

CAREC: Comprehensive Action Plan (CAP)

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CAP Components

- The Strategic Framework
- Interim Sector Strategies
- MI Pipeline of Loans/TAs
- Representative Projects in New Sectors
- In-Country Views
- Country Development Plans/PIPs

Strategic Framework

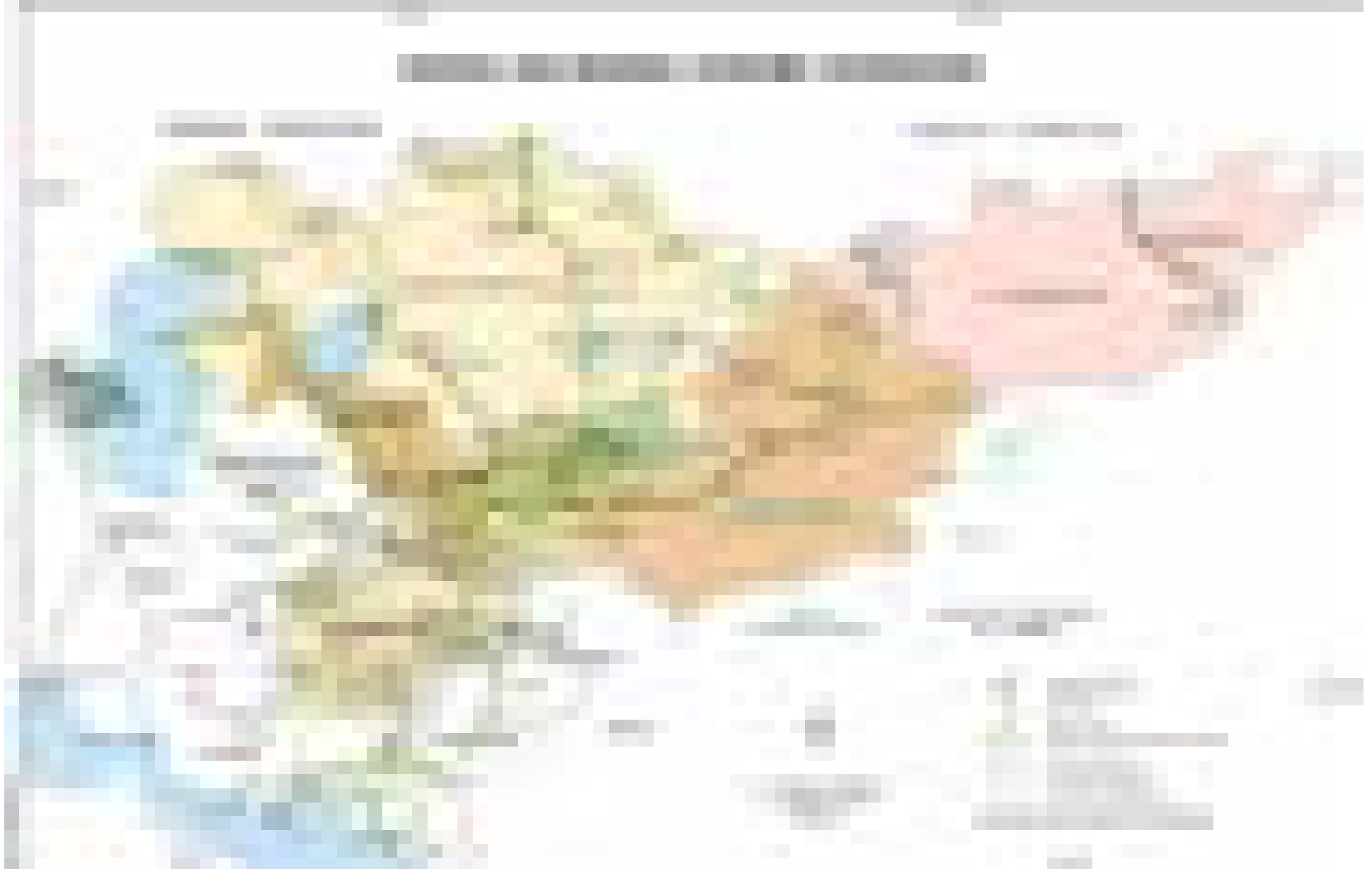
Main elements:

