

CAREC 2030— Cluster 1

Economic and Financial Stability

Progress Report



Economic and Financial Stability Cluster

□ Introduction

- CAREC cluster 1 Terms of Reference presented by IMF at SOM 2018 and in principle endorsed
- CAREC MC 2018 participants appreciated cluster 1 relevance for CAREC region
- Initial events on economic and financial stability were co-organized from ADB, IMF, World Bank
- Cluster 1 events become regular part of the CAREC calendar, encourage more frequent events with more diverse stakeholders and organizers
- Suggestions for relevant topics for future events welcome



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- Panel Discussion on “*Export Diversification for Growth and Macroeconomic Stability*” on 15 November 2018 in Ashgabat, Turkmenistan



- The panel discussion focused on the directions and approaches for promoting export diversification in CAREC countries and the role of CAREC in supporting this process.
- The panel was composed of ministers from Afghanistan, Turkmenistan, and Uzbekistan and senior officials from ADB, EBRD and IMF.



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- ❑ High-Level Dialogue on “*Balancing Infrastructure Investment with Debt Sustainability in CAREC Countries*” organized by ADB, IMF and World Bank (15 May 2019, Nur-Sultan, Kazakhstan)



- Panelists discussed the magnitude of infrastructure gaps in the CAREC region and identified critical regional infrastructure projects and reforms to capitalize on the improving economic cooperation prospects.
- They also discussed how to find the right balance between needed infrastructure investments and long-term fiscal and debt sustainability.



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- High-Level Dialogue on “*Balancing Infrastructure Investment with Debt Sustainability in CAREC Countries*” organized by ADB, IMF and World Bank (15 May 2019, Nur-Sultan, Kazakhstan)



- Participants agreed that
 - new and innovative ways of infrastructure should be developed to contain public debt, and
 - reforms of the banking sector and capital markets are required to attract domestic and foreign private investments into infrastructure projects.
- Central bank governors (Georgia, Kazakhstan, Uzbekistan), deputy governor (Kyrgyz Republic), ministers (Kazakhstan, Pakistan), and deputy ministers (Afghanistan, Kazakhstan, and Tajikistan) attended



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- Proposed first CAREC Capital Market Regulators' Forum to be held in end-Aug 2019 in Islamabad, Pakistan



- Securities and Exchange Commission of Pakistan (SECP) will present the **proposed CAREC Capital Market Regulators' Forum** in August in Islamabad, Pakistan

THANK YOU FOR YOUR ATTENTION

