-fifth of transit goods. ADB approved a regional capacity development technical assistance project to promote collective efforts to align SPS measures with international standards, and prioritize investments to support the application of modernized SPS measures.

54. The CAREC Regional Improvement of Border Services (RIBS) Project was approved by ADB's Board of Directors. It will complete the development of national single windows (NSW) based on international standards to ensure regional interoperability and serve as a tool for harmonizing data, and improve physical infrastructure at border crossing points (BCPs) along priority CAREC corridors. Detailed investments were identified for the Kyrgyz Republic and Tajikistan. Mongolia renewed its interest in the project and re-established its NSW working group. The RIBS project builds upon ADB investments in automated customs information systems and on initial investments in single window facilities funded by ADB (in the Kyrgyz Republic) and the European Union (in Tajikistan).

B. Trade Policy Sector

55. The CAREC Program has endorsed an open economy model of development to achieve economic growth and reduce poverty. The new Trade Policy Strategic Action Plan[16] (TPSAP) for 2013–2017, which was approved at the 12th MC, continues to emphasize the objectives defined in the first TPSAP: accession to the WTO, greater trade openness prior to WTO accession, and capacity building on trade issues. It also expands the trade policy agenda into crucial areas for the integration of CAREC countries into the world trading environment, specifically by (i) reducing the trade-impeding impact of non-tariff barriers such as technical regulations and sanitary and phytosanitary (SPS) measures, and (ii) expanding trade in services. While these are more complex and difficult to address, evidence shows that these are the areas where substantial benefits can be attained.

56. In line with the refined DEfR methodology, the results framework for the trade policy sector was formulated, and results statements were specified (Table 6).

[16] http://www.carecprogram.org/uploads/events/2013/SOM-Oct-KAZ/002_107_212_Trade-Policy-Strategic-Action-Plan.pdf

57. To measure progress in achieving the policy actions in the TPSAP 2013–2017, indices of trade liberalization and institutional quality were to be revised and measured with end-2013 data. However, to address concerns raised by CAREC members and allow them time to start implementing the action items stipulated in the updated TPSAP, the reporting of progress was moved to the 22nd Trade Policy Coordinating Committee (TPCC) meeting in June 2015, reflecting the end-2014 outcomes. Moreover, in contrast to quantitative indices, it was decided that actions will simply be recorded as met, partly, or not met, in relation to the targeted implementation date.

58. Nevertheless, all items of the Trade Policy Sector Work Plan remained on track in 2013. There were no changes to the work plan, which will be reviewed when implementation of the new TPSAP is initiated.

Table 6: Trade Policy Sector Results Framework

Body	Interventions	Sector Outputs	Sector Outcomes
TPCC	• Gap analysis on requirements for WTO membership • Schedule WTO commitments' implementation	• Negotiations for WTO accession conducted • WTO membership achieved • WTO commitments implemented	Trade and business environment improved
	• Address discrepancies between taxes on domestic goods and imports • Schedule further tariff reduction	• VAT and excise taxes uniformly applied on domestic and imported goods • Average tariff reduced to 10% or less, with 20% maximum cap	
	• Set timeframe to abolish or tariff quantitative restraints	• Non-compliant export and import quotas abolished or tariffed;	
	• Adapt international standards to SPS measures and technical regulations on industrial goods • Promote mutual recognition of certificates of accredited conformity bodies • Prepare comprehensive SPS strategy and action plan for transition to WTO compliant system • Review new non-tariff measures and evaluate transition to international standards	• Technical regulations on industrial goods and SPS measures made consistent with WTO TBT and SPS agreements	
	• National studies to assess key bottlenecks to trade in services • Administer Services Trade Restrictiveness Index questionnaire every 2 years • Improve quality of institutions, including addressing corruption, complex export procedures, labor market flexibility • Key regulatory changes to liberalize telecommunications and other sectors to encourage exports	• Key bottlenecks addressed • Services Trade Restrictiveness Index scored for all CAREC countries • Key regulatory changes voluntarily implemented • Backbone services development and expansion of services exports streamlined into national plans; technical assistance to achieve CAREC 2020 goals delivered	Cross-border services trade increased

	• Key regulatory reforms to encourage investments in backbone services • Technical team mobilized to conduct substantive analyses and lead dialogue and policy action	• Market access promoted and national treatment applied to foreign companies in finance, telecommunications, and transport services • Services regulations reviewed sustainably	Backbone services trade increased
	• Bilateral Labor Agreement on a voluntary basis • Mutual Recognition Agreements for some professions	• Bilateral Labor Agreement in use for temporary movement of certain types within region	Temporary movement of labor within CAREC increased
	• Training seminar on WTO accession and trade policy for development • Knowledge Sharing workshop on WTO membership issues and commitment implementation in CAREC • Seminar on expansion of trade in services • Technical assistance for trade facilitation • Technical assistance for services development	• Capacity and knowledge for addressing WTO accession and trade policy issues built • Capacity strengthened to modernize SPS measures, align Customs procedures with the Revised Kyoto Convention, and for joint control of animal diseases in PRC and Mongolia • Knowledge acquired to incorporate services development goals into national plans	

SPS = sanitary and phytosanitary; TBT = technical barriers to trade, WTO = World Trade Organization, TPCC = Trade Policy Coordinating Committee

1. Trade Policy Sector Interventions

59. TPCC meetings provided a venue for continued capacity building on trade issues. The World Bank conducted research on regional trade in Central Asia, showing that diversifying endowments could lead to greater product and market diversification, which in turn could promote stronger regional trade and integration; however, trade restrictions remain. The United Nations Development Programme (UNDP) undertook an Aid for Trade Project as one of its support activities to trade policy and regulation in Central Asia. The key objectives of this are to increase tax and export revenue, investments to reduce inequality and aid dependency, cross-border trade, and regional cooperation.

60. WTO involvement was unanimously endorsed by CAREC officials in three areas of technical assistance: (i) participation of WTO in capacity development activities organized by CAREC to advance trade policy and trade facilitation objectives; (ii) CAREC countries' participation in capacity development activities organized by WTO; and (iii) WTO participation as guest observer in the CAREC SOMs and MCs. Through its Institute for Training and Technical Cooperation, WTO will collaborate with ADB and International Monetary Fund (IMF) in delivering capacity development products to CAREC countries. WTO subsequently discussed the importance of Central Asia for the rules-based multilateral trading system, including the legal and policy framework for WTO accession negotiations, and the state of play for four CAREC countries currently undertaking accession negotiations.

61. ADB approved technical assistance to the Tajikistan government in complying with its WTO accession commitments, in particular, the rationalization and reduction of technical

barriers to trade, through organizational and capacity improvements at the Standards Agency (TajikStandart). The project also presents an opportunity for WTO's collaboration in capacity building, and will cover Tajikistan's participation in a trade and investment conference, and in accession and post-accession activities.

C. Energy Sector

62. The energy sector's overall objectives are to overcome the impact of the uneven distribution of energy resources and encourage greater ownership of future regional initiatives by CAREC countries. The Strategy for Regional Cooperation in the Energy Sector of CAREC Countries (Energy Strategy) envisions energy security, energy market integration, and energy trade-driven growth for the countries of the CAREC region.[17] The Energy Action Plan Framework for 2010–2013 (EAP) established the foundation for a coordinated and sound development of the region's energy sector.[18] With the adoption of CAREC 2020, the EWP for 2013–2015 was formulated to translate the EAP Framework into reality, identify and develop projects that have potential for regional integration and trade, and promote the establishment of national generation facilities that will be able to export to second and third countries.[19]

63. The results statements for the energy sector follow the rationalized DEfR methodology (Table 7). Pertinent indicators have been agreed upon while the data collection approach is still being developed. In previous DEfRs, data reflected the results only of completed and not ongoing energy sector projects.

Table 7: Energy Sector Results Framework

Body	Intervention	Sector Outputs	Sector Outcomes
ESCC	Develop programs to enhance regional energy trade and cooperation Undertake analytical work on the linkages between energy and water resources Complete financing roadmap and mobilize funds Strengthen institutional capacity of CAREC member countries and share knowledge among CAREC countries	Domestic and cross-border energy projects reach targeted levels by 2020 Central Asia-South Asia energy corridor developed	Impact of uneven distribution of energy resources among CAREC countries is overcome Existing energy interrelationships optimized

ESCC = Energy Sector Coordinating Committee

64. Energy sector outcomes will be monitored through the volume of inter-regional energy trade in gigawatt-hours (GWh). Output indicators will attempt to capture the extent to which the expansion and rehabilitation of CAREC's physical infrastructure contribute to energy security, energy efficiency, and the ability to enhance power trading in the region. For the first output, indicators used in previous DEfRS will continue to be used: (i) transmission lines installed or upgraded (km); and (ii) increased energy generation capacity (megawatt [MW]), to which three indicators were added in 2012 to more fully reflect energy sector activities; (iii) rehabilitated generation capacity (MW); (iv) new substations installed (megavolt-ampere [MVA]); and (v) substations upgraded (MVA). 2013 will now serve as the base year for monitoring performance,

[17] Endorsed at the 7th CAREC Ministerial Conference in 2008: http://www.carecprogram.org/uploads/docs/CAREC-Regional-Cooperation-Strategy-in-Energy.pdf

[18] Endorsed at the 8th CAREC Ministerial Conference in 2009: http://www.carecprogram.org/uploads/events/2009/8th-MC/Energy-Action-Plan-Framework.pdf

[19] http://www.carecprogram.org/uploads/docs/CAREC-Energy-Sector-Coordinating-Committee-Work-Plan-2013-2015.pdf

with figures for the five indicators specified in Table 8. Data will be collected in 2014, and evaluation will be possible in 2015.

Table 8: Energy Sector Output Indicators

Indicator	2013 Baseline
Transmission lines installed or upgraded (km)	612
Increased energy generation capacity (MW)	300
Rehabilitated generation capacity (MW)	0
New substations (MVA)	250
Upgraded substations (MVA)	400

MW = megawatt, MVA = megavolt-ampere.

65. For the second output, the completion of at least one major regional interconnection project by 2015, will be the performance metric. Indicators for each of the four interventions are: (i) for the first, at least two multi-year programs completed by 2015; (ii) for the second, at least two studies published by 2015; (iii) for the third, a roadmap endorsed by Energy Sector Coordinating Committee (ESCC) by 2015; medium- and long-term project lists endorsed by CAREC countries with proposed financing modalities by 2015; new investments amounting to a yet unspecified total mobilized by 2020; and (d) for the fourth, at least two training or field visit sessions conducted annually, each with more than 30 participants; and studies on institutional capacity development published by ESCC by 2020.

1. Energy Sector Interventions

66. The interventions specified in the results framework generally correspond to the following actionable elements in the EWP for implementing operational priorities: (i) develop the Central Asia-South Asia energy corridor, (ii) resolve regional energy dispatch and trade issues, (iii) manage energy-water linkages, (iv) mobilize funds to build energy assets, (v) implement energy sector priority projects, and (vi) capacity-building and knowledge management.

67. Programs to enhance regional energy trade and cooperation are in place. Preparations for two complementary projects, the Central Asia-South Asia Electricity Transmission and Trade Project (CASA-1000), and Turkmenistan, Uzbekistan, Tajikistan, Afghanistan, and Pakistan (TUTAP), were undertaken under the first actionable element. A CASA-1000 project commercial contract framework and model agreements for power purchase and coordination were formulated, and the commercial structure was finalized. For TUTAP, the Afghanistan Power Sector Master Plan ushered in investments in the Turkmenistan/Afghanistan 500kV interconnection, with construction on the Turkmenistan line having begun and bids for the Afghanistan component undergoing evaluation. Within Afghanistan, the North-South 500kV project was approved and is being implemented.

68. Energy trade and cooperation is also being enhanced under the second actionable element, through two core activities addressing the constraints to electricity trade. The United States Agency for International Development-Regional Energy Security, Efficiency and Trade (USAID-RESET) conducted seminars on energy information systems, security and integration for electric market support, automatic meter reading, supervisory control and data acquisition systems; and offered a full university level curriculum on the design and operation of power markets. The World Bank's Enhancing Central Asia Regional Power Trade and Cooperation Program undertook data analysis and consultations with national energy ministries, dispatch

centers, grid operators, and utilities, in order to identify activities for the next phase of implementation.

69. Analytical work on the linkages between energy and water resources continues. Under the third actionable element, a set of activities proposed by the World Bank will strengthen the key components of a knowledge platform and decision support system, including hydropower development. Activities initiated include the energy sector vulnerability to climate change, Basin Economic Allocation and AralDIF demonstration models, and the Central Asia energy water knowledge portal and network.

70. Work on the financing roadmap and fund mobilization is advancing through the fourth and fifth actionable elements. The project concept for ADB technical assistance for the CAREC Power Sector Financing Roadmap was approved and expanded to cover all 10 CAREC member countries. It will assess the capacity and willingness of CAREC countries to finance power infrastructure development with their own resources, and examine other sources of financing for both national and cross-border projects. The draft Medium-Term Priority Project (MTPP) list was updated by each member country based on national investment plans. Projects included satisfy the criteria of (i) location in CAREC countries with grids interconnected with other CAREC countries, (ii) financing to be approved in 2013–2015, and (iii) involving the rehabilitation or installation of new generation (50 MW or above) or high voltage transmission (220 kV or above) assets. The ESCC will compile and update the list regularly, based on country inputs to aid the assessment of energy sector performance.

71. Institutional capacity is being strengthened and knowledge shared among CAREC countries under the sixth actionable element. The capacity building and knowledge framework program for 2013–2015 under the umbrella of the CAREC Institute was endorsed, under which a substantial event would be undertaken every year. It incorporated suggested topics such as the level and regulatory implications of regional power trade. ESCC will strengthen its links with other entities such as the Energy Charter, International Energy Agency, International Hydropower Association, among others. The Energy Charter, which was established to promote energy cooperation among Eurasian states, was introduced during the June 2013 ESCC meeting, where it also shared its expertise on energy sector reforms in the context of the WTO. With the support of the CAREC Institute, the ESCC visited the new Solar Power Station in Kapchagai, Almaty, Kazakhstan in September 2013, where countries presented their respective renewable energy initiatives. The United Nations Economic Commission for Europe, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the UNDP also presented their energy initiatives and encouraged further collaboration.

Box 2 Facilitating Energy Trade

The Regional Power Transmission Interconnection Project illustrates how the outputs of energy sector interventions contribute to outcomes in CAREC countries. This project's objectives were to (a) increase the power export and income-generating capacity of Tajikistan, (b) restore power supply and lower the cost of electricity in Afghanistan, (c) improve capacity in the operation of the Afghanistan Power Authority, and (d) strengthen the commercial operation of Barki Torji, the company responsible for electricity generation, transmission, and distribution.

In Afghanistan, the project constructed and commissioned a 220-kilovolt transmission line from its border with Tajikistan to Pul-e-Khumri substation; substations are currently 95% complete with major equipment installed. In Tajikistan, a 116.5 km transmission line from Sangtuda to the Pyanj River crossing was built and energized for electricity export; Sangtuda substation with 2

new line bays was completed and the transmission line connected to 2 existing bays after new transformers were installed; altogether, these enable 600 MW transmission capacity. Moreover, canals were dredged at Centralnaya and Prepadnaya hydropower plants, and unit 4 at Golovnaya hydropower plant and the excitation system at Baipaza hydropower plant were rehabilitated. Metering was finished with the replacement of mechanical with digital meters, current and voltage transformers.

Target outcomes were achieved. Power supply was restored in Afghanistan: per capita consumption rose from 21 kWh per year in 2006 to 106 kWh per year in 2011, above the targeted 35 kWh per year. Retail electricity sales rose by 70% from 2009. Grid-connected diesel generators discontinued operations, resulting in substantially lower electricity costs. Power costs decreased by $20 million in 2013. Market access and the export capability of Tajikistan were improved: electricity supply increased from 15,897 KWh in 2009 to 18,085 KWh in 2010; export capacity was 200 MW and 791 GWh of electricity worth $28.8 million was exported to Afghanistan in 2013, exceeding the 650 GWh target, and generating foreign exchange.

