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2011 Central Asia Regional Economic Cooperation Program Development Effectiveness Review: CAREC 2020—Focus, Action, Results

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ABBREVIATIONS

ADB	–	Asian Development Bank
BCP	–	border crossing point
CAP	–	Comprehensive Action Plan
CAREC	–	Central Asia Regional Economic Cooperation
CFCFA	–	CAREC Federation of Carrier and Forwarder Associations
CPMM	–	Corridor Performance Monitoring and Measuring
DEfR	–	development effectiveness review
ESCC	–	Energy Sector Coordinating Committee
GII	–	Gender Inequality Index
GDP	–	gross domestic product
HDI	–	Human Development Index
MDG	–	Millennium Development Goal
MTPP	–	medium-term priority project
PPP	–	purchasing power parity
PRC	–	People’s Republic of China
SOM	–	Senior Officials’ Meeting
TLI	–	Trade Liberalization Index
TPCC	–	Trade Policy Coordinating Committee
TPSAP	–	Trade Policy Strategic Action Plan
TTF	–	Transport and Trade Facilitation
UNDP	–	United Nations Development Programme
WTO	–	World Trade Organization

WEIGHTS AND MEASURES

GWh	–	gigawatt-hour
km	–	kilometer
kph	–	kilometer per hour
kV	–	kilovolt
MW	–	megawatt

NOTE

In this report, “\$” refers to US dollars.

EXECUTIVE SUMMARY

The 2011 Central Asia Regional Economic Cooperation Program Development Effectiveness Review: CAREC 2020—Focus, Action, Results (2011 CAREC DEfR) is the third annual performance assessment of the overall Central Asia Regional Economic Cooperation (CAREC) Program. The DEfR process presents a consolidated picture of progress in all major components of the program toward the goals and objectives of CAREC’s 2006 strategic framework the *Comprehensive Action Plan*. Through analysis of indicator data and trends, it aims to highlight achievements made over the past calendar year, yet also flag emerging issues and challenges. As the only mechanism to provide an aggregate performance assessment across all CAREC implementing sectors, it also helps identify and enhance complementarities between the diverse activities.

2011 Performance Snapshot	
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<div style="display: flex; align-items: center; margin-bottom: 5px;"> G <div>Over 50% of indicators in this group have made progress against indicative targets and improved over the value reflected in the previous DEfR cycle. This group is “on track.”</div> </div> <div style="display: flex; align-items: center; margin-bottom: 5px;"> A <div>Equal numbers of indicators in this group have (i) made progress, or (ii) deteriorated over the previous DEfR cycle. This indicator has “stalled” and necessary action should be identified to prevent further deterioration.</div> </div> <div style="display: flex; align-items: center;"> R <div>Indicator values for this group have stalled and/or deteriorated for two consecutive years. This group is “off track” and immediate attention is required.</div> </div>	

The snapshot of national-level development outcomes at Level 1 of the 2011 CAREC DEfR included data for Pakistan and Turkmenistan for the first time since these two countries joined the CAREC partnership in November 2010. Revised data indicate that income poverty and human development is improving, though slowly and not at the same rate across the CAREC countries. Indicators tracking gross domestic product, trade, and the business environment in 2011 showed only a slight deterioration over results for 2010, although a lack of updated figures limited analysis of trends. The aggregate growth rate of real GDP rebounded slightly, according to the latest available data, and the indicator for trade openness also picked up in 2011.

Tangible progress was seen in 2011 in Level 2 indicators with the transport sector building or improving 1,022 kilometers (km) of road, significantly exceeding its 2011 target of 880 km and continuing this sector's strong performance of 1,025 km in 2010 and 1,288 km in 2009. Of the 24,000 km total length of the six CAREC road corridors, 79% was in good condition by end-2011, which also exceeds both the 2011 and 2012 targets for completion. The intermediate outcome indicators chosen to represent annual progress in the trade facilitation sector saw a good reduction in time and cost to clear border crossings in 2011—on average almost one full hour was shaved off border crossing times and costs decreased by an average 16%. However, these gains are set against deterioration in the speed and cost to travel sections of the CAREC corridors. Trade policy recorded positive movement in the trade liberalization index, which reflects the growing openness and simplification of CAREC country trade regimes. Almost all countries achieved the 2011 targets in the trade liberalization index and one has already exceeded the 2012 target score. With more comprehensive results becoming available in 2011, data for the energy sector confirms a higher 2009 baseline of 850 km of transmission line installed or upgraded, together with an additional 1,150 km installed or upgraded in 2011.

Operations growth and finance mobilization continued steadily in 2011, with almost \$3.5 billion of new funding, in support of 15 new loan and grant investments in transport and energy. Since 2001, a total of 122 CAREC-related projects cumulatively accounted for \$17.7 billion by end-2011. However, year-on-year breakdowns confirm a slowing trend in terms of financing for CAREC-related investments. Finalization of CAREC's list of medium-term prioritized projects (MTPP), including identification of projects with firm financing, will allow more precise estimation of potential financing gaps.

Updated information on CAREC-related technical assistance activities presented a broader spectrum of CAREC partner activities, including technical assistance projects that led to investment in CAREC priority sectors, as well as in second tier areas such as disaster risk management and climate change initiatives. Training and capacity building improved over 2010, although more effort should be made to coordinate relevant training and capacity building activities between the implementing sectors and the CAREC Institute. Re-structuring of the CAREC Institute and development of effective knowledge exchange and dissemination mechanisms through CAREC continued throughout 2011.

