

The Central Asia Regional Economic Cooperation (CAREC) Program



What is CAREC?

Partnership

- **10 countries and 6 Multilateral Institutions**
 - Afghanistan, Azerbaijan, P.R.China, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
 - ADB, EBRD, IMF, IsDB, UNDP, World Bank
- **ADB serves as the CAREC Secretariat.**

Action and results oriented

- Strategies and action plans
- Investment in transport, energy, and trade facilitation
- Promotion of capacity development and knowledge management



CAREC Timeline 1996-2014

CAREC TIMELINE 1996-2014

Refined CAREC Development Effectiveness Review methodology better aligned with evolving priorities, sector strategies, and action plans

Technical assistance to promote regional economic cooperation in Central Asia is approved

1996

The first regional technical assistance for Central Asia supports projects that increase trade and cooperation between the People's Republic of China's (PRC) Xinjiang Uygur Autonomous Region, Kyrgyz Republic, and Uzbekistan

1997

Tajikistan joins the regional cooperation group

1998

The Central Asia Regional Economic Cooperation (CAREC) Secretariat is established at the Asian Development Bank

2000

The first CAREC Senior Officials' Meeting is held in Manila, Philippines

In 2001, six CAREC-related projects have a combined value of \$247 million

CONSENSUS ON GUIDING PRINCIPLES

The first Ministerial Conference is held in Manila, Philippines, and agrees on the guiding principle of cooperation, targets stability and prosperity, and advocates a practical approach, delivering results-oriented projects

CAREC establishes its overall institutional framework: flexible, informal, and project-oriented

Sector coordinating committees, senior officials, and ministers guide investment in transport, trade and energy

The Customs Cooperation Committee is formed

2002

CAREC's six multilateral institution partners commit to support the program

Azerbaijan and Mongolia join CAREC at the Second Ministerial Conference in Tashkent, Uzbekistan

2003

2004

The Transport Sector Coordinating Committee and the Trade Policy Coordinating Committee are formed

The private sector is encouraged to participate in CAREC at the Third Ministerial Conference in Astana, Kazakhstan

2005

The CAREC Members Electricity Regulators' Forum holds its first meeting, promoting more efficient production and use of domestic energy

Afghanistan becomes CAREC's eighth member at the Fourth Ministerial Conference in Bishkek, Kyrgyz Republic

The Energy Sector Coordinating Committee is formed

2006

CAREC adopts the Comprehensive Action Plan and calls for sector strategies and action plans to guide cooperation in transport, trade facilitation, energy, and trade policy

The plan calls for the formation of a virtual CAREC Institute to improve cooperation through capacity building, research, and outreach

The first Business Development Forum brings business leaders and policy makers together to find ways of reducing impediments to regional cooperation and development

The Fifth Ministerial Conference is held in Urumqi, PRC

2007

The Transport and Trade Facilitation Strategy is endorsed at the Sixth CAREC Ministerial Conference in Dushanbe, Tajikistan

The CAREC Institute Prospectus is endorsed, creating a mechanism to address "second-tier" areas (communicable disease control, environmental issues, and business development), as well as capacity building and research

2008

The Inner Mongolia Autonomous Region of the PRC is brought into the CAREC partnership

Six transport corridors become CAREC's flagship initiative for spurring economic development

The Trade Policy Strategic Action Plan is endorsed to help member economies open and liberalize trade regimes and support accession to the WTO

The Strategy for Regional Cooperation in the Energy Sector of CAREC Countries breaks ground as the first strategic framework for energy among Central Asian nations

The CAREC Institute work plan for 2009-2011 is endorsed at the Seventh Ministerial Conference, in Baku, Azerbaijan

Private companies establish the CAREC Federation of Carrier and Forwarder Associations (CFCFA)

The CAREC Corridors Performance Measurement and Monitoring Program is launched to track movement along the corridors and across borders

The Energy Action Plan Framework and CAREC Program Results Framework are endorsed

The first CAREC Partnership Forum is held

www.carecinstitute.org goes live—a virtual hub for information sharing and research collaboration

