

Asian Development Bank Central Asia Regional Economic Cooperation (CAREC) Program

Workshop on Impact of Transportation Networks on Trade and Tourism 7-8 June 2011

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What is CAREC?

- **Development Partnership**
 - Launched in 1997 with 8 member countries (AFG, AZE, PRC, KAZ, KGZ, MON, TAJ, and UZB) and 6 multilateral institution partners (ADB, IMF, WB, EBRD, IsDB, and UNDP)
 - TKM and PAK joined in 2010.
- **Goal**
 - Development through cooperation, leading to accelerated economic growth and poverty reduction
- **Action-Oriented and Pragmatic Approach**
 - Informal arrangement but a serious commitment by all
 - Strong multilateral institution partners collaboration, but ownership by countries
 - Based on clear strategies and action plans
 - Covers both hard and soft aspects of investment
 - Focuses on transport, energy, and trade facilitation
 - Promotes capacity development and networking

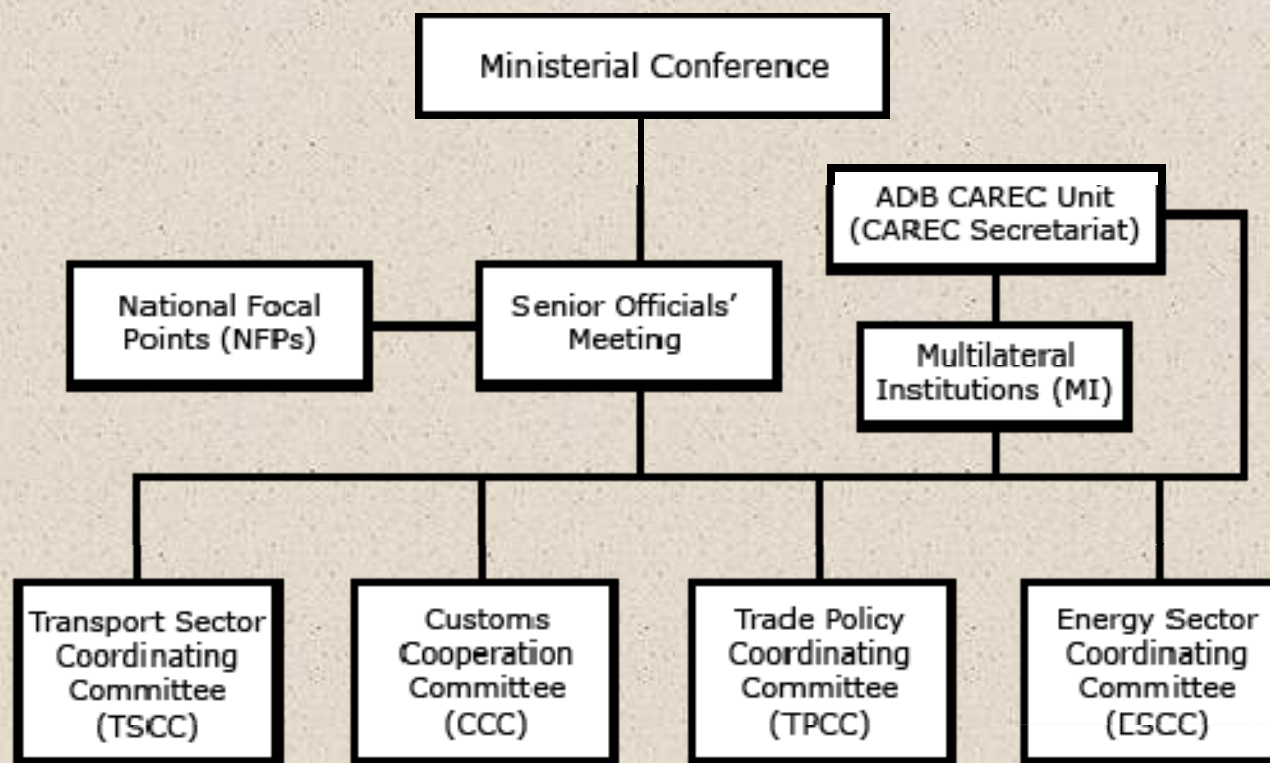
CAREC Strategies and Action Plans

- **CAREC Comprehensive Action Plan**
 - Endorsed in 2006 at the 5th CAREC Ministerial Conference (MC) in PRC
- **Transport and Trade Facilitation Strategy and Action Plan**
 - Strategy endorsed in 2007 at the 6th MC in TAJ & Action Plan in 2008 at 7th MC in AZE
- **Trade Policy Strategic Action Plan**
 - Endorsed in 2008 at 7th MC in AZE
- **Energy Strategy and Action Plan**
 - Strategy endorsed in 2008 at the 7th MC in AZE & Action Plan in 2009 at 8th MC in MON