The 10th Ministerial Conference held in Baku, Azerbaijan, in 2011, endorsed CAREC's new strategic framework that will guide the program through its second decade of implementation—*CAREC 2020: A Strategic Framework for the Central Asia Regional Economic Cooperation Program* (CAREC 2020). Underpinned by CAREC's MTPP in the implementing sectors, CAREC 2020 aims to increase alignment of national development priorities and agendas with the goals and objectives of the CAREC Program. It also identifies two new strategic objectives: expanded trade and increased competitiveness. The 2012 DEfR process will start assessing progress of CAREC operations against the objectives of CAREC 2020 and the MTPP, adjusting the results framework as required.

The DEfR is an action-oriented report and as such proposes a set of priority actions to enhance the effectiveness of the program across all component parts. These actions are for the consideration of the midterm Senior Officials' Meeting, and progress made in resolving actions and issues will be reported by the senior officials to the annual CAREC Ministerial Conference. Proposed actions aim to:

Accelerate implementation of CAREC 2020:

- Implement on a timely basis the midterm review of the Transport and Trade Facilitation Strategy and Action Plan;
- Maximize the benefits of CAREC corridors by identifying key nonphysical barriers to cross-border transport and feasible approaches to implementing transport facilitation agreements in the CAREC corridors;
- Accelerate finalization of the CAREC Energy Work Plan 2013-2015;
- Continue implementation of the Trade Liberalization Index and develop Institutional Quality Index;
- To sustain operations growth, endorse medium-term priority project list at the Ministerial Conference of 2012, and commence mainstreaming priority projects into national development plans of the CAREC countries;
- To counter the drop in finance mobilization, step up efforts to explore cofinancing opportunities among CAREC governments, multi- and bilateral institutions, other development partners, and the private sector;
- Ensure relevant sector-focused training and capacity building activities are implemented through the CAREC Institute;
- Expand dissemination of relevant knowledge products to all CAREC members, especially through the CAREC web portal;
- Build and expand web-based data repository functions for each priority sector, CAREC partners, and the CAREC Institute;
- Coordinate closely with National Focal Point Advisers to promote consistent messaging and information about the CAREC Program in all member countries; and

Enhance CAREC Program results orientation:

- To better identify linkage between CAREC sector outputs and national development outcomes, identify intermediate outcome indicators to monitor progress toward the two new objectives of CAREC 2020—expanded trade and improved competitiveness.

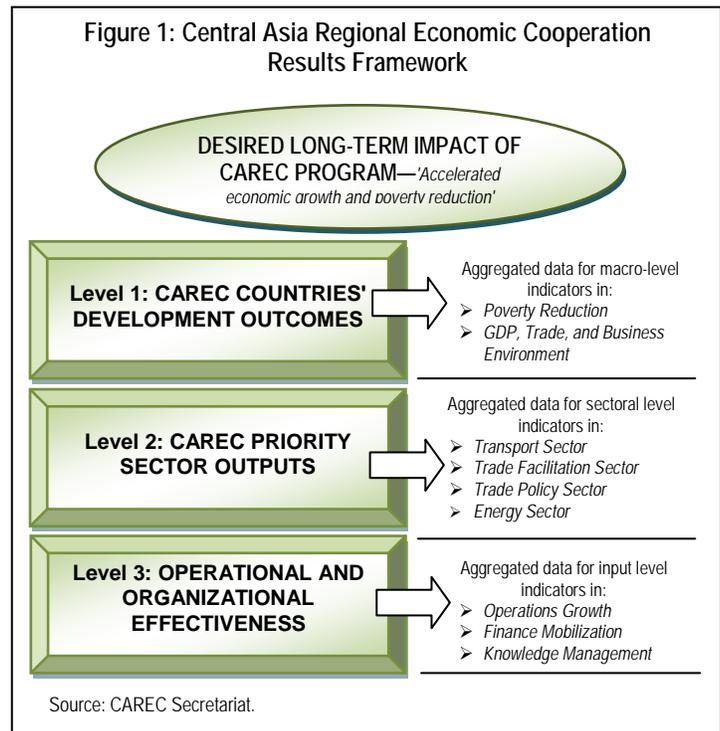
I. INTRODUCTION

1. The CAREC Program is a practical, project-based and results-oriented initiative implemented by ten partner countries and six supporting multilateral institutions.¹ The *2011 Central Asia Regional Economic Cooperation Program Development Effectiveness Review: CAREC 2020—Focus, Action, Results (2011 CAREC DEfR)* is the third annual performance assessment of the overall CAREC Program, and is based on analysis of the 32 aggregated performance indicators that function as inter-dependent building blocks to form the CAREC results framework (Figure 1).² The DEfR process presents a consolidated picture of progress toward the goals and objectives of CAREC's 2006 strategic framework—the *Comprehensive Action Plan (CAP)*.³

2. The DEfR process highlights achievements made during the previous calendar year, as well as issues and challenges faced by the CAREC partnership. It is an action-oriented tool to both examine how the component parts complement and support each other, and identify how and where they fall short in maximizing their impact. The 2011 CAREC DEfR presents the third cycle of data and results for the overall program and allows initial identification of trends, both persistent and emerging. Based on apparent trends, the DEfR proposes measures to strengthen and facilitate implementation of CAREC projects and activities.

