



**Collective View of the Multilateral Institutions
10th Ministerial Conference
Central Asia Regional Economic Cooperation
Baku, Azerbaijan
23 November 2011**

Mr. Chairman, President Kuroda, Honorable Ministers, Ladies and Gentlemen,

1. I am honored to present the Joint Statement to the 10th CAREC Ministerial Conference, on behalf of the CAREC Multilateral Institutions: the Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank.
2. We would like to express our appreciation and gratitude to the Government of the Republic of Azerbaijan for hosting the 10th CAREC Ministerial Conference here in Baku, and for the excellent arrangements made. Azerbaijan's leadership demonstrates that countries need not share land borders to become a good neighbor, and that regional cooperation works in this part of the world as a means to achieve economic development and shared prosperity.
3. We congratulate the member countries for 10 years of fruitful cooperation under the CAREC Program. We are honored to be associated with the CAREC countries and the CAREC Program, and for the opportunity to provide about \$13 billion out of the over \$17 billion of regional investments. Accounting for almost three quarters of total value of combined CAREC projects approved since 2001, this amount is one key manifestation of our strong collective commitment to the region's growth and economic development. This is in addition to our significant policy and institutional contributions.
4. Going forward, we are happy to join the member countries in endorsing CAREC 2020. CAREC 2020 could help integrate the region into the growth prospects of the Asian Century as envisaged in *Asia 2050*. Within this strategic framework, CAREC countries need to further prioritize the medium-term priority projects list, and move ahead to pursue its focused, action-oriented, and results-driven agenda. The alignment of CAREC 2020 with national development objectives will be the clearest demonstration of ownership of the CAREC Program by the member countries. We will continue to encourage and support such alignment.
5. We agree that infrastructure connectivity will remain important to CAREC in the next decade. As such, we will continue to contribute toward the creation of land bridges across the region. We look forward to assisting the transformation of CAREC transport and energy corridors into economic corridors. For this to succeed, there is a need for greater political

commitment on the part of the member countries as CAREC increases its emphasis on software aspects of cooperation such as transport and trade facilitation. On our part, this will require innovative thinking, a multisectoral and holistic approach to our regional investments, and a combination of interventions ranging from programs and projects to assistance in policy and regulatory reforms, and institution and capacity building.

6. Almost half of the targeted 8,380 km of CAREC Corridor roads has been completed or rehabilitated. Similar initiatives are ongoing or will be started in other physical infrastructure such as railways and energy transmission and distribution lines. But CAREC countries must also intensify work on transport and trade facilitation to maximize the benefits from physical investments. There is a need to unlock the borders and ease the movement of people, goods, and services across the CAREC region. There is a clear need to continue the liberalization of trade policies, by further reducing tariff and non-tariff barriers to trade, and improving institutional environment.

7. With increased emphasis on software, we recognize the need for enhanced role and capacity of the CAREC Institute. We are happy that a dedicated staff has been designated by ADB to help coordinate the Institute's activities. The CAREC Institute could serve as a forum for South-South cooperation in knowledge sharing and training. CAREC Institute will seek collaboration of existing institutes throughout the region and the Asian Development Bank Institute, the IMF, Islamic Development Bank, UNDP, and the World Bank Institute. We recognize the significant additional financial and technical requirements of the Institute. We hope that consensus can be reached on the form of the CAREC Institute—virtual or physical.

8. Further dialogue on promoting energy cooperation among CAREC countries must also be pursued. Being fully aware of the natural resources of the region and the potential impact of climate change, we must utilize these endowments to enhance overall regional income and prosperity.

9. At a time when the global economy is at a fragile state and regional interdependence puts development initiatives at a crucial situation, we fully support CAREC 2020's emphasis on results and development effectiveness. This is very much in keeping with the Paris Declaration on Aid Effectiveness, which will be discussed at the High-Level Forum 4 in Busan, Republic of Korea this weekend.

10. CAREC 2020 has also rightly identified the need for deeper and broader engagement with other development partners - both donor agencies and the private sector. We are eager to continue our assistance to the CAREC countries, which we will discuss at length tomorrow, at the first Development Partners' Forum. We welcome the holding of the Forum, and look forward to hearing the views of our bilateral aid partners.

Honorable Ministers, Ladies and Gentlemen,

11. We expect CAREC to continue as a forum of dialogue and exchange to advance the goals of regional cooperation. Our years of collective experience toward economic development show that there are higher gains through closer cooperation than by doing it alone.

12. We remain strongly committed to CAREC and resolve to support CAREC 2020 and its medium-term priorities by mobilizing resources, including from the private sector, as well as sound technical and policy advice. As we further coordinate our support to CAREC, we

acknowledge the increased ownership by CAREC countries and encourage their enhanced leadership of the Program.

13. In conclusion, allow me to once again thank the Government of Azerbaijan for a successful Ministerial Conference and for its excellent leadership this year. I would also like to thank our country counterparts, for without your participation there will be no CAREC Program. We would like to acknowledge the important contribution of our colleague, Mr. Motoo Konishi, outgoing Regional Director for Central Asia of the World Bank. We wish him success.

14. On behalf of the other CAREC Multilateral Institutions, I would also like to thank President Kuroda and ADB for its key role in promoting regional cooperation and integration among its developing member countries, in general, and in the CAREC region, in particular. As CAREC Secretariat and MI Partner, ADB has been a major driving and catalyzing force for the CAREC Program.

We look forward to reviewing CAREC's progress with all of you again next year.

*Delivered by Ms. Kori Udovički, Assistant Administrator and Director, Regional Bureau for Europe and the CIS, UNDP
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