



Central Asia Regional Economic Cooperation Program

**16th Ministerial Conference on  
Central Asia Regional Economic Cooperation  
Dushanbe, Tajikistan  
27 October 2017**

**Report of the Senior Officials' Meeting to the CAREC Ministers**

1. A Central Asia Regional Economic Cooperation (CAREC) Senior Officials' Meeting (SOM) was held in Tbilisi Georgia on 20–21 June 2017. Delegations from CAREC member countries participated along with representatives of CAREC multilateral institution partners and the CAREC Institute (CI). The national focal points also met on 21-22 September in Dushanbe, Tajikistan to further deliberate on the new CAREC long-term strategy; review progress and discuss key issues in the operational priority areas; discuss regional approaches to the sustainable development goals (SDGs); and discuss the structure and envisaged deliverables of the 16th CAREC Ministerial Conference (MC).
2. Honorable Ministers, it is my privilege, as Chair of the Senior Officials' Meeting, to report to you the outcome of our meetings.
3. The SOM broadly endorsed the new CAREC strategy leading to 2030 including the overall directions, operational priorities and institutional arrangements set out in the new strategy. The SOM appreciated the consultative and participatory approach in developing the new CAREC strategy. Consultations led by the CAREC Secretariat were conducted in all CAREC member countries involving more than 350 stakeholders. The SOM recognized the necessity to formulate a new CAREC strategy in response to the rapidly changing global and regional economic and social landscape and in better alignment with national development priorities and the 2030 development agenda including the SDGs and COP21.<sup>1</sup> The SOM endorsed the proposed mission statement for CAREC to serve as *"A Regional Cooperation Platform to Connect People, Policies and Projects for Shared and Sustainable Development"*. It underscored that CAREC should continue to build on its comparative advantages to deepen its existing operations in the areas of transport, energy, trade, and economic corridors development, while selectively expanding into new areas identified by member countries in an incremental and gradual manner.
4. The SOM endorsed the proposed five operational clusters under the new strategy. These include the clusters on (i) economic and financial stability; (ii) trade, tourism, and economic corridors; (iii) infrastructure and economic connectivity; (iv) agriculture and water; and (v) human development. The SOM considered that CAREC should also promote application of information and communication technology (ICT) across all clusters for e-commerce and digital economy development in the region. The SOM proposed that CAREC should better leverage private sector

---

<sup>1</sup> COP21 refers to Paris Agreement of 21<sup>st</sup> Conference of parties of UN Framework Convention on Climate Change.

financing and engage SMEs in global value chains, and promote business-to-business and people-to-people contacts among member countries.

5. The SOM considered that appropriate institutional arrangements should be put in place to operationalize the five operational clusters while keeping CAREC's institutional structure simple, effective and efficient. The SOM reviewed the proposal for the Ministerial Conference to serve as a high-level policy development forum and is hereby submitting for your endorsement. At the same time, the SOM noted the important role played by sector committees and observed that such committees should be further strengthened and rationalized going forward. The SOM proposed to merge trade policy and trade facilitation related work to create a unified trade group for synergy, better coordination and effectiveness. Customs cooperation functions will continue to be carried out by the standing Customs Cooperation Committee (CCC).

6. The SOM agreed that CAREC needs to further enhance its value-adding knowledge services to member countries to inform policy development and noted the important role of the CAREC Institute (CI) in providing knowledge and analytical support. The SOM is pleased to report that the CI Intergovernmental Agreement (CI-IGA) took into effect after its ratification by four countries (PRC, Mongolia, Pakistan, Uzbekistan). The CI-IGA Effectiveness Celebration was held on 7 September 2017 in Urumqi, Xinjiang Uygur Autonomous Region, PRC together with the Second CAREC Think Tanks Development Forum. The SOM believes that CI will play an increasingly important role in providing knowledge support to the overall CAREC program.

7. The SOM agreed that CAREC should position itself as an open and inclusive platform to invite interested development partner institutions, with the potential to add value, to join CAREC and support its activities and operations. The SOM recommended to coordinate and cooperate with existing and emerging regional initiatives. Hereby, the SOM submit the new CAREC strategy, *CAREC 2030*, for your endorsement.

