

Joint Ministerial Statement
19th Ministerial Conference on
Central Asia Regional Economic Cooperation
7 December 2020

People Centered Regional Cooperation in the Post-COVID Environment

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 19th Ministerial Meeting on Central Asia Regional Economic Cooperation (CAREC) held virtually on 7 December 2020.

I. People Centered Regional Cooperation in the Post-COVID Environment

1. The CAREC program in its 20th year marks two decades of cooperation between member countries. We are pleased with the progress made and commend the efforts undertaken to address the challenges imposed by the COVID-19 pandemic in 2020. We note the deterioration in the regional economic outlook due to the pandemic and acknowledge its adverse impact on the economic and social lives of people living in the member countries. The importance of regional cooperation has been reinforced by these challenges. We commend CAREC's reorientation that allowed it to continue its operations virtually and develop new initiatives to mitigate the impact of this crisis. We reaffirmed our commitment to regional cooperation to address these new challenges and maintain industrial output and supply chains. We renewed our commitment to implementing the CAREC 2030 strategy and thereby endorsed the CAREC Gender Strategy (CGS) 2030, the CAREC Tourism Strategy (CTS) 2030, CAREC 2030 Program Results Framework to further our development objectives through regional cooperation.

II. Progress on Implementation of the CAREC 2030

2. **Economic and financial stability.** We welcomed the activities held to promote understanding of the economic and financial challenges in the CAREC region including the high-level seminar on economic and financial stability that were organized in collaboration with the IMF and World Bank focusing on fiscal policy and macroeconomic consolidation as well as the proposed seminar on financial stability in the COVID environment. We noted the joint-work currently underway at ADB and CAREC Institute to find solutions for the challenge of finding sufficient access to trade finance felt by Micro and Small-Scale Enterprises (MSMEs) and female-owned enterprises.

3. Trade, Tourism, and Economic Corridor

- On **trade**, we were pleased with the progress of the CAREC Integrated Trade Agenda (CITA) 2030, and welcomed the steps taken by the Regional Trade Group (RTG) and Customs Cooperation Committee (CCC) to increase trade facilitation and improve capacity of customs agencies. We commended the support being provided by CAREC to Kazakhstan in hosting the WTO's 12th Ministerial Conference in 2021, and to other member countries in meeting their WTO commitments. We were pleased with the progress made on sanitary and phytosanitary measures and noted that Uzbekistan recently acceded to the International Plant Protection Convention and is the first CAREC country to implement e-Phyto solutions. We commended the joint actions of Afghanistan, Azerbaijan and Turkmenistan aimed at development of efficient transport corridor through their respective territories and extending of this corridor further to the other countries of the region. We welcomed the feasibility study for establishing a multilateral Trade Credit and Investment (re-) Guarantee Agency (TCIGA) and noted approval of parallel projects to develop economic cooperation zone between the PRC and Mongolia along CAREC corridor 4. We also welcomed the recently approved technical assistance project on free trade agreement capacity building for CAREC countries, and agreed to develop a roadmap for a CAREC-wide FTA.
- On **tourism**, we welcomed the CAREC Tourism Strategy 2030 and appreciated its strategic vision and focus on promoting safe and sustainable regional tourism destinations, while covering key issues of connectivity and infrastructure, quality and standards, skills development, marketing, and market intelligence. We also welcomed the regional tourism investment framework which will complement the CTS 2030 and elaborate upon the projects to be implemented over 2021–2025.
- On **economic corridors**, we recognized the significant progress made on the Almaty-Bishkek Economic Corridor (ABEC) which included, amongst others, the completion and adoption of the ABEC Tourism Master Plan and finalization of a feasibility study for a modern agricultural wholesale markets network. We were pleased by the progress on the Shymkent-Tashkent-Khujand Economic Corridor (STKEC) which, amongst others, included finalization of the roadmap for development of the STKEC and a report on trade potentials along the corridor.

4. **Infrastructure and economic connectivity.**

- On **transport**, we commended training workshops that were successfully conducted on key aspects such as the railway sector assessments, road asset management systems (RAMS), road safety and performance-based contracting, and welcomed the approval of a technical assistance project for the preparation of CAREC Regional Infrastructure Projects Enabling Facility. We noted continued progress in connectivity and cross-border services improvement projects, as well as in promoting sustainable regional cooperation of transportation despite the bottlenecks caused by the pandemic.
- On **energy**, we appreciated the progress in implementation of the CAREC Energy Strategy 2030 and on CAREC's large portfolio of regional energy trade projects and

technical assistance and capacity building initiatives, including on establishment of a new regional transmission cooperation association, promotion of market reforms, establishment of a financing vehicle for green energy projects, development of a CAREC Energy Outlook and a women-in-energy program. We appreciated the efforts undertaken to implement the activities that were endorsed at the Regional Energy Ministers Dialogue in September 2019.

6. **Agriculture and water.** We welcomed the launch of two new technical assistance programs which will develop the CAREC water pillar and improve public health and agro-trade facilities.

7. **Human development.** We appreciated the completion of the scoping study on CAREC regional health cooperation. We welcomed the upcoming technical assistance project that will aid CAREC countries in addressing public health threats, including pandemics, and lead to the preparation of a CAREC regional health strategy, and an investment framework for 2022–2026.

8. **Information, communication, and digital technologies (ICT).** We welcomed the promotion of ICT as a crosscutting initiative with the approval of an ADB-financed technical assistance that will prepare a technology vision and a digital strategy for CAREC, integrate ICT in the five operational clusters of the CAREC 2030 strategy, and assess methods to develop a regional startup ecosystem.

8. **Multisector**

- We endorsed the **CAREC Gender Strategy 2030** which aims to mainstream gender into CAREC’s operational clusters. We commended the consultative approach undertaken in the preparation of the strategy in difficult circumstances caused by the onset of the pandemic.
- We commended the completion of the **CAREC Border Communities Collaboration** scoping study which has identified ways to promote development and collaboration of communities living in member countries’ border areas.
- We commended the completion of the **CAREC 2030 Results Framework** which provides a concrete measurement framework to evaluate the results of the CAREC 2030 strategy.
- We appreciated the ongoing work for designing a **comprehensive risk transfer mechanism** which will reduce member countries’ physical and financial vulnerability to infectious disease outbreaks and natural hazards.

III. **CAREC Institute**

We commended the CAREC Institute (CI) on the progress made on its research portfolio, capacity building trainings, and knowledge management activities. We welcomed the steps taken by CI to adapt to COVID-19 by shifting to a hybrid platform and applauded its efforts to

hold flagship events, undertake publications, and prepare a mid-term review of the CI strategy 2018-2022. We noted the need for CI to develop modalities and mechanisms to ensure its financial sustainability as well as to improve the governance and management structure going forward with support and participation of CAREC member countries.

IV. Enhancing Institutional Mechanisms

We appreciated the role of development partners for their continued financial and technical support towards the CAREC Strategy 2030. In this regard, we applauded organization of the Development Partners' Forum to exchange ideas and initiatives on further strengthening this collaboration. We called for increased private sector participation as the CAREC program broadens its scope and takes on new challenges of the post-COVID environment. We expressed our appreciation to the CAREC Secretariat, the sector coordinating committees, and the CAREC Institute for their dedicated support to the CAREC Program. We encouraged MDBs including ADB and other development partners to mobilize more resources and play an anti-cyclical role in supporting the economic recovery in the post-COVID era.

V. Conclusions and Acknowledgement

We thank the Government of Afghanistan for hosting this 19th Ministerial Conference, and Asian Development Bank for support provided. We look forward to coming together in 2021 under the chairmanship of the Republic of Azerbaijan.