

ADB's work on Central Asia Regional Economic Cooperation (CAREC) - Transport Sector

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UNECE workshop
Road – Rail Transport Corridors along Europe and Asia

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What is CAREC?

Partnership

- **10 countries and 6 Multilateral Institutions**
 - Afghanistan, Azerbaijan, P.R.China, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
 - ADB, EBRD, IMF, IsDB, UNDP, World Bank
- **ADB serves as the CAREC Secretariat.**

Action and results oriented

- Strategies and action plans
- Investment in transport, energy, and trade facilitation
- Promotion of capacity development and knowledge management



CAREC Timeline 1996-2014

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Technical assistance to promote regional economic cooperation in Central Asia is approved

1996

The first regional technical assistance for Central Asia supports projects that increase trade and cooperation between the People's Republic of China, Xinjiang Uygur Autonomous Region, Kazakhstan, the Kyrgyz Republic, and Uzbekistan

1997

Tajikistan joins the regional cooperation group

1998

The Central Asia Regional Economic Cooperation (CAREC) Secretariat is established at the Asian Development Bank

2000

2001

The first CAREC Senior Officials' Meeting is held in Manila, Philippines

In 2001, six CAREC-related projects have a combined value of \$247 million

CONSENSUS ON GUIDING PRINCIPLES

The first Ministerial Conference is held in Manila, Philippines, and approves the guiding principle of cooperation, targets mobility and prosperity, and advocates a practical approach, delivering results-oriented projects

CAREC establishes its overall institutional framework, flexible, informal, and project-oriented

Sector coordinating committees, senior officials, and ministers guide investment in transport, trade and energy

The Customs Cooperation Committee is formed

2002

CAREC's six multilateral institutions partners commit to support the program

2003

2004

The Transport Sector Coordinating Committee and the Trade Policy Coordinating Committee are formed

The private sector is encouraged to participate in CAREC at the Third Ministerial Conference in Astana, Kazakhstan

2005

The CAREC Member Electricity Regulators' Forum holds its first meeting, promoting more efficient production and use of domestic energy

Afghanistan becomes CAREC's eighth member at the Fourth Ministerial Conference in Bishkek, Kyrgyz Republic

The Energy Sector Coordinating Committee is formed

2006

CAREC adopts the Comprehensive Action Plan and calls for sector strategies and action plans to guide cooperation in transport, trade and energy

The plan calls for the formation of a virtual CAREC Institute to improve cooperation through capacity building, research, and outreach

The first Business Development Forum brings business leaders and policy makers together to find ways of reducing impediments to regional cooperation and development

The 11th Ministerial Conference is held in Urumqi, PRC

2007

The Transport and Trade Facilitation Strategy is endorsed at the Sixth CAREC Ministerial Conference in Dushanbe, Tajikistan

The CAREC Institute Prospectus is endorsed, creating a mechanism to address "second-line" areas (transportable disease control, environmental issues, and business development), as well as capacity building and research

2008

The Inner Mongolia Autonomous Region of the PRC is brought into the CAREC partnership

Six transport corridors become CAREC's flagship initiatives for spurring economic development

The Trade Policy Strategic Action Plan is endorsed to help member economies open and liberalize trade regimes and support accession to the WTO

The Strategy for Regional Cooperation in the Energy Sector of CAREC Countries breaks ground as the first strategic framework for energy among Central Asian nations

The CAREC Institute work plan for 2009-2011 is endorsed at the Seventh Ministerial Conference, in Baku, Azerbaijan

2009

Private companies establish the CAREC Federation of Chambers and Forwarder Associations (CFCA)

The CAREC Corridor Performance Measurement and Monitoring Program is launched to track movement along the corridors and assess bottlenecks

The Energy Action Plan Framework and CAREC Program Results Framework are endorsed

The first CAREC Partnership Forum is held

www.carecinitiative.org goes live—a virtual hub for information sharing and research collaboration

The Eighth Ministerial Conference is held in Ulaanbaatar, Mongolia

2010

Tajikistan and the Kyrgyz Republic sign the CAREC-supported Cross-Border Transport Agreement

Pakistan and Turkmenistan join the CAREC partnership

CAREC launches its annual performance monitoring/development effectiveness review process