Approved CAREC-related Projects (as of Feb 2011; in US\$ million)

Sector	Funding Source						Total
	ADB	EBRD	IsDB	WB	Govts	Others	
Transport	3,480	615	625	4,039	2,584	741	12,084
Trade Facilitation	48	-	14	107	49	1	219
Energy	1,028	348	247	286	386	448	2,743
Total	4,556	963	886	4,431	3,019	1,189	15,046

Overall Institutional Framework (OIF)



OIF supports:

- Broad-based dialogue and consensus building
- Identification and prioritization of regional cooperation initiatives
- Mobilization of financial and technical resources

Overall Institutional Framework (OIF)

- **Ministerial Conference (MC)**

- Provides overall guidance to the CAREC Program and determines policy and strategic directions and goals.

- **Senior Officials' Meeting (SOM)**

- Ensure the effective implementation of the policy decisions made by the Ministerial Conference.
- Its main responsibilities include:
 - (i) reviewing and articulating issues that emerge from the operational level and making relevant recommendations to the Ministers
 - (ii) preparing for the Ministerial Conference

- **Sector Committees**

- Lead the program in four priority areas, Transport, Trade Facilitation, Trade Policy and Energy
- These committees feed their outputs to the SOM and the MC.

- **CAREC Secretariat - ADB**



Role of NFPs and Sector Focal Points

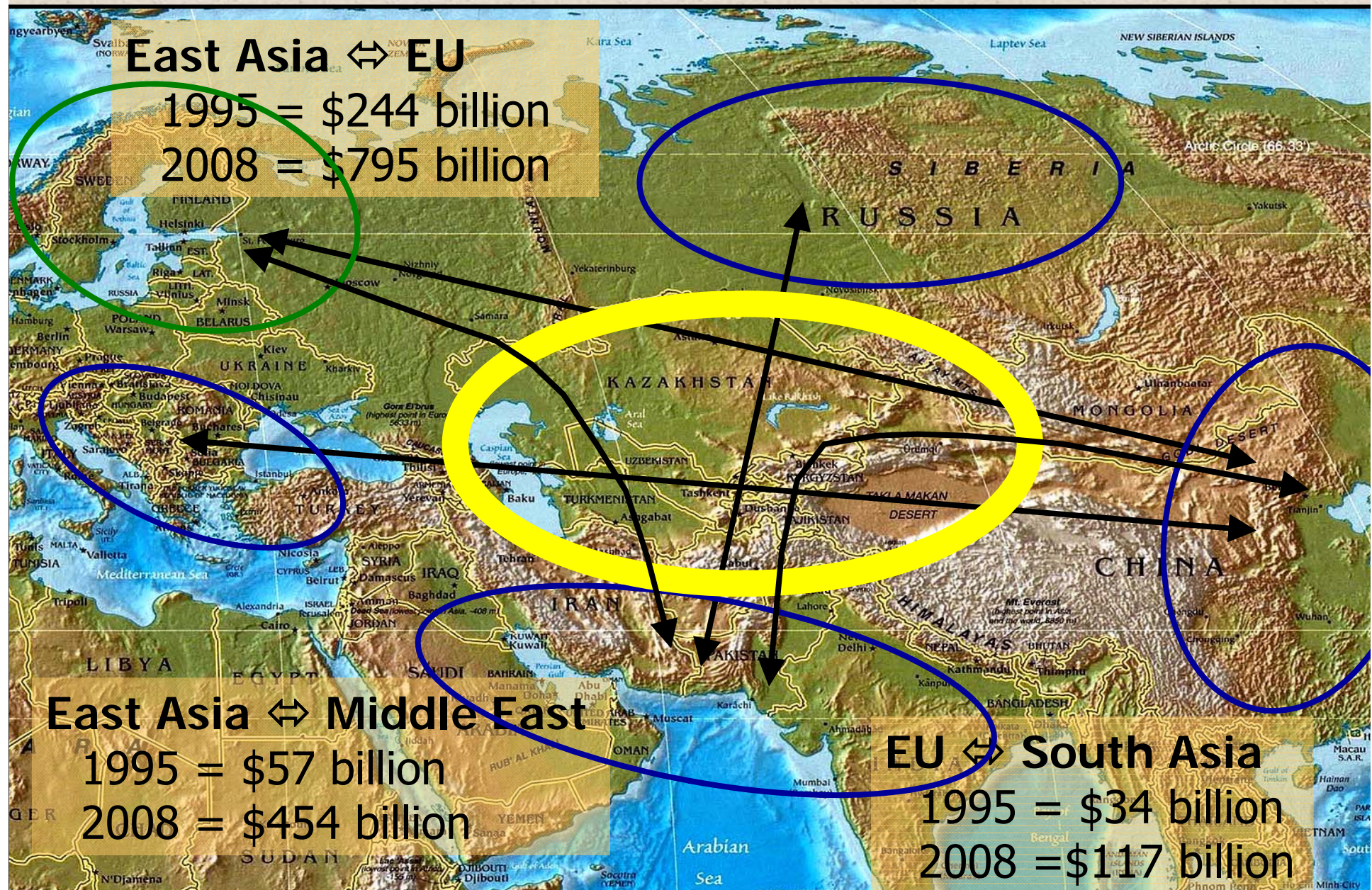
- **National Focal Points (NFPs)**

Ensure effective coordination (i) among concerned agencies and other interested parties in matters related to regional economic cooperation; and (ii) between the government and the CAREC secretariat.

- **Sector Focal Points**

Act as focal points for the relevant sector works in the CAREC Program in close coordination with the NFPs and other concerned parties in the countries.

CAREC—A Silk Route to Markets



Transport and Trade Facilitation: Strategic Priorities

- **Upgrade the 6 transport corridors**

Corridor 1 (Europe – East Asia Corridor)

Corridor 2 (Mediterranean – East Asia)

Corridor 3 (Russian Federation – Middle East and South Asia)

Corridor 4 (Russian Federation – East Asia)

Corridor 5 (East Asia – Middle East and South Asia)

Corridor 6 (Europe – Middle East and South Asia)

- **Develop safe, people-friendly transport systems**

- **Ensure efficient movement of goods and people**

–simplify and harmonize regulations that govern cross- border trade

CENTRAL ASIA REGIONAL ECONOMIC COOPERATION TRANSPORT CORRIDORS

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 1 Europe-East Asia Corridor

