

## **World Bank Group Statement for the 12<sup>th</sup> CAREC Ministerial Conference**

**October 24, 2013, Astana, Kazakhstan**

Dear Chairman, Excellencies, Ladies and Gentlemen, Distinguished Delegates:

It is indeed an honor for me personally and for all members of the entire World Bank Group (WBG) delegation from Central Asia, South Caucasus, and South Asia Departments to be participating in this important forum. I would like to thank the hosts, the Government of the Republic of Kazakhstan, for bringing us together in this modern capital, Astana.

The World Bank Group attaches a very high priority to the CAREC partnership and is deeply committed to sustainable and inclusive growth of the CAREC member countries.

In order to be able to better serve our clients, WBG is changing its delivery model, a model that combines knowledge, innovation, and financial resources; an approach that supports private-sector led growth, which creates good jobs.

This is also an exciting and challenging time for us, the WBG, as we start implementing our new global Strategy that our Board of Governors just a few weeks ago approved at Fund-Bank Annual Meetings. This Strategy is focused on the ambitious goals of ending extreme poverty and promoting shared prosperity; and we are committed to helping countries reach these goals in a sustainable manner. This new Strategy is the first encompassing all four principal agencies working together as One World Bank Group (WBG): the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).

We are, and have always been, committed to supporting CAREC. Our support to CAREC member countries has spanned the entire spectrum of development assistance. Since 2001, we have invested more than 6.8 billion USD in support of the trade, trade facilitation, transport, and energy development program under CAREC initiative; and have a pipeline of almost 0.5 billion USD of projects that are under preparation.

In addition to financial resource, we as a global institution are enhancing our internal capacity to make global expertise and knowledge available to CAREC member countries through an expanding program of analytical and advisory services.

We continue to support the global integration efforts of CAREC member countries through analytical and capacity building at the national and regional levels. We welcome the theme of, and thereby the emphasis on, “Integrated Transport and Trade,” for this 12th Ministerial Conference – the timing cannot be more opportune.

### **Doing business, competitiveness, and diversification**

Enhanced business environment – a lot remains to be done: Doing Business 2014 to be launched soon. Looking forward to discussing the findings and working with all member countries to improve investment climate.

Recent study on experiences with diversification in the Eurasian region demonstrates that countries need to diversify trading partners, diversify products and services, and diversify endowments (with emphasis on human capital and institutions).

### **Transport and trade facilitation**

We strongly support the new Trade Policy Strategic Action Plan (TPSAP) 2013-2017, which shows the more dynamic and forward looking vision of the CAREC countries towards global integration while focusing attention on alleviating non-tariff measures as well as looking at the constraints affecting services trade, an important driver of growth in all CAREC economies. The WBG stands ready to expand our cooperation with the CAREC member countries and partners to address the identified financing gap in the Transport and Trade Facilitation Action Plan.

WBG has its largest commitments in the transport sector with South-West and East-West transport corridors; but we are looking beyond highways and now linking various remote communities to economic corridors; we are keen to work with CAREC member countries in preparation of a railway master plan working closely with ADB and other IFIs.

### **Energy sector**

We, jointly with ADB, support the implementation of the CAREC Energy Work Plan 2013-2015; and WBG supports the development of the Central Asia-South Asia Regional Energy Market (CASAREM), which contributes to expansion of economic cooperation between Central Asia and South Asia, and of the required energy corridors, starting with the CASA-1000 transmission corridor which is designed as an 'open access' to facilitate wider participation over time for buyers and sellers of electricity in the region. You are aware that CASA-1000 is at an advanced stage of preparation and aims to utilize the existing summer surplus of hydropower capacity in the Kyrgyz Republic and in Tajikistan for meeting energy shortages in Pakistan and Afghanistan. Working with our bi- and multilateral partners, we are committed to supporting the participating countries' resolve to commission this transmission line in 2017.

We are also supporting the CAREC Energy Work Plan through a multi-donor trust fund, the Central Asia Energy and Water Development Program (CAEWDP), by providing technical assistance towards promotion of energy trade in Central Asia, potentially leading to investments that will enable and enhance regional and inter-regional power trade.

Our partnership with Central Asian countries and with the international community for enhanced water and energy security in the framework of the Central Asia Energy and Water Development Program (CAEWDP) is addressing some of the core national development challenges. We commend the ESCC for continuing the important job of connecting energy and water. Developing a better understanding of these linkages and upgrading analytical tools to the rapidly evolving technological advances in information management will ensure rational use of the region's rich water and energy resources. This work is especially important in light of strong economic and population growth and climate change that will put water resources under stress.

CAREC Institute: a vehicle for real time sharing of lessons and experiences - WBG has a decentralized knowledge hub in Almaty for the entire Central Asia and we stand ready to partner with CAREC Institute in Urumqi and its satellite office in Almaty.

We are pleased to be given the opportunity to renew our support to the reorientation of the CAREC's transport and trade facilitation program resulting from the mid-term review of the TTFS 2020. We are ready to address the regional integration challenges whether they relate to multi-modal corridor program implementation, customs reform, coordinated border management, road maintenance, transport safety or institutional reforms. These necessary medium to long term initiatives are timely.

In summary, in line with the CAREC 2020 Vision, we hope that before the next MC in 2014, we will be able to:

- operationalize the implementation of the electricity trade link in the framework of CASAREM;
- help countries establish national and regional instruments for policy responses and investment actions to address water and energy challenges; and
- increase our contribution to furthering regional integration by directly supporting emerging multi-modal transport and economic corridors in CAREC.

We stand committed to strengthen existing partnerships, and to develop and explore new ones, to help CAREC member countries deliver on increasing prosperity by connecting people, goods, and ideas.

Thank YOU!