The Eighth Ministerial Conference is held in Ulaanbaatar, Mongolia

2009

2010

Tajikistan and the Kyrgyz Republic sign the CAREC-supported Cross-Border Transport Agreement

Pakistan and Turkmenistan join the CAREC partnership

CAREC launches its annual performance monitoring development effectiveness review process

The CFCFA holds its first meeting

The second CAREC Business Development Forum is held in Urumqi, PRC

The first Ministerial Retreat is held at the Ninth Ministerial Conference in Cebu, Philippines

CAREC 2020, the strategic framework for expanding trade and improving competitiveness beyond Eurasia, is endorsed by ministers

The Tenth Ministerial Conference, in Baku, Azerbaijan, highlights achievements of CAREC's first decade

The CAREC Development Partners' Forum is held

2011

The Transport Sector Coordinating Committee prioritizes 68 projects, amounting to \$23 billion, to complete the six CAREC transport corridors

CAREC partners agree to pursue a practical, results-oriented, and corridor-based approach to facilitate cross-border transport

The Strategic Knowledge Framework provides guidance to transform the CAREC Institute from virtual to physical

The Eleventh Ministerial Conference, held in Wuhan, People's Republic of China, endorses the Wuhan Plan of Action to ensure effective and timely achievement of the strategic objectives laid out in CAREC 2020

2012

The refined CAREC Transport and Trade Facilitation Strategy 2020 is approved at the 12th Ministerial Conference, in Astana, Kazakhstan. It calls for an integrated approach encompassing multimodal transport and improved logistics, more links with gateway ports, and better border-crossing services. CAREC corridors are extended into Pakistan and Turkmenistan

The Transport and Trade Facilitation Strategy Implementation Action Plan comprises 108 investment projects of \$38.8 billion

The new Trade Policy Strategic Action Plan 2013-2017 is approved, focusing on continued liberalization, accession to WTO, and greater trade in services

The CAREC ministers approve establishing a physical base for the CAREC Institute in Urumqi, PRC

2013

Multiyear theme for CAREC ministerial conferences, "Linking Connectivity with Economic Transformation in CAREC", initially adopted at the conference in Bishkek, Kyrgyz Republic, is aligned with the framework proposed by the CAREC economic corridor development study

The governments of Kazakhstan and the Kyrgyz Republic start the Almaty-Bishkek Corridor Initiative as a pilot CAREC economic corridor, and the city administrations of Almaty and Bishkek sign a memorandum of understanding on this first-ever city-level CAREC regional cooperation activity

Establishment of the Governing Council and launching of the physical base of the CAREC Institute in Urumqi, Xinjiang Uygur Autonomous Region, PRC