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 2

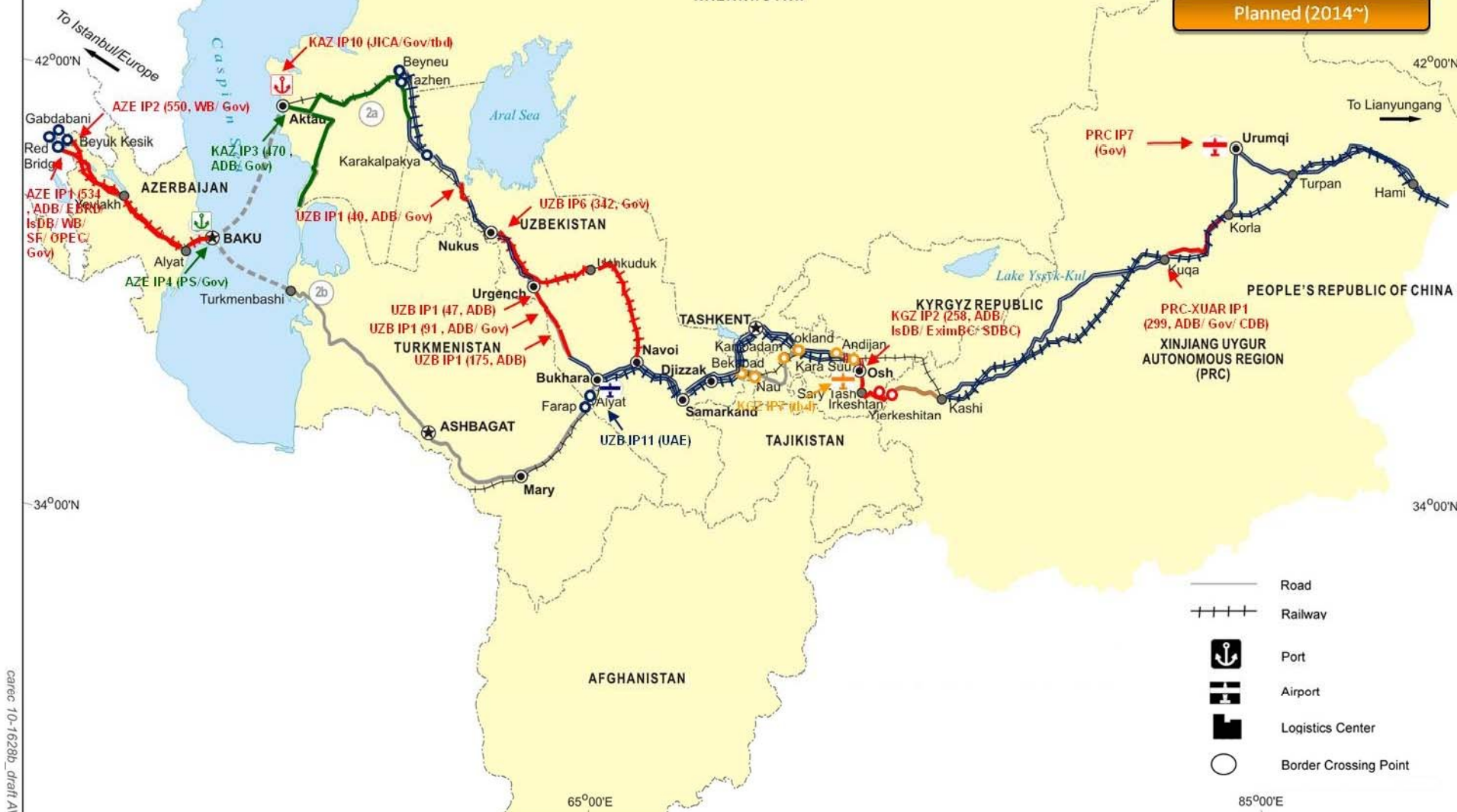
Mediterranean-East Asia Corridor

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 3

Russia-Middle East-South Asia Corridor

RUSSIAN FEDERATION

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)

KAZAKHSTAN

Veseloyarsk

Semey

Oskemen

Charskaya

Aktogay

Lake Zaysan

PEOPLE'S REPUBLIC OF CHINA

KAZ IP2 (104, PS)

KGZ IP4 (157, tbd)

KAZ IP4 (114, IsDB/ Gov)

KAZ IP9 (Gov)

UZBEKISTAN

TURKMENISTAN

KYRGYZ REPUBLIC

XINJIANG UYGUR
AUTONOMOUS REGION
(PRC)

