

**Opening Remarks by
Haruhiko Kuroda
President
Asian Development Bank**

**10th CAREC Ministerial Conference
Development Partners' Forum
Baku, Azerbaijan
24 November 2011**

Excellencies, distinguished guests, ladies and gentlemen:

It is my great pleasure to welcome you all to the Development Partner's Forum on the occasion of CAREC's 10-year commemorative celebration. This gathering of development partners marks an important milestone for CAREC at the threshold of its second decade.

CAREC's success during its first decade of cooperation is due, in no small measure, to the partnership it has forged with its six multilateral partners – the European Bank for Reconstruction and Development, the International Monetary Fund, the Islamic Development Bank, the United Nations Development Programme, the World Bank, and the Asian Development Bank.

Of the almost \$17 billion in CAREC-related projects approved to date, over \$12 billion have been provided by the six multilateral institutions. These have come in the form of strategic, technical, advisory and financial support. The CAREC region's unique partnership with the six multilateral institutions has ensured a coordinated approach to regional initiatives and the efficient use of

financial resources and expertise.

CAREC's strategic agenda for its second decade was approved yesterday at the 10th Ministerial Meeting. CAREC 2020 articulates the opportunities and challenges that now confront the region, and the required changes that these will entail for the Program. As the strategic framework of a partnership that is growing both in size and scope, CAREC 2020 provides a roadmap for delivering on-the-ground results, which have been the hallmark of CAREC cooperation in the past 10 years.

The financial requirements of CAREC 2020 are considerable. While CAREC countries have committed to incorporate priority regional projects into their national development plans and budgets, they will need significant resources from external sources. This will challenge multilateral partners to explore innovative ways to mobilize resources.

In the next decade, CAREC will sharpen its agenda to meet its twin objectives of trade expansion and improved competitiveness agenda. Ministers have endorsed the list of medium-term priority projects to support these objectives. In the transport sector alone, 69 regional projects with a total cost of more than \$23 billion have been identified.

Recognizing the enormous tasks ahead, the CAREC countries have decided to call for a wider engagement of bilateral donors and other international organizations active in the region. Today's Development Partners' Forum provides a forum for discussing the

region's goals and aspirations in the next ten years, as well as specific opportunities for future partnerships. CAREC's diversity and potential offer tremendous possibilities for cooperation. But there are urgent priorities to be met within the limited resources. Coordination, therefore, is crucial. CAREC 2020 provides the overarching framework to guide priorities for effective coordination.

Many development partners here today are supporting individual CAREC countries through national programs of assistance. They are thus in a good position to forge complementarities between national and regional development goals in their financial, technical and advisory assistance.

As CAREC moves increasingly into more complex software issues, good quality analytical work will be required to help policy makers analyze trade-offs and make well-informed decisions. Development partners can draw on their reservoir of knowledge and expertise to perform the analytical work needed to guide discussion and consensus building. Increased information-sharing among all partners will help address the region's needs effectively.

The key challenge is taking action in due course. I urge development partners to remain focused on CAREC's priority sectors and deliver assistance that is responsive, relevant, and timely.

Excellencies, ladies and gentlemen,

CAREC's tremendous potential has yet to be fully unleashed. With the strong resolve and commitment of the member

governments, and with support from development partners, this outcome is within reach.

ADB has allocated \$4.7 billion over the next three years to support CAREC 2020's goals of trade expansion and improved competitiveness. We stand ready to assist in accelerating the development of physical infrastructure connectivity, the development of economic corridors, and the improvement of the knowledge base needed to support CAREC's priorities. ADB will craft a careful balance in supporting both hardware and software components of the CAREC Program. And we will continue to serve as the Secretariat for the Program — a role that we are pleased to play for, and on behalf of, the CAREC member countries.

In conclusion, I would like to emphasize ADB's unwavering commitment to support CAREC 2020.

I wish to thank all development partners for participating in today's Forum. It is my hope that this will be the beginning of a sustained, coordinated effort by all to realize the vision of a connected and competitive CAREC region.

Thank you.

Word count: 743 words (about 7.5 minutes)