

## CAREC Ministerial Conference: Five Years of Partnership for Development

In 1997, the Asian Development Bank (ADB), recognizing Central Asia's potential, initiated the Central Asia Regional Economic Cooperation (CAREC) Program to foster pragmatic relationships that could bring development through regional economic cooperation. The overall institutional framework of the CAREC Program required setting up of a ministerial conference to be held annually to foster high-level dialogue, provide overall guidance, and make policy and directional decisions on priorities and resource mobilization. The first CAREC Ministerial Conference (MC), held in March 2002 at ADB headquarters in Manila, Philippines, is a significant step to regional cooperation leading to stability and prosperity in Central Asia.

CAREC now represents a partnership of eight countries<sup>1</sup> and six multilateral institutions (MIs),<sup>2</sup> with ADB providing the secretariat and overall coordinating support. The Program seeks to reduce Central Asia's economic isolation, maximize the potential benefits of available natural resources, and support the development of policy and institutional frameworks to facilitate trade and investment within the region and beyond. The Program focuses on regional initiatives in transport, energy, trade facilitation, and trade policy—areas critical to improving the region's economic performance and living standards of the people, especially of the poor.

On 20 October, CAREC will hold its fifth MC in Urumqi, Xinjiang Uygur Autonomous Region, People's Republic of China (PRC). The fifth MC is significant as it marks the beginning of a renewed partnership among the participating countries. Representing the governments of Azerbaijan, Afghanistan, PRC, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan, Ministers are expected to issue a joint ministerial statement to be referred to as the "Urumqi Declaration." The Declaration is based on a series of consultations with senior officials of CAREC participating countries.

Ministers will reaffirm their shared mission through the CAREC Program of development through cooperation, leading to accelerated economic growth and pov-

erty reduction; and long-term vision—"Good Neighbors, Good Partners, and Good Prospects." By working together to promote and facilitate regional cooperation initiatives, they aim that the people of Central Asia and neighboring countries will benefit.

At the conference, Ministers will consider a Comprehensive Action Plan, guided by a strategic framework supported by four pillars of activity:

- A *knowledge and capacity building pillar* will combine the research strengths of participating countries and MI partners, greatly increasing their ability to design and implement mutually beneficial regional initiatives. Training will be initiated to form a cadre of officials skilled in regional cooperation processes. Outreach activities and business fora will broaden the inclusiveness of the CAREC Program. To coordinate these research, training, and dialogue activities, an in-

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**Ministers will reaffirm their shared mission through the CAREC Program of development through cooperation, leading to accelerated economic growth and poverty reduction; and long-term vision—"Good Neighbors, Good Partners, and Good Prospects."**



The Central Asia Regional Economic Cooperation (CAREC) Program held the Senior Officials' Meeting (SOM) in Urumqi, Xinjiang Uygur Autonomous Region (UAR), People's Republic of China, on 28–29 August. Delegations consisted of eight CAREC participating countries—Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan. Also present were representatives from six multilateral institutions (MIs) comprising the CAREC MI Working Group—Asian Development Bank (ADB), European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank.

The SOM discussed (i) implementation strategies of the draft comprehensive action plan (CAP), (ii) two-tier approach to broaden and deepen the CAREC Program, (iii) approaches to capacity building and research network development, (iv) preparations for the first CAREC Business Development Forum, and (v) plans for the 5<sup>th</sup> CAREC Ministerial Conference (MC).

Senior officials endorsed proposals on the (i) Action Plan on Harmonization of Regional Transport Regulations and Cross-Border Agreements; (ii) ADB technical assistance project for a CAREC transport sector strategy study; (iii) a revised CAP to

be submitted to the 5<sup>th</sup> MC for endorsement by ministers; (iv) adoption of a two-tier approach to broaden and deepen the CAREC Program while retaining its core sectors—transport, trade policy, trade facilitation, and energy—and approach other sectors on a project-specific basis; and (v) capacity building and research network development.