The establishment of a power purchase agreement between the 2 countries demonstrated that regional cooperation in power trade is workable. Electricity trade commenced in 2011. Tajikistan earned foreign exchange from its surplus. Afghanistan's electricity supply sources diversified and expensive thermal generation displaced, increasing energy security. Power supply to Kabul is now available almost all day compared to only 4 hours a day in 2002, and 760,000 households have electricity, 225,000 of which are new; there are also 15,000 new non-domestic consumers, suggesting more commercial/industrial users.

Source: ADB.2014. Project Completion Report: Regional Power Transmission Interconnection Project (Afghanistan and Tajikistan). Manila.

D. Operational and Organizational Effectiveness

72. The effectiveness of financial and knowledge-based inputs into the operation and organization of the CAREC Program as a whole are also assessed under Level 2. Indicators are intended to show how the overall program is (i) building on and consolidating its active operations portfolio and completing ongoing project activities; (ii) securing new financing; and (iii) responding to country needs in capacity building and knowledge production and sharing.

73. Five out of the eight indicators in previous DEfRs are retained and may be refined further. The three indicators that are removed fall under operations growth ("number of completed investment projects", due to its limited utility), finance mobilization ("CAREC technical assistance financing gap", due to the difficulty of appropriate quantification) and knowledge management ("knowledge production and dissemination", which needs to be replaced). Indicators for other knowledge-based interventions have yet to be developed.

1. Operations Growth

74. Indicators for operations growth track the increase in the number and volume of loans and grants approved from the 2006 baseline to the current review period. These signify the extent to which CAREC is able to attract financing for ongoing and future projects in priority sectors, principally in transport and energy; trade policy does not entail investments in physical

infrastructure, and apart from investments to date in customs automation, national single windows, and renovation of border crossing point facilities, trade facilitation investment opportunities are limited, complicated in that they often involve more than one country, and do not attract substantial volumes of capital. In 2013, the indicators performed positively.

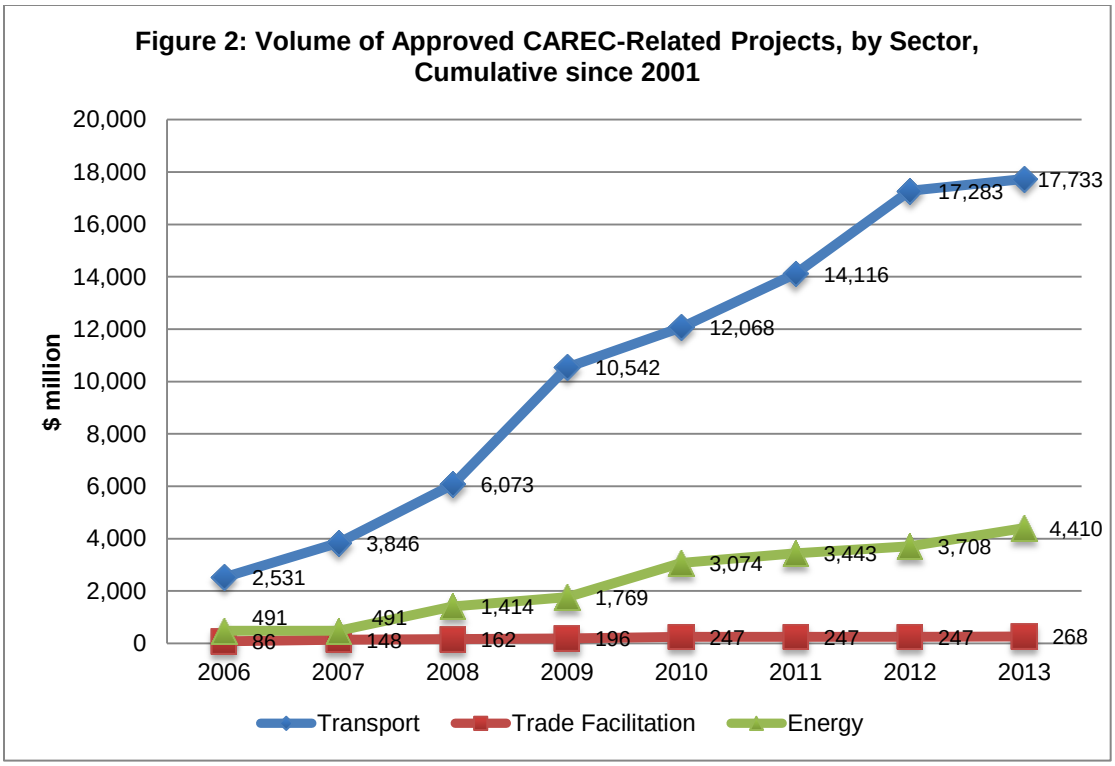
75. At the end of 2013, investments in CAREC-related projects reached a cumulative total of $22.4 billion, an increase of 621% over the 2006 baseline and of 5.5% over the previous year's sum (Table 9). Similarly, the cumulative number of projects climbed to 146 in 2013, a growth of 256% from the 2006 baseline and of 7% from the 2012 figure. The volume expansion in 2013 was more measured than in previous years, when annual inflows ranged between $1.3 billion and $4.8 billion. About the same number of new projects as in 2012 were approved, but the average scale of the 2013 projects was more modest.

Table 9: Operations Growth

Indicator	Indicative Target	2006 Baseline Value	2010	2011	2012	2013	Progress
Volume of approved investment projects, cumulative since 2001 ($ million)	↑	3,107	15,388	17,806	21,237	22,410	G
Number of approved investment projects, cumulative since 2001	↑	41	108	125	136	146	G

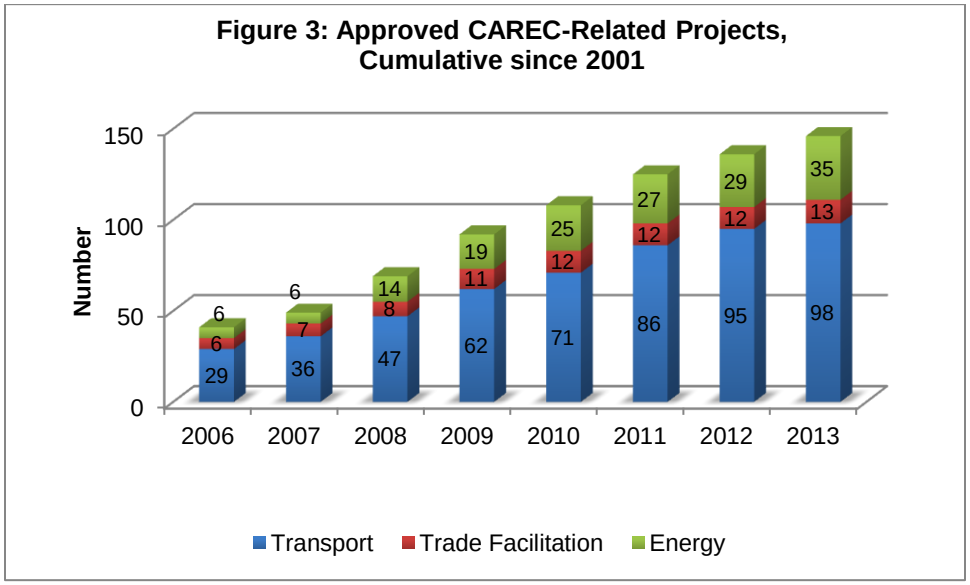
Source: CAREC Program Portfolio

76. The moderate growth in cumulative investment between 2012 and 2013 relative to the previous 2-year period is due to the varied performances of the priority sectors. In the transport sector, cumulative investments reached $17.7 billion, which is six times the 2006 baseline figure (Figure 2). Growth was steady from 14% in 2010, 17% in 2011, and 22% in 2012 but dropped abruptly to 3% in 2013. Trade facilitation investments rose to $268 million in 2013, or a 213% increase from the 2006 baseline. Cumulative investments in energy expanded by 19% to reach $4.4 billion or nine times the baseline, reversing the slowdown of 12% in 2011 and 8% in 2012, although it has yet to repeat the peak infusions of 74% in 2010.



Source: CAREC Project Portfolio

77. New project approvals show that the largest increment was in the energy sector, which brought in six new projects to yield a cumulative total of 35 projects since 2001 (Figure 3), of which 14 have been completed and 21 are ongoing. In the transport sector there were three new projects, bringing the cumulative total to 98, with 36 completed and 62 ongoing. One new trade facilitation project was approved, bringing the total in this priority area to 13, of which nine have been completed and four are ongoing.



Source: CAREC Project Portfolio

78. Cofinancing of the cumulative CAREC-related portfolio continued in 2013. Government cumulative financing reached $4.361 billion, or 19.5% of the $22.4 billion portfolio, which was a slight decline from the 2012 share. However, in absolute terms the 2013 contribution was a substantial drop from previous years' levels, and was only half that of non-CAREC cofinanciers. Development partners outside of the six CAREC multilateral institutions contributed $1.086 billion or 4.8%; such a share dropped marginally from 2012 but has not gone beyond 7% of the cumulative CAREC portfolio since 2001. Across priority sectors, their share has been stable for the last four years, and ranged from 3% for transport to 12% for energy.

79. Commitments to 10 multitranche financing facility (MFF) investments in transport and energy from five CAREC countries, four multilateral development partners, and other cofinanciers have amounted to almost $13.8 billion. CAREC multilateral development partners account for $6.3 billion, other cofinanciers are contributing $5.2 billion, and CAREC governments will provide $2.3 billion of this total. Other cofinanciers include the Afghanistan Infrastructure Trust Fund, Danish International Development Assistance, Department for International Development of the United Kingdom, Japan International Cooperation Agency, and the United States Agency for International Development. As of the end of 2013, about $5.5 billion or 40% of total commitments was disbursed through 27 approved tranches.

80. As of 2013, 52 CAREC-related investment projects with a combined value of $3.2 billion have been completed. This is 36% of 146 approved projects. Most of these were in transport, with 29 projects worth $2.3 billion, followed by 13 energy projects valued at $811 million, and 10 in trade facilitation totaling $132 million. Ten projects equivalent to an aggregate $445 million, were concluded within 2013.

81. The TSCC incorporated a list of 108 priority projects that would require a total of $38.8 billion in financing in TTFS 2020. Development partners emphasized the regional coverage of projects, as well as collaborative development of cross-border projects by countries sharing border-crossing points. The ESCC will compile and update its list regularly, based on the national investment plans of member countries.

82. Among the newly approved investments in transport is the CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project in Kyrgyz Republic, which will rehabilitate 120 km of critical sections of the road and install safety features. This will enhance regional connectivity and raise the efficiency and safety of transport for the poor population in the area. For trade facilitation, the CAREC RIBS Project supports the modernization of the Karamyk border crossing point in the Kyrgyz Republic and the Guliston BCP in Tajikistan, and the completion of National Single Window facilities. These are expected to boost performance along the corridors, minimize the negative impact of geographic isolation, diversify economic activity and create economic opportunities. For energy, the Golovnaya 240-megawatt Hydropower Plant Rehabilitation Project in Tajikistan will refurbish power generation equipment to increase its efficiency and capacity to 252 megawatts. The increase in average generation efficiency to 89% will augment the supply of renewable energy to national and regional power systems from 743 GWh in 2012 to 1130 GWh in 2026.

2. Finance Mobilization

83. Finance mobilization is tracked through the "annual average volume of new approved investment projects". This shows annual investment trends, as distinct from (i) the cumulative volumes monitored for operations growth, and (ii) investment trends for individual sectors. Annual data enable CAREC partners to examine financing sources for project activities and

strategize financing options and priorities. The indicator is estimated using a 3-year moving average.

84. The indicator tapered further by 20% from the 2012 average (Table 10), due to the moderate scale of additional inflows during the year. The unusually limited investment activity in the transport sector restrained its 3-year average by 16%, while energy projects narrowed by 31%, although the latter attracted 164% more funds in 2013. (Trade facilitation, by definition, is not a significant mobilizer of finance, please see paragraph 74 above.) The overall contraction in the 3-year average started after 2010 and has yet to recover. Aside from the possibly cyclical nature of investments, portfolios are generally shifting to more complex multicomponent projects, while funding sources are diversifying and country priorities may be changing.

Table 10: Finance Mobilization

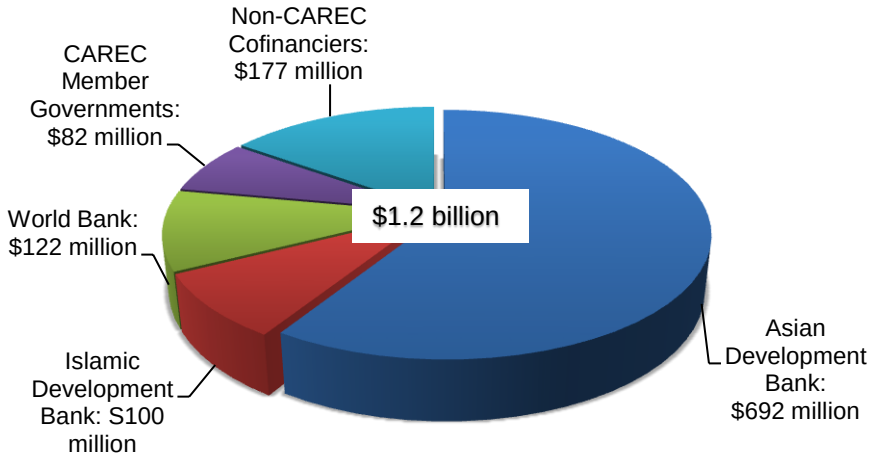
Indicator	Indicative Target	2006 Baseline Value	2010	2011	2012	2013	Progress
Annual volume of new approved investment projects (3-year moving average, $ million)	↑	594	3,635	3,386	2,910	2,341	R

Note: Figures that appeared in previous DEfRs have been adjusted to reflect updated project information. 2006 reflects data for 2004–2006; 2010 for 2008–2010, 2011 for 2009–2011, 2012 for 2010–2012, and 2013 for 2011–2013.
Source: CAREC Program Portfolio

85. Sources of financing for new projects are graphically presented in Figures 4, 5 and 6 including the share of three multilateral development partners. ADB provided $390 million for road improvement, $18 million for regional border services, and $284 million for energy development, transmission, and plant rehabilitation (Figure 4). The World Bank funded energy efficiency projects worth $122 million, while the Islamic Development Bank supported modernization of hydropower stations worth $100 million. The Afghanistan Infrastructure Trust Fund helped finance the North-South Power Transmission Enhancement (formerly Power Distribution) Project in Afghanistan with $117 million. This will connect imported power supply sources from its northern neighbors to its eastern and southern load centers through the construction of a 500-kV transmission line from Dashte Alwan to Kabul. This is expected to add 1000–1300 megawatts to the existing 300-megawatt capacity, and will be central to the envisaged regional power trade and Afghanistan's future role as an energy resource corridor between Central and South Asia.