2014

By 2014, 158 CAREC-related projects represent investment of about \$24.6 billion



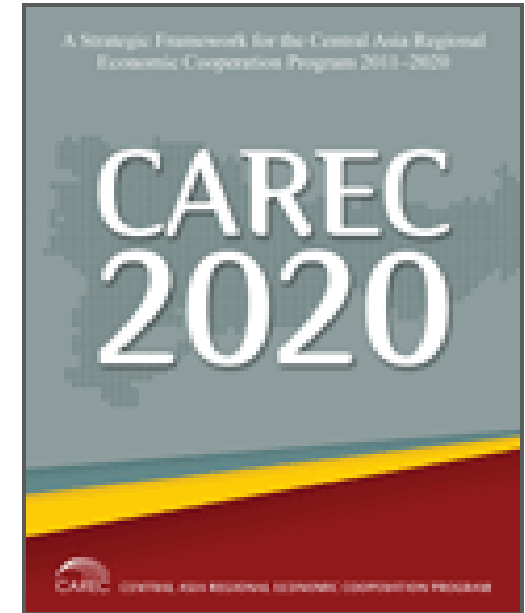
CAREC 2020: Focus, Action, Results

➤ Strategic objectives

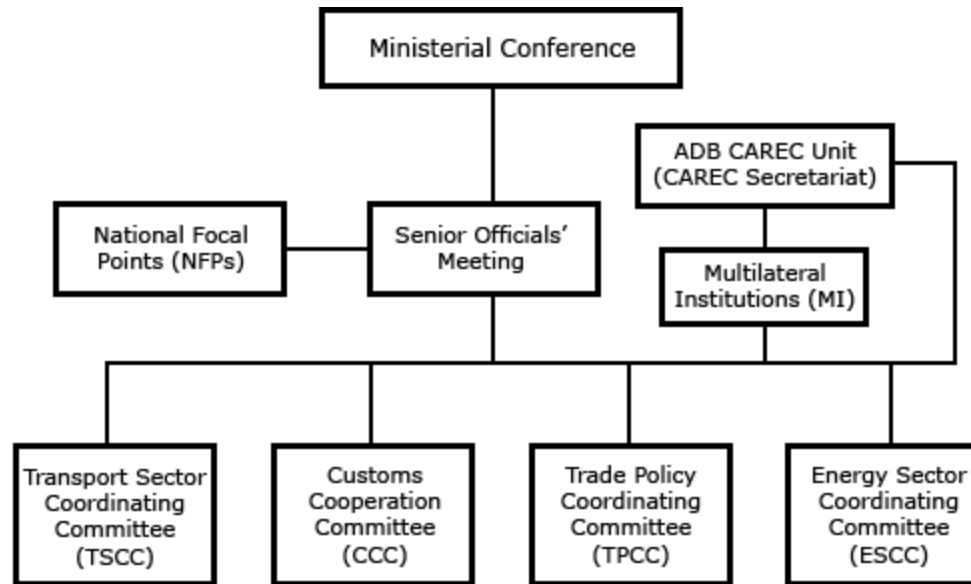
- Expanded trade
- Improved competitiveness

➤ Operational priorities

- ✓ ***4 priority sectors:***
 - transport
 - trade facilitation
 - trade policy
 - energy
- ✓ ***Economic Corridor Development***
- ✓ ***CAREC Institute***



Overall Institutional Framework (OIF)



OIF supports:

- Broad-based dialogue and consensus building
- Identification and prioritization of regional cooperation initiatives
- Mobilization of financial and technical resources

DEfR Methodology Review

I. CAREC evolves and matures. DEfR 2009-2012, four editions of this monitoring exercise since 2010

II. Tighten the logical links and casual relationship from CAREC interventions to outputs and outcomes, further to impact