TASHKENT

DUSHANBE

MARY

SARAKHS

To Bandar-Abbas
To Chabahar

65°00'E

85°00'E

- Road
- Railway
- Port
- Airport
- Logistics Center
- Border Crossing Point

CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 4

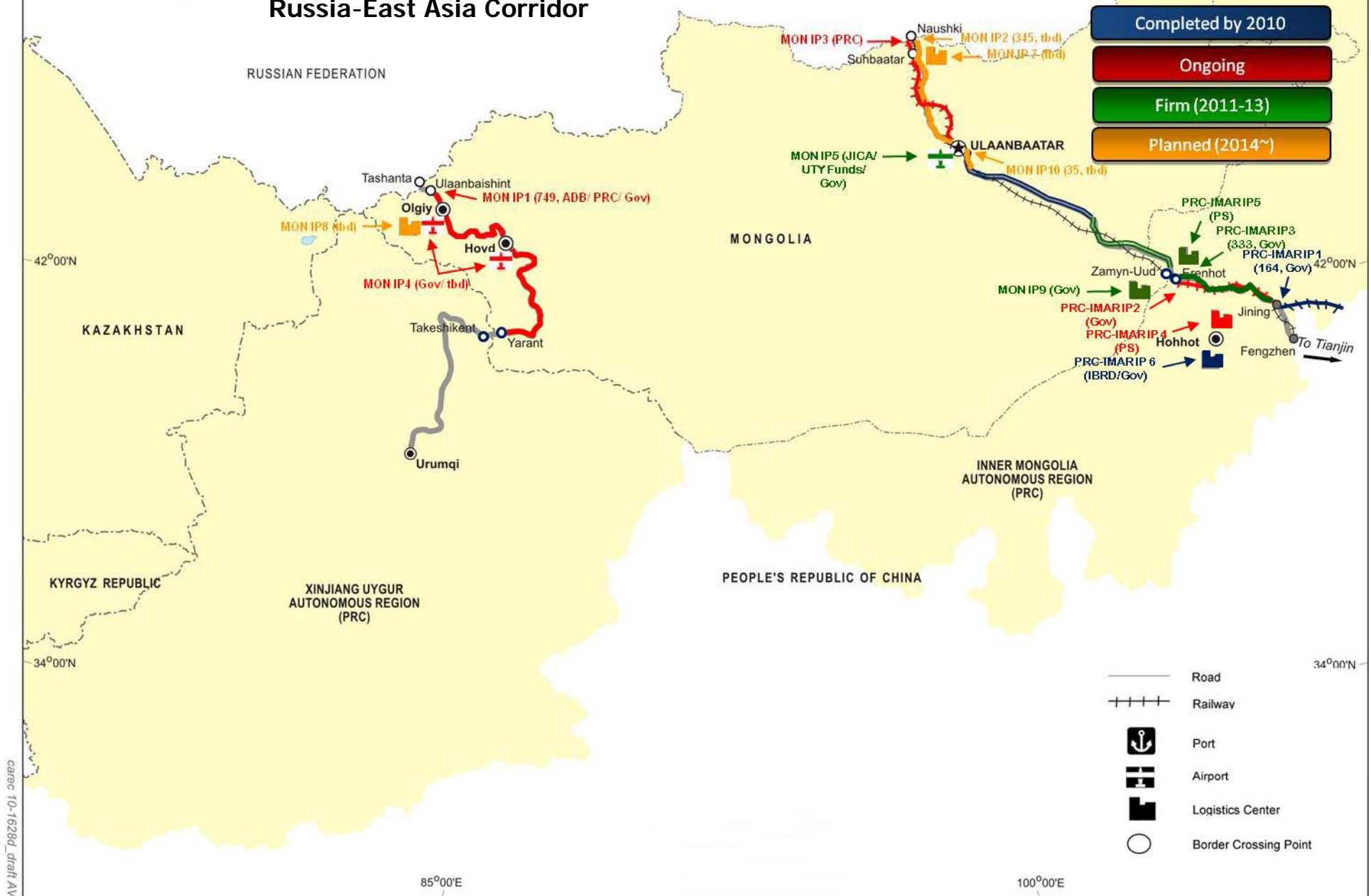
Russia-East Asia Corridor

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 5

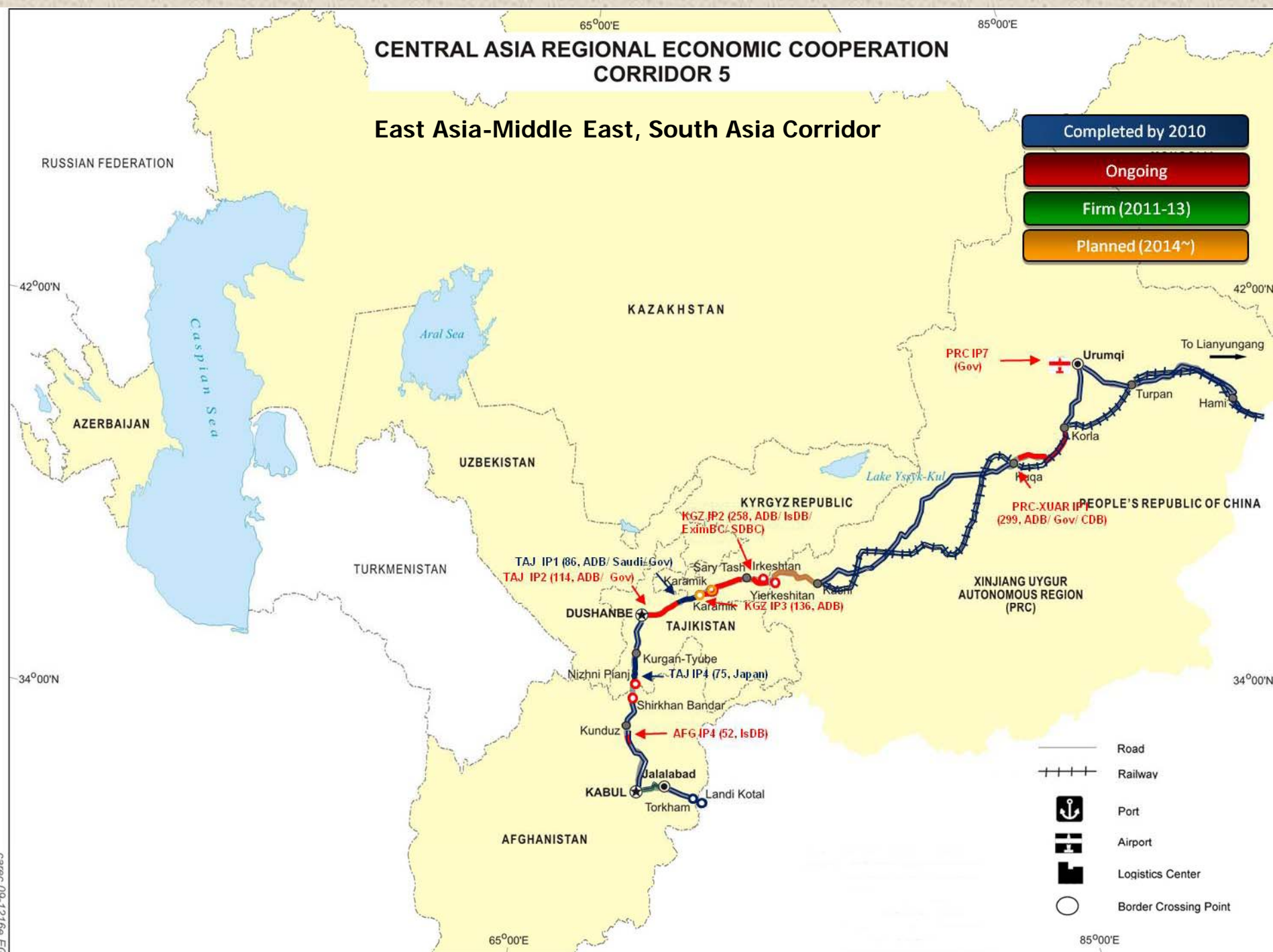
East Asia-Middle East, South Asia Corridor