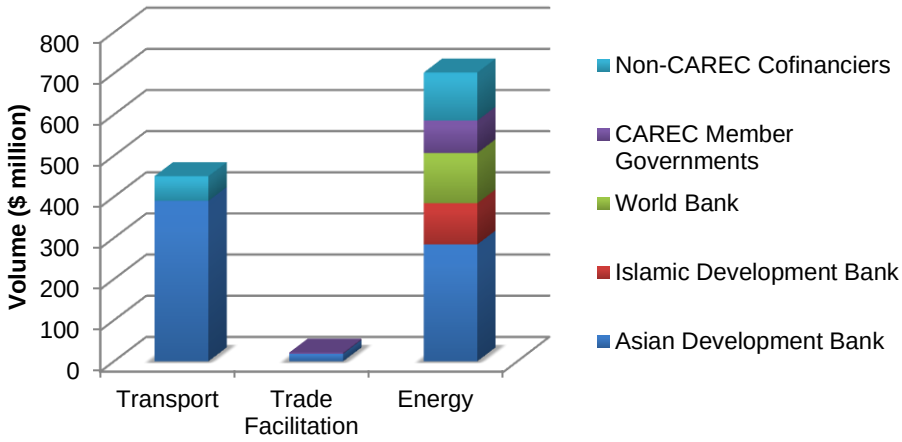
86. Four CAREC governments invested $82 million in four projects approved in 2013 (Figure 6), the bulk of which came from Uzbekistan (95%). These counterpart funds went mainly to energy infrastructure, and supported 11% of project costs for an energy efficiency facility and the modernization of hydropower stations, and 14% of border services improvement. However the 2013 amount is only a fraction (1/6) of the previous year's funding.

Figure 4: Loans and Grants Approved in 2013, by Financing Source



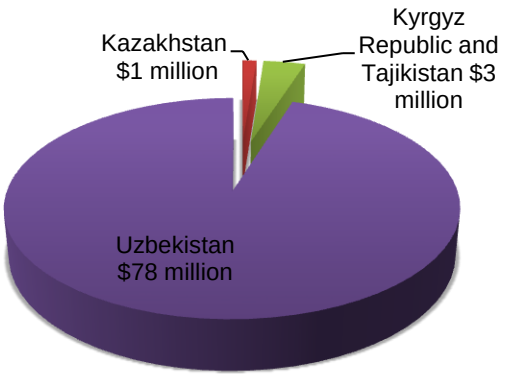
Source: CAREC Project Portfolio

Figure 5: CAREC Loans and Grants Approved in 2013, by Sector and Financing Source



Source: CAREC Project Portfolio

Figure 6: Volume of CAREC Government Cofinancing Approved in 2013



Source: CAREC Project Portfolio

87. Technical assistance in support of CAREC operations proceeded on a moderate scale, with the approval of 15 projects worth a total of $15.8 million. This is about one-third the previous year's level, and on the modest side relative to the annual figures over the period 2001 to 2013, particularly in relation to the peak in 2011 of $120 million for 20 projects. Most of the new technical assistance was concentrated in trade facilitation, which had six projects equivalent to $7.9 million, or half of the total volume. There were three new projects each in transport and energy, one in trade policy, and two in multi-sector or second-tier activities. The last consisted of assistance to the CAREC Institute and for the prevention and control of communicable diseases.

3. Knowledge Management

88. Knowledge and capacity building are among the key pursuits of the CAREC Program. The design and implementation of regional initiatives is meant to be grounded on research and analytical work conducted through CAREC. The Wuhan Action Plan, which guides the CAREC Program through its next phase of operations, has prioritized the CAREC Institute Work Plan of 2013–2017. This underscores the institute's critical role in providing knowledge support to the priority areas.

89. Two areas of knowledge management are assessed: (i) the quality of CAREC-related technical assistance completion reports circulated in the year under review, through "ratings of CAREC-related technical assistance projects completed (% successful)", and (ii) training programs and capacity building, through "participants in CAREC-supported training programs (number of person days)". Descriptive information is given relating to the production and dissemination of CAREC-supported research and other knowledge products, the third area evaluated in previous DEfRs.

a. CAREC-Related Technical Assistance Projects

90. The first indicator combines technical assistance that have "successful or better" ratings with those that have led to investment projects, since a large number of such activities typically have no completion reports. The estimates reported in Table 11 reflect the successful delivery of technical assistance in all 15 projects in 2013, and in nine out of 10 projects in 2012. Improvement over the baseline as well as the previous year was consistent.

Table 11: Knowledge Management – Technical Assistance Projects

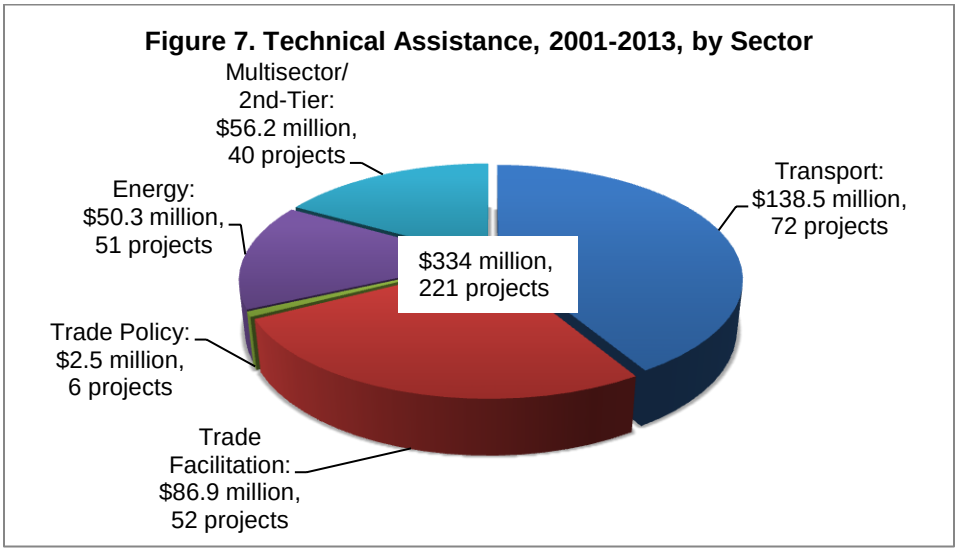
Indicator	Indicative Target	2006 Baseline Value	2010	2011	2012	2013	Progress
Ratings of CAREC-related technical assistance projects completed (% successful)	↑	86	83	100	90	100	G

Source: CAREC Program Portfolio

91. Of the 221 technical assistance projects approved from 2001 to 2013, 59 projects worth $44.3 million contributed directly to loans or grants with a combined value of $6.9 billion. ADB financed 86% of technical assistance while governments provided 13% counterpart funds. The resulting investments were mostly in transport and energy, with $5.6 billion and $1.3 billion, respectively. The majority of investment funds came from ADB (65%), government (21%) and non-CAREC cofinanciers (11%).

92. CAREC multilateral development and government partners together provided a total of $334.5 million worth of technical and knowledge transfer support to priority and multi- or second-tier sectors from 2001 to 2013. This was channeled through 221 projects, of which 159 have been completed (Figure 7). The transport sector received the bulk, with $138 million distributed across 72 projects. There were 51 projects in the energy sector equivalent to $50 million, 52 in trade facilitation worth $87 million, and 40 in multi-sector or second-tier areas equal to $56 million. Six projects were undertaken in trade policy amounting to $2.5 million.

Figure 7. Technical Assistance, 2001-2013, by Sector



Source: CAREC Project Portfolio

93. In 2013, 17 technical assistance projects equivalent to $25 million were completed. Five of these were in energy, and four each in trade facilitation, transport, and multi-sector areas. These were valued at $9.9 million for multi-sector areas, $6.5 million each for energy and trade facilitation, while $2 million was spent in transport. Investments resulted from seven of the completed technical support, with three each in transport and energy, and one in trade facilitation.

b. Knowledge Production and Dissemination

94. Under the guidance of the Wuhan Action Plan and the Strategic Knowledge Framework 2013–2017, CAREC countries agreed on the CAREC Institute Work Plan for 2013–2017. Drawing from the sector coordinating committees and country-specific inputs, the Work Plan is structured around the three framework pillars: (i) knowledge generation, (ii) knowledge services, and (iii) knowledge management. Activities were identified on the basis of the extent to which they span the three pillars, contribute to the delivery of CAREC 2020 targets, and promote partnership and collaboration with multilateral development partners and CAREC institutions. Thus, it listed priority studies, training seminars, and knowledge products to generate in 2013–2014, i.e., 12 training courses (three from each of the sectors) for 2013 and another 12 for 2014, two studies under the knowledge generation pillar, and two knowledge management activities. However, full program delivery would depend on the support of the multilateral development partners as well as cost-sharing arrangements with the CAREC countries and institutions. The Work Plan also identified indicative areas for 2015–2017, which would evolve alongside CAREC cooperation in the different sectors, and as other issues surface in the course of conducting knowledge generation and knowledge service activities.

95. The 11th MC in 2012 had also agreed to establish a physical base of the CAREC Institute in the region by 2014, to ensure the sustained provision of analyses for strategic-, sector-, and project-related work under the CAREC Program, as well as develop the capacity of CAREC bodies. In 2013, preparations started with a discussion of the set of principles, the organizational framework, and estimated cost and financing requirements.

96. For the Knowledge Services pillar, sector coordinating committees met to discuss the implementing modalities of Work Plan activities in their respective sectors. Capacity-building activities are described in the section devoted to it below.

97. For the Knowledge Generation pillar, ADB initiated a pilot study on Economic Corridor Development (ECD), a priority area for the CAREC 2020 goal of increased competitiveness. The study focused on Corridor 1b, a link that traverses the People's Republic of China, Kazakhstan and the Kyrgyz Republic, and is a major transit route to Western Europe. It analyzed trade flows and assessed opportunities for reducing the costs of moving goods along the corridor. CAREC has actively pursued the development of economic corridors to ensure connectivity within particular countries and enable smooth transit through countries. The resulting hard and soft infrastructure and connectivity should in turn promote the creation of jobs and economic activity that contribute to economic development. In 2014, the ECD study will identify potential applications of the latter dimension in CAREC, identify possible CAREC projects for Corridor 1b, and provide suggestions for extending the ECD analysis to other corridors. Cross-learning activities and knowledge delivery workshops will also be organized on this topic.

i. Publications and Outreach Activity

98. The CAREC Program was introduced to a wider audience through a session on *Regional Cooperation and Trade in Central Asia: Integrating into the Global Economy*, during the Bali Trade and Development Symposium, an event conducted simultaneously with the 9th WTO Ministerial Conference in December 2013. Presentations were made on the role of CAREC in supporting trade and transport facilitation in Central Asia, and the importance of WTO membership in promoting trade including ongoing efforts of CAREC member countries to accede to the WTO. CAREC government ministers and representatives of ADB, WTO, and the International Trade Center formed the panel of speakers.

99. Awareness and ownership of the CAREC Program and its activities was strengthened at the national level with the conduct of consultation workshops in two CAREC member countries, the Kyrgyz Republic and Tajikistan. These provided a venue for senior government officials, representatives of multilateral and bilateral development organizations, the private sector, research institutions and media, to learn about developments in the priority sectors and exchange views on current and emerging issues. In addition, in the Kyrgyz Republic, energy tariff policies and compliance with sanitary and phytosanitary standards were discussed, and the research and training program of the CAREC Institute were presented. In Tajikistan, a meeting was held with the Ministry of Economic Development and Trade on the proposed ADB technical assistance on Strengthening Tajikistan's Trade and Investment Regime.

100. The study entitled *Modernizing Sanitary and Phytosanitary Measures to Facilitate Trade in Agriculture and Food Products* was published in May 2013. Based on an examination of SPS measures in the PRC, Kazakhstan, the Kyrgyz Republic, Mongolia, and Uzbekistan, the study recommends a set of coordinated measures to reduce delays in handling perishable goods in transit, ensure food safety, and prevent the spread of pests and diseases. As a part of the TTFS, it is intended to encourage the adoption of international SPS standards, apply procedures efficiently, and invest in SPS-related infrastructure, thereby facilitating trade.

101. The CAREC Trade Facilitation sector produced the *CAREC Corridor Performance Measurement and Monitoring Annual Report 2012*, an annual publication that identifies needed policy reforms to improve transport links and facilitate trade, and provides valuable statistical data on freight flows and costs along the six CAREC transport corridors. Three quarterly reports covering the first nine months of the year were also issued. These were disseminated through various events such as CAREC SOMs and the Asia Pacific Trade Facilitation Forum. CPMM reports are also posted to the CAREC Program and CFCFA websites. An international workshop in March was convened in Almaty to share CPMM with a wide range of stakeholders and examine how to make best use of CPMM data to guide improvements in CAREC corridor efficiency.

102. Other publications were *From Landlocked to Linked In: the Central Asia Regional Economic Cooperation Program* which describes the program's history and achievements, and the *CAREC Development Effectiveness Review 2012: Implementing CAREC 2020- Vision and Action,* which assessed the 2012 performance of the program.

103. Eleven issues of the CAREC e-Alert were issued during 2013 to disseminate information about the program. The monthly subscriber base increased to 1,200, a 30% growth from that of 2012. The electronic newsletter is promoted through CAREC events, publications, and social media, primarily through the CAREC Program Twitter account. The CAREC website devotes a page to e-Alerts; subscription is open to the public and is requested by e-mail.

104. Public awareness about CAREC activities is gauged through the frequency with which information about the program appears in print media. In 2013, articles about CAREC appeared 295 times, of which 194 were unique and 100 were duplicates. 194 CAREC-related articles is an increase of 5% from the media hits in 2012, and is exactly the same as in 2011. About 75 articles, or more than a third, reported about or made reference to the Ministerial Conference. Coverage was provided by around 67 different print media: business newspapers such as Mena Report and Daily the Pak Banker, news agencies such as Interfax, AKIpress, Times of Central Asia, Central Asia News, Asia-PLUS, and Trend News Agency, other national dailies and regional media organizations.

105. Most of the articles featured particular road projects; some described ongoing energy projects, and a few covered Customs cooperation work and the CAREC Institute. Other topics discussed were country strategy programs, loan agreements, environment, and health issues. Events such as EcoWeek, seminars, forums, study tours, and speeches were reported, and a few analyzed the New Silk Road Strategy and the China-Pakistan economic corridor. In Tajikistan, the press wrote about the Regional Improvement of Border Services (RIBS) project, road rehabilitation work, Transport and Trade Facilitation Strategy, and the CAREC SOM, while information about the CAREC National Consultation Workshop was broadcasted on national television. Local newspapers in Turkmenistan reported on the ESCC Meeting in Ashgabat, while Uzbekistan media covered the highway reconstruction loan, the Asian Solar Energy Forum, and the CAREC SOM.

106. During the 12th MC in Astana, a 30-second CAREC video was played on three television channels – Kazakh TV, Khabar, and Kazakhstan – three times a day, in three languages (Kazakh, Russian, and English). Kazakh TV broadcasts informative and educational programs 24 hours a day. It has a potential audience of 5.1 billion, as it broadcasts via the major satellite operators Eutelsat, Globe Cast, and RRsat in over 117 countries in North and Central America, West and East Europe, North Africa, the Middle East, Asia, Transcaucasia, Australia, and Oceania.

107. The CAREC Secretariat produced video recordings about the CAREC Program including the 2.5-minute “A Global Future for Eurasia” and the 3-minute “CAREC Connects”, sector-specific videos on energy, transport, trade policy, as well as 1-minute videos about each partner country. Others were produced by the ADB, European Bank for Reconstruction and Development (EBRD), and World Bank. These are all available from the CAREC website for use in any activity.

ii. CAREC Program Website

108. In 2013, the CAREC Program website, www.carecprogram.org, recorded 27,329 visits for the English-language site and 9,751 visits for the Russian-language site. The combined total of 37,080 visits is 8.9% more than in the previous year. The average number of monthly visits to the English site reached 2,277, an increase of 1% from the 2012 average of 2,251 visits; for the Russian site, there was a 38% increase, from 586 to 813 average monthly visits. There were 17,071 unique users of the English site, and 3–4 pages were viewed per visit. Of all visitors, 54% were returning and 45% were new; this high proportion indicates that the website, which was redesigned in mid-2013, continues to attract users.

109. The number of visits peaked during major events such as between June and July, coinciding with the mid-year SOM, and between October and November, coinciding with the

MC; February also registered a high number of hits. The web pages most frequently visited were CAREC projects, events, transport, CAREC corridors, and the CAREC 2020 Strategic Framework. For the Russian-language site, aside from the CAREC projects and events pages, the Islamic Development Bank (IsDB) page was the most viewed.