III. Incorporate new or revised strategies and action plans at sector level

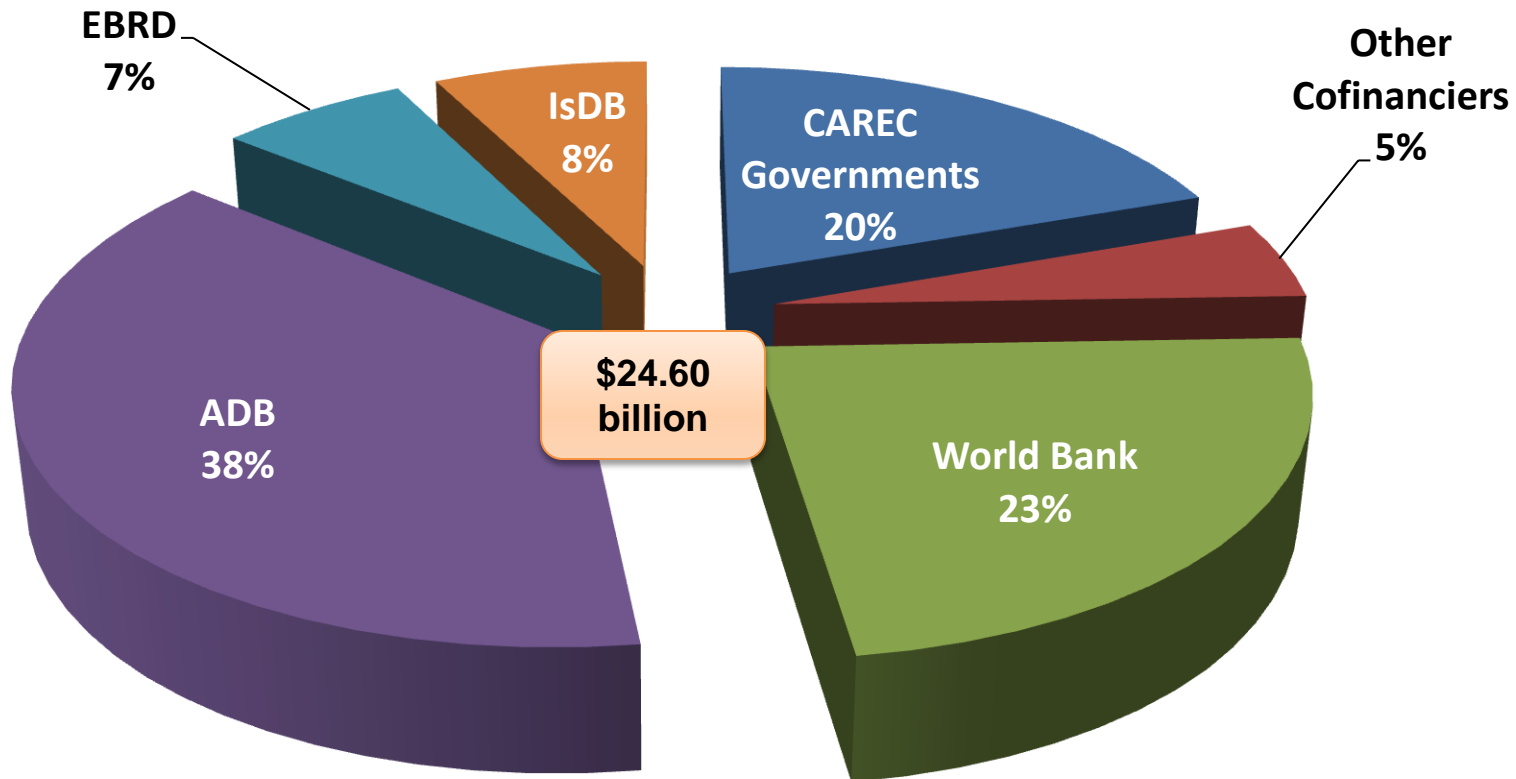
Refined CAREC Results Framework

(5-Level Framework)

