



## Urumqi Declaration

*Representing the Governments of Afghanistan, Azerbaijan, People's Republic of China (PRC), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan, Ministers adopted the following joint declaration on the conclusion of the Fifth Ministerial Conference on Central Asia Regional Economic Cooperation (CAREC) in Urumqi, Xinjiang Uygur Autonomous Region, PRC, on 20 October 2006:*

1. Ministers today reaffirm our shared mission through the CAREC Program of development through cooperation, leading to accelerated economic growth and poverty reduction.
2. By working together to promote and facilitate regional cooperation initiatives, we believe substantial gains will accrue to the peoples of Central Asia and neighboring countries. By reducing trade barriers and other impediments to development, we will ensure economic growth is sustained, livelihoods are improved, and progress is made toward achievement of the Millennium Development Goals.
3. We welcome the growing momentum in regional cooperation and integration in Central Asia and Eurasia. The CAREC Program plays an increasingly important role in this process, together with and in support of the Eurasian Economic Community, the Shanghai Cooperation Organization and other regional organizations. The CAREC Comprehensive Action Plan we endorsed today will propel regional cooperation forward in new and inspiring ways, contributing to the realization of our long-term vision of “Good Neighbors, Good Partners, and Good Prospects.”
4. Our CAREC partnership of eight participating countries and six multilateral institutions (MIs)<sup>1</sup> provides the foundation for effective results. Recognizing the benefits of regional cooperation, we have established the trust and mutual understanding required to move forward with confidence.
5. The Comprehensive Action Plan will be guided by a Strategic Framework supported by four pillars of activity.
  - A **regional infrastructure networks pillar** will mainstream support by countries and MIs for transport corridors, energy markets, and trade-related infrastructure projects integrating the region. Connectivity is a prominent theme of the Comprehensive Action Plan, reflecting our desire to reinforce the region's strategic role as a land link for Eurasia.

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<sup>1</sup> Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and the World Bank.

- A **knowledge and capacity building pillar** will combine the research strengths of our countries and MI partners, greatly increasing our ability to conduct policy dialogue and design and implement mutually-beneficial regional initiatives. Training will be initiated to form a cadre of officials skilled in regional cooperation processes. Outreach activities will broaden the inclusiveness of the CAREC Program. To coordinate these much-needed research, training, and dialogue activities, we endorse the formation of a CAREC Institute, with advisory guidance by eminent persons.
- A **trade, investment, and business development pillar** will provide an integrated framework for improving the climate for investment in Central Asia, and linking business enterprises to regional and global markets. The needs of the business community will be more clearly defined, including logistical requirements to enable participation in global value chains and to capitalize on other trade opportunities. The CAREC Business Development Forum will help broaden the inclusiveness of, and strengthen support for, the CAREC Program.
- A **regional public goods pillar** will expand the CAREC Program on a project-specific basis to address transboundary issues such as protection of the environment, management of natural resources, preparation against natural disasters, and control of the spread of communicable diseases.

6. Under the Comprehensive Action Plan, we will broaden the CAREC Program, following a two-tiered approach. The first-tier will continue to focus on sector-wide initiatives in our priority areas: transport, energy, and trade. The second-tier activities will include special initiatives in new sectors including human development, environment, agriculture, and tourism. We will also deepen the Program through expanded policy initiatives and additional approaches to regional cooperation, such as economic corridors, capacity building, and knowledge transfers.

7. Together, these initiatives will strengthen the momentum and increase the benefits of regional cooperation. Success of the CAREC Program will require strategic direction by our Governments to ensure resources and support from our MI partners and others are employed effectively. CAREC's institutional mechanisms must be strengthened to enable Ministerial Conferences and Senior Officials' Meetings to more actively provide strategic management of the Program.

8. CAREC initiatives will continue to achieve practical results and contribute to strong and sustainable economic growth. The benefits of these initiatives will be greatest when the policy environment and institutions in the region are sound and appropriate.

9. We greatly appreciate the coordinated support of our MI partners, including steps by the Asian Development Bank to strengthen its secretariat role. We welcome the more than doubling in financial and technical support for the Program by our MI partners to approximately \$2.3 billion for the three-year period 2006-2008, and expect timely and effective project implementation. We recognize that the assistance pipelines for this period are largely country-based, and believe that future initiatives need to be rebalanced in favor of region-wide interests.

10. We encourage our multilateral and bilateral development partners and the private sector to coordinate their regional cooperation initiatives to be consistent with our Comprehensive Action Plan, and in a manner that avoids duplication and maximizes efficient use of resources. To facilitate mainstreaming of regional cooperation initiatives, CAREC countries will undertake

to highlight regional cooperation initiatives in their respective development plans and public investment programs.

11. We will ensure CAREC initiatives complement those of the Eurasian Economic Community, the Shanghai Cooperation Organization and other organizations dedicated to regional cooperation. We have instructed the CAREC Secretariat to explore options for effective, results-based cooperation with such organizations.

12. Our CAREC Comprehensive Action Plan is ambitious and pushes at the frontiers of regional cooperation. As the architects and owners of the Action Plan, we reaffirm the individual and collective commitment of our Governments to working together as Good Neighbors and Good Partners to generate Good Prospects for our people and our region.

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