110. The top traffic source of visits to the English website was search engines, with 12,564 or 46% of hits, practically the same as in 2012. The Russian search engine Yandex generated 419 visits or 4% of the total. Referring sites brought in 2,827 hits, which is a third of the number in 2012; almost half of this came from www.adb.org. Direct traffic totaled 7,123 hits, an increase of 13% over 2012.

111. Top sources of website visitors by country were Kazakhstan with 1,641, an increase of 44%, and Pakistan with 1,329, or 30% more than in the previous year, aside from the US with 2,670 page hits (17% lower than in 2012)

112. The website that was established with ADB technical assistance for the CAREC Federation of Carrier and Forwarder Associations (www.cfcfa.net) is now in the custody of the Association for Development of Business Logistics, a CFCFA member. It will generate advertising revenue to support CFCFA activities and be transformed into a virtual bulletin board and information hub through improved design and content.

113. The CAREC website's energy page will be transformed into a platform for maintaining and disseminating information on the energy sector.

c. Training and Capacity Building

114. The indicator "participants in CAREC-supported training programs" tracks the number of person-days of participation in CAREC training events, which are aimed at helping the institutional bodies in performing their work and the technical sectors in implementing projects. Some of these training activities are coordinated through the CAREC Institute.

115. In 2013 there were 10 CAREC-supported training courses, seminars, and workshops attended by 404 participants, equivalent to 953 person-days of capacity building (Table 12). There was a 20% increase in the number of participants from that of 2012. Fewer training activities and days relative to both the previous and the baseline years resulted in substantially less person-days. The higher figures in 2010 and 2011 are attributed to one-off public sector management courses or executive leadership programs as well as second-tier implementation events. Nonetheless, course topics or contents are responding to the evolving priorities and demands of CAREC countries, while shorter course lengths on the same topic indicate progressively more effective delivery. The average length of each training event was 2.5 days, half that of 2012 although slightly longer than the 2-day average in 2009. The number and proportion of female participants rose slightly from 1:4.8 in 2010 to 1:3 in 2013, and has yet to match the baseline ratio of 1:2.

Table 12: Knowledge Management – Training Programs

Indicator	Indicative Target	2009 Baseline Value	2010	2011	2012	2013
Participants in CAREC-supported training programs (person-days)	↑	1825	1349	1582	1328	953

Source: CAREC Secretariat

116. The 2013 training and capacity building events are described in Appendix 6. These were conducted in partnership with the ADB Institute, General Administration of Customs of the People's Republic of China, Kazakhstan Ministry of Transport and Communications, UNESCAP, and the World Customs Organization (WCO). These were held in CAREC member countries as well as Shanghai, People's Republic of China, Tokyo, Japan, and T'bilisi, Georgia.

IV. LEVEL 1: CAREC IMPLEMENTING BODIES

117. The program-wide implementing bodies for CAREC are the Ministers and Senior Officials. An annual MC provides overall guidance to the program and determines policy and strategic directions. Semi-annual SOMs assess and identify options for CAREC from a regional perspective, and report to the Ministerial Conference. Each CAREC country appoints a senior government official as its CAREC national focal point to ensure effective coordination among all relevant government agencies and other parties interested in regional economic cooperation.

118. Regular CAREC regional and subregional meetings in 2013 continued to enable CAREC members to interact and discuss crucial issues and share views and experiences. The 12th MC was held in Astana, Kazakhstan focused on the *Integrated Transport and Trade* theme. CAREC ministers endorsed both the refined CAREC TTFS 2020 and the revised TPSAP 2013–2017. Representatives of the multilateral development partners shared their views and supported these strategic plans. Participating delegates comprised ministers and representatives from CAREC member countries, multilateral partner institutions, and bilateral partners such as the Agence Francaise de Developpement, Department for International Development of the United Kingdom, Japan Ministry of Foreign Affairs, Japan International Cooperation Agency, United States Department of State, United States Agency for International Development, as well as the World Trade Organization.

119. There were two senior officials' meetings as well as a consultation with CAREC NFPs to discuss the mid-term review of the CAREC TTFS, the draft TPSAP, developments from the ESCC and the methodology review of the Development Effectiveness Review and CAREC Institute work. National consultation workshops held in two countries took up the CAREC Program's priority sectors, current and emerging issues, and the CAREC Institute research program.

120. Work progress in each priority sector was sustained as the four coordinating committees met a total of seven times. The TSCC refined the Transport and Trade Facilitation Strategy and Action Plan and discussed innovative transport operations and management. The CCC took up the status of identified priority areas and ways to replicate successful initiatives, agreed on proposed technical assistance projects, and contributed to the midterm review of the TTFS 2020. The Transport Sector Coordinating and Customs Cooperation Committees jointly refined

the TTFS 2020, which focuses on road maintenance and safety, institutional capacity building, and monitoring and evaluation. The Trade Policy Coordinating Committee considered the latest estimates of the trade liberalization and institutional quality indices, updates in the WTO training program, TPSAP implementation, and country proposals relating to the work plan; they also deliberated on the new TPSAP for endorsement at the MC. The ESCC evaluated the implementation of the EWP 2013–2015, knowledge and capacity building activities, deliverables for the senior official's meeting, and finalized the priority investment project list.

121. The CFCFA held its annual meeting and third business networking forum. It adopted a 2014 work plan to standardize and follow international practices and strengthen dialogue with governments, contributed to the midterm review of the TTFS, examined results of Corridor Performance Measurement and Monitoring, and considered amendments to the charter to allow corporate membership.

V. PROPOSED ACTIONS

122. The DEfR functions both as a monitoring tool and a platform from which to initiate specific priority interventions. Table 13 summarizes these proposed actions that will accelerate the implementation of CAREC 2020.

Table 13: Priority Actions, 2013–2014

Broad Priority Action	Responsibility	Specific Priority Actions
Review the TTFS and Implementation Action Plan for consideration at the MC and SOM	TSCC, CCC	Harmonize work programs with TTFS 2020, which was adopted at the 12th Ministerial Conference. Process new technical assistance programs to support the refined strategy.
Maximize the benefits of CAREC corridors by addressing key nonphysical barriers to cross-border transport and implementing the endorsed approach to corridor-based transport facilitation arrangements	TSCC	Translate the approach endorsed during the 11th Ministerial Conference in Wuhan, PRC, into specific action plans and implement priority activities. Align ongoing work on cross-border transport facilitation arrangements with Designated Railway Corridors
	CCC	Modernize SPS measures through regional capacity development technical assistance. Conduct needs assessment. Prepare RIBS Project for Mongolia. Review funding proposals for investments in BCPs in Pakistan. Commence work on 3 regional technical assistance on (1) aligning Customs trade facilitation measures with best practice, (2) coordinated border management for results, and (3) regional transit trade. Develop

		Customs guarantee mechanism for trade flows. Reconvene National Joint Transport and Trade Facilitation Committees (NJCs). Review legal issues that may impede the use of risk management in vehicle inspection at BCPs
	CFCFA	Expand CPMM to cover rail transport, logistics services providers, and corridor segments in Pakistan and Turkmenistan.
Monitor the implementation of the Trade Policy Strategic Action Plan (TPSAP) to ensure sufficient progress in trade liberalization, including through improvements in the institutional environment for trade	TPCC	Develop monitoring tool for the updated TPSAP, which was approved in the 12th Ministerial Conference, that will replace the standardized indices
Implement the CAREC EWP 2013–2015, which defined six actionable elements	ESCC	For Element 1: Developing the Central Asia-South Asia Corridor – continue coordinating CASA 1000 and TUTAP projects For Element 2: Resolving Energy Dispatch and Trade Issues – USAID will conduct more training seminars; World Bank will consult with power sector counterparts in 4 countries and the Regional Coordination Dispatch Center For Element 3: Managing Energy-Water Linkages – continue activities to strengthen knowledge platform and decision support system For Element 4: Mobilizing Funds for Building Energy Assets (see below) For Element 5: Implementation of Energy Sector Priority Projects (see below) For Element 6: Capacity Building and Knowledge Management (see below)
To sustain operations growth, endorse medium-term priority project list at the Ministerial Conference and commence mainstreaming of priority projects into national development plans	TSCC	Monitor the financing requirements and implementation of medium-term priority projects, which are integrated into TTFS 2020. Measure progress for projects with confirmed financing. Review list to include new

of CAREC countries		proposals.
	CCC	Ensure that regional projects such as for cross-border facilities are developed in a collaborative manner.
	ESCC	Under Element 5 of the EWP: Compile and update regularly the project list based on national investment plans
To counter the drop in finance mobilization, step up efforts to explore cofinancing opportunities among CAREC governments, multilateral and bilateral institutions, other development partners and the private sector	TSCC	Conduct further consultations similar to the development partners' forum on the financing of projects, with increased focus on private sector participation
	CCC	Identify BCPs for inclusion in a second phase of RIBS
	ESCC	Under Element 4 of the EWP: seek approval for technical assistance on the CAREC Power Sector Financing Roadmap
Implement relevant sector-focused training and capacity building activities through the CAREC Institute	CAREC Institute	Prepare to establish the physical institute in Urumqi, PRC
	TSCC	Conduct further training for concerned government officers and other stakeholders
	CCC	Pursue capacity building programs designed with CAREC Institute and ADB Institute, on conduct of Time Release Studies, accession to and compliance with the Revised Kyoto Convention, risk management. Collaborate with other subregional programs, use WCO regional training centers and the Customs Training Center of the Organization for Security and Cooperation in Europe
	CFCFA	Organize workshop on SPS modernization with ADB Institute and European Union Delegation to PRC and Mongolia
	TPCC	Continue capacity building and knowledge sharing activities
	ESCC	Under Element 6 of the EWP: implement the capacity building and knowledge framework program under the CAREC Institute and coordinate similar activities with USAID; incorporate site visits and country presentations; collaborate with other energy entities on this program
Advance the WTO Accession	TPCC	Determine the modality to formalize

Knowledge-Sharing Program		collaboration with WTO, which will deliver capacity development products Under technical assistance in support of Tajikistan's WTO accession, research on organizational reform of the standards agency
Expand dissemination of relevant knowledge products to all CAREC members, especially through the CAREC web portal	CAREC Secretariat CAREC Institute	Continue
Coordinate closely with national focal point advisers to promote consistent messaging and information about the CAREC Program	National Focal Point Advisers CAREC Secretariat	Continue

CAREC DEfR Methodology Review

Explanations for Modifications to CAREC Results

I. APPROACH

CAREC sector results for Transport and Trade Facilitation, Trade Policy, and Energy sectors, developed by respective coordinating committees (Review of the DEfR Methodology: Update, June 2014, Appendices 1,2,3) were standardized and integrated into a single 5-level, program results framework that has been adopted by CAREC. The principles used when conducting this exercise included:

- Maximizing clarity of result statements;
- Demonstrating the result chain or logic between output and outcome result levels;
- Presenting sector information in a reasonably consistent fashion;
- Striving to keep the results framework on one page to enhance comprehension.

Existing indicators were consulted to better understand the meaning of result statements.

II. REGIONAL IMPACT

The impact result statement is left unchanged from CAREC 2020 with only addition of the phrase “among CAREC member countries.” This way, all outcome and output results below need not repeat “CAREC” as it is assumed that all lower level results are targeting the geographic region mentioned in the highest level of achievement.

III. OUTCOMES AND OUTPUTS

3.1 Transport and Trade Facilitation Sector

Essentially TTF result statements were reasonable and found to be expressed at the right level for outcomes and outputs in this kind of framework.

- One exception was the Outcome “Competitive Corridors Established” which appeared to overlap with the output, “Multimodal Corridor established.’ In addition, the other two TTF outcomes are of a higher order – “Efficient movement of goods and services…” and “Sustainable, safe and user-friendly transport and trade networks…” This lower order Outcome was thus deleted with its output linked to the achievement of the “Efficient movement of goods and services…”

3.2 Trade Policy Sector

- The following Outcomes: “Cross border trade in services increased” and “Backbone service trade increased” which both speak of trade in service increases, were collapsed into one single Outcome statement: “Increased cross-border trade in services, including backbone services”.

- The Outcome “Temporary movement of labor within CAREC Increased “ was considered to be a lower order result that contributes to the increase in trade, so it was deleted and its associated output linked to the increased trade Outcome.

- For the Trade Policy Sector, 17 specific output statements had been elaborated, some of which were at the activity level. To increase consistency and express outputs at a more succinct level appropriate to the framework, output results were summarized into a five concise result statements.

- Capacity development, while applicable to most CAREC interventions, is particularly important for the work of the Trade Policy sector. Therefore a specific capacity development output was developed and placed under the “Trade and Business Environment Improved” result chain. It is recognized that capacity development is pertinent to all Trade Policy result chains, but given the choice, it was considered best placed in the “improved environment” chain, understanding that they are not mutually exclusive silos, but influence each other on a continuous basis. A footnote was added to put emphasis on this latter point.

3.3 Energy Sector

Pending further clarification of the meaning of result statements with Energy Sector committee, a few modifications were made to Energy outcomes and outputs as follows:

- The Energy outcome was split into 2 outcomes, fine-tuned, and then aligned with what appears to be respective outputs.

- The outcome statements were rephrased to enhance accuracy but this needs validation by the Energy Coordinating Committee. For instance, “Existing energy relationships optimized” appears to be vague. Even adding a few brief examples after the statement could improve clarity.

- Output 1, “Domestic and cross-border energy projects reached the target levels by 2020” appeared to be more of a measure (indicator) rather than an explicit result. In addition, the timeframe of 2020 is a bit too long for the achievement of outputs, which are generally shorter-term achievements. It was replaced with a more tangible result based on a review of the documentation: "Increased power generation and energy infrastructure rehabilitation." This should also be validated.

IV. CAREC INTERVENTIONS

Some of the information for the second level of the Results Framework– CAREC Interventions– had been elaborated by the sector coordinating committees. Additional information was found in sector reporting and DEfR updates. Note that in accord with the definition of Level 2 Interventions (Initial review of the CAREC DEfR methodology, 2013, pg.7, reproduced below), the information requirement is general, with emphasis on the kinds of interventions required to achieve results. If voids are identified, more or different information can be included here, but brevity will likely enhance clarity.

Level 2 – CAREC Interventions: The second level is intended to capture the interventions undertaken to implement the framework. The interventions include (i) strategies/studies/analytic work; (ii) policy changes; (iii) projects; and (iv) institutional changes. The interventions listed in Table 5 are more generic in nature; they are not an exhaustive list of all planned interventions but more of an articulation of the intended foci of any number of interventions. However, specific "flagship" projects or interventions may be listed here. Indicators at this level would include measurement of the CAREC portfolio.

V. OVERALL RECOMMENDATION

It would be best not to get overly distracted by the result statements at this point in time. Care should be taken to ensure results generally represent each sector's anticipated achievements at appropriate levels, with reasonable logical linkages between outputs and outcomes. The results formulation will likely be revisited when CAREC indicators are reviewed. More often than not, results become further fine-tuned during indicators development/validation exercises. Not only do indicators essentially define the result, but they often reveal the shortcoming of result

CAREC Program Results Framework 2013

Table A2.1: Level 5—CAREC Regional Impacts

Indicator	Indicative Target	Baseline Year	Baseline Value	2009	2010	2011	2012	2013	2013 Progress
1. Trade Openness (%)[a]	↑	2006	67.9	62.9	64.2	67.2	66.8	…	A
2. Intraregional trade in total CAREC trade (%)	↑	2006	6.25	6.06	6.25	5.62	6.16	6.18	G
3. Intraregional energy trade (GWh)	↑	2006	5061	4435	3544	5304	4752		A
4. Foreign direct investment (% of GDP)	↑	2006	6.0	5.3	3.8	4.3	3.9	…	A
5. Logistics Performance Index[b]	↑	2010	2.53	…	2.53	…	2.46	2.43 (2014)	A

… = data not available, GWh = gigawatt-hour, GDP = gross domestic product

[a] No data for Afghanistan and Turkmenistan. Series changed from using 2000 to 2005 constant $.