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 6

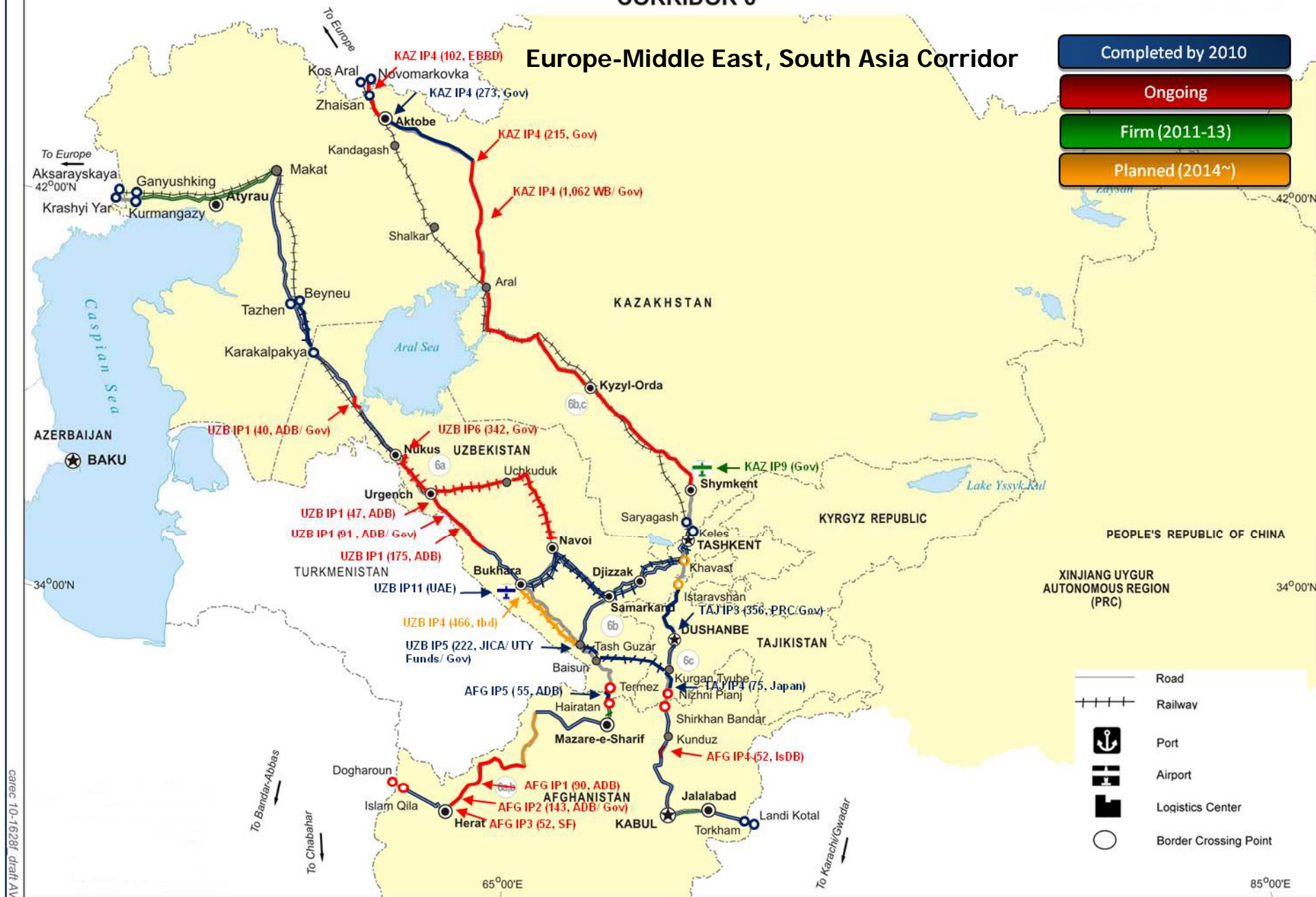
Europe-Middle East, South Asia Corridor

Completed by 2010

Ongoing

Firm (2011-13)

Planned (2014~)



Key Achievements in TTF

- **Improved the corridor network**
 - Embarked on 65 projects worth over USD10 billion
 - 32% of road and rail corridors completed (as of 10/2010)
- **Promoted customs cooperation and transit**
 - Capacity building and investments on customs reforms
 - Customs modernization, adoption of risk management and post-entry audit, and joint customs control started
 - Safe packet systems in KAZ and KGZ in place
 - Cross-border transport agreement signed by KGZ and TAJ for CAREC Corridor 5
- **Carried out integrated trade facilitation**
 - Regional association of freight forwarders established
 - Corridor performance being monitored and measured
 - Single window systems being adopted

Cross-Border Transport Agreement

- **Key elements**

- Enables and makes easy international road transport along CAREC corridor
 - Allows entry of vehicles registered in the other country
 - Mutually recognizes driving licenses, transport operators' license, and third-party motor vehicle liability insurance
 - Exempts goods, vehicles and containers in transit from customs formalities
- Harmonizes design and construction standards of roads, bridges, road signs and signals, and road safety and border crossing infrastructure and equipment
- Facilitates border crossing formalities
 - Promotes one-stop, single-window clearance; advance exchange of information; risk management/post-entry audit
 - Synchronizes border crossing point operating hours