- **Connectivity**, enabling business enterprises to access regional and global markets and to participate in international production networks;
- **Consensus and deal-making**, through knowledge and capacity-building activities and multilateral institutions as third-party facilitators;
- **Strategic direction by the participating countries**, in partnership with the multilateral partners;
- **Broadening and deepening the CAREC Program** while maintaining focus on transport, trade and energy;
- **New approaches in regional cooperation**, including economic corridors and integrated transport/trade/transit initiatives.

Guiding Principles

- Business sector focus
- Pragmatic, results-based program
- Two-plus principle (clusters of countries)/country ownership
- Consensus-based, win-win outcomes
- Mainstreaming of regional cooperation (CAREC Governs/MIs)
- Strategic partnerships (SCO, EurasEC)
- Central Asia as a land link (Eurasia and South Asia)

The Geographic Scope of CAREC



CAREC Goals

Goals achievable through the CAREC Program:

- Increased understanding of benefits of regional cooperation
- Greater commitment by participants to regional cooperation/integration
- Improved access for business enterprises to internal and external markets
- Improved business climate for investment and development opportunities
- Improved development, management and sharing of region's natural resources
- Improved cooperation in addressing shared concerns/needs

CAREC Objectives

- Trade barriers and impediments greatly reduced
- Efficient multi-modal transport systems networking the region
- Integrated electricity markets, enabling universal electricity coverage
- Best-use development of the region's resource potential, in partnership with the private sector
- Promotion of CAREC region and participating countries
- Regional cooperation in meeting shared concerns/needs
- Mainstreaming of regional cooperation (countries/MIs) reflecting business needs and priorities

CAREC Outputs

- Greater effectiveness in regional cooperation initiatives
- Constraints on shipping goods (cost/time/facilities) to markets sharply reduced
- Increased integration of CAREC enterprises with international product markets
- Universal energy security and efficient energy trade arrangements
- A common trade framework, consistent with WTO
- Capacity for regional cooperation strengthened
- Greater coordination with other regional initiatives
- Improved recognition of CAREC region

CAREC Outcomes

- Poverty reduction and increased economic growth
- Competitiveness of CAREC enterprises strengthened
- Trade expansion, reflecting transparent, comparative-advantage principles
- New economic development options, lessening reliance on commodity trade
- Regional solutions to natural resource management issues in place of national self-sufficiency policies
- Regional public goods addressed in cooperative manner

Priority Investments/Initiatives

- Sector strategies
- Transport corridors
- Trade infrastructure
- Trade policy reforms consistent with WTO
- Business development forums/economic corridors/trade logistics
- Country-cluster grid systems, facilitating area electricity markets
- Energy efficiency initiatives
- Facilitating win-win solutions to regional issues/problems
- Knowledge and capacity-building to strengthen regional cooperation

Performance Indicators (illustrative)

- Annual public investment levels for regional projects
- Time and cost of shipping goods between major centers
- Rate of trade expansion and quality of trade (share of manufactured goods)
- Industry index: participation of CAREC business enterprises in international product markets
- Proportion of households in rural areas with 12-hour secure electricity service

Core Pillars for CAP

Reflecting views on in-country workshops,
four equal pillars for CAP:

- Knowledge/capacity building pillar
- Regional infrastructure networks pillar
- Trade/investment/business development pillar
- Regional public goods pillar

Sector Scope of Program

Challenge: focus on core sectors versus broadening to include new sectors/initiatives

- Country views: selective broadening
- MI views: maintain current focus
- Proposed compromise: two-tiered system
 - first tier: priority sectors
 - second tier: special projects

**Knowledge/
Capacity
Building**

**Regional
Infrastructure
Networks**

**Trade
Investment
and Business
Development**

**Regional
Public
Goods**