[b] The LPI score ranges from 1 for worst to 5 for best.

Notes: Data sources constantly revise their estimates to incorporate more recent information, hence figures will vary from those in the previous DEfR. Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region of the People's Republic of China are not available for these indicators.

Sources: World Bank. World Development Indicators Online Database, for indicator 1 and 4; IMF, *Direction of Trade Statistics,* for indicator 2; Coordinating Dispatch Center, Tashkent, Uzbekistan, for indicator 3; World Bank. *Connecting to Compete 2012: Trade Logistics in the Global Economy. The Trade Logistics Performance Index and Its Indicators,* for indicator 5.

Table A2.2: Level 4 – CAREC Priority Sector Outcomes

Indicator	Baseline Year	Baseline Value	2009	2010	2011	2012	2013	2013 Target	2013 Progress
Time taken to clear a border crossing (hours)	2010	8.7	…	8.7	7.9	10.9	10.0	↓	G
Costs incurred at a border-crossing clearance ($)	2010	186	…	186	156	157	235	↓	R
Speed to travel 500 km on CAREC corridor section (km per hour) [a]	2010	24	…	24	22	23	20	↑	A
Costs incurred to travel corridor section ($, per 500 km, per 20-ton)	2010	712	…	712	959	999	1482	↓	R

CAREC = Central Asia Regional Economic Cooperation, km = kilometre
[a] Speed is measured "with delays" for a 20-ton truck or a 20-foot equivalent unit container.
Source: CAREC Corridor Performance Measurement and Monitoring Annual Reports, 2010-2013.

Table A2.3: Level 3—CAREC Priority Sector Outputs

Indicator	Baseline Year	Baseline Value	2009	2010	2011	2012	2013	2013 Target	2013 Progress
Annual expressways or national highways built or improved (km)	2008	177	1288	1025	1022	430	545	1200	A
Cumulative proportion of total CAREC corridor built or improved (%)[a]	2008	64	70	74	79	80	83	80	G

CAREC = Central Asia Regional Economic Cooperation, km = kilometre
[a] It should be noted that this may overstate overall road condition due to ongoing deterioration on some road sections rated to be in good condition in 2007.
Source: TSCC, Transport Sector Progress Report (April-September 2013), 23-24 Oct 2013

Table A2.4: Level 2—Operational and Organizational Effectiveness

Indicator	Indicative Target	Baseline Year	Baseline Value	2009	2010	2011	2012	2013	2013 Progress
Volume of approved investment projects, cumulative since 2001 ($ million)	↑	2006	3107[a]	12504[a]	15388	17806	21237	22410	G
Number of approved investment projects, cumulative since 2001	↑	2006	41	92	108	125	136	146	G
Average volume of new approved investment projects (3-year moving average, $ million)[b]	↑	2006	594	3133	3635	3386	2910	2341	R
Ratings of CAREC-related technical assistance projects completed (% successful)	↑	2006	86	90	83	100	90	100	G
Participants in CAREC-supported training programs (person-days)	↑	2009	1825	…	1349	1582	1328	953	

…= no data available

[a] Figures include only the disbursed tranches of multitranche financing facility investments.

[b] 2006 reflects data for 2004-2006; 2010 for 2008-2010, 2011 for 2009-2011, 2012 for 2010-2012, and 2013 for 2011-2013.

Note: Figures in previous DEfRs have been adjusted to reflect updated project information.

Source: CAREC Program Portfolio

Results Framework Definitions and Sources

Indicator	Definition and Source
Trade Openness (%)	**Definition:** Trade openness is measured using the trade volume approach where export and import of goods and services are divided by GDP in constant $ price [(exports+imports)/GDP]. This method allows time series analysis of results. **Source:** World Bank. World Development Indicators Online.
Intraregional trade in total CAREC trade (%)	**Definition:** The ratio of total trade of CAREC countries with each other to the CAREC countries' total trade with the world. Total trade is the sum of exports and imports. The higher the ratio, the more integrated the CAREC countries are. **Source of basic data:** International Monetary Fund. Direction of Trade Statistics (DOTS).
Intraregional energy trade (GWh)	**Definition:** Total volume of regional electric trade in gigawatt-hours of CAREC members Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. **Source:** Central Dispatch Center, Tashkent, Uzbekistan.
Foreign direct investment (% of GDP)	**Definition:** International investment that obtains a lasting interest (at least 10%) in an enterprise resident in another economy. The components of foreign direct investment (FDI) are equity capital, reinvested earnings, and other capital (mainly intra-company loans). As countries do not always collect data for each of these components, reported data on FDI are not fully comparable across countries. In particular, data on reinvested earnings, the collection of which depends on company surveys, are often unreported by many countries. **Source:** World Bank. World Development Indicators Online.
Logistics Performance Index	**Definition:** A weighted average of the country scores on six key dimensions: (1) efficiency of clearance process by border control agencies, (2) quality of trade and transport-related infrastructure, (3) ease of arranging competitively-priced shipments, (4) competence and quality of logistics services, (5) ability to track and trace consignments, (6) frequency with which shipments reach the consignee within the scheduled or expected delivery time. Scores can range from 1 for low to 5 for high performance. **Source:** World Bank. 2012. *Connecting to Compete: Trade Logistics in the Global Economy. The Trade Logistics Performance Index and Its Indicators.*
Expressways or national highways built or improved (km)	**Definition:** Length of expressways (i.e., fully access-controlled highways) built or improved, expressed in kilometres (km). Access control means no direct crossings. Expressways can include roads that in certain countries are called highways if they have full access control. "Improving" includes all activity to restore a degraded road to the originally intended design capacity (repair/rehabilitation) and to improve on its design capacity (e.g. by widening). "Improving" cannot be applied in cases where only road signage is enhanced. **Source:** Transport Sector Coordinating Committee, Country Reports for transport indicators.
Proportion of total CAREC corridor built or improved (%)	**Definition:** Percentage total of all CAREC road corridors built or improved through CAREC investment activities that meet appropriate international roughness index standards. Road should be open to public use. **Source:** Transport Sector Coordinating Committee, Country Reports for transport indicators.

Time taken to clear a border crossing (hours)	**Definition:** The average duration taken to move cargo from an exit point of a country to an entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine checks are done. Besides the standard formalities to clear them, this measurement also includes waiting time, unloading and loading time, change of rail gauges and so forth, to capture both complexity and inefficiencies inherent in the border crossing process. The indicator is normalized at 500 km as a basis of unit, so that duration between long and short corridors is comparable. **Source:** CAREC Corridor Performance Measurement and Monitoring (CPMM) Reports.
Costs incurred at a border-crossing clearance ($)	**Definition:** The average of total expenses ($) to move cargo from an exit point of a country to an entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine checks are done. Both official and unofficial payments are included. The indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. **Source:** CAREC Corridor Performance Measurement and Monitoring (CPMM) Reports.
Speed to travel 500 km on CAREC corridor section (km per hour) [b]	**Definition:** The average speed for a unit of cargo to travel within the country and across borders. A unit of cargo refers to a cargo truck with 20 tons of goods (for road transport) or a rail wagon with one 20-foot equivalent unit (for rail transport). Speed is calculated by taking the total distances travelled divided by the total time taken; both distance and time include border crossings. **Source:** CAREC Corridor Performance Measurement and Monitoring (CPMM) Reports.
Costs incurred to travel corridor section ($, per 500 km, per 20-ton)	**Definition:** The average of total costs "with delays" incurred for a unit of cargo to travel within the country and across borders. A unit of cargo refers to a cargo truck with 20 tons of goods (for road transport) or a rail wagon with one 20-foot equivalent unit (for rail transport). Both official and unofficial payments are included. **Source:** CAREC Corridor Performance Measurement and Monitoring (CPMM) Reports.
Volume of approved investment projects, cumulative since 2001 ($ million)	**Definition:** Total volume of approved CAREC-related projects, jointly financed by CAREC governments and multilateral institution partners, cumulative since 2001 **Source:** CAREC Program portfolio, CAREC multilateral partner online project databases
Number of approved investment projects, cumulative since 2001	**Definition:** Number of approved CAREC-related projects, jointly financed by CAREC governments and multilateral institution partners, cumulative since 2001 **Source:** CAREC Program portfolio, CAREC multilateral partner online project databases
Average volume of new approved investment projects (3-year moving average, $ million) [b]	**Definition:** Total volume of CAREC-related projects (loans and grants) from all CAREC partner multilateral institutions and country governments, approved during the 12-month period under review. **Source:** CAREC Program portfolio, CAREC multilateral partner online project databases
Ratings of CAREC-related technical assistance projects completed (% successful)	**Definition:** Number of completion reports issued for CAREC-related technical assistance projects in the review period with "*successful* or better" ratings, as a percentage of total technical assistance completion reports circulated in the same year. Technical assistance projects that

	lead and/or contribute directly to investment projects are also counted as *successful,* since these often do not have completion reports. **Source:** CAREC Program portfolio, CAREC-related project completion and validation reports, CAREC multilateral institution partners online project databases.
Participants in CAREC-supported training programs (person-days)	**Definition:** Total count of individuals successfully completing CAREC-sponsored training programs during the 12-month period under review, multiplied by the total number of days. **Source:** CAREC Program website.

CAREC Region Development Outcomes

Table A4.1: Millennium Development Goals in the CAREC Region

Indicator	2005 Baseline Year	2008	2013/latest value
Population living below $1.25 (PPP) a day (%) [a]	19.7	17.5	9.6
Children under 5 moderately or severely underweight (%)	26.7	25.0	22.7
Total net enrolment ratio in primary education, both sexes [b]	70.5	73.2	74.8 (2012)
Pupils starting Grade 1 who reach last grade of primary, both sexes (%) [c]	75.3	69.4	63.1
Primary education completion rate, both sexes (%) [d]	66.9	64.7	68.6
Gender parity index in primary level enrolment [e]	0.78	0.83	0.85 (2012)
Gender parity index in secondary level enrolment [f]	0.78	0.78	0.73 (2012)
Gender parity index in tertiary level enrolment [g]	0.83	0.82	0.98 (2012)
Children under 5 mortality rate per 1,000 live births	92.6	85.1	65.7
Infant mortality rate (0-1 year) per 1,000 live births	72.3	67.1	60.9 (2012)
Adults (15+) living with HIV (number, million) [h]	0.086	0.110	0.146 (2012
Women (15+) living with HIV (number, million) [h]	0.023	0.030	0.039 (2012)
Tuberculosis prevalence rate per 100,000 population	463	377	316 (2012)
Tuberculosis death rate per 100,000 population [l]	42	33	27 (2012)
Land area covered by forest (%)	4.0	3.9	3.9 (2011)
Protected area to total surface area (%)	5.8	5.8	6.3 (2012)
Consumption of ozone-depleting chlorofluorocarbons (CFCs) (ODP metric tons)	645.8	214.0	0.0 (2012)
CO_2 emissions (metric tons per capita)	2.1	2.4	2.3 (2010)
Population using improved drinking water source (% of population with access)	84	85	87 (2012)
Population using improved sanitation facilities (% of population with access)	54.1	56.5	58.6 (2012)

ODP = ozone depleting potential

[a] no data for Afghanistan, Mongolia, and Uzbekistan

[b] no data for Afghanistan and Turkmenistan, and in 2012 for Uzbekistan as well

[c] no data for Afghanistan and Turkmenistan

[d] no data for Turkmenistan

[e] no data for Turkmenistan, and in 2012 for Uzbekistan as well

[f] no data for Turkmenistan, and in 2012 for Kyrgyz Republic, Tajikistan, and Uzbekistan as well

[g] no data for Turkmenistan, and in 2012 for Afghanistan, Kyrgyz Republic, and Uzbekistan as well

[h] no data for Turkmenistan, and in 2012 for Kazakhstan and Mongolia as well

[l] no data in 2012 for Tajikistan

Note: Comparable subnational data for the Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region of the People's Republic of China are not available.

Sources: World Bank. World Development Indicators Online; ADB Strategic Policy Department; UNAIDS Report on the Global AIDS Epidemic 2013; World Health Organization. Global Health Observatory Data Repository online; World Bank. Millenium Development Goals online; United Nations. Milllenium Development Goals Indicators online.

Table A4.2: Country Groupings—International Finance Corporation/World Bank's *Doing Business*

East Asia and the Pacific		
Brunei Darussalam	Malaysia Marshall Islands	Solomon Islands
Cambodia	Micronesia, Fed. States	Taipei, China
China, People's Republic of	Mongolia	Thailand
Fiji	Palau	Timor-Leste
Hong Kong SAR, China	Papua New Guinea	Tonga
Indonesia	Philippines	Vanuatu
Kiribati	Samoa	Vietnam
Lao PDR	Singapore	
Eastern Europe and Central Asia		
Albania	Georgia	Montenegro
Armenia	Kazakhstan	Romania
Azerbaijan	Kosovo	Russian Federation
Belarus	Kyrgyz Republic	Serbia
Bosnia and Herzegovina	Latvia	Tajikistan
Bulgaria	Lithuania	Turkey
Croatia	Macedonia, FYR	Ukraine
Cyprus	Moldova	Uzbekistan
South Asia		
Afghanistan	India	Pakistan
Bangladesh	Maldives	Sri Lanka
Bhutan	Nepal	
Organisation for Economic Co-operation and Development Country Group		
Australia	Hungary	Poland
Austria	Iceland	Portugal
Belgium	Ireland	Slovak Republic
Canada	Israel	Slovenia
Czech Republic	Italy	Spain
Denmark	Japan	Sweden
Estonia	Korea, Rep.	Switzerland
Finland	Luxembourg	United Kingdom
France	Netherlands	United States
Germany	New Zealand	
Greece	Norway	

Source: International Finance Corporation/World Bank. Doing Business online database.

Table A4.3: Level 1 Country Groupings—World Bank's *World Development Indicators*

Europe and Central Asia (developing countries only)		
Albania	Kosovo	Russian Federation
Armenia	Kyrgyz Republic	Serbia
Azerbaijan	Latvia	Tajikistan
Belarus	Lithuania	Turkey
Bosnia and Herzegovina	Macedonia, FYR	Turkmenistan
Bulgaria	Moldova	Ukraine
Georgia	Montenegro	Uzbekistan
Kazakhstan	Romania	
South Asia		
Afghanistan	India	Pakistan
Bangladesh	Maldives	Sri Lanka
Bhutan	Nepal	

Source: World Bank. World Development Indicators online database.

