

**CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM
CONSULTATION MEETING WITH THE CAREC NATIONAL FOCAL POINTS
Bangkok, Thailand
20 September 2016**

SUMMARY OF DISCUSSIONS

I. Introduction

1. A Central Asia Regional Economic Cooperation (CAREC) Consultation Meeting with National Focal Points (NFPs) was held in Bangkok, Thailand on 20 September 2016. The objective of the NFP Consultation Meeting was to prepare for the 15th Ministerial Conference (MC) on 25-26 October 2016, in Islamabad, Pakistan. Delegations from CAREC's ten member countries participated. Representatives from the United Nations Development Programme and CAREC Institute also attended. Ms. Anjum Assad Amin, Additional Secretary, Economic Affairs Division, Ministry of Finance, Revenue, Economic Affairs, Statistics, and Privatization and CAREC National Focal Point (NFP) for Pakistan, Mr. Ayumi Konishi, Director General, East Asia Department (EARD), Asian Development Bank (ADB), and Mr. Hong Wei, Deputy Director General, Central and West Asia Department (CWRD), ADB, co-chaired the meeting. The agenda and list of participants are in Appendix 1.

II. Meeting Highlights

2. **Updates on the 15th MC deliverables.** The Secretariat presented updates on the following deliverables.

- a. **CAREC Railway Strategy 2017-2030.** The Meeting was apprised on the key features of the Railway Strategy aimed at making rail transport accessible, quick and efficient for customers throughout the region. The Meeting supported the three pillars of the Strategy to help attain this vision, namely: (i) developing effective rail infrastructure; (ii) developing robust commercial capabilities; and (iii) improving legal and regulatory framework. Six designated rail corridors (DRCs) were identified as the backbone of the CAREC Railway Strategy and as a basis for prioritizing rail infrastructure that would be aligned with the emerging trade patterns in the region. The impact will be higher trade through linkages with regional logistics terminal and railways as the preferred mode of transportation. Given the huge financing requirements for implementing the strategy, the Meeting underscored the need for partnerships and innovative financing schemes including PPP. The institutional capacities of CAREC countries in developing and implementing railway projects would also need to be enhanced, including through South-South cooperation. The Meeting noted that an action plan and its corresponding results-based framework have been developed, and encouraged the CAREC Railway Working Group to work actively to carry out the tasks ahead. The Meeting agreed to submit the Strategy to the 15th MC for endorsement.
- b. **CAREC Road Safety Strategy.** Following the joint commitment for collective action on road safety at the 14th MC, a CAREC Road Safety Strategy 2017-2030 was formulated with the vision to make CAREC transport corridors safe, efficient, and attractive for all road users and reduce road fatalities in the region by 50% by 2030. The Meeting supported the "safe systems" approach adopted by the strategy comprising of five pillars: (i) road safety management; (ii) safer roads; (iii) safer vehicles; (iv) safer users; and (v) post-crash response. The Meeting agreed to submit

the Road Safety Strategy for endorsement of the 15th MC. The CAREC countries were also requested to develop and implement their respective national road safety plans consistent with the strategy and embed road safety in all future CAREC road projects.

- c. **Memorandum of Understanding (MOU) on the Turkmenistan-Afghanistan-Pakistan (TAP) Transmission Line.** The Meeting noted that discussions among the three countries are ongoing on the basic framework and routing options for the power transmission interconnection. The Meeting was informed that a draft MOU is under development and if agreed upon by the three countries, would be signed during the 15th MC. The draft MOU will be circulated by end-September for review and internal authorization process of the signatories among the three countries.
- d. **Almaty-Bishkek Corridor Initiative (ABCI) Investment Framework.** The Meeting was updated on progress under the ABCI. The fourth meeting of the ABCI Joint Working Group and the high-level Steering Committee will be held on 26-28 September 2016 in Almaty to review and finalize the ABCI Investment Framework and next steps towards development of the Almaty-Bishkek economic corridor. The Meeting looked forward to the finalization of the ABCI Investment Framework and its submission to the 15th MC for endorsement.
- e. **Mid-Term Review (MTR) of the CAREC 2020.** The Meeting reviewed the final draft MTR Report of CAREC 2020, whose initial findings were supported by the CAREC SOM in July 2016, and agreed to submit it for endorsement by the 15th MC. The MTR has recommended accelerated formulation of a new long-term strategy for CAREC (the CAREC 2025) along with a review of the CAREC's institutional framework and development partnership to explore an expanded agenda for the program. The new CAREC strategy should take into account national strategies of member countries and priorities of development partners. Successful expansion of CAREC agenda into new areas will depend on strong ownership and participation of members. The Meeting requested the Secretariat to initiate work on CAREC 2025 immediately after the MTR's endorsement by the 15th MC so as to deliver it by 2018.

3. **Preparations for the 15th MC.** The government of Pakistan extended the invitation to the CAREC countries to the 15th MC to be held on 25–26 October in Islamabad, Pakistan. The Conference will consist of a Senior Officials' Meeting on 25 October and a Ministerial Meeting on 26 October to be convened in Serena Hotel, Islamabad. Pakistan briefed the Meeting on the status of the official invitations, visa requirements, logistics and other conference arrangements. The agenda for the SOM and Ministerial Meeting provided in Appendix 2. The Meeting confirmed the long-standing conference theme of "***Linking Connectivity with Economic Transformation in CAREC***". The country delegations thanked the government of Pakistan for the invitation and preparations being made, and committed to extend their full cooperation and support for a successful Ministerial Conference.

4. **CAREC Ministerial Retreat.** The Secretariat briefed the Meeting on the Ministerial Retreat to be held in the afternoon of 26 October with the theme "***Towards CAREC 2025: Opportunities and Challenges for Cooperation in the Medium Term***". The purpose of the retreat is to engage the Ministers of member countries and the six multilateral development partners in discussion of strategic issues to guide the CAREC Program over medium term given very different situation at national and regional level and emerging challenges and opportunities. The NFPs endorsed the suggested topic and agreed with the one-plus-one format. The MTR

shall be the background document for the Retreat. The Secretariat will circulate a concept note on the Retreat along the lines suggested by the NFPs by the first week of October. The proposed arrangements for the Retreat will be finalized by the host government in due course of time.

5. **CAREC Energy Investment Forum.** The Meeting was briefed on the Energy Investment Forum to be held on 24 October in Serena Hotel, Islamabad in conjunction with the 15th MC. The objectives of the Forum are to: (i) showcase business opportunities in the energy sector; (ii) identify regulatory gaps for investing in the energy sector; (iii) understand the incentives scheme for private investors; and (iv) forge possible financing partnerships. The event will bring together key government officials, project developers/sponsors, project financiers, equipment manufacturers, and contractors involved in CAREC's energy sector. CAREC countries will present their energy investment priorities and incentives, while the private sector will share experiences in investing in the energy sector in CAREC. The CAREC countries were encouraged to promote participation in the Forum through awareness raising and dissemination of promotional materials among potential investors and financiers.

6. **CAREC Institute: Signing of the Intergovernmental Agreement.** Following the agreement at the SOM held in July 2016 in Islamabad, the Meeting noted that the draft of the Agreement Establishing CAREC Institute has been circulated through official channels on 4 August 2016 for possible signing at the 15th MC. Based on the discussion held in Bangkok on 21 September 2016, it was agreed that all countries will make utmost efforts to have the Agreement signed either at the 15th MC or as soon as possible thereafter and to take actions to accept, approve or ratify the Agreement.