### Proposed Comprehensive Action Plan

Senior officials presented the draft CAP, which was developed in close consultation with participating countries through a series of in-country workshops. The presentation covered (i) the CAREC strategic framework; (ii) priority investments and initiatives; (iii) preliminary performance indicators; (iv) the core pillars of knowledge and capacity building, regional infrastructure networks, trade/investment/business development, and regional public goods; and (v) the program's sector scope and the two-tier approach to broaden and deepen the program and build on success through a practical and results-based manner.

Country delegations broadly endorsed the CAP, emphasizing the following: (i) regional cooperation should be mainstreamed into development plans of participating countries and the programs of partner MIs, as appropriate; (ii) the two-tier approach

provides a practical way to ensure continuing focus on the four priority sectors while enabling the program to explore new areas of potential cooperation; (iii) the program should move forward on project and policy initiatives simultaneously; (iv) the CAP will be reviewed and updated as needed; and (v) the results framework will be a key component of the action plan.

Country delegations also suggested the need to (i) develop pragmatic performance indicators, (ii) accept the flexible nature of the document and appreciate that lists of ongoing projects and project pipelines are subject to change and will require regular updating, (iii) understand regional cooperation plans and initiatives of active development players in the region, and (iv) develop criteria for prioritizing projects within the program. The revised draft CAP will be presented to Ministers for approval at the 5<sup>th</sup> MC.

To operationalize the CAP, the creation of the Strategic Resource Prioritization Steering Committee was proposed. The committee will (i) prioritize regional needs and opportunities, (ii) manage cross-cutting issues such as economic corridors and access to global value chains, (iii) review MI pipelines and participating country development plans, (iv) identify gaps in the program, and (v) formulate national budget envelopes and prioritize resources.

## Broadening and Deepening the CAREC Program

Senior officials looked at the possibility of broadening and deepening the CAREC Program. It was stressed that the Program should still focus on the core sectors, i.e., transport, trade, and energy. The delegates endorsed the two-tier approach to CAREC initiatives: the first tier to include the core sectors, and the second tier to include special projects or initiatives in those sectors to improve the program in a practical and results-based way. Deepening the program will include policy initiatives to complement infrastructure and other projects, as well as initiatives such as transport corridors and integration of the work of the transport and trade committees.

## Private Sector Focus

An update was given on preparations for the Business Development Forum (BDF), an initiative designed to examine the region's priority investment opportunities and ways to overcome obstacles to investment in five priority sectors (i.e., energy, mining, agribusiness, finance, and tourism and related services). About 250 senior business representatives and policymakers are expected to attend the forum, to be held in Urumqi on 16–17 October; a report on BDF outcomes will be presented to the 5<sup>th</sup> Ministerial Conference.

A briefing was given on the Xi'an Investment Forum of the United Nations Development Programme's Regional Silk Road Project, which links the Central Asian republics with the People's Republic of China. At the Forum, delegations recognized that the potential for economic and social development of individual countries depends on their ability to pursue regional economic integration.

## Special Projects/Regional Public Goods

**Avian influenza.** It was acknowledged that infectious disease surveillance is both a regional economic issue and a regional public good. Senior officials endorsed in principle the expansion of CAREC's existing work on avian influenza, including efforts to harmonize infectious disease

surveillance in CAREC as a specific project in the second tier.

**Environment initiatives and disaster management and preparedness.** Three areas for increased regional cooperation were proposed: (i) integrating environmental and social considerations into development planning, (ii) building capacity in environmental management and monitoring, and (iii) managing shared environmental resources. The SOM proposed identifying special projects or initiatives that will be included in the CAP as second-tier special projects.

