



Reference Document
The 18th CAREC Ministerial Conference
14 November 2019

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A New CAREC – Expanding Horizons of Regional Cooperation

Representing the Governments of Afghanistan, Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan, Ministers adopted the following statement at the conclusion of the 18th Ministerial Meeting on Central Asia Regional Economic Cooperation (CAREC) in Tashkent on 14 November 2019

I. A New CAREC – Expanding Horizons of Regional Cooperation

1. The CAREC Program has gone through a journey of nearly 20 years with collective endeavors aiming for shared and sustainable prosperity. We are pleased with the progress and achievements of the Program. We noted the generally positive regional outlook and expanded horizons for regional cooperation marked by strong growth, declining trade costs, and the increasing economic interactions among neighboring countries since **beginning of a new phase of economic reform in Uzbekistan**, while recognizing that the trade tensions among major trading powers still constitute a threat to the region's economic landscape. We are committed to implementing the expanded agenda of CAREC 2030 strategy in the areas of connectivity and trade, tourism, agriculture and water, and human development, as well as in deepening policy dialogue on issues of regional significance. We endorsed the CAREC Transport Strategy (CTS) 2030 and the CAREC Energy Strategy (CES) 2030 to continue enhancement of infrastructure and economic connectivity through greater focus on more sustainable and greener solutions in the region.

II. Sound Progress on Implementation of the CAREC 2030

2. **Economic and financial stability.** We welcomed the CAREC High-Level Forum on Balancing Infrastructure Investments with Debt Sustainability in Nur-Sultan, Kazakhstan on 15 May. The forum, which was jointly organized by ADB, IMF, and the World Bank, created an effective dialogue between ministers and central bank governors to discuss fiscal constraints, debt sustainability, and the need for more private sector involvement in infrastructure financing. We likewise welcomed the first CAREC Capital Markets Regulators' Forum, organized by ADB and the Securities and Exchange Commission of Pakistan, on 29-30 August in Islamabad, Pakistan which focused on reforms to access to finance and private sector development through strengthened regional cooperation and integration of capital markets. We highlighted the importance of continued and regular policy dialogue on areas of common interest to keep policy

makers informed of regional and global macroeconomic trends and to promote economic and financial stability in the region.

3. **Trade, tourism, and economic corridors**

- On **trade**, we are pleased with the progress made in the implementation of the CAREC Integrated Trade Agenda (CITA) 2030 and support the priority areas identified in the updated Rolling Strategic Action Plan (RSAP) 2019-2021, including continued support for non-WTO countries to accede to the World Trade Organization (WTO) and for newly acceded countries to fulfill the WTO commitments including implementation of the WTO Trade Facilitation Agreement, addressing technical barriers to trade, enhancing trade in services and investment facilitation, promoting digital trade, and strengthening collaboration between public and private sectors. We welcomed establishment of the CAREC sanitary and phytosanitary (SPS) regional working group to support and oversee the implementation of Common Agenda for Modernization of SPS Measures for Trade (CAST) and commended the continued endeavors in customs cooperation through the Customs Cooperation Committee in line with CITA 2030.
- On **tourism**, we noted the high priority of tourism development in CAREC countries' national agendas and urged continued work in advancing regional tourism cooperation through identifying bankable projects, institutional strengthening of tourism agencies, and joint tourism marketing and promotion initiatives. We commended the high-level public-private dialogue on key opportunities and challenges for collaborative action in the tourism sector and called for continued and deepened policy dialogue in this area to unleash the untapped tourism potential of the CAREC region. We welcomed the Asian Development Bank (ADB) technical assistance to help develop a CAREC Tourism Strategy 2030 and a regional tourism investment framework 2021–2025.
- On **economic corridors**, we commended the progress in developing the Almaty-Bishkek Economic Corridor and its ongoing projects. We welcomed the initiation of the second pilot economic corridor under CAREC connecting Kazakhstan, Uzbekistan and Tajikistan and noted the potential of expanded trade and increased economic integration along the corridor.

4. **Infrastructure and economic connectivity.** We applauded achievements in this cluster, particularly the strong country ownership in the development of the CTS 2030 and the CES 2030.

