

**12<sup>th</sup> CAREC Ministerial Conference  
Ministerial Meeting  
24 October 2013  
Astana, Kazakhstan**

**Session 4: Views from Multilateral Institution Partners and Bilateral Donor Agencies and  
Responses of CAREC Delegations**

**Statement by ADB**

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ADB will continue to strongly support the CAREC Program. ADB plays a dual role for CAREC, as its Secretariat and as a multilateral institution partner.

In accordance with targets set forth in *CAREC 2020* and last year's *Wuhan Action Plan*, ADB has facilitated the preparation of the new *Transport and Trade Facilitation Strategy (TTFS) 2020*. This Strategy envisions a significant increase of investments in transport and trade infrastructure, simplification of trade and transport procedures at and behind the borders, and in broader private sector engagement in promoting *Integrated Transport and Trade*. The new Strategy includes a comprehensive priority project list containing 108 investment projects amounting to about \$39 billion, reflecting in part the extension of CAREC corridors to Pakistan and Turkmenistan, and the increasing emphasis on soft infrastructure.

ADB continues to put strong focus on capacity building and knowledge initiatives. A consensus has been reached on the physical establishment of the CAREC Institute, which will elevate the CAREC Program's knowledge activities to a higher platform altogether, supported by availability of more resources and a solid institutional structure. The CAREC Corridor Performance Measurement and Monitoring (CPMM) helps monitor implementation of the Transport and Trade Facilitation Strategy and provides valuable information on corridor performance for CAREC policy makers, development partners, and other stakeholders. As part of knowledge sharing, ADB initiated in 2009 a results-orientated framework through the annual CAREC Development Effectiveness Review (DEfR). Currently the methodology for results monitoring is being reviewed to better align to *CAREC 2020* [endorsed in 2011], the new *Transport and Trade Facilitation Strategy 2020*, the Trade Policy Strategic Action Plan 2013–2017 and the Energy Work Plan 2013–2015.

As a multilateral partner, ADB commits to supporting the effective implementation of the new Transport and Trade Facilitation Strategy 2020. The new Strategy sets ambitious goals for trade and transport infrastructure network development, and will require strong involvement of the private sector, through public–private partnerships and other modalities to foster more integrated multi-modal networks.

Since 2001, ADB has contributed more than \$8 billion of loans and grants to the \$22 billion overall CAREC investment portfolio. ADB's support to the Transport sector in 2013 has included:

1. The CAREC Corridor 3 (Bishkek-Osh) Improvement Project [Phase 4] in the Kyrgyz Republic, comprising loan and grant of \$160 million including co-financing of \$60 million by the Eurasian Development Bank;
2. The CAREC Corridors 3 and 5 Enhancement Project in Tajikistan, with a grant of \$70 million; and
3. The North-South Corridor Development project in Afghanistan, with a grant of \$220 million.

In Trade Facilitation, ADB recently provided \$18 million for the CAREC Regional Improvement of Border Services project in the Kyrgyz Republic and Tajikistan. With relatively modest financial investments, such trade facilitation projects complement transport corridor investments and are expected to contribute to reducing border-crossing times and associated costs along CAREC corridors. Reduced border and behind-the-border delays will in turn, attract more trade and other economic activities along the corridors.

In the energy sector, ADB is working with CAREC governments and development partners to bring about multiple power interconnections between Central Asia and South Asia through Afghanistan. Committed and ongoing interconnection projects in 2013 amounted to \$450 million, and a further \$400 million worth of interconnection projects in 2014 will strengthen a high voltage transmission linkages in Afghanistan. These will increase energy exports from Turkmenistan, Uzbekistan, and Tajikistan to help meet Afghanistan's domestic electricity demands and facilitate Central Asia–South Asia energy trade. By linking the Afghan grid to Pakistan, the energy-rich Central Asian countries will have the means to engage in electricity exports to South Asia within this decade.

Ladies and Gentlemen,

Regional cooperation and integration is core to ADB's development approach. The CAREC program is an excellent example of a successful regional cooperation initiative.

Allow me to conclude my brief remarks by thanking the Government of Kazakhstan for their hospitality throughout the year, in organizing the Senior Officials' meeting, the various meetings of the sector coordinating committees, and for hosting the CAREC's 12<sup>th</sup> Ministerial Conference today.