8. Noteworthy progress continues to be made in implementing priority projects and initiatives under the four areas of CAREC cooperation – transport, energy, trade facilitation, and trade policy as well as under economic corridors development.

9. On transport, the SOM expressed satisfaction that road and railway targets set for 2020 have been surpassed. The SOM noted achievements in the areas of railways strategy development, transport facilitation, road safety and road asset management. The SOM endorsed (i) implementation of the CAREC Railway Strategy through continued support to the railway working group, including translation of the strategy into national action plans; (ii) enhancing transport facilitation by supporting full implementation of key international transport agreements; (iii) implementation of the CAREC Road Safety Strategy 2030; and (iv) undertaking of further efforts to support road asset management. The SOM reaffirmed the importance of aviation cooperation for the landlocked CAREC region, thus welcomed a scoping study to identify specific areas for regional cooperation in aviation. **The SOM also noted the efforts put up by the CAREC Federation of Carrier and Forwarders in supporting CCC pilot initiatives, adopting international standards, and expanding the Corridor Performance Measurement and Monitoring program to include time and cost taken in fulfilling trade procedures.**

10. On energy, the highlight was the CAREC High Technology Roadmap for Energy, which will be developed through extensive consultations with the respective governments and stakeholders. The SOM endorsed and supported fast-tracking of high technology adoption in CAREC. The SOM instructed the Energy Sector Cooperation Committee (ESCC) to accelerate implementation of the existing and proposed cross-border energy projects. The SOM endorsed the conduct of mid-term review of the 2016-2020 ESCC Work Plan, with an emphasis on high technology, energy efficiency

and climate mitigation projects to help countries meet their commitments in Paris. The SOM is pleased to report that ESCC in cooperation with ADB, the Government of Kazakhstan and the Astana EXPO 2017, organized CAREC 2017 Energy Investment Forum on 18-19 July 2017 in Astana focusing on financing clean energy. The Forum was able to attract about 300 participants. The SOM noted that Georgia expressed the interest to host the Forum in 2018.

11. On trade facilitation, the SOM noted the need for CAREC to support member countries in meeting their WTO Trade Facilitation Agreement (TFA) related commitments, and welcomed the initiative to undertake an assessment of the TFA implementation status in CAREC countries. The SOM appreciated the pilot initiatives of CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) involving Azerbaijan, Georgia and Kazakhstan. The SOM noted the progress made on implementing the CAREC Common Agenda for Modernization of Sanitary and Phytosanitary Measures and standards for Trade and instructed sector committees to undertake concrete actions on this agenda including building quality management infrastructure. The SOM also noted the efforts put up by the CAREC Federation of Carrier and Forwarders in supporting CCC pilot initiatives, adopting international standards, and expanding the Corridor Performance Measurement and Monitoring program to include time and cost taken in fulfilling trade procedures.

12. On trade policy, the SOM stressed that with the 2013-2017 Trade Policy Sector Action Plan coming to an end, a new trade policy agenda needs to be agreed and developed. It emphasized that the new trade policy agenda should be consistent with the directions of the new CAREC long-term strategy. The SOM encouraged TPCC to continue working closely with the WTO and other partners on capacity development and knowledge sharing activities.

13. On economic corridors development, the SOM is pleased to report that great progress has been made on the pilot Almaty Bishkek Economic Corridor (ABEC). An Intergovernmental Council has been established by Kazakhstan and the Kyrgyz Republic, chaired by their respective Prime Ministers. An ABEC Subcommittee was formed chaired by respective CAREC national focal points. An ABEC Implementation Plan to operationalize its Investment Framework is under development.

14. Honorable Ministers, on behalf of the CAREC Senior Officials, we request your kind attention on the foregoing progress reports. I respectfully submit the above recommendations for your consideration.

Thank you.  
Ms. Gulru Kayumova  
Deputy Minister  
Ministry of Economic Development and Trade  
Tajikistan