**Research networks and capacity building initiatives.** The establishment of research networks and capacity building initiatives under a CAREC Institute was proposed. The proposed institute aims to strengthen research and the capacity of country officials involved in regional cooperation. Its primary functions will be to (i) develop research networks to support existing and new research in relevant areas, (ii) expand dialogue to share information among CAREC participating countries and make high-quality research and analysis available to decision makers and other stakeholders, and (iii) establish a capacity building program to build organizational and technical skills required to increase the efficiency and effectiveness of regional cooperation.

## Other Program Activities

**Central and South Asia Transport and Trade Forum (CSATTF).** The SOM gave a briefing on CSATTF, covering Afghanistan and its surrounding countries and addressing both positive and negative aspects of transport and trade facilitation. To maximize its impact, ADB has maintained close partnerships with CSATTF member countries and partners active in the subregion. Both CAREC and CSATTF have adopted corridor approaches to systematically address transport and logistic issues along the major transport corridors connecting Central Asia and South Asia.

**CAREC outreach program.** Upon instructions from Ministers at the 4<sup>th</sup> Ministerial Conference, outreach activities have been implemented such as consultations and workshops designed to improve understanding of the program and its goals by a broader network of officials in ministries and agencies in participating countries.

**Special presentation.** A summary of the paper *Central Asia's Economy: Economic Revival, Industrialization, and Prospects to 2015*, was presented, noting that Central Asia's economic growth has accelerated significantly in recent years, representing a remarkable turnaround for the region. It was explained that ADB's new regional cooperation and integration strategy seeks to guide its future support on regional cooperation to reduce poverty in Asia and the Pacific.

**5<sup>th</sup> Ministerial Conference in Urumqi, 20 October.** SOM participants were reminded that CAREC's long-term vision statement is "Good Neighbors, Good Partners, Good Prospects," with a theme, "Partnership for Development." Key messages to guide discussions include the need to (i) accelerate the momentum of regional cooperation, (ii) mobilize more technical and financial resources, (iii) develop strategic frameworks for each priority area, (iv) complete the CAP, (v) identify bold initiatives, (vi) further promote economic cooperation, (vii) expand outreach activities, and (viii) engage the private sector in the CAREC program.

A broad framework for the joint ministerial statement that would review program achievements, set an agenda for future activities in accord with the vision statement, and reaffirm countries' commitment to the program was also presented. The 5<sup>th</sup> Ministerial Conference will give participating countries incentive and sense of ownership if ministers would adopt or sign the Joint Ministerial Statement, to be referred to as the "Urumqi Declaration." ■

## Upcoming CAREC Events

- 5<sup>th</sup> Customs Cooperation Committee Meeting, 11-13 October, Astana, Kazakhstan
- Energy Sector Coordinating Committee Meeting, 17 October, Urumqi, Xinjiang UAR, PRC
- Business Development Forum Urumqi, 16-17 October, Xinjiang UAR, PRC
- 5<sup>th</sup> Ministerial Conference on CAREC, 18-20 October, Xinjiang UAR, PRC



# Strengthening In-Country Coordination Mechanisms: Key for CAREC Program's Success



**IN-COUNTRY COORDINATION** PRCM Country Director Toru Shibuichi (fourth from left) addressed participants of the in-country consultation meeting on the Comprehensive Action Plan of the CAREC Program held on 26-28 July in Shanxi Province, PRC

The success of the Central Asia Regional Economic Cooperation (CAREC) Program will largely rest on the effectiveness of in-country interagency coordination mechanisms and concerted implementation at country levels. This was emphasized during the in-country consultation meeting on the Comprehensive Action Plan (CAP) of CAREC held on 26–28 July in Shanxi Province, People’s Republic of China (PRC). The meeting brought together officials representing 13 government agencies, provinces, and nongovernment organizations.

In line with the CAREC’s guiding principles of country ownership and pragmatism, the in-country consultation aims to generate

country input reflecting participating countries’ varied circumstances and capacity. The CAP was considered an important strategic exercise to introduce bold actions and deepen regional cooperation.