The CFCA holds its first meeting

The second CAREC Business Development Forum is held in Urumqi, PRC

The first Ministerial Forum is held at the Ninth Ministerial Conference in Cebu, Philippines

Refined CAREC Development Effectiveness Review methodology better aligned with evolving priorities, sector strategies, and action plans

CAREC issues the strategic framework for expanding trade and improving competitiveness beyond Eurasia, endorsed by ministers

The Tenth Ministerial Conference, in Baku, Azerbaijan, highlights achievements of CAREC's first decade

The CAREC Development Partners' Forum is held

2011

The Transport Sector Coordinating Committee prioritizes 68 projects, amounting to \$23 billion, to complete the six CAREC transport corridors

CAREC partners agree to pursue practical, results-oriented, and corridor-based approach to facilitate cross-border transport

The Strategic Knowledge Framework provides guidance to translate the CAREC Institute from virtual to physical

The Seventh Ministerial Conference, held in Wuhan, People's Republic of China, endorses the Wuhan Plan of Action to ensure effective and timely achievement of the strategic objectives set out in CAREC 2020

2012

The refined CAREC Transport and Trade Facilitation Strategy 2020 is approved at the 10th Ministerial Conference, in Astana, Kazakhstan. It calls for an integrated approach encompassing multimodal transport and improved logistics, new links with gateway ports, and better border-crossing services

CAREC corridors are extended into Pakistan and Turkmenistan

The Transport and Trade Facilitation Strategy Implementation Action Plan comprises 108 investment projects of \$38.8 billion

The new Trade Policy Strategic Action Plan 2012-2017 is approved, focusing on continued liberalization, accession to WTO, and greater trade in services

The CAREC ministers approve establishing a physical base for the CAREC Institute in Urumqi, PRC

2013

Multilateral theme for CAREC ministerial conferences, "Linking Connectivity with Economic Transformation in CAREC," is formally adopted at the conference in Bishkek, Kyrgyz Republic, in alignment with the framework proposed by the CAREC economic corridor development study

The government of Kazakhstan and the Kyrgyz Republic start the Almaty-Bishkek Corridor Initiative as a pilot CAREC economic corridor, and the city administrations of Almaty and Bishkek sign a memorandum of understanding on the first-ever city-level CAREC regional cooperation activity

Establishment of the Governing Council and launching of the physical base of the CAREC Institute in Urumqi, Xinjiang Uygur Autonomous Region, PRC

