

MIDTERM REVIEW OF CAREC 2020

Results and Future Plans

Joint CCC and CFCFA Meeting
Singapore
22 September 2016



CAREC 2020: An Overview

- A ten year strategy -- 2011-2020
- Two strategic objectives ---(i) expanded trade; (ii) increased competitiveness
- Seven operational priorities:
 - transport (investments in infrastructure)
 - trade facilitation (measures to facilitate the movement of goods and people)
 - trade policy (promoting trade openness)
 - energy (securing reliable, secure and stable energy supply)
 - *economic corridors (promoting investment, production and trade linkages)*
 - *the CAREC Institute (developing knowledge support); and*
 - *second-tier areas (social impacts of trade expansion, agriculture and the environment, among others)*



Why do the MTR?

- Need to determine continued relevance of CAREC 2020?
- Are the CAREC 2020 priorities helping countries to accelerate and sustain growth?
- Review if CAREC is positioned to address new and future challenges effectively



MTR Objectives

- Endorsed by the CAREC SOM, September June 2015
- Review of strategies at program and sector level
 - Results
 - Relevance
 - Responsiveness
 - Refinements
 - Implementation performance
 - Effectiveness of CAREC institutions
 - Lessons learned
 - Strategies moving forward
- A mid-term review, not an evaluation

Initial Findings

- CAREC has made significant progress in achieving CAREC 2020 objectives
 - Transport sector is ahead of schedule in outputs and on track to achieve or exceed planned outputs by 2020
 - Trade facilitation has made progress on establishing the CPMM, which allows member countries to monitor progress on the transport corridors
 - Trade policy has provided valuable support to member countries in their accession to the WTO, as well as post-accession support.



Initial Findings (cont.)

- The energy sector has made significant progress in several large projects.
- Progress has also been made in piloting the Almaty-Bishkek Corridor, and
- CAREC Institute has started capacity-building operations.



TF Sector Findings

- The CAREC Trade Facilitation (TF) program has played a valuable role in supporting increased trade and enhanced competitiveness.
 - Sustainable regional cooperation mechanisms - The CCC and the CAREC Federation of Carrier and Forwarder Associations (CFCFA) have been instrumental in addressing issues under their responsibility at the country and regional levels.
 - International good practice - The TF program has introduced international standards which have subsequently been adopted by CAREC countries into legislation and regulations.
 - Results management. CPMM provides comprehensive real-time data analysis to measure the performance of trade corridors and efficiency of trade flows. Aggregate CPMM indicators provide critical inputs to the DEF of CAREC 2020.



TF Sector Findings (cont.)

- Integrated TF agenda -TF requires agencies to work together to rationalize procedures, operations and trade while safeguarding legitimate regulation. The CAREC TF program adopted an integrated agenda in 2008 to work alongside customs for maximum impact.
- Multi-country programs and projects - Based on bottlenecks identified through CPMM, CAREC has launched pilot projects on customs control, pre-arrival data exchange and regional transit; RIBS projects were formulated to help CAREC member countries to modernize adjacent BCPs and develop national single windows; RUST- MON was approved in December 2015 to help member countries reform SPS measures in line with international standards, develop a country and regional laboratory network, and promote data exchange.



TF Sector Findings (cont.)

- Capacity building- The TF program offers capacity building tailor-made for specific audiences. Some training programs are conducted under ADB-financed TA, while others are organized in collaboration with other partners such as the WCO's capacity building centers in Shanghai, Tokyo, Astana, and Baku. The TF program also regularly conducts training with the ADB Institute and the CAREC Institute.

Major TF issues and problems encountered

- Limited progress in achieving indicators.
- Inadequate investment planning for trade facilitation.
- Shortcomings in institutional coordination.

TF Priorities for the remainder of the CAREC 2020 period

- Promote integrated trade facilitation.
- Strengthen coordination among trade facilitation initiatives.
- Reinforce country ownership for TF programs.
- Look beyond CAREC.



Critical Issues for CAREC

Two central issues emerge from the MTR, the need to review: (i) CAREC's strategic coherence; (ii) the program's relevance.

- Economic developments underline the gap between the stated objectives of the CAREC program (expanded trade and increased competitiveness) and its primary output (roads)
- new initiatives and players with significant potential for resource mobilization is likely to dilute the relevance of CAREC; continuing in a business-as-usual mode may erode CAREC relevance over the medium term



Major Recommendations

Recommendation 1: Complete the CAREC 2020 agenda

Each sector coordinating committee and the CAREC Institute should be requested to confirm the priority actions needed to ensure that the CAREC 2020 agenda is completed.



Major Recommendations

Recommendation 2: Revisit CAREC's objectives to ensure that they are strategically coherent

CAREC should consider enhancing its strategic coherence by (i) refining its objectives and impact areas, and (ii) ensuring that it has a realistic framework for their achievement.

Major Recommendations

Recommendation 3: Broaden the CAREC agenda. .

If CAREC decides to realign itself strategically, its revised objectives will need to be matched with activities in new areas such as entrepreneurship, private sector development, ICT, agriculture, food security, education, health and tourism.

Major Recommendations

Recommendation 4: Revisit the working group structure.

CAREC should consider establishing flexible and informal Expert Groups (ExGs) that are responsive and need-driven.

Major Recommendations

Recommendation 5: Develop a new partnership strategy.

CAREC should without delay develop a new and inclusive partnership approach



Next Steps

- MC requested to endorse the preparation of a revised strategy
- CAREC Secretariat need to establish a detailed timeline for its preparation.
- CAREC Secretariat to establish ExGs in key areas to consider potential new priority areas and undertake a number of preparatory studies.

Proposed Timeline

- Preparatory work to be initiated in late 2016 or early 2017
- Target date for the approval of a new strategy in late 2018.

Thank you

**MR. YING QIAN
DIRECTOR, PUBLIC MANAGEMENT, FINANCIAL SECTOR AND REGIONAL
COOPERATION DIVISION, EAST ASIA DEPARTMENT,
ASIAN DEVELOPMENT BANK**