The PRC participants recognized that the CAREC Program has made significant progress since the first CAREC Ministerial Conference in 2002, particularly in forging trust and building confidence among member countries, and initiating key projects and programs to demonstrate results and potential. Participants exchanged views on the proposed common goals and four strategic pillars underpinning the CAP: (i) knowledge and capacity building; (ii) regional infrastructure network; (iii) trade,

investment, and business development; and (iv) resource mobilization.

Participants suggested that the CAP’s long-term goal of poverty reduction should be complemented by medium-term goals that are attainable within 3–5 years, the proposed timeframe for the CAP, and help build a sense of community among the member countries to enhance CAP’s pragmatism and results orientation. To avoid potential overlap among the proposed four strategic pillars, it was suggested that regional infrastructure network be replaced by regional interconnectivity, and resource mobilization be replaced by regional and global public goods. The aim is to reflect CAREC’s support for a wide range of public goods such as control and prevention of HIV/AIDS and avian flu that are beyond the scope of the four priority sectors (transport, energy, trade policy, and trade facilitation). The change will better reflect CAREC’s two-tiered approach to broaden and deepen regional cooperation, with the first-tier work focusing on the three priority sectors; and the second-tier focusing on a wide range of public goods being promoted under the CAREC program.

To support CAP’s four pillars, participants proposed (i) a training program similar to Greater Mekong Subregion’s (GMS) Phnom Penh Plan and training programs on

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# ADB, Kazakhstan Host Meeting for Central Asian Power Regulators

The Asian Development Bank (ADB) and the Agency for Regulation of Natural Monopolies (ARNM) of Kazakhstan hosted the Second Annual Meeting of the Central Asia Regional Economic Cooperation (CAREC) Members Electricity Regulators Forum (CMERF) which was held in Almaty, Kazakhstan on 11–13 September.

The 3-day event gathered 60 participants comprising (i) regulators from Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan; (ii) international power regulation experts; and (iii) representatives of multilateral institutions working in the CAREC region energy sector.

Forum speakers stressed the importance of CMERF's role in supporting the region's power regulators. Peter Kaderjak, Director of the Regional Center for Energy Policy Research based in Budapest and a world renowned expert in power sector regulation and reforms in transition countries, delivered the keynote address on the electricity restructuring experience of transition economies and the key lessons learned.

Other experts led discussions with country delegations on common issues and challenges faced by regulators—tariff reforms and determining costs of electricity production, aligning government and investor expectations, and balancing investment risks and rewards.



**SUPPORTING THE REGION'S POWER REGULATORS** Co-hosts S. Chander (seated, fifth from right), ADB's Senior Director, Infrastructure Finance Division; and Bakytzhan Sangintaev (seated, sixth from left), Chairman of the Agency for Regulation of Natural Monopolies of Kazakhstan, together with the heads of country delegations

The country delegates briefed their counterparts on the progress of power regulatory reforms during the annual meeting held in Beijing in July 2005. They also led an open session on planning future activities, and shared views on how CMERF can serve its members' needs more effectively. The member delegations supported and accepted the offer of the Energy Regulatory Authority of Mongolia to host the third annual meeting in Ulaanbaatar, Mongolia.

ARNM also showcased Kazakhstan's experience in creating electricity markets and tariff reforms. The meeting concluded with a presentation by the Almaty Power Consolidated, a Kazakh power company, and a tour of its Kapchegai Hydropower Plant (360MW) located just outside Almaty.

The CMERF was established in 2005 with assistance from ADB and the Public-Private Infrastructure Advisory Facility (PPIAF) to support regional cooperation and integration in the energy sector under the CAREC Program. It was the second consecutive year that ADB and PPIAF sponsored the annual meeting.

The CMERF aims to develop the capacity of its members to improve regulation and support for power sector reforms. This will help promote more efficient production and use of energy domestically, and will be crucial for supporting the development of electricity trade in the CAREC region.

