



The **Central Asia Regional Economic Cooperation (CAREC)** Program was initiated in 1997. It represents a **partnership** of eight countries and six multilateral financial institutions working together to **promote economic growth and raise living standards** by encouraging **regional economic cooperation**. To date, the Program focused on regional initiatives in transport, energy, trade facilitation, and trade policy—areas critical to improving the region’s economic performance and the livelihoods of the people, especially the poor.

## Key Strategic Objectives

CAREC seeks to

- secure access to neighboring and world markets for exports from Central Asia,
- reduce transaction costs and facilitate transit and transport across the region,
- improve energy supplies for sustainable growth, and
- promote economic growth, improve living standards, and reduce poverty in the region.

## Participating Countries

CAREC participating countries consist of

- Afghanistan
- Azerbaijan
- Peoples’ Republic of China (PRC), focusing on Xinjiang Uygur Autonomous Region
- Kazakhstan
- Kyrgyz Republic
- Mongolia
- Tajikistan
- Uzbekistan

## Multilateral Institutions

CAREC is also an alliance of multilateral institutions (MIs) comprising

- Asian Development Bank (ADB)
- European Bank for Reconstruction and Development (EBRD)
- International Monetary Fund (IMF)
- Islamic Development Bank (IsDB)
- United Nations Development Programme (UNDP)
- World Bank (WB)



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## Priority Areas

The Program has concentrated on financing infrastructure projects and improving the region's policy environment in the priority areas of

- transport
- energy (including the water-energy nexus)
- trade policy
- trade facilitation (especially customs cooperation)



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## Overall Institutional Framework

The Program comprises

- an annual ministerial conference that provides overall guidance and makes policy and directional decisions
- senior officials' meetings that coordinate on cross-sectoral issues and prepare for the ministerial conference
- sectoral coordinating committees at the operational level that coordinate sectorwide issues and implementation
- a national focal point in each participating country to ensure effective coordination among government agencies and other parties concerned
- MIs working group responsible for program planning and preparation
- Secretariat: ADB seves as CAREC Program Secretariat

## Sector Coordinating Committees

- Transport Sector Coordinating Committee, coordinated by ADB
- Energy Sector Coordinating Committee, coordinated by the World Bank
- Customs Cooperation/Trade Facilitation Coordinating Committee, coordinated by ADB
- Trade Policy Coordinating Committee, coordinated by IMF

## Other Partners

CAREC closely cooperates with other key stakeholders for regional economic cooperation

- Regional institutions and initiatives, such as Shanghai Cooperation Organization (SCO) and Eurasian Economic Community (EURASEC)
- Bilateral donors
- Private sector and business community (Regional Business Roundtable)
- Civil society



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## CAREC Action Plan

- To accelerate regional cooperation, the preparation of a comprehensive action plan (CAP) for the CAREC Program is currently in progress. The core of the finalized CAP will be a strategic framework, reflecting the goals, major programs, and monitoring indicators for regional cooperation.
- CAREC will maintain its focus on transport, energy, and trade in the 2006–2008 program, which includes 25 major projects totaling \$1.45 billion and 13 technical assistance projects amounting \$9 million.
- In 2005, CAREC countries adopted a 5-year action plan for the transport sector that seeks to develop an integrated transport system, supported by commitments from multilateral institutions of \$1.02 billion in 2005–2006.

## More Information

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