2013 CAREC Program Portfolio

Table A5.1: CAREC Investment Projects (Loans and Grants) Approved in 2013

Project	Country	Year of Approval	Year of Closing	Funding Agencies	Funding ($million)	Total Funding ($million)	Brief Description
TRANSPORT							
CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project Phase 4 (Loan and Grant)	Kyrgyz Republic	2013		ADB EBD	100 60	160	ADB previously assisted the Kyrgyz Republic in rehabilitating 320km of the 655-km Bishkek-Osh road in three phases while other development partners helped rehabilitate more than 539km (about 82%). Two sections of the Bishkek Osh road (Bishkek to Kara-Balta and Madaniyat to Jalal-Abad) remain in very poor condition, with an international roughness index above 7 and average travel speed of less than 50kph, rendering transporters unable to provide the required level of service and posing traffic hazards to road users. This project will reconstruct and rehabilitate an estimated 120 km of crucial road sections between Bishkek and Osh, and will include road safety measures such as road signs, lane markings, street lighting, parking areas, bus stops, crash barriers, and sidewalks. Project outputs include (i) 52.5 km of rehabilitated road from Bishkek to Kara Balta, (ii) 67 km of rehabilitated road from Madaniyat to Jalalabad, (iii) strengthened road asset management system, and (iv) improved road safety. The project will thus enhance national and regional connectivity and trade via CAREC Corridor 3 by improving efficiency and safer movement of goods and people on the Bishkek-Osh road. It will connect the poorest population to services, goods, and markets.
CAREC Corridors 3 and 5 Enhancement Project (Grant)	Tajikistan	2013		ADB	70	70	The overlapping portion of CAREC corridors 3 and 5 from Dushanbe to the Karamyk border with the Kyrgyz Republic is a 2-lane highway of about 340 km. Owing to the government's limited budget and the limited traffic forecasted in 2006 when the project was designed, a one asphalt concrete layer was adopted for the Sayron-Karamyk road and other work e.g. rock excavation, drainage, and concrete retaining walls, was minimal. Traffic has surged in both volume and axle loading since the rehabilitation of the section in 2011, thus degrading

						the pavement condition faster than initially anticipated. This project will (i) enhance the Sayron Karamyk section to extend road service life, improve road safety and maintenance for better serviceability, and (ii) improve the connectivity and capacity of the subnetwork as traffic capacity on corridors 3 and 5 is likely to be realized earlier than expected. The Vose Khovaling Tavildara road, which extends the first ADB-assisted road in Tajikistan, starts at AH66 and connects through the Darband Tavildara Kalaikhumb road to CAREC corridors 3 and 5. This road has seriously deteriorated because of prolonged inadequate maintenance and recent flood damage, causing transport difficulty and safety concerns. Improvements to this stretch will (i) cut travel time almost in half from the Kyrgyz border to Khatlon; (ii) open a new trade corridor in the most populous region in Tajikistan; (iii) provide easier access to southern markets; and (iv) enhance economic connections with CAREC corridors 3 and 5, AH66, and Afghanistan and beyond. This project will thus enhance regional economic cooperation and inclusive economic growth in Tajikistan through improved regional network connectivity in CAREC corridors 3 and 5 and the subnetwork. Project outputs include (i) improved road conditions and enhanced road safety on CAREC corridors 3 and 5 (the Sayron Karamyk road section, 88 km) and the subnetwork (the Vose Khovaling road, 87 km) totaling 175 km; (ii) extended access to local communities through the improvement of rural feeder roads; and (iii) institutional strengthening of project management, contract supervision, and efficient road maintenance.
Transport Network Development Investment Program- Tranche 3 [MFF] (Grant)	Afghanistan	2013	ADB AFG	220	220	This road subproject under Tranche 3 will reconstruct and upgrade approximately 178 km of the road section from Dar-i-Suf to Yakawlang, linking the roads already completed under the ADB-financed North South Corridor Project. This national road provides an alternative north south transit route from Mazar-e-Sharif to Kabul from the currently overloaded Salang Tunnel. The road is in poor condition and requires major rehabilitation, after years of use and lack of periodic maintenance. It is impassable for motorized vehicles for

							many months in a year and hinders development in the central provinces, impedes regional trade and imposes efficiency losses as traffic volumes continue to rise. In addition to supporting the Afghanistan National Development Strategy (ANDS), Tranche 3 capitalizes on Afghanistan's position as a strategic geographic center of gravity in the region, being traversed by 3 major CAREC corridors, and potential to serve as the nexus between north-south and east-west regional trade corridors. In supporting Corridor 5, this subproject will provide landlocked Central Asia access to populous commercial centers in South Asia and major ports in the Persian Gulf and Arabian Sea. An efficient Afghanistan road network will improve regional connectivity, support increased domestic and international trade, and generate jobs and economic growth.
TRADE FACILITATION							
Regional Improvement of Border Services (Loan and Grant)	REG	2013	2018	ADB Govts	17.606 3.401	21.007	This project will construct and renovate border crossing points (BCPs) at Karamyk in Kyrgyz Republic (located along corridors 3b and 5) and Guliston in Tajikistan (located in the regional Osh-Khujand highway). This will complement improvements on the other side of their respective borders and address the problem of inadequate physical infrastructure and logistics facilities, cumbersome procedures, and limited use of IT. The project will also develop electronic trade platform such as the National Single Window to streamline data submission and ensure conformity of submitted data with the requirements of business processes. Coverage will include cross-border electronic data exchange and international standards will be adopted to ensure regional interoperability. As landlocked countries, faster, cost-efficient border crossings, predictable and transparent trading environments will facilitate trade and increase competitiveness. This will improve the performance of CAREC corridors, minimize negative impacts of geographic isolation, foster more diverse economic activity.
ENERGY							
Energy Efficiency Project	Kazakhstan	2013	2017	WB KAZ	21.8 1.3	23.1	
North South Power	Afghanistan	2013		ADB	99	216	This project will connect imported power supply sources

Transmission Enhancement Project (Grant)			AITF	117		from Afghanistan's northern neighbors to it's eastern and southern load centers. It will construct a 225km 500-kV transmission line across between Dashte Alwan in the north and Kabul in the south. This will add 1000-1300 MW to the existing 300 MW of transmission capacity. Project outputs include the commissioning of a 500-kV transmission line from Baghlan to Kabul (Dashte Alwan to Arghundy), including a 500-kV/220-kV substation in Arghundy, Kabul. These will be central to the envisaged regional power trade and Afghanistan's important future role as an energy resource corridor connecting Central Asia's electricity systems with its own and those of South Asia. The project will complement a second ADB power project under the proposed tranche 5 of ADB's Energy Sector Development Investment Program to build a 500-kV substation to connect to the grid at the north in Dashte Alwan. This will increase power trade and the rate of electrification within the country. The benefits will accrue across the board to the entire population as more people are connected to power distribution networks.
Energy Sector Development Investment Program- Tranche 5 [MFF] (Grant)	Afghanistan	2013	ADB	49.1	49.1	The project will construct and commission a new 500-kV/220-kV substation at Dashte Alwan in northern Afghanistan to connect to the 500-kV transmission line traversing the Hindukush mountains via the Salang Pass. It will augment the existing 300-MW transmission capacity between northern and southern Afghanistan by 1,000 MW, to initially allow indigenous generation, as well as power imports from Tajikistan, Turkmenistan, and Uzbekistan to supply Afghanistan's domestic needs. The project is related to the ADB-assisted North-South Power Transmission Enhancement Project described above. It will provide better and cost-effective power distribution by promoting sustainable power supply in northern, eastern and southern Afghanistan.
Golovnaya 240MW Hydropower Plant Rehabilitation Project (Loan)	Tajikistan	2013	ADB	136	136	This project will refurbish electric and mechanical equipment for power generation at the Golovnaya Hydropower Plant (HPP), in particular the full replacement of units 1,2, and 5. It will increase the plant's generation capacity from 240 to 252 MW and also its operational efficiency, including during the winter power deficit season, thereby augmenting year-round clean power available for domestic use and export to Afghanistan.

						The total installed generation capacity of Tajikistan is 5,055 MW. A large share of hydro generation (98%) is affected by hydrology fluctuation and results in summer surplus and winter deficit. With inadequate maintenance and rehabilitation, power assets have aged beyond their economic life. Nearly 80% of the generation and transmission assets need to be replaced in order to meet the demand and eliminate winter deficit. The ADB Country Partnership Strategy 2010-2014 identified the rehabilitation of existing HPPs as a key area for intervention, noting that reliable and secure operation of the generation plant and high voltage transmission network is important for the reliability of interconnected neighboring grid and a prerequisite for power trade. The CAREC power sector regional master plan identified the rehabilitation of the Golovnaya HPP as a priority generation project. With installed generation capacity of 240 MW it is the fourth largest HPP in Tajikistan. Its average annual generation has been decreasing due to more frequent emergency breakdowns of some units while the rest are expected to fail soon if major rehabilitation works are not undertaken urgently. The project will increase the supply of renewable energy to national and regional power systems from 743 GWh in 2012 to 1,130 GWh in 2026 by increasing the weighted average generation efficiency of the power plant from 83% to 89%.
Additional Financing for Energy Efficiency Facility for Industrial Enterprises Project	Uzbekistan	2013	WB UZB	100 53	153	The project's objective is to improve energy efficiency (EE) in Industrial Enterprises (IEs) by designing and establishing a financing mechanism for energy-saving investments. The additional credit will help finance the costs associated with scaled-up activities to increase the energy saving impact of the project. Uzbekistan is the second largest producer of electricity in Central Asia but also the 35th largest carbon dioxide emitter worldwide, partly because of inefficient energy usage by IEs that operate old and outdated equipment. The potential for energy savings through implementation of EE measures in IEs in Uzbekistan is substantial, hence IEs are encouraged to shift to more efficient technologies. EE investments are envisioned to (i) reduce GHG emissions, (ii) make Uzbek industry more competitive in

						international markets and (iii) free up energy savings (ie, natural gas and electricity) for exports.
Modernization of Hydropower Stations in Tashkent, Shakhrikhan and Kadirya	Uzbekistan	2013	IsDB UZB	100 25	125	This project will increase the generating capacities of the hydropower stations in Tashkent, Shahrikhan and Kadirya cascades up to 70 MW in total. It will modernize, technically re-equip, and replace worn out equipment. It will install generators, turbines, communication, and auxiliary equipment, specifically the HPS-9 in Tashkent cascade, HPS SFC-2 in Shakhrikhan cascade and HPS-3 in Kadirya cascade.

ADB = Asian Development Bank, AFG = Government of Afghanistan, EDB = Eurasian Development Bank, IsDB = Islamic Development Bank, KAZ = Government of Kazakhstan, UZB = Government of Uzbekistan, WB = World Bank

Table A5.2: CAREC Investment Projects (Loans and Grants) Completed in 2013

Project	Country	Year of Approval	Funding Agencies	Funding ($million)	Total Funding ($million)	Brief Description
TRANSPORT						
CAREC Regional Road Corridor Improvement (Supplementary)	KGZ	2010	ADB KGZ	23 9	32	The Project paved the 136 km road from Sary Tash to Karamik (currently being improved under Grant 0084-KGZ: CAREC Regional Road Corridor Improvement Project in the Alay valley area of southwest Kyrgyz Republic) with two layers (10 cm) of asphalt concrete. This project was envisioned to reduce transport costs and foster regional trade and cooperation among the Kyrgyz Republic, People's Republic of China (PRC), Tajikistan, and other Central Asian countries by improving access to markets and social services. Project outputs include (i) improvement of the Nimich (Tajikistan) to Sary Tash (Kyrgyz Republic) road corridor; ((ii) proper maintenance of and provision of adequate financing for the Nimich to Sary Tash road corridor;(iii) improvement of border infrastructure at Kyrgyz-Tajik and Kyrgyz-PRC borders; and (iv) signing of the cross-border agreement among Kyrgyz Republic, PRC, and Tajikistan. The project contributed to poverty reduction and economic growth: (i) traffic on the project road rapidly increased by an average 28% per annum in 2007-2013; (ii) travel time saving was at least 50% and travel cost reduced by at least 30%; (iii) number of motorized vehicle registration noticeably increased due to improved road condition, and passenger and freight transport services were boosted due to lower transport costs; (iv) local market was enhanced due to better accessibility to larger regional markets; (v) higher prices in further markets stimulated local livestock and agriculture production; (vi) project implementation and establishment of road side businesses due to growing road traffic provided significant working opportunities to the local people, including women; (vii) accessibility to a variety of social services was elevated; and (viii) housing status of local residents was upgraded due to lower costs of bringing construction materials.

Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (Supplementary)	TAJ	2009	ADB TAJ	20 5	25	The second phase of the Dushanbe–Kyrgyz Border Road Rehabilitation Project (approved in 2006), aimed at improving a regional road linking Dushanbe, Tajikistan, with its border with the Kyrgyz Republic. The road is part of CAREC corridors 3 and 5, and makes travel and trade between Tajikistan and neighboring countries more convenient. By improving those sections, the project provided better connections, increased regional trade, and enabled smooth transportation of the area's agricultural products to Dushanbe and the regional markets. This supplementary grant financed the rehabilitation of damaged sections and protected a section from being submerged by a nearby hydropower project. Those sections had been previously rehabilitated under the Dushanbe–Kyrgyz Border Road Rehabilitation Project (Phase I), but frequent natural disasters and a sharp increase in traffic eroded their condition, requiring additional maintenance work. Specifically, this grant financed the additional components of (i) ancillary works at the central section (km 140–217) and the border section (km 337–346); (ii) upgrading the section at km 95–140 and constructing a new bypass section at km 110–112.6 The improvement achieved boosted the performance of the road network and ensures efficient travel and transportation. Daily international freight traffic on the project corridor increased significantly, and vehicle travel time was reduced. Vehicle operating cost and accident rate have likewise declined significantly, which facilitated and stimulated international and domestic transport demand. The road improvements have also enabled around 260,000 residents in the Rasht Valley to access distant markets, and considerably improved social services and people's livelihoods. They also promoted small and medium-sized businesses and social networking activities and boosted agriculture and processing industries.
MFF: Road Network Development Investment Program, Project 1	AFG	2008	ADB	60	60	This MFF is a supplementary fund to cover the cost overruns under the Andkhoy-Qaisar Road Project and the North-South Corridor Project. The project aimed to promote economic and social development and poverty reduction in the Afghanistan

						project areas through (i) improved road transport services; (ii) reduced transport costs and travel time on the project road; (iii) better access to social services, markets, and other economic opportunities; and (v) enhanced project management capability of Ministry of Public Works (MPW). Project outputs included: (i) improved national highway sections from Mazar-e-Sharif to Dara-i-Suf; (ii) cross border facilities at Hairatan and Spin Boldak; (iii) improved public awareness about HIV/AIDS; (iv) improved national highway sections from Bamian to Yakawlang; (v) improved primary road section from Andkhoy to Qaisar to a standard that allows smooth passage of all types of vehicles; (vi) primary roads equipped with facility for road tolling and axle-load control; and (vii) project managers, accountants, engineers, and other administrative staff within MPW experienced in implementing large investment projects.
MFF: Road Network Development Program, Project 2 (Ganja Bypass)	AZE	2008	ADB	55	55	Azerbaijan's road network includes, in addition to secondary and local roads, 2 major highways: (i) the east–west highway linking Baku to the Georgian border, and (ii) the north–south highway running from the Russian Federation border to the Iranian border via Baku. The east–west highway, which is about 500 kilometers (km) long, is a main transport link to the western region and external trade. Vehicle axle overloading and the lack of resources for maintenance have left three-quarters of the entire road network in poor condition. The overall RNDP was originally designed to finance the two sections of the east–west highway: the Gazakh–Georgian border section (39 km) and the Ganja bypass road (39 km) forming part of Yevlakh–Ganja section. However, unprecedented price increases for fuel, utilities, and major road construction materials during implementation significantly increased the cost of constructing the first. Since the available funding was rendered insufficient to finance the Ganja bypass road, the project scope of the East–West Highway Improvement Project was changed to exclude the Ganja bypass road. To support the RNDP, this MFF financed the improvement of the Ganja bypass road. Ganja is Azerbaijan's second-largest

						city and forms part of the country's primary east–west highway. As part of the Asian highway network, the highway carries traffic between the Caspian and Black seas and has the potential to become an important route for transit transport between Asia and Europe. By strengthening Azerbaijan's transport links to Georgia, the project aimed at encouraging regional cooperation. At completion, 37.5 km of two-lane paved Ganja bypass road had been rebuilt, significantly improving connectivity in the area as well as traffic between Azerbaijan and Georgia. Traffic volume increased significantly, with annual average daily traffic during 2013 at 4,485 vehicles, triple the 1,500 recorded in 2007. Travel time to pass Ganja was also reduced considerably from 40 minutes to 20 minutes, while the international roughness index value for the project road was improved from more than 6.0 in 2007 to 2.5 in 2013. These factors reduced transport costs by about 25–30% in 2013 through reduced freight charges and fares for buses and taxis. The project also provided local people in the project area with increased opportunities for business and employment, better access to markets and social services, thereby facilitating socioeconomic development. It strengthened Azerbaijan's transport links to neighboring countries, thereby promoting regional cooperation.
CAREC Corridor 1 (Bishkek-Torugart Road), Phase 1	KGZ	2008	ADB KGZ	20 10	30	This grant supplements the CAREC Transport Corridor 1 (Bishkek-Torugart Road) Project, which sought to reduce transport costs and foster regional trade and tourism between the Kyrgyz Republic and the PRC. The transport corridor is the shortest road linking Kashgar, a vibrant cultural and trade center in the PRC, with the consumer markets in the northern Kyrgyz Republic, Kazakhstan, and Russian Federation. However, poor road conditions and outdated and inefficient border-crossing facilities and procedures obstructed international traffic and trade. Project outputs included (i) improved 39 km of road along the Bishkek–Torugart corridor (from km 400 to km 439, within the Char Pass–Ak Beit Pass section), which has substantially improved road conditions that vehicles now travel at an average speed of 50–90 km/hr, compared to 25–