For more information on CMERF, visit [www.adb.org/Projects/CMERF/](http://www.adb.org/Projects/CMERF/). ■

## Strengthening In-Country Coordination Mechanisms

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agriculture, electricity regulations, and environment to support the first pillar; (ii) three regional transport corridors to support the second pillar; and (iii) an integrated program of trade facilitation and investment promotion under the third pillar. It was also pointed out that some of the regional initiatives need to be assessed in the global context so that regional initiatives would contribute to the member countries' efforts to integrate into global markets. The proposed

establishment of an integrated regional electricity market was cited as an example.

A broad consensus emerged among participants that the PRC could leverage the CAREC Program to achieve national development objectives such as balanced development across provinces, contribute to regional interconnectivity, and provide regional and global public goods. Knowledge and capacity building were considered to be among the most important public goods for CAREC countries, particularly for the

PRC as its economy matures. Knowledge and innovation were also recognized as the driving forces for economic transformation and growth momentum.

Participants expressed appreciation to the Asian Development Bank (ADB) for its financial support and facilitating role, and requested ADB to continue supporting such in-country consultation process. The Meeting also contributed to sharing initiatives and experiences of the CAREC Program and the GMS Economic Cooperation Program. ■



# WCO's Framework of Standards to Improve Security and International Trade

The Seminar on World Customs Organization (WCO) Framework of Standards and Customs Data Model was held on 12–14 July in Urumqi, People's Republic of China (PRC) to support the implementation of WCO standards and enhance the security and facilitation of international trade. Co-sponsored by the General Administration of Customs of the PRC and ADB, the seminar brought together participants from Central Asia Regional Economic Cooperation (CAREC) Program participating countries, including deputy heads of customs administration in PRC, Kazakhstan, Kyrgyz Republic, and Tajikistan, and senior customs officials from Azerbaijan, Mongolia, and Uzbekistan.

## Standards to Secure and Facilitate Global Trade

The seminar provided a comprehensive overview of WCO's Framework of Standards to Secure and Facilitate Global Trade (SAFE). The SAFE implementation will enable the customs community to meet the economic, fiscal, and social protection requirements of the 21<sup>st</sup> century. The core elements of SAFE

include (i) the ability to provide advanced electronic information on the movement of goods; (ii) the capacity to apply modern risk management techniques to all aspects of the international supply chain; (iii) the capability to conduct, at the request of the customs authority of the importing country, an examination of goods before export, wherever possible using non-intrusive examination techniques; and (iv) enhanced trade regime for legitimate authorized economic operators (AEOs).

## SAFE Tools

At the information level, the WCO has provided tools to support the implementation of SAFE. In addition to the SAFE Framework and the self-assessment checklist, WCO has prepared guidelines on a Customs Data Model, Unique Consignment Reference, International Supply Chain Management, and Risk Management, among others. Various conventions promote modern customs services, such as the Revised Kyoto Convention and the Johannesburg Convention.

At the operational level, WCO has developed the Columbus Program which pro-

vides diagnostic support to individual customs administrations at their request, to be followed up by action planning and business case development support. Practical support for pilot actions can also be made available under the program.

The seminar introduced the concept of AEOs, which are involved in functions approved by or on behalf of a national customs administration as complying with WCO and other relevant standards. AEOs include manufacturers, importers, exporters, carriers, and airports. AEOs that meet the criteria specified by the customs administration will be entitled to participate in simplified and rapid release procedures. During the seminar, participants identified common principles for granting AEO status, including record of compliance with customs requirements and tax laws, and effective internal control systems.

## SAFE Issues and Challenges

The following issues and challenges were identified during the seminar:

- Implementation of SAFE requires considerable resources; improved capacity of customs administrations; and effective cooperation among relevant government agencies, customs administrations, and economic agents.
- Customs administrations need to, among others, harness technology for trade facilitation, develop capacity, maintain closer cooperation among each other, strengthen public-private partnership, and change traditional mindset.