2014

By 2014, 158 CAREC-related projects represent investment of about \$24.6 billion



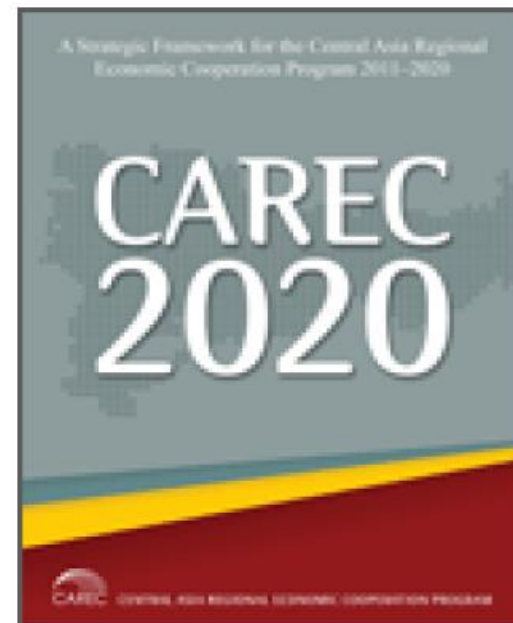
CAREC 2020: Focus, Action, Results

➤ Strategic objectives

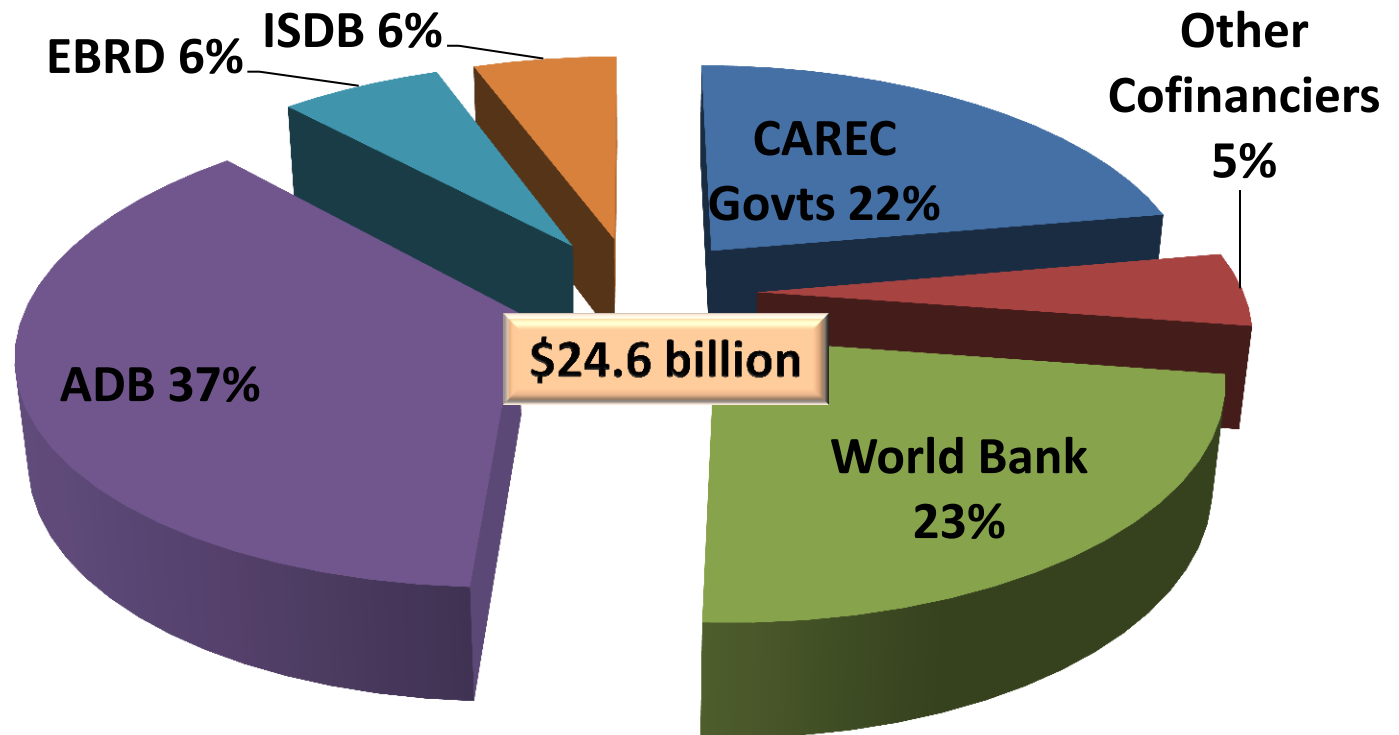
- Expanded trade
- Improved competitiveness

➤ Operational priorities

- ✓ ***4 priority sectors:***
 - transport
 - trade facilitation
 - trade policy
 - energy
- ✓ ***Economic Corridor Development***
- ✓ ***CAREC Institute***