- On **transport**, we are satisfied with the implementation progress of the Transport and Trade Facilitation Strategy 2020, the Railway Strategy 2030 and the Road Safety Strategy 2030, as well as knowledge work in promoting faster, greener, safer and sustainable connectivity. We support CTS 2030's emphasis on multimodal connectivity, quality and sustainability of transport projects and assets, and development of demand-driven knowledge products to support high-level decision-making. We noted the alignment of CTS 2030's five strategic pillars with CAREC member countries' national priorities and welcomed the initiation of work on maritime transport cooperation through a scoping study by ADB. While recognizing the importance of transport facilitation, we called for intensified efforts, building upon the

existing bilateral and multilateral transport agreements. We look forward to the full implementation of CTS 2030 to further improve regional connectivity and develop well-coordinated transport systems in the region.

- In **energy**, we commended the progress on existing cross-border energy connectivity projects and efforts towards exploring the establishment of platforms to discuss common energy initiatives. We appreciated the completed mid-term review of the Energy Sector Coordinating Committee Strategy and Work Plan 2016–2020 and welcomed the successful organization of the 1st CAREC Energy Ministers’ Dialogue and the 4th CAREC Energy Investment Forum. We support CES 2030’s three strategic pillars on better energy security through regional interconnections; more investments through market liberalization reforms; and enhancing sustainability by greening the regional energy system. We also support the three cross-cutting themes on creating new knowledge products and peoples’ networks; attracting private sector investments across the energy value chain; and empowering women in energy. We look forward to the full implementation of the CES 2030 to further advance energy cooperation in the region in the next decade.

5. **Agriculture and water.** We appreciated the progress made in developing regional agricultural value chains and upgrading CAREC countries’ SPS systems to meet international standards. We welcomed the commencement of the work in water sector and the conduct of a development partners’ dialogue in Tashkent to deliberate on the issues, challenges, and opportunities in transboundary water management in the region. We called for close coordination and collaboration among development partners to join force in advancing the water agenda under CAREC.

6. **Human development.** We appreciated the completion of the scoping study on enhancing regional cooperation in education and skills under CAREC to identify challenges and opportunities for enhancing and expanding cooperation in skills development and higher education among CAREC countries. We welcomed the initiation of scoping studies on “Strengthening Cross-Border Community Collaboration in CAREC” and “Promoting Regional Health Cooperation”. We commended the preparation of the first CAREC Gender Strategy to ensure the implementation of CAREC 2030 in a gender-responsive and gender-sensitive manner. We call on all development partners to scale up efforts for enhanced engagement in this cluster along with the private sector and civil society.

III. CAREC Institute

7. We commended the CAREC Institute (CI) on its progress in implementing its Strategy 2018-2022 and its two-year rolling operational program 2019-2020. We welcomed the CI’s organization of the Fourth Think Tanks Forum in Xi’an under the theme of “*Trading for Shared Prosperity*”. We encouraged CI to continue strengthening partnerships with institutes in CAREC countries for joint research and capacity building, knowledge management and dissemination. We strongly support, recognize and will utilize CI as the main knowledge arm of the CAREC Program. To this end, we are committed to continue supporting the development of CI, and consider possible financial contributions by each member country on a voluntary basis.

IV. Enhancing Institutional Mechanisms

8. We appreciated the increasing participation and engagement of development partners in implementing the CAREC 2030 strategy. We called for development partners to increase financial, technical and operational support for CAREC, the CAREC Secretariat, and the CI. We welcomed the planned conduct of the first CAREC Development Partners' Forum in 2020 to further strengthen coordination and collaboration in support of the CAREC Program. We called for increased participation of private sector in the CAREC Program. We urged all partners to proactively support and participate in the celebration of the 20 years anniversary of CAREC Program in 2020. Finally, we expressed our appreciation to the CAREC Secretariat, the sector coordinating committees and the CI for their continued and dedicated support to the CAREC Program.

V. Conclusions and Acknowledgement

9. We thanked the Government of Uzbekistan for chairing and hosting the 18th Ministerial Conference, and ADB, for the excellent arrangements made. We look forward to gathering together in 2020 under the chairmanship of Islamic Republic of Afghanistan.