Sona Shrestha, Economist, Governance, Finance and Trade Division, ADB; Wang Zhixiong, Director General, Urumqi Customs; and Wang Donghong, Deputy Director General, Department of International Cooperation, General Administration of PRC Customs (seated fourth, fifth, and sixth from left, respectively) lead the Seminar on WCO Framework of Standards and Customs Data Model in Urumqi, PRC

- Modernization will require a clear understanding of risk management, social protection, economic development, and resource deployment perspectives.
- Customs authorities should look at SAFE in the larger context, instead of isolation, by integrating its implementation with other international initiatives such as the World Trade Organization trade facilitation agenda and approaches to achieve single-window services.
- Existing information technology systems need to be developed or new (IT) systems procured to meet international standards, particularly to implement the Customs Data Model and the UCR.
- CAREC participating countries should consider WCO tools in developing their unified automated information systems. Before implementing these tools, however, the trade and transport community should be consulted and pertinent issues such as data privacy and data protection should be considered. Their application on a bilateral/multilateral basis has considerable benefits, such as support for risk assessment, more accurate and timely information, faster release of goods, and increased productivity

and efficiency for customs and businesses. Technical preconditions for data exchange among customs include agreed set of data and standards to exchange data, and interoperability of customs IT system.

### Moving Forward

The WCO expressed readiness to continue supporting the implementation of SAFE, particularly at the regional level, by (i) using clear WCO tools and instruments to ensure they are better understood; (ii) holding practical seminars and workshops on customs modernization; (iii) providing a venue to share experiences in implementing new procedures, techniques, and instruments; (iv) conducting diagnostic assessments for SAFE compliance; and (v) supporting pilot actions to share experiences internationally.

The participants acknowledged the importance of SAFE in trade facilitation and supply chain security, and expressed strong commitment to implement the standards. A number of participants noted that the implementation of SAFE would require significant resources and requested further assistance from ADB and WCO. The participants also agreed that the Customs Cooperation Committee could serve as a useful forum for sharing experiences and benefiting from lessons learned. ■

The **WCO Customs Data Model** was developed to standardize, harmonize, and reduce customs data requirements. The building blocks of the Model include standardized and harmonized maximum data sets, business process and information models, message implementation guidelines, and codes. The scope of the WCO Customs Data Model version 2 includes import declarations, export declarations, cargo declarations for import and export, conveyance report, and transit declaration. Version 3, which is being developed and scheduled for adoption in June 2008, will be an incremental approach to single-window electronic services and will incorporate data from other government agencies, initially focusing on data requirements for agriculture, sanitary, phyto-sanitary, human health, and hazardous waste, according to the Basel Convention.

The **Unique Consignment Reference (UCR)** is a numbering system to be used by all parties involved in the entire supply chain for their relevant communication, which serves as an access key for audit, information consolidation, and consignment tracking. The UCR has to be unique at national and international levels (alphanumeric up to 35 characters indicating the issuer + number which stay unique until a sufficient period).

## CAREC Ministerial Conference

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dependent CAREC Institute will be formed, with advisory supervision by eminent persons from the region and internationally.

- A *regional infrastructure networks pillar* will mainstream country and MI support for transport corridors, energy markets, and trade-related infrastructure projects integrating the region. Connectivity is a prominent theme of the Comprehensive Action Plan, reflecting the Ministers' objective to reinforce the region's strategic role as a land link for Eurasia.
- A *trade, investment, and business development pillar* will provide an integrated framework for improving the investment climate in Central Asia and linking business enterprises to regional and global markets. The needs of the business community will be more clearly defined, including logistical requirements to enable participation in global value chains and to capitalize on other trade opportunities.
- A *regional public goods pillar* will expand the CAREC Program on a project-specific basis to address transboundary issues such as protection of the environment, management of natural resources, and actions to stop the spread of communicable diseases.

