Mid-Term Review of CAREC 2020

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CAREC

Conclusion: Significant progress

CAREC has made significant progress in addressing its strategic agenda under CAREC 2020.

In the **transport** sector, CAREC is ahead of schedule on many outputs, and on track to achieve or exceed planned outputs by 2020.

Other sectors have also seen significant progress. **Trade facilitation** established the CPMM, **trade policy** has supported WTO accession, and **energy** has supported major projects. The ABCI is piloting **economic corridors**, and **the CAREC Institute** has started operations.

Conclusion: Several challenges

The MTR also noted shortcomings and challenges.

Trade facilitation has made progress, but this needs to be translated into results on transport corridors.

In **trade policy**, the forward agenda is modest and will need thorough review.

In **energy** there is scope to develop further large-scale regional projects.

Further efforts need to be made to meet the need for knowledge and capacity building, including through strengthening the **CAREC Institute.**

Conclusion: Several challenges

The **transport sector** has a robust forward agenda, including road safety, road asset management and transport facilitation, and developing railways.

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The **strategic framework** has generally worked well, but the objectives are very broad and the link between objectives and operations could be strengthened.

The **institutional framework** would also benefit from more inclusiveness and flexibility.

Recommendation 1.

Complete the CAREC 2020 agenda. Good progress has been made in transport and other key areas. However, shortcomings were noted and challenges remain.

Each sector coordinating committee and the CAREC Institute should confirm the priority actions required to complete the CAREC 2020 agenda.

Recommendation 2.

Revisit CAREC's objectives to ensure that they are strategically coherent. Progress has been made in achieving outcomes and outputs. But it is less clear how well CAREC is achieving its dual strategic objectives (expanding trade and increasing competitiveness). The continued relevance of these objectives needs review.

Given the changing economic circumstances, CAREC should consider (i) redefining its objectives and impact areas, and (ii) ensuring that it has a realistic framework for their achievement.

Recommendation 3.

Broaden the CAREC agenda. The current priorities, infrastructure for transport and energy, are important and should remain at CAREC's core. However, they may not be sufficient to meet the region's changing needs.

If CAREC decides to realign itself strategically, the new objectives should be matched with activities in new areas, identified through close consultation.

Possible areas include entrepreneurship, private sector development, ICT, agriculture, food security, education health and tourism.

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Recommendation 4.

Revisit the Working Group structure. The current WG structure keeps CAREC focused on its core sectors. It also limits CAREC's flexibility to explore new areas.

CAREC should consider establishing flexible and infromal Expert Groups (ExGs) that are responsive and need-driven.

Flexible and ”light” ExGs would make it easier for CAREC to discuss new priorities and help to revise and broaden the agenda.

Recommendation 5.

Develop a new partnership strategy. There are now numerous new regional and financial initiatives that impact the CAREC region. The scope for forging constructive partnerships has increased. So has the need for coordination.

CAREC can offer distinct advantages as a coordinator and honest broker.

CAREC should without delay develop a new and inclusive partnership approach.

Develop a new Strategy for CAREC

Taken together, the recommendations indicate the need for a new strategy (CAREC 2025).

Given the significant changes in the economic and institutional setting, and in country priorities, preparation should start as soon as possible.

CAREC 2015 will require thorough preparatory work, including setting up ExGs. If this is initiated in late 2016 or early 2017, the new strategy could be ready for approval in late 2018.

THANK YOU

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