3. The results framework must be practical and flexible: indicators will be reviewed and adjusted or changed as the CAREC Program matures and implementation priorities evolve. Baseline data are subject to change as new data becomes available, and/or adjustments are made to indicators.

4. The 10th CAREC Ministerial Conference, held in Baku, Azerbaijan, approved *CAREC 2020: A Strategic Framework for the Central Asia Regional Economic Cooperation Program 2011-2020 (CAREC 2020)* to guide the program through its second decade of implementation. CAREC 2020 promotes greater alignment of national development priorities and agendas with the goals and objectives of the CAREC Program and is underpinned by a list of medium-term



¹ The 10 country partners comprise: Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan; the six multilateral institutions are the Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and the World Bank.

² The complete 2011 CAREC results framework is found in Appendix 1. Definitions and sources are listed in Appendix 2.

³ CAREC Secretariat. 2006. *Comprehensive Action Plan*. Manila. www.carecprogram.org/uploads/docs/CAREC-Comprehensive-Action-Plan.pdf

prioritized projects (MTPP) in the implementing sectors. It also identifies two new strategic objectives: expanded trade and increased competitiveness.

5. From 2012, the DEfR process will monitor the performance of the CAREC Program against the stated goals, objectives, and outcomes of CAREC 2020. To track progress of CAREC 2020 effectively, the overall results framework will be enhanced to reflect the new strategic objectives of CAREC 2020, specifically through the proposed introduction of intermediate outcome level indicators. Intermediate outcome indicators will seek to identify and understand better the specific contributions CAREC outputs make to national and regional development outcomes. As the CAREC sector coordinating committees finalize the MTPP, effective monitoring mechanisms will be put in place to monitor progress and trends in the expanded CAREC project portfolio through the overall results framework. The CAREC Secretariat—together with all relevant stakeholders—will identify proposed indicators, baselines, and targets relating to the MTPP during 2012.

6. The DEfR process uses a simple rating system designed to show immediately (i) where progress is being made in the overall context of CAREC activities (ii) where progress has slowed or begun to deteriorate; and (iii) where urgent attention is required to prevent further deterioration. The traffic light rating system adopted by the CAREC DEfR process is as follows:

	The indicator value for the current development effectiveness review (DEfR) has made progress and improved over the indicator value reflected in the previous DEfR cycle. This indicator is “on track.”
	The indicator value for the current DEfR has neither made progress nor deteriorated. This indicator has “stalled” and necessary action should be identified to prevent further deterioration.
	The indicator value for the current DEfR has stalled and/or deteriorated for two consecutive years. This indicator is “off track” and immediate attention is required.

II. LEVEL 1: CAREC REGION DEVELOPMENT OUTCOMES

7. Level 1 of the 2011 CAREC DEfR provides a broad-stroke context of national-level progress toward development goals (development outcomes) to which CAREC projects and activities aim to contribute, together with the work of national governments and other development partners. Macro-level development outcomes affect the ability of CAREC countries to achieve economic growth and further the goals of poverty reduction, both at national and regional levels. The results framework tracks indicators at Level 1 that reflect medium-term national and regional economic objectives of the CAREC Program. Indicators fall under two groupings: poverty reduction and human development; and economic progress—gross domestic product (GDP), trade, and business environment.⁴

8. 2011 was the first full calendar year of membership for Pakistan and Turkmenistan, which joined the CAREC partnership in November 2010. Accordingly, the 2011 CAREC DEfR includes data, where available, for these two countries.⁵

A. Poverty Reduction and Human Development (Table 1)

9. The results framework tracks poverty reduction and human development through three sets of data:

⁴ Additional Millennium Development Goal indicators for the CAREC region are listed in Appendix 3.

⁵ Inclusion of these additional data sets required re-computation of all Level 1 indicators for previous years, and establishment of new baselines as reflected in tables 1 and 2.

- (i) a variant of the Millennium Development Goal (MDG) measure of extreme poverty—“proportion of people living on less than \$1.25 a day”—adjusted to more appropriate levels for the CAREC region;
- (ii) the United Nations’ Development Programme’s (UNDP) composite Human Development Index (HDI), to measure a broad spectrum of human development; and
- (iii) UNDP’s Gender Inequality Index (GII), which aims to demonstrate how human development achievements can be eroded by gender inequality, and provide empirical foundations for policy analysis and advocacy efforts.

Table 1: Level 1—Poverty and Human Development

Indicator	Indicative Target	Baseline Year	Baseline Value	2005	2011/Latest Value	Progress
1. Population living on less than \$2 a day (%)	↓	2002	65.3 ^a	52.1 ^{a,b}	50.1 ^c	
2. Human Development Index	↑	2000	0.524	0.573 ^d	0.612	
3. Gender Inequality Index	↓	2010	0.614 ^e	...	0.436 ^e	

^a No data for Afghanistan.

^b 2005 data.

^c 2009 data.

^d 2010 data.

^e No data for Turkmenistan or Uzbekistan.