Table 1: CAREC Program Strategies and Results Monitoring



CAREC Investments by Financier, cumulative 2001-2014



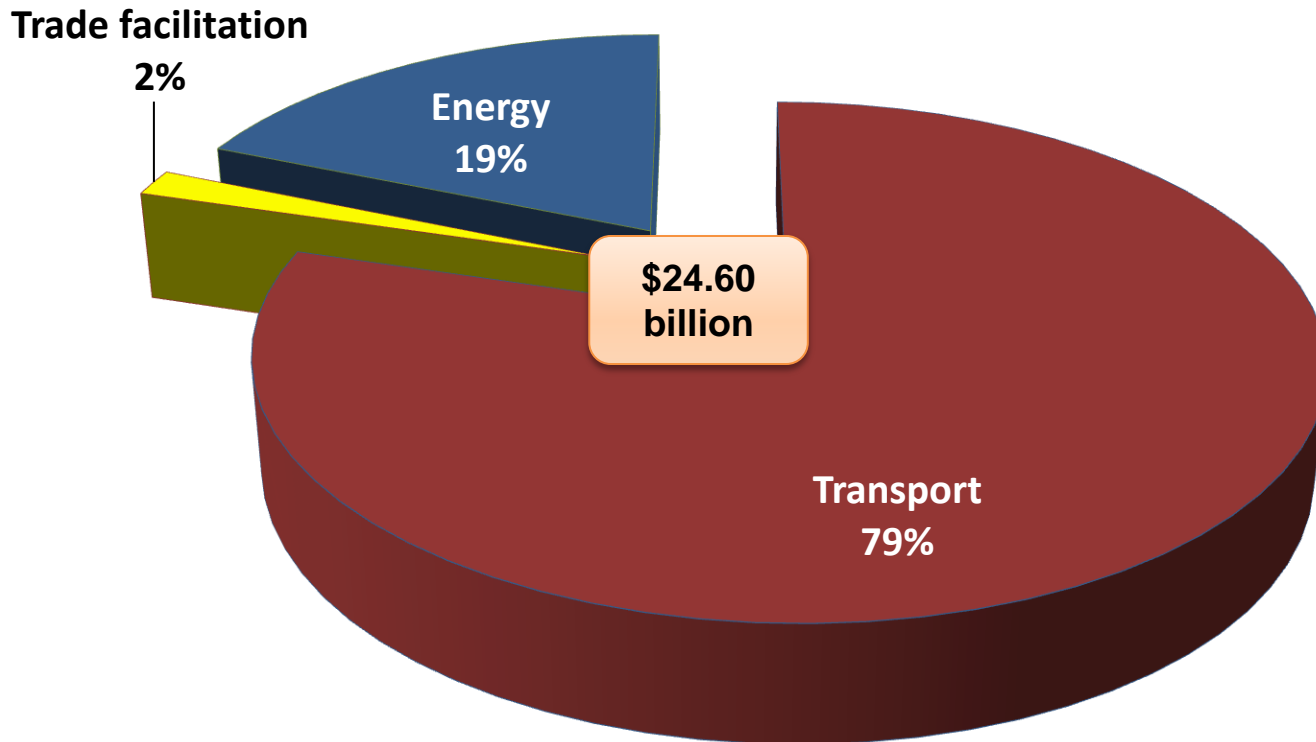
From 6 projects worth \$247 million in 2001 to 158 projects worth about \$24.6 billion in 2014

Source: CAREC Portfolio Database as of 2014

N.B. Data includes projects already approved in 2014 as well as those in pipeline for 2014 approval.

Note: Figures may not add up to 100% due to rounding off.

