



11th Ministerial Conference on Central Asia Regional Economic Cooperation
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Islamic Development Bank's Remarks

Mr. Amadou Thierno Diallo, Director, Office of the Vice President (Operations)

Mr. Xie Xuren, Minister of Finance, People's Republic of China
Mr. Haruhiko Kuroda, President of the Asian Development Bank
Honorable Ministers of CAREC Member countries
Distinguished Representatives of multilateral and bilateral partners
Distinguished participants,

Ladies and gentlemen,

It is a great honor and a privilege for me to be here today and to address you on the occasion of the 11th Ministerial Conference on Central Asian Regional Economic Cooperation. I would like to extend my special gratitude to the People's Republic of China, for hosting this event in this beautiful city of Wuhan, to the CAREC organizing Committee and to all those who have been instrumental in making this conference a success. We feel at home here. Indeed, I am delighted to have this opportunity to deliver a statement on behalf of the Islamic Development Bank (IDB) Group.

Ladies and gentlemen

We are all gathered here today to discuss the role and importance of infrastructure development and trade facilitation in a regional integration context. But in so doing, we are talking about a much bigger subject that is assuming an increasing importance in the development arena and encompasses a sustained economic growth path for inclusive development and poverty reduction in CAREC member countries.

Regional economic integration helps participating countries adopt policies, build institutions and develop much needed infrastructure to expand trade and services on a win-win basis, particularly for landlocked countries as is in the case of certain CAREC countries. Regional integration rise above inward-looking strategies epitomized by interventionism, isolationism and protectionism to a more outward-looking framework aimed at achieving a closer integration of economies in this globalized world.

For the past eleven years, CAREC initiatives and programs have played a vital role for bringing together the Central Asian countries. They are helping deepen economic links and increase the volume of trade and flow of products and services across the borders. The contribution of several bilateral and multilateral institutions is visible through the very large number of project investments and technical assistance operations. It is a testimony that the objectives set by CAREC are just, commendable and worth pursuing.

Distinguished delegates

The Islamic Development Bank is privileged to be a reliable partner of CAREC's initiatives and is very delighted to continue assisting its member-countries to achieve the imperative goals set by the "CAREC 2020: Vision and Action". Eight out of 10 CAREC countries are members of the Islamic Development Bank namely Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

Over the years, the Bank Group has extended loans, grants for investment, capacity building and trade to these countries, which have been used to build regional transport corridors and power interconnections among others. The Bank believes that the development of economic infrastructure is a major *modus operandi* through which structural transformation and industrialization could be achieved in its member countries.

Indeed, through the Strategic Thrust Five: Prosper the People of its 1440H Vision (2020), the Bank recognizes the role of economic integration and the enacting of strategies to develop the export sector, to increase trade and investment flows and to promote private sector development among its member countries as a vehicle in achieving sustainable and inclusive economic and social development. In this regard, the bank plays a significant intermediation role as it uses its financial, technical, knowledge and network capabilities to mobilize resources to spur development and strengthen capacity in member countries. In addition, the Bank has developed a comprehensive infrastructure strategic framework to underpin and drive growth in its member states. This framework includes strategies to enhance public-private sector partnerships to build infrastructure, which is especially critical in the more under-developed regions, where power, road and rail transport linking neighboring economies can bring enormous benefits.

Ladies and gentlemen

The IDB has successfully contributed to CAREC's programs including the development of road corridors and the energy sector. To mention a few, the Bank has provided financing for the Western Europe-Western China Road Corridor in Kazakhstan, the Improvement of National Highway in Uzbekistan, various international road corridors in the Kyrgyz Republic and Tajikistan, in addition to some projects in Azerbaijan and Turkmenistan, etc. Total IDB financial investment during the last two years has reached 617 million US dollars and the Bank has been able to mobilize an additional 200 million US dollars from its partners in the Arab Coordination Group.

With regard to the energy sector, which represents one of the driving factors of economic growth and development in the region, the IDB has financed 6 projects during the last two years alone for a total amount of 438 million US dollars. In considering energy projects, IDB has always given a priority to intraregional power export development. The energy transmission projects financed by the Bank in the Kyrgyz Republic, Tajikistan, and Uzbekistan are noteworthy and an obvious manifestation of the IDB willingness to help transfer electric power from energy-rich to energy-deficient regions, thereby creating a sustainable energy supply and security in its member-countries.

During this year, the bank is considering co-financing a number of projects in Central Asia with the World Bank and Asian Development Bank. Among the proposed projects include power rehabilitation in the Kyrgyz Republic, metering system in Uzbekistan, power systems interconnections in Turkmenistan, etc.

*Distinguished Delegates,
Ladies and gentlemen*

The era of isolated inward-looking economies is over. It has to give way to strategic alliances that harness knowledge and resource based comparative advantages through regional integration. Economic integration of CAREC countries is rooted in the region geography, geology, demography, history and economy, but, it does not come effortlessly and free: it takes dedication, commitment, planning and hard work. Much

has already been achieved so far by member countries, however, there is a need to intensify the partnerships and alliances through superior resolve, speed and effectiveness in translating the Action Plans of the CAREC 2020 Strategic Framework into concrete programs that can be implemented, measured, and can produce results on the ground.

The Islamic Development Bank is proud to be an active participant in the CAREC activities. CAREC 2020 Vision corresponds to the IDB 1440H Vision, which has the economic integration of its member-countries as one of its priorities. Therefore, the issues that have been discussed during the past two days are important to us and to our member countries. We value such gathering as it is a platform that will allow the exchange and sharing of experience, ideas and knowledge. As we strive to forge a consensus on the way forward, let me reiterate the strong support of the Islamic Development Bank Group to the CAREC 2020 Vision and Wuhan Action Plan, and the Bank's desire to continue its support to the Central Asian Governments' efforts to strengthen economic development and integration in the region.

In close cooperation and coordination with our International financing partners and with the respective Governments, the IDB Group will continue to commit itself to tirelessly work with all parties in order to strengthen the partnership for the greater good of the populations of the region.

Thank you for your kind attention.