



Central Asia Regional Economic Cooperation Program

Reference Document
For Session 6 of the Senior Officials' Meeting
June 2014

Proposed Theme and Structure of the 13th CAREC Ministerial Conference

**Senior Officials' Meeting
Central Asia Regional Economic Cooperation
26 – 27 June 2014
Manila, Philippines**

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A. Proposed theme for the 13th Ministerial Conference

Linking Connectivity with Economic Transformation in CAREC: Infrastructure++

1. The theme is anchored on CAREC 2020's strategic focus on improved connectivity as a means to attain the twin goals of trade expansion and enhanced competitiveness. The focus of the CAREC Program since it started in 2002 has been on physical connectivity centered on core transport connectivity, emerging energy connectivity and the well-established link between transport and trade. Last year's Ministerial Conference theme – Integrated Transport and Trade --- reaffirmed this strategy.

2. The CAREC countries are increasingly putting greater emphasis on the next stages of their economic transformation. Policies towards urban agglomeration, economic diversification, and industrialization will affect patterns of consumption, employment and migration across the region. As the CAREC economies transform from low to middle income, from agricultural to industrial, connectivity will acquire new dimensions beyond physical infrastructure. In parallel, with greater momentum for policy reforms to improve the business and investment climate, the CAREC Program can work with member countries to leverage physical connectivity as an input into strengthening regional spillovers of national efforts at economic transformation.

3. The Program will maintain its emphasis on infrastructure connectivity, but will need to complement it (++) by **other types of investments** to support efforts by member countries towards economic transformation linked with urban agglomeration and economic diversification, and **interventions to strengthen cooperation in the second tier areas** in the context of addressing social and other aspects of trade expansion and improved competitiveness. These investments and interventions are those that will foster the development of viable competitive firms that could propel the development of the modern sectors, and generate greater focus and synergy with the core areas of CAREC program. Logistics infrastructure, economic zones and connectivity among economic clusters (cities and small towns) are examples of these types of investments that could build on physical connectivity gains and at the same time complement economic diversification efforts geared towards stimulating private, alongside with public, investment. Public-private sector partnerships will become increasingly important as the investment requirements for economic restructuring escalate, and financing modalities call for new forms of risk sharing. Innovation and technological development that are essential for competitiveness will require deliberate policy and institutional adjustments and massive investments in human capital as part of the national development strategies. The CAREC Program can contribute to these efforts by helping to mobilize investments of private capital towards regional objectives, and through the CAREC Institute, by addressing the greater knowledge demands of the transformation agenda and conducting analytical work to determine key areas where initiatives in the core areas could be enhanced by interventions in the second-tier areas (e.g. agri-business, tourism and business travel facilitation, climate change adaptation, and disaster risk mitigation).

4. The CAREC Secretariat would like to propose that this theme be carried for 2014–2020 as it represents the focus of the overall Program. The direction implied by this theme will unfold gradually. A theme consistent for a longer time horizon in alignment with CAREC 2020 will allow building, sustaining and accelerating the momentum in the Program. Similarly, “Infrastructure ++” offers possible variations and flexibility around the theme --- for example, a focus on trade in services (for which discussions have started in the Trade Policy Coordinating Committee), and private sector development in the succeeding MCs.

B. Proposed Structure for the 13th Ministerial Conference

Date: 5–6 November 2014

Venue: Bishkek, the Kyrgyz Republic

Day 1: Senior Officials’ Meeting

Day 2: Ministerial Meeting