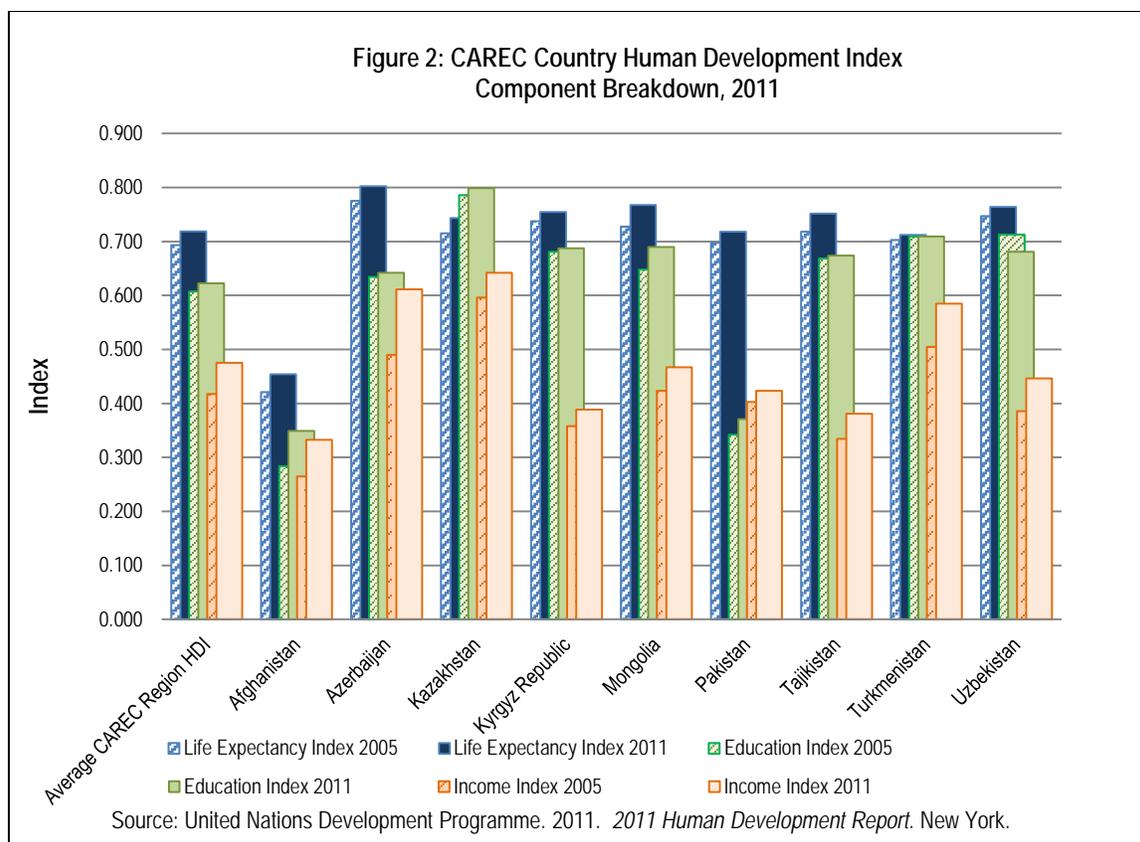
Notes: Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region are not available.

Sources: World Bank. PovcalNet Online Database for indicator 1; United Nations Development Programme. 2011. *Human Development Report 2011*. New York, for indicators 2 and 3.

10. Poverty data have not been updated since 2009, and the latest available figures for this report still do not reflect the impact of the global financial crisis starting in 2008-2009. In 2012-2013, the CAREC Secretariat should explore alternative data sources—such as the ADB-UNESCAP partnership—to ensure more regular updating of indicators, to the extent possible.

11. UNDP’s HDI for 2011 produced encouraging trends across all CAREC countries, with the average HDI value rising 7% over 2010 to 0.612 (Figure 2). All but one of the three HDI indexes increased for each country.⁶ Turkmenistan joined Azerbaijan and Kazakhstan in recording the highest income levels, while Pakistan was closer to the Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan both in income and life expectancy indexes. Pakistan’s education index however is comparatively low and brings down the overall HDI value for the country. The CAREC average HDI for 2011 sits mid-way between the regional averages for Europe and Central Asia (0.548) and South Asia (0.548) in 2011.

⁶ Only the education index fell slightly for Uzbekistan in relation to the expected years of schooling component.



12. The 2011 GII shows significant positive movement for all CAREC countries where data were available. Most especially Kazakhstan, Azerbaijan and Tajikistan all saw improvements of about 40% over data for 2010. Notably, Mongolia scored highest of all the CAREC countries in the GII in 2010, yet the gains it made in 2011 were modest in comparison. The effects of gender inequality in eroding human development achievements are stronger in South Asia where the regional average GII in 2011 was 0.601, reflected in the higher GII values of Afghanistan and Pakistan compared with the Central Asian nations, where the regional average was 0.311 in 2011.⁷

B. Gross Domestic Product, Trade, and Business Environment (Table 2)

13. The second set of performance indicators at Level 1 provides a snapshot of macroeconomic progress in growth, employment, trade, and the business environment in the CAREC region. It is important to note, however, that while CAREC countries show a degree of uniformity, they remain highly diverse as demonstrated in some of the indicators used in this results framework. They are subject to different challenges and they reap different benefits. In addition, updating of data for GDP, trade, and the business environment to reflect inclusion of Pakistan and Turkmenistan significantly altered earlier CAREC region figures and emerging trends.

⁷ This was the regional average for Europe and Central Asia, defined by UNDP as 30 countries comprising the former socialist countries of Europe and Central Asia that have undergone a political and economic transformation since 1989-1991, as well as Cyprus and Turkey.

