



First CAREC Development Partners' Forum

2 December 2020 (18:00-20:00 Manila time); Virtual meeting

Summary of Discussion

I. Introduction

1. The First CAREC Development Partners' Forum (DPF) on 2 December 2020 was chaired by Mr. Werner Liepach, Director General for the Central and West Asia Department of ADB. Mr. Liepach welcomed the 83 participants from 17 Development Partner (DP) institutions. He expressed his regrets that this DPF had to be held virtually, rather than in-person meeting, but expressed his hope that future DPFs could be held in-person.

2. Mr. Liepach provided participants with a brief overview of CAREC's 20-year history and highlighted the important contribution made by DPs in financing and knowledge for regional integration and cooperation in the CAREC region. He noted that under the CAREC 2030 Strategy, the aim was to expand the list of DPs actively participating in CAREC beyond the original six DPs that had been involved from the outset, and to intensify the engagement in CAREC of all interested DPs.

3. He explained that the purpose of the first DPF is to explore how to achieve this goal by addressing five key questions:

- i. How to improve exchange of information on planned DP activities in support of CAREC;
- ii. How to increase joint DP financing of CAREC projects, programs and administrative costs;
- iii. How to involve DPs more intensively in non-financial ways;
- iv. How to engage DPs more actively in the work of the CAREC Institute; and
- v. How to enhance the visibility and country ownership of CAREC in member countries and among DPs?

4. Mr. Liepach introduced Mr. Johannes Linn, ADB consultant, to present a summary of key issues and options identified in the background paper that he had prepared for the First CAREC DPF and which had been distributed to participants ahead of the meeting. Following Mr. Linn's presentation, Mr. Saad Paracha (Unit Head, CAREC Program, ADB) briefly shared information on three ADB regional programs under the CAREC umbrella for which ADB is interested to secure DP engagement (the Regional Infrastructure Projects Enabling Facility, the Disaster Risk Transfer Facility for the CAREC Region, and the Asian Multilateral Trade Credit and Investment Guarantee Agency -- TCIGA). After these presentations, Mr. Liepach invited participants to share their reactions and observations. Representatives from 10 DP organizations provided comments. The

main points of their responses are summarized below in relation to the five questions posed by the Chair in his introduction.

II. Highlights of the Development Partners' Forum

5. DPs welcomed the broadening and deepening of DP engagement in CAREC, the information and analysis provided in the background paper, and the opportunity to get together at this First DPF. They thanked the ADB Management and the CAREC Secretariat for their efforts in this regard.

6. **Information exchange.** Participants noted that the readily accessible data base on existing CAREC projects is useful. Many DPs supported the regular compilation and sharing of information about DP plans for their regional projects and programs, in addition to sharing information during CAREC DPFs, Senior Officials Meetings (SOMs) and Sector Committee meetings. They stressed that this should be kept simple and practical, so as not to impose undue burdens on agencies in contributing to a data base on planned activities.

7. DPs welcomed the information provided by ADB on its three regional programs both in the background paper and during the meeting and expressed interest in learning more about them in due course for possible engagement, in particular in the infrastructure and disaster risk facilities. One participant suggested for the guarantee agency proposal that it would be useful to understand clearly what gap in the current international financing architecture this initiative would be expected to fill. Several DPs shared information on their regional priorities as well as on selected ongoing and planned regional activities.

8. **Increased joint financing.** DPs expressed satisfaction with their experience in cofinancing of investment projects and indicated their intention to continue and even increase this form of financial cooperation. The improved availability of information on DPs' project plans is expected to facilitate this. On contributing to CAREC's administrative expenses, two DP representatives expressed their organization's readiness to explore the issue further, without making any commitments. Others indicated that they could not make any contributions. One DP representative noted that his organization is already contributing to the cost of CAREC meetings by covering the travel and staff time expenses of its participation in such meetings.