CAREC Investments by Financier, cumulative 2001-2014

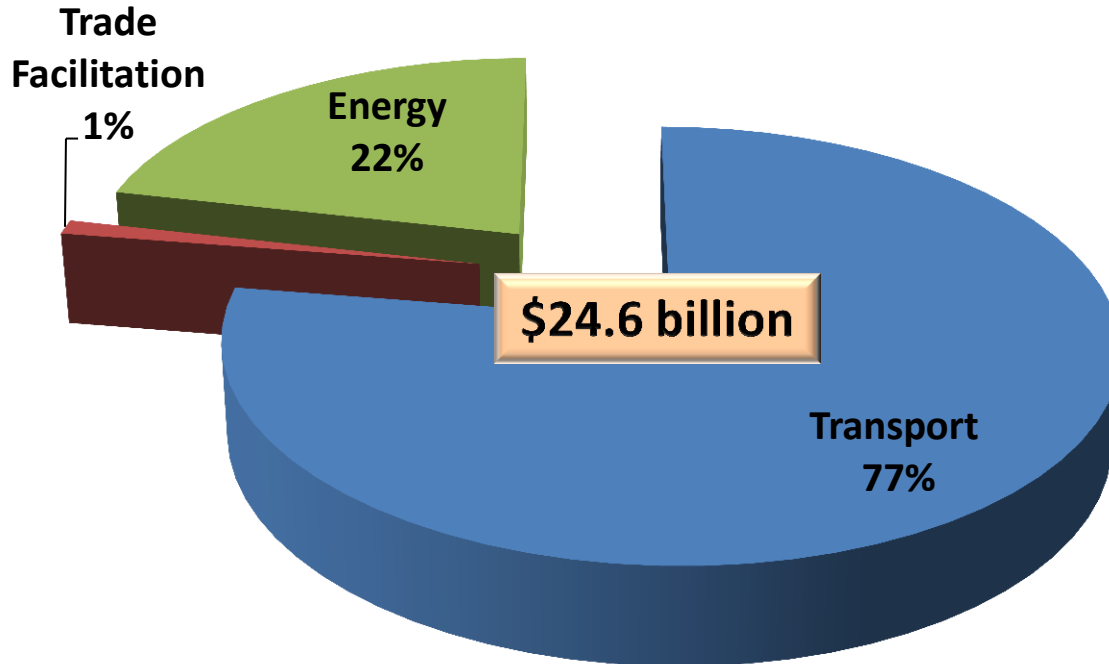


From 6 projects worth \$247 million in 2001 to 156 projects worth \$24.6 billion in 2014.

Source: CAREC Portfolio Database as of December 2014.

Figures may not add up to 100% due to rounding.

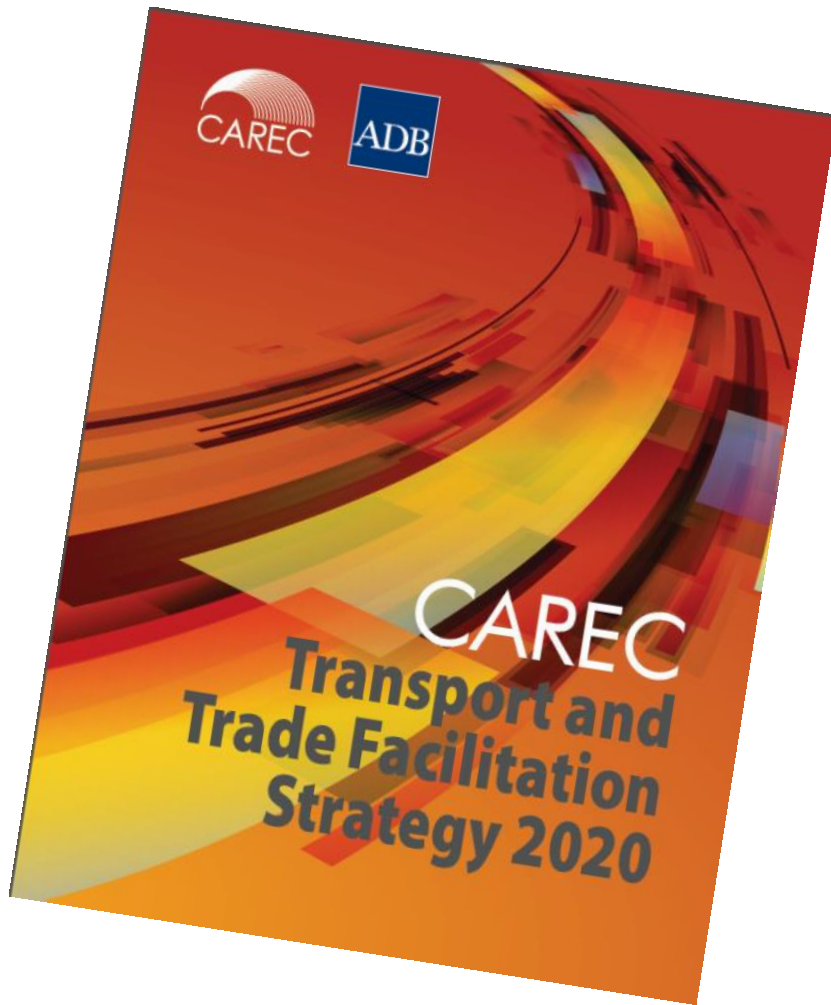
CAREC Investments by Sector, cumulative 2001-2004



The program has gradually expanded to embrace wider-ranging strategies for tackling [trade](#), [trade policy](#) and [energy](#) challenges.

