

Keynote Address by ADB President Masatsugu Asakawa

19th Ministerial Conference of Central Asia Regional Economic Cooperation

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Introduction

Excellency President Ashraf Ghani, Minister of Finance Mr. Arghandiwal, Ministers and delegates, development partners, and distinguished guests:

Welcome to the 19th Ministerial Conference of the Central Asia Regional Economic Cooperation (CAREC) Program. I extend my appreciation to the Government of Afghanistan for hosting this year's conference, which I am participating in for the first time as ADB President—and which is being held virtually for the first time since CAREC was founded in 2001.

We are honored by the presence of President Ashraf Ghani, which shows the importance he attaches to promoting economic cooperation in the region.

Today's event focuses on "People-Centered Regional Cooperation in the Post-COVID Environment," a topic which is timely and more important than ever.

While some worry that globalization will retreat after the pandemic due to travel bans and trade restrictions, I strongly believe that globalization will return; but it will take a different shape. I want to clearly express ADB's commitment to continue to promote stronger regional cooperation and integration and to champion the spirit of open regionalism. This is a commitment to help our developing members adapt to the new and evolving forms of globalization while also addressing inequalities and ensuring peace and prosperity for all.

I believe that CAREC embodies this spirit of open regionalism, and that it offers us an indispensable platform to address our common challenges. These challenges include mitigating economic hardships faced by the citizens of the region, including vulnerable migrant workers who have lost their jobs, as well as their families who have lost a major source of support from remittances. There are also common needs for enhancing public health, including making safe and effective vaccines available to all; and for strengthening the resilience of populations to future crises.

I. ADB's response to the COVID-19 pandemic in the CAREC region

Let me now share with you how ADB is responding to the immediate crisis caused by the coronavirus disease (COVID-19) and its longer-term impacts.

In mid-April of this year, ADB responded swiftly and decisively to the pandemic by launching a comprehensive \$20 billion package to help our developing members address the impacts of COVID-19 on health, livelihoods, and economic activity.

ADB's support consists of: (i) grants and technical assistance to procure medical equipment and train health personnel; (ii) quick-disbursing budget support through a new financing instrument called CPRO—the COVID-19 Pandemic Response Option—which is helping governments to scale up their countercyclical expenditures; and (iii) direct support to private businesses, including bolstering trade and supply chain finance.

\$3.5 billion out of our \$20 billion in COVID-19 assistance package has been directed to CAREC countries so far. Our support includes an emergency project in the Kyrgyz Republic to improve services at eight hospitals with personal protective equipment, test kits, and devices for contact tracing. Our CPRO program in Georgia is helping the government to provide income support for 550,000 employees and self-employed workers who are facing temporary or permanent job losses, as well as cash transfers for 41,500 persons with disabilities. We have also mobilized significant additional financial resources through cofinancing to CAREC countries totaling about \$2.1 billion from development partners such as the World Bank and the Asian Infrastructure Investment Bank.

We are now working intensively to develop a new mechanism that will ensure speedy and equitable access to safe and effective vaccines throughout developing Asia, especially for poor and vulnerable populations. Our goal is to help our developing members formulate national COVID-19 vaccine allocation plans; build strong vaccine delivery systems; and purchase safe and effective COVID-19 vaccines in a timely manner. We will implement this in close collaboration with the COVAX Facility, other multilateral development banks, and UN agencies.

II. CAREC's continued role in supporting regional cooperation

Let me now turn to the CAREC program, which has actively contributed to the region's development for two decades—and which will remain crucial to its recovery after the pandemic.

Since its founding, CAREC has financed 208 regional infrastructure and trade projects worth \$39.2 billion. Of this, \$14.7 billion in financing has come from ADB; \$15.8 billion from other development partners; and \$8.7 billion from CAREC governments. Even with the unprecedented challenges of this year, CAREC has maintained momentum in implementing the strategic framework we adopted in 2017 to advance regional cooperation, known as CAREC 2030.

Allow me to summarize some of our key achievements this year in 2020.

First, we have further strengthened regional connectivity by investing in high-quality infrastructure projects. For example, a new project will expand energy trade between Afghanistan and Uzbekistan to provide 500,000 households and businesses with reliable access to electricity. Another cross-border investment project will strengthen connectivity between the PRC and Mongolia, to enhance living conditions for people in border areas through improved access to economic opportunities and health services.

Second, CAREC is beginning to promote new priority areas to support people-centered economic recovery through two important strategies that the Ministers will consider today. The CAREC tourism strategy will promote the development of safe tourism destinations, helping to support employment for millions of people; while the CAREC gender strategy will support equal access to economic opportunities for women and girls, and give them a voice in decision-making processes.

And third, in association with the CAREC Institute, CAREC is strengthening its role as a catalyst for knowledge work and policy dialogue in further support of regional and global agendas for cooperation. For example, CAREC completed a study on regional health cooperation, identifying opportunities to mitigate the spread of diseases and to improve health services for migrants and border communities. To advance policy dialogue, senior finance ministry officials from CAREC countries recently participated in an ADB-IMF-World Bank forum to discuss countercyclical fiscal policy measures to mitigate COVID-19.

III. Innovation in regional cooperation and integration

Let me now emphasize the crucial role that innovation and technology must play in promoting cooperation as the region transitions to a post-pandemic new normal. Two areas are critical here.

The first is digitalization. The CAREC region must strengthen digital connectivity and the use of digital technologies, so that regional and global initiatives can expand their reach. The development of digital solutions is underway that can grow e-commerce and tourism and automate border inspections in order to facilitate trade. There is also huge potential for adopting technologies that improve the monitoring of cross-border health threats; enable the use of telemedicine and online education; and raise food safety standards. To maximize the value of these advances, we will also work together to address the digital divide and strengthen cyber security. I am pleased that CAREC is starting a technical assistance program that will help integrate technology and develop startup ecosystems that offer digital solutions for regional challenges.

The second area involves the role of the private sector as a driver of innovation, which can further accelerate regional cooperation. A CAREC Regional Infrastructure Projects Enabling Facility is being prepared to attract private participation and innovative financing solutions for regional infrastructure projects. ADB is also helping to pioneer a regional disaster risk financing mechanism, which will enable CAREC countries to work effectively with private insurance companies to mitigate earthquakes, floods, and infectious diseases-related risks.

Closing

Ladies and Gentlemen, as the world emerges from the pandemic, we must all come together to revive our regional cooperation efforts with a spirit of open regionalism, so that CAREC can seize the opportunities of renewed globalization. In particular, let us expand connectivity, rejuvenate trade, and embrace innovation and technology in ways that put the people of the CAREC region at its center.

I want to conclude by assuring you once again that ADB is fully committed to supporting our member countries and partners in these efforts at this crucial time for the region.

Thank you.