14. The CAREC countries are showing resilience to the global financial crisis as evidenced in consistently strong average GDP per capita growth from 2006-2010 (over 16%), with a 4% rise in 2009-2010. Since the 2006 baseline, Afghanistan, Azerbaijan, Turkmenistan, and Uzbekistan have all experienced increases of 30%-48% in GDP per capita. Kazakhstan's GDP per capita grew slowly compared to other CAREC countries over the period 2006-2010, but retained the highest nominal GDP per capita (\$10,921 in 2010) of all CAREC countries—placing it above the average GDP per capita for Europe and Central Asia (\$10,614).

Table 2: Level 1—Gross Domestic Product, Trade, and Business Environment

Indicator	Indicative Target	2006 Baseline Year	2008	2009	2010/Latest Value	Progress
1. GDP per capita PPP (constant 2005 international \$)	↑	2,643	2,884	2,964	3,072	G
2. GDP PPP (constant 2005 international \$ billion)	↑	242.8	262.6	272.7	284.7	G
3. Real GDP growth rate (%)	↑	11.1 ^a	8.1	4.1 ^a	5.4	G
4. Labor force participation rate (%)	↑	57.7	57.7	58.2	...	G
5. Women employed in nonagricultural sector (%)	↑	38.6 ^{a,b}	38.0 ^{a,b,c}	37.9 ^d	...	R
6. Real growth in trade of goods and services (%)	↑	12.5 ^d	7.2	(3.9) ^{c,e}	...	R
7. Trade openness (%) ^f	↑	0.547	0.561	0.509	0.514	G
8. Intra-regional energy trade (GWh)	↑	5,061	4,227	4,435	...	G
9. GDP per unit of energy use (2005 PPP \$ per kilogram of oil equivalent)	↑	3.0 ^a	3.6 ^a	4.0 ^a	...	G
10. Foreign direct investment (% GDP)	↑	2.5	4.2	4.9	4.2	A
11. Time required to start a business (days)	↓	31 ^g	17 ^g	15 ^g	15 ^g	A
12. Cost of business start-up procedures (% GNI per capita)	↓	26.6 ^g	10.9 ^g	12.2 ^g	10.8 ^g	G

... = data not available; () = negative; GDP = gross domestic product; GNI = gross domestic income; GWh = gigawatt hour; PPP = purchasing power parity.

^a No data for Afghanistan.

^b No data for Uzbekistan.

^c Includes 2007 data.

^d 2008 data.

^e No data for Mongolia.

^f No data for Afghanistan, Mongolia, or Turkmenistan.

^g For indicators 11 and 12, 2009 data is shown under the year 2008; 2010 data is under the year 2009; and 2011 data is under the year 2010/Latest Value column. No data for Turkmenistan.

Notes: Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region are not available for indicators in Table 2.

Sources: World Bank. World Development Indicators Online Database for indicators 1–5, 7, and 9–10; World Bank. World Trade Indicators Online Database for indicator 6; Central Dispatch Center, Tashkent, Uzbekistan, 2011, for indicator 8; IFC/World Bank Doing Business Online Database, for indicators 11 and 12.

15. The indicator measuring percentage of the working-age population active in the labor market changed considerably. While the 2010 CAREC DEIR recorded 63.5% (2006) and 64.4% (2009), the latest data for the same years shows 57.7% (2006) and 58.2% (2009). This reflects inclusion of data for Pakistan, where labor force participation is lower (54.3%) than for the other CAREC countries. Latest figures for both Afghanistan and Pakistan, however, are both close to

the 57% regional average for South Asia; while the Central Asian CAREC countries (ranging from 63% to 72.9%) tend to exceed the regional average for Europe and Central Asia (59% in 2010). Overall, for the CAREC region, the trend from available data appears positive, and this indicator is on track.

16. A similar trend in latest aggregate figures is seen even more clearly for the indicator tracking women employed in the nonagricultural sector throughout the CAREC region. In Europe and Central Asia the regional average for this indicator is 48%, and the Central Asian CAREC countries range from 37% to 51%. In South Asia, the average is considerably lower at 18%, and Afghanistan and Pakistan's range reflects this.

17. No new data was available in 2010 for the indicators "real growth in trade of goods and services," "intraregional energy trade," or "ratio of GDP per unit of energy use."

18. Although data in 2010 show only a slight decrease of 0.7% over 2009 in foreign direct investment (FDI) for the CAREC region, the trend in this indicator remains positive overall. Mongolia, Kyrgyz Republic, and Turkmenistan recorded the highest levels of FDI out of the CAREC countries tracked in this indicator. In comparative terms, regional averages show FDI in Europe and Central Asia standing at 2.8% of GDP in 2010, and South Asia at 1.3% of GDP.

19. The International Finance Corporation and World Bank's yearly *Doing Business* report shows no movement in 2011 for the indicator tracking the average amount of days required to start a business in the CAREC region. Although Tajikistan and Uzbekistan in 2011 both reduced the amount of days necessary for business start-up procedures over figures for 2010—by 11% and 7%, respectively—there was no progress in any of the other six CAREC countries for which data were available.⁸ It is notable that, in comparison to Azerbaijan, Kyrgyz Republic, Tajikistan, and Uzbekistan who have reduced business start-up times by 52%-93% since 2006, the remaining countries have recorded progress ranging from 0%-24%. Despite a lack of annual movement, this indicator compares favorably with the average time required for business start up in the wider South Asia region (23 days), the Eastern Europe and Central Asia region (16 days), and is approaching parity with the average for countries of the Organisation for Economic Co-operation and Development (12 days).⁹

20. After a minor increase in 2010, the indicator tracking the average cost of starting a business in the CAREC region recovered and recorded a modest average fall of 1.4 percentage points in 2011. Again, Uzbekistan and Tajikistan performed strongly with decreases of over 5 percentage points and over 3 percentage points, respectively. Only Pakistan saw a slight increase (0.5 percentage point) during 2011. The 11% of GNI overall average cost for the CAREC countries compares with an average of just over 8% of GNI for the Eastern Europe and Central Asia region, and over 21% of GNI for the South Asia region.