						35 km/hr before the project. This also facilitated cross-border and local traffic, with average traffic at 648 vehicles per day on the project road in 2012, about 31% higher than at appraisal; (ii) a transport sector master plan for 2010–2025, which targets transformation of the Kyrgyz Republic from a landlocked country to one that is a land-linking transit country. The plan is being used by the government as a guidance document to further develop transport subsector development plans; and (iii) a fully operational Bishkek–Torugart Road Corridor Management Department (BTRCMD), which was set up to operate and maintain the main international road corridors in the country.
North-South Corridor Project (Loan)	AFG	2006	ADB AFG JFPR	118 3 20	141	Afghanistan is landlocked and largely mountainous, and road transport is the principal means of travel. But the road network, first built in the 1960s and 1970s, deteriorated as a result of poor maintenance, and in 2001 only 10% of the roads were in good condition. As rehabilitation of regional highways was supported by many development partners, ADB focused on connecting the Ring Road through the north–south corridors. After rehabilitation of a major part of the national Ring Road, the government gave priority to the development of the remaining sections of the north–south and east–west corridors connecting to the Ring Road and thus to major cities like Mazar-e-Sharif and Kabul, to improve access for the people living in remote areas at the center of the country. The project roads were part of the north-south and east-west corridors. The goal of the project was to promote economic and social development, and reduce poverty in the project area. At completion, the project had rehabilitated 133.94 km of the Mazar-e-Sharif–Dar-i-Suf road, and 86.71 km of the Bamyan-Yakawlang road. The two roads are along the north-south corridor and connect to the Ring Road through central Afghanistan. Besides the rehabilitation of the north-south national highways, other project outputs include (i) installation of cross-border facilities, (ii) conduct of an HIV/AIDS prevention and anti-human trafficking awareness campaign, (iii) project management and monitoring, and (iv) incremental project management support.

						Travel time was reduced from 6 hours to 1.5 hours between Bamyan and Yakawlang, and from 8 to 2 hours between Dar-i-Suf and Mazar-e-Sharif. Vehicle traffic has improved by over 10% on the road sections and, vehicle operating costs reduced by over 45%. The project roads are deemed as among the best roads in Afghanistan. Yakawlang, a predominantly agricultural area with high poverty, is now connected to markets through Bamyan. Because of the shorter travel time, women are now allowed by their families to commute from Yakawlang to attend university in Bamyan. The cross-border component reduced the transaction time at the Spin Boldak border crossing between Pakistan and Afghanistan.
TRADE FACILITATION						
Pakistan Trade and Transport Facilitation II	PAK	2009	WB PAK	16.6 8.4	25	This project improved performance of trade and transport logistics by facilitating: (a) the implementation of the National Trade Corridor Improvement Program (NTCIP); and (b) the simplification and modernization of Pakistan's international trade procedures and practices. TTFP II was a continuation and expansion of the 2001 TTFP I, which was completed in June 2006 and supported the reduction of average logistics costs from 11% of the national trade account in 1996 to about 6% in 2006. TTFP I was credited for establishing trade facilitation as a core component of Pakistan's international trade policy. It helped establish the National Trade and Transport Facilitation Committee (NTTFC) both legally and operationally. NTCIP was introduced in 2005 to improve national transport logistics, infrastructure and services. TTFP II helped provide the analytical underpinnings necessary to implement the reform agenda and facilitate the preparation of investments under NTCIP, and to further modernize traditional trade and transport facilitation practices and procedures in Pakistan. This project supported priority reforms to reduce delays, improve quality, and reduce costs of transport. The project partly modernized, streamlined, and simplified commercial trade and transport facilitation practices and procedures. Initial beneficiaries of improved logistics systems were Pakistan's industry and commerce, which now enjoy better opportunities to reduce their own costs of doing business, and enhance their competitive position on the international

						markets. This also resulted in reduced costs to Pakistani consumers.
Regional Customs Modernization and Infrastructure Development Project (Kyrgyz Republic Component)	KGZ	2004	ADB KGZ	7.5 1.9	9.4	This project complements ADB's Regional Trade Facilitation and Customs Cooperation Program, approved in 2002, which supported customs reform and modernization in the Kyrgyz Republic and Tajikistan. The project focused on two major components: (i) unified automated information system (UAIS) development, which consisted of 3 interrelated subcomponents: (a) development of core application systems for the UAIS, (b) development of communication infrastructure, and (c) human resource development and a public awareness campaign; and (ii) border crossing points infrastructure development, which in turn comprised (a) improvement of the BCP infrastructure and facilities, (b) provision of customs operations and anti-smuggling equipment, and (c) capacity building and interagency border cooperation. The project (i) improved efficiency and transparency of the customs services, reinforcing the ongoing customs legal reforms and simplification of the customs procedures; and (ii) promoted trade facilitation and regional customs cooperation through concerted customs reforms and modernization in East and Central Asia. The automation of the customs service with the full UAIS rollout improved the efficiency and transparency of customs services. Customs revenue collection in 2012 was $639 million, five times the $114 million level in 2003. At end-2012, State Customs Service (SCS) reported a 70% achievement in customs declarations processing through the UAIS. Processing time for customs declarations significantly decreased, from 60 minutes to 5–15 minutes. SCS also indicated that corruption levels declined because of reduced human interference in the customs process, as shown by a fall in the number of customs irregularities from 4,488 cases in 2005 to 3,076 cases in 2012, which is expected to fall further.
ENERGY						
Regional Power Transmission Interconnection Project (Afghanistan Component)	AFG	2010	ADB	12	12	This is a supplementary project covering the cost overruns under the Regional Power Transmission Interconnection Project (approved in 2006), which was designed to construct

(Supplementary)						a transmission line between Tajikistan and Afghanistan. The objective is to export Tajik summer electricity surpluses of up to 300 megawatts (MW) to Afghanistan, which has an energy deficit. Construction on the Tajik side progressed well and was scheduled for completion in late 2010, but that of the larger portion on the Afghan side was behind schedule. The Afghan portion of the transmission line has two components: (i) an 157-kilometer (km) 220-kilovolt transmission line from Sherkan Bandar to Pul-e-Khumri substation, and (ii) two substations in Kunduz and Baghlan financed by the Islamic Development Bank. The transmission line was scheduled for completion in early 2011 to carry summer electricity from Tajikistan, but the operation urgently needed additional financing. The late start-up in construction and mounting security problems in the project area in 2009, delayed the work and increased costs. A funding gap of $12 million would accomplish the line works and meet increases in the cost of equipment, labor, and materials. The project promoted regional cooperation and energy security in Afghanistan and export revenues for Tajikistan. It reinforced energy work under the Central Asia Regional Economic Cooperation program, and helped expand energy security and trade in the region.
Regional Power Transmission Interconnection Project (Afghanistan Component)	AFG	2006	ADB AFG ARTF	35 4 17	56	Years of conflict severely affected Afghanistan's electricity infrastructure, reducing its generation capacity to 250 megawatts (MW) in 2005 from 456 MW in the 1990s. The lack of generation capacity led to widespread load shedding, with supply available for only a few hours a day. The use of small-scale diesel generation increased air pollution and the average cost of generation was high. At the same time, there were large surpluses of hydropower generation in Tajikistan. Water was spilled without generating electricity during the summer for lack of transmission capacity and access to electricity export markets. The lack of a domestic market of sufficient size in Tajikistan and the inability to meet the demand for electricity in Afghanistan meant that regional cooperation was a mutually economically beneficial approach to resolving the supply and demand issues in the two countries.

	The project interconnected the power grids in Afghanistan and Tajikistan through a 220 kilovolt (kV) double-circuit transmission line that links the hydropower stations located on the Vakhsh River in Tajikistan to the border town of Sherkan Bandar; then to Kunduz, Baglan, and Pul-e-Khumri in Afghanistan. This line was ultimately linked to Afghanistan's major electricity demand centre, Kabul, through the Afghan 220 kV corridor currently under construction, connecting Pul-e- Khumri to Kabul. The project also upgraded and invested to reduce the winter power deficit in Tajikistan by (i) increasing the available level of generation, and (ii) decreasing the level of technical losses in south Tajikistan. Both measures aimed to export 300 megawatt (MW) to Afghanistan and generate additional 320 gigawatt-hour (GWh) annually in Tajikistan. The project enhanced cooperation in the power sector through transmission interconnectivity between Tajikistan and Afghanistan. It (i) increased power export and income generation capacity of Tajikistan by increasing the capacity of its south grid hydropower generation, (ii) restored power supply and reduced cost for consumers in Afghanistan, (iii) improved capacity of the utility operation of Afghanistan Electricity Authority (DABM), and (iv) improved commercial operation of Barki Tajik (BT).

ADB = Asian Development Bank, AFG = Government of Afghanistan, ARTF = Afghanistan Reconstruction Trust Fund, AZE = Government of Azerbaijan, JFPR = Japan Fund for Poverty Reduction, KGZ = Government of the Kyrgyz Republic, PRC = Government of the People's Republic of China, SCS = State Customs Service, TAJ = Government of Tajikistan, WB=World Bank

Table A5.3: CAREC Technical Assistance Projects Approved in 2013

Technical Assistance Project	Country	Year of Closing	Funding Agencies	Funding ($000)	Total Funding ($000)
Regional Improving Border Services Project	PAK	2014	ADB PAK	800 150	950
CAREC: Midterm Review of the Transport and Trade Facilitation Strategy and Implementation Action Plan (Additional Financing)	REG	2014	ADB	225	225
Preparing the CAREC Corridors 3 and 5 Enhancement Project	TAJ	2015	ADB TAJ	500 150	650
Facilitation of Regional Transit Trade in CAREC	REG	2016	CAREC Countries ADB JFPR	100 1500	1600
Aligning Customs Trade Facilitation Measures with Best Practices in CAREC	REG	2016	CAREC Countries ADB JFPR	100 1250	1350
Coordinated Border Management for Results in CAREC	REG	2016	CAREC Countries ADB JFPR	100 1250	1350
Promoting Cooperation in Sanitary and Phytosanitary Measures for CAREC	REG	2014	CAREC Countries ADB PRCF	60 500	560
Aid for Trade for Central Asia	REG	2018	UNDP FIN	416 2000	2416
Modernization of Customs Services in Azerbaijan Project	AZE	2014	UNDP AZE	70 550	620
Strengthening Tajikistan's Trade and Investment Regime	TAJ	2015	ADB	225	225
MFF 2: Energy Development 2014-2023	AFG	2014	ADB AFG	1500 100	1600
Addendum to the Afghanistan Power Sector Master Plan	AFG	2014	ADB	225	225
Toktogul Rehabilitation Project Phase 2	KGZ	2014	ADB KGZ	700 50	750
Assisting the CAREC Institute Knowledge Program (Phase 1) (Additional Financing)	REG	2015	ADB	1500	1500
Prevention and Control of HIV/AIDS and Other Communicable Diseases in CAREC Countries	REG	2015	ADB HIV/PRC RPRF	1800	1800

ADB = Asian Development Bank, AFG = Government of Afghanistan, AZE = Government of Azerbaijan, FIN = Government of Finland, JFPR = Japan Fund for Poverty Reduction, KGZ = Government of Kyrgyz Republic, PAK = Government of Pakistan, PRCF = Poverty Reduction Cooperation Fund; REG = regional; PRC RPRF = People's Republic of China Regional Cooperation and Poverty Reduction Fund, TAJ = Government of Tajikistan

Table A5.4: CAREC Technical Assistance Projects Closed in 2013

Technical Assistance Project	Country	Year of Approval	Funding Agencies	Funding ($ 000)	Total Funding ($ 000)
TRANSPORT					
Transport Network Development Investment Program, Tranche 2	AFG	2012	ADB	225	225
Second Road Network Development Program	AZE	2012	ADB	225	225
Inner Mongolia Road Development	PRC	2009	ADB	600	750
			PRC	150	
Xinjiang Urban Transport and Environmental Improvement Project	PRC	2007	ADB	700	900
			PRC	200	
TRADE FACILITATION					
CAREC: Transport and Trade Facilitation: Border Crossing Point Improvement and Single Window Development Project	REG	2011	ADB	2000	2000
Support to Foreign Trade and Investment Promotion in Uzbekistan (Phase 2)	UZB	2010	UNDP	487	487
Enhancing Border Trade Services and Rules for Small and Medium-Sized Enterprises (SMEs)	MON, PRC	2009	ADB	1500	1500
Black Sea Trade and Investment Promotion Program	REG	2007	UNDP	360	2560
			TUR, Greece, AUT; Black Sea Economic Cooperation	2200	
ENERGY					
CASAREM-Talimarjan Power Generation and Transmission (Supplementary)	UZB	2011	ADB	600	600
CAREC: Power Sector Regional Master Plan	REG	2010	ADB	2000	2500
			CAREC countries	500	
CACILM Multi-country Capacity Building Project (Kyrgyz Republic)	REG	2010	UNDP	76	432
			GEF, GIZ	356	
Power Sector Rehabilitation Project	KGZ	2010	ADB	1000	1100
			KGZ	100	
CASAREM-Talimarjan Power Generation and Transmission	UZB	2009	ADB	1500	1875
			UZB	375	

MULTI-SECTOR					
Strengthening CAREC, 2007-2012 (Supplementary)	REG	2011	ADB	750	750
Strengthening CAREC, 2007-2012 (Supplementary)	REG	2011	ADB	1000	1000
Strengthening CAREC, 2007-2009 (Supplementary)	REG	2010	ADB	3000	3000
Strengthening CAREC, 2007-2009	REG	2007	ADB	5000	5200
			CAREC Countries	200	

ADB = Asian Development Bank, AFG = Government of Afghanistan, AZE = Government of Azerbaijan, AUT = Government of Austria, CACILM = Central Asian Countries Initiative for Land Management, CASAREM = Central Asia/South Asia Regional Electricity Market, GEF= Global Environmental Facility, GIZ = Deutsche Gesellschaft fur Internationale Zusammenarbeit, KGZ = Government of Kyrgyz Republic, MON = Government of Mongolia, PRC = Government of the People's Republic of China, REG = regional, TUR = Government of Turkey, UNDP = United Nations Development Programme, UZB = Government of Uzbekistan

