



**CENTRAL ASIA REGIONAL COOPERATION PROGRAM
CONSULTATION MEETING WITH THE CAREC NATIONAL FOCAL POINTS
Tashkent, Uzbekistan
24-25 September 2019**

SUMMARY OF PROCEEDINGS

I. Introduction

1. A Central Asia Regional Economic Cooperation (CAREC) Consultation Meeting with National Focal Points (NFPs) was held in Tashkent, Uzbekistan on 24-25 September 2019. The objective of the Meeting was to prepare for the 18th Ministerial Conference (MC) to be held on 14 November 2019, in Tashkent, Uzbekistan. Delegations from CAREC's eleven member countries participated. Representatives from the Asian Infrastructure Development Bank, European Commission, European Union, Eurasian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund (IMF), Islamic Development Bank, Japan International Cooperation Agency, United Nations Development Programme, United Nations Economic Commission for Europe, United Nations Economic and Social Commission for Asia and the Pacific, United Nations Educational, Scientific and Cultural Organization, United States Agency for International Development, World Bank, and CAREC Institute (CI) also attended. Mr. Alisher Abdualiev, First Deputy Minister of Investments and Foreign Trade of Uzbekistan, Mr. Werner E. Liepach, Director General, Central and West Asia Department (CWRD), Asian Development Bank (ADB), Ms. Amy Leung, Director General, East Asia Department, ADB and Mr. Muhammad Ehsan Khan, Senior Advisor, CWRD, ADB, co-chaired the meeting. The agenda and list of participants are in Appendix 1.

II. Meeting Highlights

2. **CAREC Transport Strategy (CTS) 2030.** The CAREC Secretariat presented the final draft CTS 2030 which incorporated the comments received at the Senior Officials' Meeting (SOM) in June, and highlighted the rationale, five strategic pillars and results framework for monitoring the implementation.

3. The Meeting expressed full support to the draft CTS 2030 and agreed to submit it for endorsement at the 18th MC after further finetuning. The Meeting appreciated systematic and targeted approach adopted in the CTS 2030 and its "living document" nature. It was emphasized that transport connectivity is fundamental for trade and tourism development and further to the broader social development and regional prosperity. Cross-border transportation and logistics services were highlighted given their critical roles to facilitate trade. A multiple visa regime among CAREC countries was suggested to facilitate cross-border movement of people. It was also suggested that maritime transportation could be supported under the CTS 2030.

Moving forward, the Meeting highlighted some concrete measures for implementing the CTS 2030. These include: (i) convening a CAREC Transport Investment Forum to further tap private investments to bridge the financing gap; (ii) enhancing aviation cooperation and continuation of the aviation working group meetings; (iii) strengthening coordination with other regional cooperation mechanisms and initiatives including the Belt and Road Initiative in advancing the transport agenda; (iv) tackling cross-border transportation constraints through modernizing border crossing facilities and procedures to reduce transportation cost; (v) promoting digitalization of transportation systems to enhance transport connectivity; and (vi) strengthening knowledge sharing and capacity building for cross-learning and aligning with international best practices.

5. **CAREC Energy Strategy (CES) 2030.** The Secretariat presented the final draft of the CES 2030 which incorporated the comments received at the SOM in June and the in-country consultations conducted in July and August with CAREC countries, and highlighted the main drivers for this new strategy, three strategic priorities and three cross-cutting themes as well as the implementation arrangements. The Secretariat also briefed the Meeting on the outcomes of the First CAREC Energy Ministers' Dialogue and the 4th Energy Investment Forum held on 20-21 September 2019 in Tashkent.

6. The Meeting supported the draft CES 2030 and agreed to submit it for endorsement at the 18th MC. The Meeting appreciated the participatory and consultative approach in preparing the CES 2030 and highlighted the importance of enhanced energy cooperation in the region. The Meeting also emphasized and particularly welcomed several integral aspects of the strategy to ensure effective implementation. These include: (i) further liberalizing energy markets to create a favorable environment for expanding energy trade among CAREC countries; (ii) lowering energy intensity in industrial and transport sectors for improved energy efficiency; (iii) increasing the share of renewable energy in the energy mix; (iv) developing a new regional green energy financing vehicle; (v) improving cooperation on regional network development planning through the establishment of a Central Asia Transmission Cooperation Association; (vi) strengthening knowledge-sharing on best practices in energy sector including possible creation of a common pool of knowledge and (vii) more participation of women in the energy sector. The Meeting welcomed the organization of the First CAREC Energy Ministers' Dialogue and the 4th Energy Investment Forum and noted its importance for cross-learning and attracting private sector investment.

7. **Progress of CAREC 2030 to be presented at the Ministerial Conference.** The Secretariat shared the structure of the presentation to the 18th MC, which outlines the overall implementation progress of the CAREC 2030 strategy since last November. The Meeting commended the impressive achievements in advancing the five operational clusters of CAREC 2030 since the 17th MC, and suggested to include the implementation plan for the following year in the presentation. Moving forward, the Meeting (i) called for increased technical and financial support from development partners (DPs) to meet the increasing demand of CAREC countries; (ii) encouraged DPs, including the CI, to enhance engagement in the areas which can leverage their comparative advantages; (iii) called for prioritization of activities under all the five operational clusters vis-à-vis available resources to keep the balance between speed and quality in implementing CAREC 2030; (iv) noted a proposal of undertaking a mapping exercise among different regional initiatives to identify overlapping areas for a rational division of labor among the DPs and avoiding duplication of efforts; (v) noted Kazakhstan's readiness in leading cluster 2 (Trade, Tourism and Economic Corridors) cooperation given two CAREC economic corridors initiatives involve the country; (vi) welcomed the concept of creating a CAREC Project

Preparation Facility; and (vii) noted the importance of the CAREC Food Safety Network while highlighting the necessity for further internal consultations to clarify some details.

