

**STATEMENT OF THE ISLAMIC DEVELOPMENT BANK  
ON 14<sup>th</sup> MINISTERIAL CONFERENCE ON CENTRAL ASIAN REGIONAL ECONOMIC  
COOPERATION  
ULAN BATAAR, MONGOLIA  
25 SEPTEMBER 2015**

**Time: 13.30 – 14.30. Views of CAREC Multilateral Institution  
Partners and Bilateral Donor Agencies**

Your Excellency, Mr. Mr. Bayarbaatar Bolor,  
Your Excellency, Mr. Takehiko Nakao,  
Excellencies, distinguished participants, ladies and gentlemen,

I am honored to deliver this statement on behalf of the Islamic Development Bank on this prominent Conference and I am pleased to convey the gratitude and appreciation to the Government of Mongolia for hosting this important meeting. The meeting arrangements provided by the Asian Development Bank for the participating guests are highly appreciated.

The Islamic Development Bank is privileged to be the reliable partner of the CAREC initiatives and is very delighted to continue contributing its resources and efforts to its member-countries in the region.

The Islamic Development Bank is pleased to note the achievements made under the CAREC initiatives during the last years in the transport and energy sectors, removing the barriers and promoting the trade across the region. I am pleased to note that Islamic Development Bank has also contributed to the foregoing achievements, thus strengthening the regional cooperation among its member-countries. The bright testimony of the IDB efforts under CAREC initiative is the successful development of the CAREC road corridors. The IDB assisted the countries in construction and reconstruction almost 1,300 km of motorways and 325 km of railways that are the part of the CAREC road corridors. Last Hijra year the Bank approved three road projects of regional importance, two in Azerbaijan and one in Kyrgyz Republic thus committing in total US\$ 471 million. This year the Bank approved Alternative road corridor North-South in Kyrgyz Republic and processed for approval two major road corridors in Kazakhstan to connect the Center with Western and Southern parts of the country. The Bank plans to process road reconstruction project in Uzbekistan from Guzar to Beyneu, which is the part of Uzbek National Highway project and lies along the CAREC corridors. It worth noting that these new projects will be financed jointly with the Asian Development Bank. In Turkmenistan our financing will go to the procurement of transport vessels, which will indubitably contribute to the growing international trade ties of the country. The expected IDB financing for the new projects may easily exceed US\$ 1 billion in the coming year.

The Bank will continue financing the construction of the whole road length from Kulyab to Khalaikum in Tajikistan, which will open the new road corridor to China. The project will be implemented in close and full cooperation with the Arab Coordination Group, namely: Saudi Fund, Kuwait Fund, OPEC Fund and Abu-Dhabi Fund. In fact, I am pleased to inform you that on 7-8 September the members of the Coordination Group convened in Dushanbe for Round Table Meeting and discussed the above project.

In developing the transport connectivity the Bank is also encouraging its member countries to focus on road safety and this issue was among the pivotal topics discussed during the recent SPECA meeting in Almaty. We are pleased to note the work, which has been done for

promotion of economic corridor between two cities Almaty and Bishkek. This project will certainly benefit the growing business ties and bilateral cooperation between Kazakhstan and Kyrgyz Republic. We believe that this pilot initiative could be replicated for development of other economic corridors in the Central Asian region.

While transport corridors are developing, the IDB pays a great attention to the trade facilitation and removal of trade barriers. For this purpose the Bank via its frequent respective programs and workshops encourages its member-countries to adopt the advanced examples of international trade. The IDB appreciate in this regard the activities of the CAREC Institute, which extends a tremendous number of the professional knowledge and experience-sharing tools through the workshops in the CAREC countries. Our capacity building related departments would be willing to cooperate with the CAREC Institute and promote the reverse linkage programs that could underpin the business and knowledge-sharing cooperation in the region.

The energy sector represents one of the driving factors of the economic growth of the countries in the region. In considering the energy projects, IDB has been always focusing on the intraregional power export development. The energy transmission projects in Kyrgyz Republic, Tajikistan and Uzbekistan are noteworthy and obvious manifestation of the IDB willingness to transfer the power from energy-rich to energy-deficient regions, thereby creating the sustainable energy security in its member-countries. So far the Bank assisted the countries in rehabilitating the power generation facilities, which led to the power increase by 540 MW. The Bank financed construction of high voltage transmission lines for over 1,200 km, thus delivering the electricity to the remote areas that deprive energy resources. In promoting distribution of energy resources and their efficient utilization, the joint financial assistance of the CAREC financial partners is essential. The IDB is very keen to participate in the projects that would benefit sustainable energy generation, distribution and their efficiency. The Bank will be looking forward to assist the countries in the region in rehabilitating the power generation facilities, constructing the transmission lines and providing support in their efficient utilization.

### **Excellencies,**

The Islamic Development Bank will continue to be an active participant of the CAREC activities. Presently the Bank is about to adopt the President 5-year Plan, where the main attention will be given to country approach, regional interventions, and strengthening of the international collaboration and fostering partnership with the other MDBs to mobilize soft resources for our common member-countries. The above examples of our cooperation represent the sincere willingness of the Bank to join its hands with the Asian Development Bank and the other MDBs in promoting the economic development in our countries. We would like to assure that the IDB will exert its utmost efforts in providing support to CAREC initiatives for our member-countries.

Finally, let me reiterate the Bank's desire to continue its support for the Central Asian Governments' efforts to strengthen economic development in the region. In close cooperation and coordination with our International financing partners in the CAREC and with the Governments of the countries in the region the IDB Group will continue to commit itself to work closely with all parties in order to strengthen and expand our cooperation with the members of the CAREC in the Central Asian region for realizing their key development objectives.

Once again I would like to express my gratitude to the Government of Mongolia for hosting this important event and for the warm hospitality extended to the participants.

Thank you for your kind attention.