21. To understand better how the work of the CAREC Program contributes to national-level development outcomes, and to monitor CAREC 2020's two new strategic outcomes (expanded trade and improved competitiveness), a new set of intermediate outcome indicators should be identified and agreed. There will be specific focus on building credible and appropriate linkages between CAREC priority sector outputs and intermediate development outcomes, and on how

⁸ Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, and Pakistan.

⁹ This is not an absolute comparative as the CAREC region includes Afghanistan, Mongolia, and Pakistan, which are included in the *Doing Business* subset for South Asia (Afghanistan and Pakistan) and East Asia and the Pacific (Mongolia). Regional groupings are defined in Appendix 3.2.

the intermediate development outcomes contribute positively to national and regional development outcomes.

III. LEVEL 2: CAREC PRIORITY SECTOR OUTPUTS

22. Level 2 seeks to track tangible results delivered through CAREC-related projects and activities in its priority sectors of transport, trade, and energy.¹⁰ Tangible outputs give a “real-time” indication of annual progress, and also flag emerging issues that may cause progress to stall. Although outputs are measured and monitored within individual sectors, the DEfR process is unique in presenting a measure of aggregate progress. The quantitative and qualitative nature of outputs monitored at Level 2 seek to help the CAREC priority sectors identify areas of complementarity that may be developed across the sectors. The ultimate aim is to optimize a regional approach to project planning and implementation in the three priority sectors.

A. Transport and Trade Facilitation Indicators (Tables 3 and 4)

23. The CAREC Transport Sector Coordinating Committee (TSCC) and the Customs Cooperation Committee (CCC) have been implementing a joint Transport and Trade Facilitation Strategy (TTFS) since 2007.¹¹ The rationale behind the joint TTFS is to strengthen effective cooperation and interaction between transport and trade facilitation components of the CAREC Program. The overarching goals of the TTFS are to (i) establish competitive corridors across the CAREC region; (ii) facilitate efficient movement of people and goods through CAREC corridors and across borders; and (iii) develop sustainable, safe, user-friendly transport and trade networks. The consolidated strategic approach of the TTFS maximizes the benefits accruing from investment and technical assistance projects and seeks to increase CAREC’s competitiveness in intraregional and international trade.

24. The transport and trade facilitation sectors are represented in the overall CAREC results framework by six indicators. Physical progress in hard infrastructure development is monitored through two indicators that track tangible progress in infrastructure connectivity: “expressways or national highways built or improved (km)” and the “proportion of total CAREC road corridor built or improved (%)”. Four separate indicators monitor the soft side of trade facilitation initiatives: “time taken to clear a border crossing (hours)”, “costs incurred at a border crossing clearance (\$)”, “speed to travel 500 km on CAREC corridor section (km per hour)”, and “costs incurred to travel corridor section (\$)”.

¹⁰ Not all of CAREC’s sector output indicators are true “outputs,” however. While the transport and energy sectors identified quantifiable output indicators (“expressways or national highways built or improved (kilometers [km])” and “proportion of total CAREC road corridor built or improved (%)” for transport; “transmission lines installed or upgraded (km)” and “increased energy generation capacity (megawatts [MW])” for energy), the Level 2 indicators selected for trade facilitation and trade policy activity under CAREC are not output indicators. Rather, they are broader intermediate outcome indicators. This means they do not measure the tangible output of specific CAREC-related projects, but rather how project-based and other outputs contribute to the desired objectives of the overall program.

¹¹ Endorsed at the Sixth CAREC Ministerial Conference in 2007: www.carecprogram.org/uploads/docs/CAREC-Transport-TradeFacilitation-Strategy.pdf. The Implementation Action Plan (Action Plan) for the TTFS was endorsed at the Seventh CAREC Ministerial Conference in 2008: www.carecprogram.org/uploads/docs/CAREC-TTF-Strategy-Implementation-Action-Plan.pdf.

1. Transport (Table 3)

25. Results for 2011 showed steady output for the two transport indicators in terms of building or improving road sections and completing the total length of the CAREC corridors.¹² Accordingly, both indicators are rated “green.”

Table 3: Level 2—Transport Sector Outputs

Indicator	2008 Baseline Year	Baseline Value	2009	2010	2011	2011 Target	2012 Target	Progress
Expressways or national highways built or improved (km)	2008	177	1,288	1,025	1,022	880	880	
Proportion of total CAREC road corridor built or improved (%)	2008	65	70	74	79	71.5	75	

CAREC = Central Asia Regional Economic Cooperation; km = kilometer.

Sources: Transport and Trade Facilitation Coordinating Committee, Country Progress Reports 2012.

26. A total of 1,022 km of expressways or national highways was built or upgraded in 2011—comparable with results for both 2009 and 2010, and representing almost 12% of the total 8,640 km corridor length. As of end-2011, the cumulative total of national highways built stood at 3,512 km: this represents 41% of the corridor to be built or upgraded, and means that 79% of the total length of CAREC corridors (24,000 km) is now in good condition. This exceeds both the 2011 target of 71.5% and the 2012 target of 75%. Data for 2011 are attributed to 17 ongoing transport projects along all six CAREC corridors.