CAREC Investments by Sector, cumulative 2001-2014

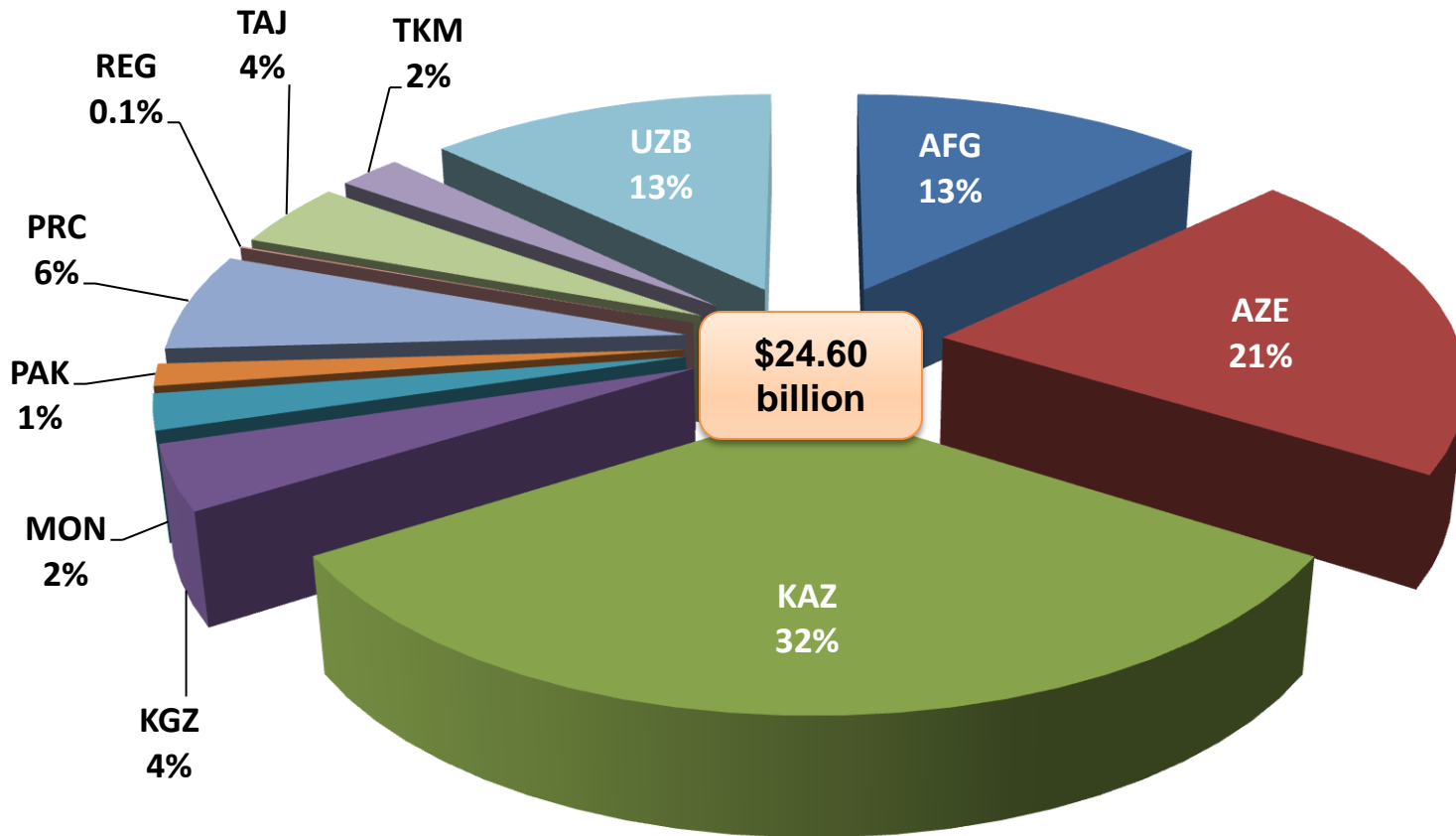


The program has gradually expanded to embrace wider-ranging strategies for tackling trade, trade policy, and energy challenges.

Source: CAREC Portfolio Database as of 2014

N.B. Data includes projects already approved in 2014 as well as those in pipeline for 2014 approval.

CAREC Investments by Country, cumulative 2001-2014



Source: CAREC Portfolio Database as of 2014

N.B. Data includes projects already approved in 2014 as well as those in pipeline for 2014 approval.

Note: Figures may not add up to 100% due to rounding off.