 - Harmonizes cross-border trade documents

Future Directions of TTF

- **Accelerate infrastructure investment**
- **Improve border infrastructure and facilities**
 - Hard and soft aspects of border crossing points improvement
- **Promote Cross Border Transport Agreement**
 - Accession by other CAREC Countries
 - Follow-up activities for effective implementation
- **Develop capacities**
 - Establishment of efficient management systems and associated capacity building
 - framework to rationalize sustainable skills development

Trade Policy Strategic Action Plan

- **Strategic goals**

- More open economies
- WTO membership for all countries
- Capacity development and knowledge transfer of trade and trade policy issues

- **Operational strategy**

- Broad-based reduction in trade barriers, increased transparency, and simplification of trade regulations
- Provide practical assistance to non-WTO members to build capacity and transfer knowledge
- Capacity building and knowledge transfer activities

CAREC Institute

- **Mission**

- Enhance the quality of regional cooperation by generating world-class knowledge resources in the priority areas of transport and trade facilitation, energy and trade policy.

- **Main outputs**

- Professional development and training
- Research program
- Outreach program
- CAREC Program Results Framework

- **Financing**

- ADB's TA

Lessons Learned

- Coordination among multi-ministries and multi-agencies involved
- Formal (protocol-oriented) versus informal (delivery-oriented)
- Multilateral versus bilateral
- Allocation development benefits and investment costs among countries involved