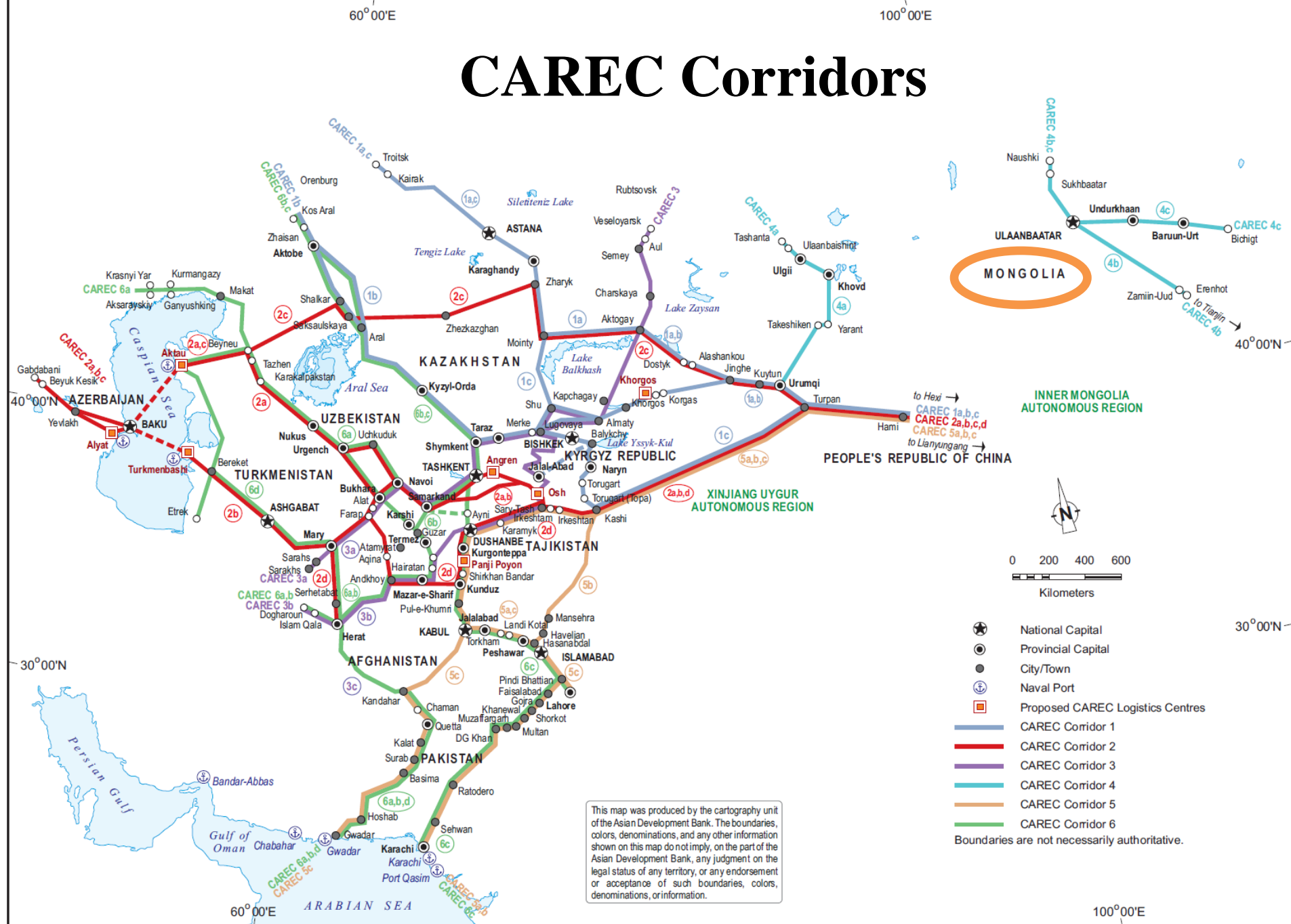
Source: CAREC Portfolio Database as of December 2014.