9. **Enhanced non-financial cooperation.** DPs welcomed the possibility to expand their participation in CAREC Ministerial Conference, SOM, and committee meetings, in so far as topics under deliberation at these events match their organization's priorities. Some expressed interest in co-chairing selected committees. While formal involvement of staff and human resources, by way of secondments, was deemed not possible at present, some interest was shown in ad-hoc participation for managing the database. DPs supported the potential placement of CAREC Secretariat staff in the region, as well as the establishment of a dedicated CAREC DP coordination capacity. Two DPs also encouraged exploration of how CAREC could cooperate with other regional entities, such as SPECA (Special Program for the Economies of Central Asia). One DP noted that it would be useful to also draw on DP coordination activities in specific member countries.

11. **Increased DP engagement with the CAREC Institute.** Several DPs expressed interest in learning more about the CAREC Institute's activities and exploring possible cooperation in selected areas of knowledge generation and management (research, capacity building and

dissemination). The Director of the CAREC Institute, Mr. Syed Shakeel Shah, briefly explained the Institute's efforts to expand and deepen its knowledge activities in support of CAREC's regional cooperation and integration agenda and invited DPs to reach out to him and his colleagues to explore potential opportunities for cooperation.

12. **Improved country ownership and visibility.** DPs agreed that country ownership and visibility of CAREC should be improved. Some supported the idea of exploring the possibility of a CAREC Summit for heads of state/government, but noted that this would have to be on an infrequent basis and would have to be structured around carefully selected "hot button" issues of high relevance for most countries and their leaders. There was wide agreement that at this time the following issues were of great urgency and interest to CAREC governments as well as to DPs: the COVID crisis, digital connectivity, and climate change. Linked to these three pressing regional policy priorities, some DP representatives also called attention to other issues: epidemic preparedness, natural disaster preparedness, environmental degradation, and water resource management.

13. **Next Steps.** Mr. Liepach called on Safdar Parvez (Director, Regional Cooperation and Operations Coordination, Central and West Asia Department, ADB) to summarize the outcomes of the discussion and next steps. Mr. Parvez noted the following conclusions and follow-up actions:

- i. DPs expressed interest in more intensive engagement in CAREC activities. The CAREC Secretariat will invite interested new DPs to join CAREC meetings in the areas of their interest (MCs, SOMs, Committee meetings) and will inform the country members accordingly at the next SOM (planned for June 2021).
- ii. Since DP representatives expressed an interest in more regular information sharing about DP plans, the CAREC Secretariat will explore specific options for doing so and revert to DPs with proposals to that effect.
- iii. DPs representatives welcomed an expanded presence of the CAREC Secretariat in the region and the establishment of a possible DP coordination unit. ADB expects progress in implementing this plan during 2021.
- iv. DPs expressed interest in the ADB's regional programs presented at this DPF. The CAREC Secretariat will share detailed technical assistance documents with interested DPs and will be ready to explore possible engagement of DPs in these initiatives.
- v. DPs stressed their interest in key regional priorities: COVID response and regional health preparedness, disaster risk response, and digital connectivity. The Secretariat will explore how best to pursue these areas under the CAREC umbrella and in close cooperation with interested DPs.
- vi. DPs noted that the CAREC Institute represents a resource of knowledge on regional cooperation and integration issues in the CAREC Region. The CAREC Secretariat will assist the Institute in reaching out to DPs to explore opportunities for greater cooperation.

III. Conclusion

14. Mr. James Lynch, Director General for the East Asia Regional Department, closed the meeting by thanking the DP representatives for their constructive engagement in the First CAREC DPF. He expressed his confident expectation that, building on the interest expressed by DPs and

the fruitful exchange at this meeting, future cooperation among DPs in supporting regional cooperation and integration under the CAREC umbrella will expand and intensify. He noted that this partnership is critical for assisting CAREC member countries in jointly responding to the COVID crisis, in building greater resilience in the face of future transboundary challenges, and in generating and sharing essential knowledge.