Table A5.5: CAREC Multitranche Financing Facility Investments, Ongoing in 2013

MFF Investment Name	Country	Year of Approval	Funding Agencies	Funding ($ millions)	Total Funding ($ millions)	Brief Description of Project
TRANSPORT AND TRADE FACILITATION						
MFF: Road Network Development Investment Program (Grant)	Afghanistan	2008	ADB World Bank USAID AFG	400 150 400 300	**1,250**	The overall investment program involves the physical construction of about 2,900 km of national roads and maintaining about 1,500 km of existing ones while the nonphysical part includes the reorganization of the Ministry of Public Works, the creation of new agency to deal with national roads, the establishment of a maintenance facility, introduction of improved traffic safety measures, and training programs to improve planning and project management. The first tranche was approved in 2008 and covered the cost overruns under the 240 km Andkhoy-Qaisar Road Project and 238 km North-South Corridor Project. The second tranche was released in 2010 rehabilitated the 90 km Qaisar-Bala Murghab section of the Herat-Andkhoy road, and constructed the Bala Murghab-Laman section (approximately 143 km) including the related civil works, overall project and contract management, construction supervision and monitoring, security arrangements and related community development works.
MFF: Transport Network Development Investment Program (Grant)	Afghanistan	2011	ADB AFG AITF	754 18 33	**805**	This investment program will be for the physical and non-physical improvements in road and railway networks in the country to further improve domestic and regional connectivity and widen access to social and economic opportunities from Central Asia to markets in the south, east and west. The outputs of the project include the (i) 578 km of reconstructed/ rehabilitated regional and national roads, (ii) construction of 225 km railway and stations between Mazar-e-Sharif and Andkhoy, (iii) efficient operation and maintenance of the Hairatan to Mazar railway line, (iv) strengthened capacity of the Ministry of Public Works, and (v) improved transport sector governance. The first tranche 2011 improved the (i)

MFF Investment Name	Country	Year of Approval	Funding Agencies	Funding ($ millions)	Total Funding ($ millions)	Brief Description of Project
						50 km road between Bagramy-Sapary, (ii) 51 km road between Jabul Saraj-Nijrab, and (iii) 44 km road between Faizabad-Beharak; supported the operation and maintenance contract of the railway project assistance for the improved planning at the Ministry of Transport; and a new road and rail asset management system. The second tranche approved in 2012 will be used to reconstruct the remaining (i) 106 km section of the Kabul to Jalalabad road, (ii) 112 km of the Faizabad to Eshkashem road, and (iii) 33 km of the Lashkar Gah to Gereshk road.
MFF: Road Network Development Program (Loan)	Azerbaijan	2007	ADB AZE EBRD, IsDB, World Bank	500 350 2,511	**3,361**	This MFF program aims to develop an adequate, efficient, safe and sustainable road network, linking Azerbaijan domestically and internationally. Its outputs include improved and efficient national road network and management which are under two components: (i) road infrastructure development, and (ii) road network management capacity development. The first tranche of the project was released in 2007 and constructed about 59 km of a new four-lane expressway between Masali and Astara on the border with Iran and rehabilitated about 120 km of local roads leading to the said expressway, installed weighing station, procured road maintenance equipment and provided the necessary management assistance for the project's implementation. The succeeding tranches released in 2008 and 2011 upgraded the road between Ganja and Qazakh from two-lane to four-lane, developed cross border infrastructure and facilities in Astara and supported capacity building for road network management.
MFF: Second Road Network Development Investment Program (Loan)	Azerbaijan	2012	ADB AZE	500 125	**625**	This investment program will construct an approximately 63 km section of the motorway between Masalli and Shorsulu, along the South–North corridor of the country and also includes nonphysical investment for road safety improvement and capacity development to obtain greater economic growth and expanded trade with

MFF Investment Name	Country	Year of Approval	Funding Agencies	Funding ($ millions)	Total Funding ($ millions)	Brief Description of Project
						neighboring countries. The project is foreseen to produce an efficient, adequate, safe, and sustainable southern motorway corridor from Baku in Azerbaijan.
MFF: CAREC Corridor I (Zhambyl Oblast Section) [Western Europe-Western PRC International Transit Corridor] Investment Program (Loan)	Kazakhstan	2008	ADB IsDB JICA KAZ	700 414 150 216	**1,480**	This MFF was conceived to improve and expand the Western Europe-Western PRC International Transit Corridor running from Khorgos, at the PRC border, through Almaty and Shymkent, to the western border with the Russian Federation. Road investments will be made in the PRC, the Kyrgyz Republic, and Tajikistan. The corridor is a flagship transaction under the CAREC program which runs into Uzbekistan, Turkmenistan, Afghanistan and Pakistan. Four tranches have already been approved for the project from 2008 till 2011 and were used in road development, reconstruction, upgrading and installation of road maintenance facilities.
MFF: CAREC Corridor 2 (Mangystau Oblast Sections) Investment Program (Loan)	Kazakhstan	2010	ADB KAZ	800 412	**1,212**	The investment program will (i) reconstruct 790 km roads of CAREC Corridor 2 in Mangystau, which includes 430 km on the Aktau-Manasha section, 84 km on the Beineu-Akzhigit (Uzbekistan border) section, and the 237 km on the Zhetybai-Fetisovo section; (ii) strengthen capacity for planning, project management, and asset management; and (iii) improve cross-border infrastructure and facilities. The first tranche was provided in 2010 for the reconstruction of the 200 km road sections 372.6-km, 514.3-km 574-km and 632.3-km, including culverts and bridges, overpass, road signs and signal posts along accident prone spots; and institutional support to the Department of Roads of the Ministry of Transport and Communication. The second tranche released in 2012 will be for the reconstruction of about 790 km of the road sections of the CAREC Corridor 2 in the Mangystau Oblast and improving cross-border infrastructure and facilities.
MFF: Western Regional Road Corridor	Mongolia	2011	ADB MON	170 92	**262**	This MFF program supports inclusive economic growth and effective regional cooperation by enhancing connectivity in the Western region of

MFF Investment Name	Country	Year of Approval	Funding Agencies	Funding ($ millions)	Total Funding ($ millions)	Brief Description of Project
Development Program						Mongolia. The project outputs will provide accessibility to remote areas as well as between western Mongolia and neighboring countries and will open links to economic opportunities and social services, reduce high costs of imports and improve competitiveness of the region's exports. The first tranche was approved in 2011 and are being used to construct local access roads; maintenance center and provide capacity building for maintenance, planning, procurement and project management.
MFF: CAREC Corridor 2 Road Investment Program (Loan)	Uzbekistan	2010	ADB UZB	610 990	**1,600**	This MFF intends to create better connectivity, more efficient transport systems and institutional effectiveness in Uzbekistan. The investment program is for the reconstruction of approximately 222 km road section of the A380 highway which connects Uzbekistan to Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan; and strengthening of transport logistics and road sector sustainability. The investment program has strong links to CAREC Corridor 6, which reaches the so-called Ring Road in Afghanistan and thereafter the main ports in Pakistan and Iran. The project already had three tranches approved in 2010 till 2012 was able to reconstruct about 87% of the A380 highway, strengthened road logistics, improved cross-border facilities and shortened the cross-border processing time.
MFF - CAREC Corridor 2 Road Investment Program II (Grant)	Uzbekistan	2011	ADB UZB	500 100	**600**	The second CAREC Corridor 2 Investment program MFF for Uzbekistan will boost domestic and international trade, by financing the reconstruction of CAREC Corridor 2, which connects Uzbekistan to Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan. The investment program includes the reconstruction of 236 km section of Corridor 2, and implementation of road system sustainability plans relating to road safety and asset management. The program, with two tranches, approved in 2011 and 2012, helps improve

MFF Investment Name	Country	Year of Approval	Funding Agencies	Funding ($ millions)	Total Funding ($ millions)	Brief Description of Project
						connectivity by reconstructing about 165 km section of Corridor 2 and developed national road infrastructure safety strategy and road safety checklist and guidelines.
ENERGY						
MFF: Energy Sector Development Investment Program (Grant)	Afghanistan	2008	ADB EBRD, AZE IsDB, World Bank	570 1,762	**2,332**	The physical and non-physical outputs of this MFF will lead to a more reliable power system. The physical outputs of this financing include (i) rehabilitation, augmentation and expansion of the North East Power System (NEPS); (ii) development of distribution systems for load centers supplied from NEPS; (iii) increased domestic generation capacity through new off-grid greenfield small and mini hydropower plants; and (iv) rehabilitation of gas fields. The non-physical outputs include (i) training for better system operation and maintenance; (ii) better planning, project management and systems, including the introduction of a management of information system; (iii) metering, billing and collection of tariffs; and (iv) thematic coverage, including gender mainstreaming and private sector development. Since 2008, there have been four tranches which are being used for setting up mechanisms for monitoring and evaluation, reporting and measuring units in setting up power systems. Sub-projects have started which supplied power to some 45,000 new households/commercial/industrial users.

ADB = Asian Development Bank, AFG = Government of Afghanistan, AITF = Afghanistan Infrastructure Trust Fund, AZE = Government of Azerbaijan, CAREC = Central Asia Regional Economic Cooperation, EBRD = European Bank for Reconstruction and Development, IsDB = Islamic Development Bank, JICA = Japan International Cooperation Agency, KAZ = Government of Kazakhstan, MON = Government of Mongolia, NEPS = North East Power System, PRC = People's Republic of China, USAID = United States Agency for International Development, UZB = Government of Uzbekistan

CAREC PROGRAM TRAINING EVENTS

Transport and Trade Facilitation

1. The CAREC Institute and the trade facilitation team designed a series of activities to disseminate CPMM reports more broadly and promote its use as a decision-making tool, share good practice results with senior CAREC officials, support the transformation of Customs service into trade facilitators by funding training programs conducted by WCO experts, and build professional skills of transport service providers so that their performance enhancements complement governments' efforts to streamline procedures.

2. Training programs for CAREC Customs officers are being delivered jointly with the Shanghai Customs College and the World Customs Organization (WCO). The CAREC Institute expressed interest in supporting these activities. The CAREC Institute and trade facilitation team designed further capacity-building programs with the ADB Institute, to provide the substance for subsequent knowledge products.

3. A Workshop on the Revised Kyoto Convention (RKC) of the WCO was co-organized by ADB and WCO in Astana, Kazakhstan in February 2013. The rights, obligations, and benefits of the RKC, which is the International Convention on the Simplification and Harmonization of Customs Procedures, were presented to participants from all CAREC member countries. The requirements for accession, and self-assessment tools to guide countries during the accession process were also explained.

4. Kazakhstan government officials participated in a National Workshop on Efficient Cross-Border Transport in February 2013, conducted jointly by the Ministry of Transport and Communications of Kazakhstan, UNESCAP, and the CAREC Institute. They were introduced to the various transport facilitation models developed by the UNESCAP, after which the models' potential applications in CAREC corridors linking Europe and the People's Republic of China were discussed.

5. The CAREC Trade Facilitation team and the CAREC Institute together conducted a CPMM International Workshop: CAREC Experience and International Prospects in Almaty, Kazakhstan in March 2013. The CPMM helps identify sources of cost and delays in the transit of goods, which can guide policy-making, investment decisions, and process improvements. Participants reviewed the CPMM experience of the past 4 years and discussed ways to maximize the use of the data to facilitate trade and introduce it to other subregions.

6. A study tour on Integrated Trade Facilitation "At the Border" and "Behind the Border": Reforms and Implementation in Georgia was organized by the CAREC Institute, the CAREC Trade Facilitation team, and the CAREC Secretariat and co-sponsored by the ADB Institute in April 2013. National Focal Points, Customs officials, and representatives of border management agencies joined the visit to the Batumi seaport and Customs clearance zone and Sarpi Customs border crossing, which highlighted Georgia's trade facilitation reforms, in particular the use of technology to modernize and allow transparency and integrity in procedures. Officials discussed Customs institutional reforms and border management strategy while participants presented similar reforms by their own governments. Speakers came from the Organization for Security and Cooperation in Europe, UNDP, Border Management Programme in Central Asia, and the WCO.

7. A 2-week Customs Modernization and Risk Management Training for CAREC Countries was co-sponsored by ADB and the General Administration of Customs of the People's Republic of China in May 2013. This took place at the Shanghai Customs College, designated by the WCO as a regional training center for the Asia-Pacific region. Senior and mid-level Customs officers learned about and shared their experience in Customs modernization, accession to the RKC, risk management, and development of e-Customs. The course included field visits and onsite learning.

8. A CFCFA Logistics Training course held in Bishkek in June 2013 sought to raise the level of professionalism, efficiency, and management skills of carriers, freight forwarders, and logistics companies in Central Asia. The topics included management of the supply chain, demand and customer service, procurement and inventory flows, global and third-party logistics, distribution centers and warehouses, and supply chain finance. Key challenges were also taken up and local industry associations supplemented the discussion on key issues. The course was organized in coordination with the Kyrgyz Republic Freight Forwarders Association, Kyrgyz Freight Operators Association, and the Association of the International Road Transport Operators of the Kyrgyz Republic, with ADB assistance.

9. An analogous CAREC Logistics Training course was conducted in Dushanbe for shippers, freight forwarders, and supply chain managers in July 2013. It showed participants how to cope with delays along CAREC corridors, reduce losses in perishables, and minimize empty backhauls. Organized by the CAREC Trade Facilitation team and the ADB Tajikistan Resident Mission in coordination with the Association of International Automobile Transport of Tajikistan, the course focused on supply chain management, multimodal transport, and trade logistics development.

10. Together with the CAREC Institute, the CAREC Trade Facilitation team helped CFCFA pilot professional education courses on supply chain management, logistics, and FIATA (International Federation of Freight Forwarders Association) standards. Held in Tashkent, Uzbekistan in August 2013, about 60 economic operators and 10 government officials participated in the 3-day course. CFCFA members designed, delivered, and benefited from the courses.

11. A CAREC Training Workshop on Time Release Study (TRS) was co-organized in August 2013 by CAREC and WCO in Tashkent, Uzbekistan. Representatives of the Customs administrations of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan attended the regional course, which discussed the TRS as a tool for ascertaining bottlenecks and the effectiveness of procedures, and designing improvements. It informs the design of investments at border crossing points, helps interpret trade data from national single windows, and is a useful reference point in analyzing CPMM data. A speaker from WCO briefed the participants on the experience of Japan and the mechanics of implementing the TRS.

12. A training workshop for CPMM Coordinators was conducted in Almaty, Kazakhstan in October 2013, to modify the data collection instrument used to capture railway movements. CPMM was expanded to include railway data in support of Designated Railway Corridor pilots.

13. Representatives of policy and regulatory agencies and the private sector from 7 CAREC member countries attended the Workshop on CAREC Participation in Global Supply Chains in

Tokyo Japan in November 2013. Organized by the ADB, ADBI, and CAREC Institute, the workshop sought to deepen participants' understanding of global supply chain (GSC) and global production networks (GPN), share best regulatory practices for integrating domestic industries with these, and recommend policies to promote GSC and GPN.

14. Another 2-week workshop was co-sponsored by the General Administration of Customs of the People's Republic of China from November to December 2013. Held at the SCC, the CAREC Train the Trainers Workshop for Kazakhstan Customs was meant to develop the training and participative classroom skills of Customs officers who would in turn design and deliver similar courses to their colleagues and counterparts.

Trade Policy Sector

15. The capacity building and WTO Accession Knowledge-Sharing Program proceeded in 2013. At the 18th TPCC meeting, the World Bank presented its latest research results on regional trade in Central Asia. To enhance the effectiveness of WTO accession and strengthen the capacity development program of TPCC, the IMF and ADB tapped WTO expertise in trade policy and trade liberalization reforms. Through its Institute for Training and Technical Cooperation, WTO will collaborate with ADB and IMF in delivering capacity development products to CAREC countries.

16. At the 19th TPCC meeting, the WTO made a presentation on the importance of Central Asia for the rules-based multilateral trading system. A UNDP representative discussed UNDP support to trade policy and regulation in Central Asia, highlighting an Aid for Trade project.

Energy Sector

17. In the June 2013 ESCC meeting, the Secretariat of the Energy Charter, established to promote energy cooperation among Eurasian states, introduced the organization and shared its expertise on energy sector reforms in the context of the WTO.

18. With CAREC Institute support, in September 2013 the ESCC visited the new Solar Power Station in Kapchagai, Almaty, Kazakhstan, and countries presented their respective renewable energy initiatives. The United Nations Economic Commission for Europe (UNECE), UNESCAP, and the UNDP also presented their energy initiatives and encouraged further cooperation between them and ESCC.