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Central Asia Regional Economic Cooperation (CAREC) Program

Senior Officials' Meeting

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A Case for Regional Cooperation

Regional Cooperation is a **“necessity” – not an option:**

- Intra and inter-regional trade for growth and poverty reduction
- Sharing resources more efficiently for greater economic, social and environmental gains
- Exploiting regional “Goods” and avoiding regional “Bads” requires joint action

Central Asia Regional Economic Cooperation (CAREC) Program

- **Aim:** to facilitate growth and poverty reduction through cooperation
- **4 priority areas** - Transport, Energy, Trade Policy and Trade facilitation
- **8 participating countries:** Afghanistan, Azerbaijan, People's Republic of China (Xinjiang UAR), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan
- **Alliance of 6 multilateral institutions (MIs):** ADB, EBRD, IMF, Islamic Development Bank, UNDP and World Bank
- **Only mechanism** in CARs that brings together 8 participating countries and 6 leading multilateral institutions (MIs) within a single institutional framework



Previous Ministerial Conferences and the 4th MC

- **1st MC** – March 2002 (ADB HQ)
- **2nd MC** – November 2003 (Tashkent)
- **3rd MC** – November 2004 (Astana)
- **4th MC** – November 2005 (Bishkek)
- **5th MC** – October 2006 (Urumqi)

CAREC Support for Regional Cooperation in Central Asia

In **2006-2008:**

MIs plan support for **33** investment projects totaling **\$2.2 billion** and **20** technical assistance grants totaling at least **\$30 million**, with a continued focus on transport, energy and trade

Examples of MI Coordination

- Cofinancing of investment projects (e.g., Almaty – Bishkek Regional Road Rehabilitation Project by ADB/EBRD; Southern Transport Corridor Road Rehabilitation Project (Osh-Sary Tash-Irkeshtam) by ADB/IsDB/PRC)
- UNDP Human Development Report for Central Asia
- Trade Policy Papers and In-Country Workshops
- CAREC Comprehensive Action Plan
- Regional Business Roundtable for Central and South Asia
- Planned CAREC Business Development Forum
- MI Working Group

Next Steps

Ministers instructed:

- a strategic framework for regional cooperation is essential for charting the course ahead
- extend policy and regulatory work to complement infrastructure investment
- emphasize in-country workshops and other forms of outreach
- assess options for program expansion (e.g., environment, tourism, HRD, and agriculture) and the adoption of new concepts such as economic corridors

Conclusion

Increased momentum requires:

- Commitment and leadership by the Governments
- An overall strategic framework – a common vision
- “Bold stokes” in core sectors
- “Software” to accompany “hardware”
- Openness to new initiatives/sectors
- Broad participation/understanding
- Partnership with other regional initiatives
- Better focus by key stakeholders (countries, MIs)
- Resource mobilization (including with private sector)
- Improved capacity to deliver results

Thank you.

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