CAREC Transport and Trade Facilitation Strategy 2020 – Strategic Priorities



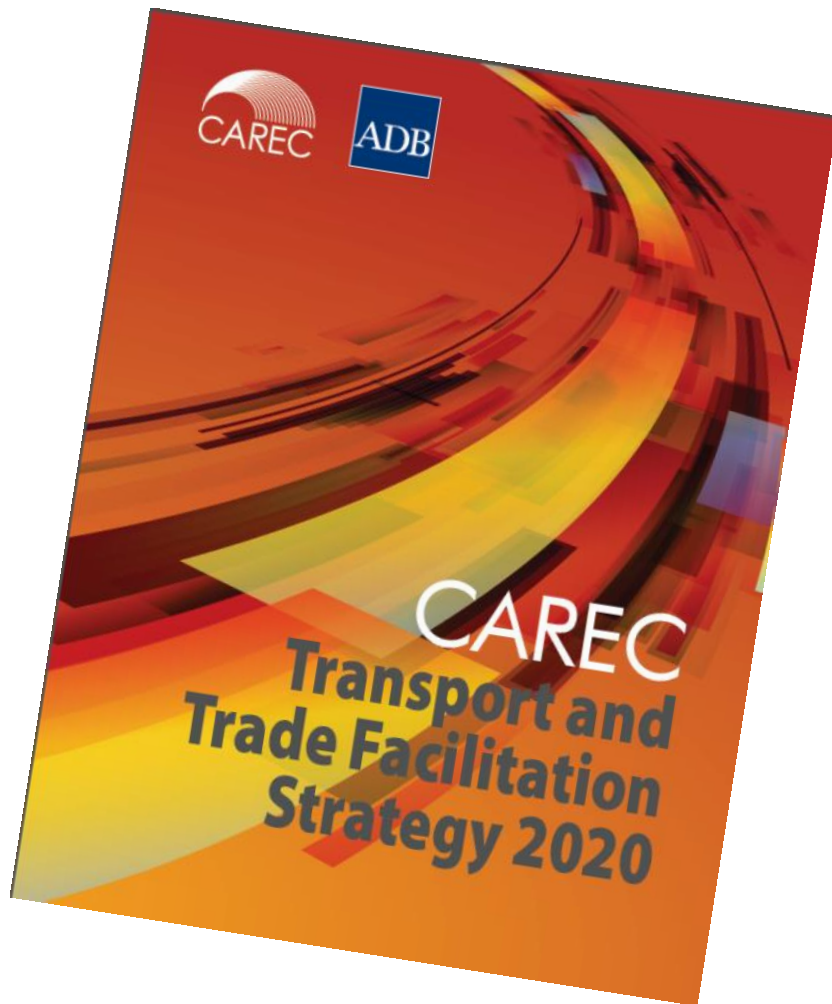
1. Develop Multimodal Corridor Network
2. Improve Trade and Border Crossing Services
3. Improve Operational and Institutional Effectiveness

CAREC Corridors



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CAREC Transport and Trade Facilitation Strategy 2020 – **Priority Projects and tasks**



Priority investment program involving

(i) 108 projects and costing an estimated \$43.4 billion

(ii) 49 TAs (\$76.2 million)

1. Develop Multimodal Corridor Network - Targets

Roads

Rail



2. Improve Trade and Border Crossing Services



Coordinated border management

Customs modernization

Single window development

Integrated trade facilitation

3. Improve Operational and Institutional Effectiveness

In terms of improving operational and institutional effectiveness, CAREC is currently seeking to address the following areas:

1. **Road maintenance** (e.g., Compendium of best practices on asset management)
2. **Road Safety** (e.g., road safety commitment and strategy)
3. **Railways** (e.g., CAREC railways strategy paper)
4. **Border crossings** (e.g., support for freedom in transit)

Implementation supported by:

- Technical focal points in CAREC countries

Roads

- infrastructure investment, asset management, road safety

Railways

- railway investment, institutional changes, logistics

Transport and trade facilitation

- border crossing points, airports, trade facilitation, knowledge management

- ADB Regional TAs on Road Safety, Knowledge Sharing and Services, Transport Facilitation
- CAREC Development partners

Thank you

<http://www.carecprogram.org>