The CAREC Program is a powerful platform to marshal financial resources. The combined assistance of the MIs for the priority areas in the CAREC Program—

transport, energy, and trade—is expected to exceed \$2.3 billion during 2006–2008, comprising 42 loans in support of regional investments in transport, energy, and trade-related infrastructure.

CAREC indeed represents a true, robust development partnership—a concrete example of countries and institutions cooperating. ■

<sup>1</sup> The eight CAREC participating countries are Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

<sup>2</sup> The six multilateral financial institutions include the Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank.

# CAREC Transport Sector Updates

## Proposed Transport Sector Strategy to Facilitate Trade and Tourism

**T**he Asian Development Bank (ADB) has proposed the formulation of a clear and comprehensive transport sector strategy to guide transport cooperation activities in Central Asia Regional Economic Cooperation (CAREC) countries in developing an efficient, integrated regional transport network that will facilitate trade and tourism.

This was discussed at the 6<sup>th</sup> Meeting of the Transport Sector Coordinating Committee (TSCC) on 24–25 August and endorsed at the Senior Officials' Meeting on 28–29 August, both held in Urumqi, Xinjiang Uygur Autonomous Region, People's Republic of China (PRC).

The transport sector strategy will be based on an integrated multi-modal transport approach covering roads, railways, civil aviation, and waterways.

The study will include country-based consultation and at least three regional workshops to (i) finalize the work program and terms of reference, (ii) discuss the draft report on the overview of the CAREC regional

transport network and cross-border arrangements, and (iii) discuss the draft CAREC transport sector strategy.

The proposal will be further processed, and is expected to be submitted to ADB Management for approval before the 5<sup>th</sup> Ministerial Conference in October. The study will be undertaken in 2007. ■

## CAREC Action Plan to Reduce Transport Costs and Facilitate Trade

**A**n Action Plan on Harmonizing Regional Transport Regulations and Cross-Border Agreements in CAREC participating countries was endorsed at the Senior Officials' Meeting on 28–29 August in Urumqi, Xinjiang Uygur Autonomous Region PRC.

The action plan, prepared based on a study funded by ADB in 2005, focuses on six key results: (i) rationalized regional road transport agreements, (ii) streamlined tariff and fee structures on regional road and railway transport, (iii) harmonized weights and dimensions of vehicles, (iv) harmonized regulations on vehicle emissions, (v) improved regional transport safety, and (vi) reduced delays at border crossings.

The action plan will be implemented starting in 2006 to help reduce transport costs and facilitate intra-regional and inter-regional trade in CAREC countries. ■

## Assisting the SCO to Formulate a Transport Agreement

**A**DB, in cooperation with the United Nations Economic and Social Commission for Asia and the Pacific, is assisting the Shanghai Cooperation Organization (SCO) member states—PRC, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan, and Uzbekistan—in formulating an agreement on facilitating international road transport.

The intergovernmental agreement aims to promote transport, trade, and tourism among SCO member countries in support of sustainable and inclusive economic growth. At the fourth negotiation meeting in Beijing on 9–12 August, the SCO member states agreed to a memorandum of understanding on accelerating negotiations over the draft agreement, which was signed at the SCO Prime Ministers' meeting in Dushanbe, Tajikistan in September. ■



The quarterly newsletter of CAREC is a joint effort of multilateral institutions (MIs)—ADB, EBRD, IMF, IsDB, UNDP, and WB—aimed at enhancing communications among MIs and CAREC participating countries. *News from CAREC* disseminates information on CAREC activities and provides a forum on development issues in the CARs. Articles in the newsletter, however, do not necessarily reflect the

official views of the MIs and participating governments. We welcome readers' comments and suggestions.

For more information, contact **Craig Steffensen, Head**, Central Asia Regional Economic Cooperation Unit (CARECU), at [csteffensen@adb.org](mailto:csteffensen@adb.org) or visit [www.adb.org/carec](http://www.adb.org/carec)

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