2. Trade Facilitation (Table 4)

27. In the case of trade facilitation indicators,¹³ improvement is seen in the two indicators measuring average time and costs to clear a BCP: they are on-track and rated “green.” However, the indicators associated with the speed and cost of travelling 500-km sections of CAREC corridors both deteriorated in 2011, leading to an “amber” rating.

Table 4: Level 2—Trade Facilitation Sector Outputs

Indicator	Indicative Target	2010 Baseline Year	2011	Progress
Time taken to clear a border crossing (hours)		8.7	7.9	
Costs incurred at a border crossing clearance (\$)		186	156	
Speed to travel 500 km on CAREC corridor section (km per hour) ^a		24	22	
Costs incurred to travel corridor section (\$)		712	959	

CAREC = Central Asia Regional Economic Cooperation; km = kilometer.

^a Speed is measured here “with delays” for a 20-ton truck or a 20-foot equivalent unit container.

Sources: CAREC Corridor Performance Measurement and Monitoring Quarterly and Annual Reports, 2010-2011.

¹² CAREC transport sector data was re-validated in 2011 and adjustments made to reflect a more accurate picture of progress. This process resulted in changes to data recorded for 2008 (the baseline year), 2009, and 2010 (Table 3): figures for 2008 and 2010 decreased by 10% and 5% respectively over those presented in the 2010 CAREC DEFR, and increased for 2009 by 63%.

¹³ The methodology for calculating the four CAREC trade facilitation indicators was again reviewed during 2011, addressing (i) use of appropriate normalization method of sample data; (ii) corrected previous estimates of average costs and average duration due to treatment of missing values as zeroes; and (iii) the issue of variation in names of border crossing points, among others. New baselines were also adopted in 2010 (Appendix 4).

28. Results for 2011 show positive movement over 2010 in the indicators tracking how many hours it takes to clear a border crossing point—down 9% to an average of just under 8 hours—and how much it costs to clear the border—down 16% to an average of \$156. As these four indicators monitor the sum of actions taken by many different entities involved in trade facilitation in the CAREC countries, it is not possible to directly attribute improvement to CAREC-related activities. However, contributing factors, carried out under CAREC, may include: (i) renovation of BCPs by CAREC countries and multilateral institution partners, and other development partners; (ii) adoption of new and/or amended customs codes by a majority of CAREC countries, (iii) investments in automating customs information systems; and (iv) movement toward establishing national single windows and upgrading border control risk management systems.

29. 2011 data indicate that the fastest border crossings happen along Corridor 3, where the average clearing time is 5.5 hours. The shortest average times of 0.1 hour and 0.3 hours were recorded at Istaravshan, Tajikistan, and Beyneu, Kazakhstan, BCPs along Corridor 3. Conversely, vehicles experience the longest delay along Corridor 4, most especially at Naushki, Russian Federation, and Erenhot, People's Republic of China, BCPs, where the average waiting time was 43.6 hours and 40.5 hours, respectively. During 2011, the most improvement over results for 2010 among the individual corridors was seen in Corridor 1, where figures indicate a decrease of 52% in waiting time to clear the border. BCPs along Corridor 5 recorded least average decrease in waiting time (-281%, from 1.8 hours to 6.8 hours). Activities such as border security and health quarantine contributed to these delays.

30. The 16% drop in average costs incurred to clear BCPs in 2011 was most impressively demonstrated along Corridor 6, where actual costs fell from \$316 to \$149. On the other hand, BCPs along Corridor 5 showed worst performance: actual cost grew by 37%. Increase in payments for customs clearance, health/quarantine inspections and unofficial payments contributed to the marked jump in the overall average cost in this corridor.

31. The two indicators monitoring the speed and costs involved in travelling a 500-km section of the CAREC corridors, however, returned less positive data for 2011. Average speeds dropped slightly from 24 km per hour (kph), to 22 kph—taking into account “delays.”¹⁴ Along the CAREC corridors, longer delays in 2011 were caused by activities unrelated to border crossing points—specifically loading/unloading, waiting in line, and repairs and maintenance. These non-BCP delays were more pronounced in Corridors 5 and 6, where average speeds were recorded at 19 kph and 23 kph respectively. The least decline in speed with delay was seen in Corridor 4, with a decline of 1% over 2010.

32. Operating costs associated with travelling corridor sections increased in 2011. Increased costs may be attributed to oil price increases and inflation in many CAREC countries. This operating cost indicator includes not only fuel costs: it also includes driver wages, vehicle depreciation costs, repair and maintenance, insurance, and activity costs associated with transit stops. CPMM does not disaggregate the cost elements in vehicle operating cost, although a large portion is attributed to fuel expenses. It is likely that the increase in oil prices since 2009 drove the increase in cost of transportation across all corridors. Detailed data show that trips on Corridors 3 and 5 suffered larger cost increases—81% and 352%, respectively.

¹⁴ When average speed is calculated “without delay”, data for 2011 produce an average speed of 38 kph, a modest increase over the 2010 average of 35 kph.

