

**10<sup>th</sup> CAREC Ministerial Conference  
Development Partners' Forum  
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**Overview of CAREC 2020's Strategic and Operational Priorities  
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and Chair of the 10<sup>th</sup> CAREC Ministerial Meeting**

Thank you Mr. Chairman.

President Kuroda, CAREC Ministers and Senior Officials, Partner MI Representatives, Bilateral Agency Representatives, Ladies and Gentlemen:

On behalf of the CAREC Ministers, and as Chair of the CAREC Ministerial Meeting, I am pleased to present an overview of the strategic and operational priorities of CAREC 2020 in this Development Partners' Forum.

In past two days, we have been celebrating the CAREC Program's achievements during the last ten years. Yesterday, the CAREC Ministers' approval of the CAREC 2020 marks our renewed and strong commitment to development through regional economic cooperation. CAREC 2020 is the strategic framework that will guide us—the member countries and our development partners—toward a decade of stronger partnership and engagement, and concrete results.

CAREC 2020 envisions a region of “Good Neighbors, Good Partners, and Good Prospects”, stressing heightened cooperation among member

countries and partner institutions for a brighter future. In particular, CAREC 2020 intends to expand trade and improve the competitiveness of member countries, individually and collectively, as a key means for accelerated growth and shared prosperity. And these objectives could only be achieved if countries and partners continue to work together in a more cohesive way.

Today, at CAREC's First Development Partners' Forum, we have the opportunity to start a new era of close coordination and constructive cooperation with multilateral and bilateral aid partners as they present their views on how they can support the priorities of CAREC 2020. But before I give the floor to our esteemed partners, let me talk to you briefly about CAREC 2020.

To reach our shared vision and goal, CAREC 2020 outlines action-oriented and results-driven operational priorities. These include physical investments in the transport, trade, and energy sectors; soft infrastructure projects in transport and trade facilitation; transforming existing CAREC transport corridors into economic corridors; and focusing and strengthening the CAREC Institute to support the knowledge and capacity needs of regional cooperation.

As indicated in the medium-term priority projects list, which, together with CAREC 2020, we endorsed yesterday, there are high-priority regional projects that need to be started in the next five years to be able to inch closer to materializing CAREC 2020's strategic objectives.

Future regional energy projects will be in line with the CAREC Energy

Action Plan Framework, which focuses on the three pillars: energy demand-supply balance and infrastructure constraints; regional dispatch and regulatory development; and analysis of energy-water linkages. Activities in the sector will exploit the large potential for intraregional trade arising from different sources of power generation. This will involve the integrated planning of a regional transmission system, and establishing the foundations for energy security through regional cooperation in resource development.

In transport, improvements in road transport corridor infrastructure, and restructuring and modernization of railways will continue to be pursued. A midterm review of the transport and trade facilitation strategy will be conducted next year to cover (i) multimodal and intermodal transport dynamics and logistics development; (ii) the increasing importance of the software aspects of the transport sector; (iii) revisiting the CAREC corridor alignments in light of projected intra-CAREC and transit trade flows; (iv) the importance of facilitating inter-continental trade; and (v) measures to facilitate energy trade through improvements in energy transport facilities. The recommendations of this review will be implemented during the period to 2020.

Transport and trade facilitation measures will be an important factor in promoting trade expansion and competitiveness. Key activities will include: (i) implementation of corridor-based cross-border transport and transit agreements; (ii) improvement of border infrastructure; (iii) continued implementation of ongoing and planned customs modernization projects, including information technology system enhancements; (iv)

implementation of joint customs controls; and (v) promotion of national single windows and establishment of the foundations for a regional single window platform for CAREC.

In trade policy, measures to promote trade openness will be stepped up, in particular for those countries that have not yet acceded to the World Trade Organization. While some progress has been achieved in reducing traditional tariff and non-tariff barriers to trade, progress in removing the institutional impediments to trade has been slower. Reducing institutional impediments to trade has now become an emerging area of CAREC trade policy work.

Honorable Ministers, Development Partner representatives, Ladies and Gentlemen:

Today's Forum is about promoting deeper and broader engagement and coordination with and among development partners involved in CAREC. Earlier, President Kuroda alluded to the contributions of the six multilateral partners in the past ten years and the need for more stakeholders like bilateral agencies and the private sector to be involved with CAREC in the next decade. Indeed, achieving the aims of CAREC 2020 calls for larger and well-targeted development partner participation.

Most of you may have regional or national programs in place already and I invite you to keep CAREC's priorities in mind as you engage in the region in the years to come. Aside from financial resources to build hard infrastructure, contributions may be drawn from the vast knowledge capital

that would allow the countries to maximize the use of the physical investments already in place for the benefit of each and everyone in our region. The CAREC Institute—the Program’s hub for capacity building and knowledge—could benefit from a stronger alliance among development partners through a network of knowledge and learning institutes.

I wish to conclude by reaffirming our strong commitment and support to CAREC 2020 and its medium-term priority projects list as mentioned in the Joint Ministerial Statement we issued yesterday. On behalf of the CAREC Ministers, I thank all of you for showing interest in the CAREC Program by participating in this Forum. We hope that your interest would transform into actual engagement and support for the member countries, in general, and CAREC 2020, in particular.

We hope that this Development Partners’ Forum will be the first of many as we work together toward a more connected and competitive CAREC region in the next decade of close cooperation.

I look forward to productive discussions this morning.

Thank you.