CAREC Institute

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

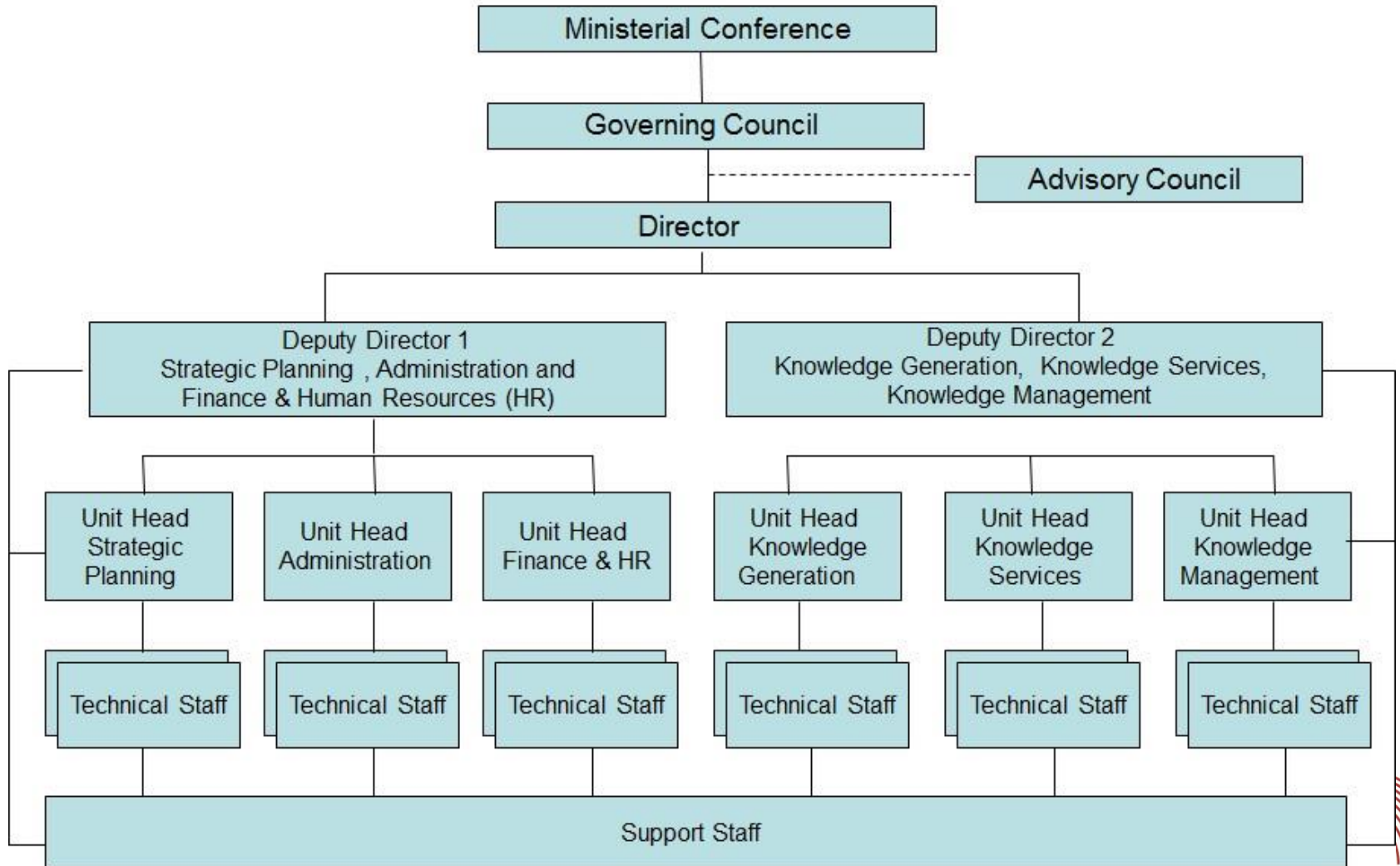
Physical Base of CAREC Institute

- Establishment of a physical base for the CI endorsed at 11th MC in October 2012.
- Consensus reached at the 12th MC in October 2012 to accept the offer of the PRC to host the physical base of the CI in Urumqi, PRC and start initial operations by end of 2014.
- The objectives of the CI are to:
 1. provide innovative solutions based on the sharing of good practices to enable CAREC member countries to respond to regional challenges and cooperative processes
 2. enhance the capabilities of CAREC government officials to engage in regional cooperation processes, improve their capacities to plan and implement regional cooperation projects, and build their capacities for informed policy analysis

Physical Base of CAREC Institute (cont.)

3. conduct strategic research by mobilizing world-class intellectual resources to enhance regional cooperation capacity and accelerated growth in the CAREC region
4. promote the effectiveness of scientific research among the CAREC member countries through joint or collaborative projects and wide dissemination of research findings and results
5. develop a network of research institutions in the region to serve as a resource base for strategic research and knowledge sharing, comprising among others, of universities, think tanks, and development institutions.

CAREC Institute Organization Structure



Timeline of Establishment of CI Physical Base

1. Joint Ministerial Declaration issued at 13th MC in Nov 2014.
2. First CI's Governing Council Meeting to be held in March 2015.
3. Recruitment of key staff positions to be started in 2015.
4. CI physical base to be officially launched and operated in March 2015.



Thank you!

Asian Development Bank

<http://www.carecprogram.org/>