8. The Secretariat will incorporate the comments received to further improve the presentation to be made at the 18th MC. Meanwhile, the Secretariat will further look into the suggestions in carrying out the CAREC 2030 strategy moving forward.

9. **Updates on Other Sector Deliverables.** The Secretariat updated the progress made in the areas of trade and economic and financial stability.

- **For Trade.** The Meeting commended the good progress achieved in implementing the CAREC Integrated Trade Agenda (CITA) 2030 and its accompanying Rolling Strategic Action Plan (RSAP) 2018–2020 since its endorsement in November 2018. The Meeting was appraised of the progress made in moving forward the CAREC Advanced Transit System and Information Common Exchange (CATS/ICE) among Azerbaijan, Georgia and Kazakhstan and welcomed the expected signing and launching of the pilot project by the end of the year. The Meeting called for strengthened cooperation among CAREC countries in promoting regional trade through (i) further opening-up of trade in the region through free trade agreements, cross-border paperless trade, cross-border economic zones development and expanding economic corridors; (ii) strengthened cooperation in customs and sanitary and phytosanitary, particularly in joint customs control improvements and mutual recognition of inspection results; (iii) assisting CAREC countries in the implementation of the WTO Trade Facilitation Agreement; (iv) continued efforts in acceding to the World Trade Organization (WTO) for non WTO members and fulfilling WTO commitments for newly acceded members; and (v) promoting development of special economic zones and industrial parks, as well as e-commerce. The Meeting also noted the suggestion of welcoming more CAREC countries to join the CATS/ICE and a need for more regional interventions with a strong knowledge-sharing focus, including South-South cooperation, among others.
- **For Economic and Financial Stability.** The Secretariat updated the outcomes of the First CAREC Capital Market Regulators' Forum held on 29-30 August 2019 in Islamabad, Pakistan which discussed issues of common interest including enhancing access to finance, supporting private sector development, and strengthening regional cooperation among capital markets. The Meeting welcomed continued dialogue and knowledge sharing among regulators to support capital market development in the CAREC region. The IMF proposed three possible topics for the next cluster 1 forum for consideration, including (i) Improving financial inclusion and SME access to finance; (ii) Where is the connection between financial intermediation and growth in CAREC? (iii) The impact of trade tensions and trade uncertainty. The Secretariat will further the discussions with the IMF moving forward.

10. **CAREC Gender Strategy.** The CAREC Secretariat presented the proposed formulation of the first CAREC Gender Strategy to implement the CAREC 2030 in a gender-responsive and gender-sensitive manner. The Meeting welcomed the timely preparation of the gender strategy and in principle endorsed the proposed rationale, gender mainstreaming process and outline of the strategy. The Meeting recognized the importance of gender streamlining in CAREC to help achieve increased economic growth, inclusive social development and sustainable development goals. The Meeting noted the policies and legislations including gender indicators adopted in CAREC countries in promoting gender equality in social and economic activities, and took note of the following suggestions and observations in moving the gender equality agenda forward: (i)

gender equality promotion should adopt a country-specific approach given that CAREC countries are at different stages of gender equality development; (ii) national governments should take the lead in mainstreaming gender equality with support of DPs; (iii) CAREC can help promote women-to-women contact through promoting infrastructure connectivity, trade and investment, cultural exchange, policy dialogue and knowledge sharing; (iv) ICT can increase women's access to information and knowledge; (v) consolidation of best practices in promoting gender equality in CAREC countries and periodical organization of related workshops can facilitate cross-learning; (vi) launching a women entrepreneurs gathering in 2020 when adopting the CAREC Gender Strategy and make dedicated efforts in helping women entrepreneurs in Afghanistan; and (vii) a CAREC gender expert group could be considered at certain point and a monitoring and evaluation framework could be developed. The Secretariat will further look into these suggestions while formulating the CAREC Gender Strategy.

11. **CAREC Institute 4th Think Tanks Forum.** The CI provided an overview of CI's research, training and staffing, and shared the outcomes of the 4th Think Tank Forum held on 27-28 August 2019 in Xi'an, People's Republic of China under the theme of "*Trading for Shared Prosperity*". The Meeting welcomed CI's efforts in revamping the CAREC Think Tank Network and Forum through initiating joint research programs, exchange of researchers, and highlighting CAREC research outputs. The Meeting also suggested CI to remain focused and prioritize its work given the limited resources. Meanwhile, CI should find ways of raising the visibility of its work. Member countries and development partners were encouraged to provide more support of various kind to CI.

12. **Preparations for the 18th Ministerial Conference.** The Secretariat presented the draft agenda and the proposed outline of the Joint Ministerial Statement (JMS) for the 18th MC which will be held on 14 November in Hyatt Regency Tashkent. The Government of Uzbekistan invites all CAREC countries and DPs to send high level participants to the conference. The Meeting endorsed the outline of the JMS and requested the Secretariat to develop the full draft JMS for further comments. The country delegations thanked the Government of Uzbekistan for the invitation and preparations made so far, and committed to extend their full cooperation and support for a successful 18th MC.