33. The 2010 CAREC DEfR reported on initial progress made in developing the “Agreement on the Cross-Border Transport of Persons, Vehicles, and Goods within the Framework of CAREC” (CBTA). Consultations continued throughout 2011. A CAREC National Focal Points’ meeting in Beijing in September agreed that addressing nonphysical barriers to cross-border transport is important to maximize the benefits of CAREC corridors. They further agreed that CAREC countries should take a pragmatic, step-by-step approach to implement transport facilitation agreements. As a first step to identifying key nonphysical barriers, the CAREC Secretariat will organize seminars and workshops to be attended by technical staff on regional and international experience in transport facilitation with a view to identifying feasible approaches that could be applied to the CAREC corridors. The first such seminar is expected to be held in Beijing in July 2012.

34. Furthermore, the Kyrgyz Republic and Tajikistan agreed in principle to accept Afghanistan as a contracting party to the CBTA for CAREC Corridor 5. The protocol for the accession of Afghanistan was signed by the transport ministers of Tajikistan and Afghanistan in November 2011 and December 2011, respectively. The Ministry of Transport and Communications of the Kyrgyz Republic is preparing the protocol for consideration by the Kyrgyz parliament.

3. Contribution of Transport and Trade Facilitation Sector Outputs to CAREC Outcomes

35. The CAREC DEfR process not only tracks sector outputs in the four priority areas, but also seeks to understand better how these outputs contribute (positively or negatively) to sector outcomes and impact the lives of people in the CAREC region. The effects and impact of infrastructure investments tend to manifest only some time after project completion. Accordingly, the CAREC DEfR process augments the purely quantitative indicators of annual progress with project assessments issued in the year of review.¹⁵ These assessments comprise both quantitative data and qualitative information, thereby allowing a broader analysis of the project’s success in helping improve the quality of life for the people of the CAREC region.

36. In 2011, two assessments helped build a wider picture of results along the CAREC corridors. First, a project completion report for the Southern Transport Corridor Road Rehabilitation Project in the Kyrgyz Republic describes successful rehabilitation of 77 km of the Osh–Sary-Tash–Irkeshtam road—forming part of CAREC Corridors 2, 3, and 5—with the aim of reducing transport costs, improving access to markets, and increasing regional trade and cooperation.¹⁶ Following the opening of the road section in October 2009, local villagers stated that the project benefited their communities in several ways, such as shorter travel times (by up to 25% on the rehabilitated road section), thereby allowing them to travel more often to Osh and surrounding areas. Automobiles required less maintenance (by 2010, vehicle operating costs decreased by 25%-32%), and the number of taxis and small buses for passenger transport in the area increased by 6% during 2008-2010, while passenger bus fares were reduced. The project also provided jobs to many villagers, contributing to economic growth in the project area of 15% during 2004–2008, well above the national average of 5.3%. Freight and passenger traffic increased significantly along the road section and by 2010 real freight and passenger tariffs had decreased by more than 10%. Improvements such as these helped contribute to

¹⁵ These assessments include project completion reports, project validations, and project performance evaluations, and are issued by the relevant multilateral institution partner and their independent evaluation departments. In general, the longer the time elapsed since project completion, the more comprehensive the assessment becomes regarding issues of sustainability and positive or negative outcome.

¹⁶ ADB. 2011. *Completion Report: Southern Transport Corridor Rehabilitation Project in Kyrgyz Republic*. Manila.

more effective local and regional trade along the corridors—trade between Xinjiang of the PRC and the Kyrgyz Republic, for example, increased annually by 13% during 2003–2010.

37. The 2011 completion report for Azerbaijan’s East-West Highway Improvement Project indicated that the 94-km section of rebuilt highway linking Baku to the Georgian border brought significant benefit to the project area as well as improving connectivity between Azerbaijan and Georgia.¹⁷ Local communities benefited from easier access to markets, job opportunities, and social services with travel time cut by half for most villagers—this led to a doubling in the amount of trips made to town centers every year. The numbers of vans, and small and large trucks (indicative of commercial cargo such as farm produce) increased annually by over 30% during the period. Most vehicles also travelled faster at an average of 60–80 km per hour on the project road, compared with 30–40 km per hour before the project. By strengthening Azerbaijan’s transport links to Georgia, the project also encouraged regional cooperation. Traffic on the Gazakh–Georgian border section consistently increased by more than the annual average in 2006–2010. While the project promoted economic growth in Azerbaijan and facilitated cooperation with other countries in the region—helping Azerbaijan in efforts to diversify into non-oil trading. A 2010 project survey also identified 56 new small- and medium-sized commercial enterprises along the Gazakh–Georgian border section, most of which had a positive business outlook.

38. To strengthen the contributions of CAREC transport and trade facilitation sector outputs to CAREC region development outcomes, implement on a timely basis the planned midterm review of the TTFSAP to (i) confirm the status of priority projects; (ii) revisit the CAREC corridor alignments in light of updated projections on traffic and trade flows and the recent inclusion of Pakistan and Turkmenistan in CAREC; (iii) strengthen the integration of hard (physical infrastructure) and soft (trade and transport facilitation) aspects of the TTFSAP; (iv) consider multimodal transport dynamics and logistics development; and (v) refine the TTFSAP, including its results framework.

B. Trade Policy Sector

39. The CAREC Trade Policy Strategic Action Plan (TPSAP) envisages concrete policy actions to achieve several key objectives: (i) supporting World Trade Organization (WTO) accession; (ii) eliminating remaining quantitative restrictions on exports and imports; (iii) reducing and simplifying trade taxes; (iv) implementing capacity building activities to facilitate WTO accession; (v) improving the general institutional environment for trade; and (v) reducing transit and border trade barriers.¹⁸ Through these policy actions, the Trade Policy Coordinating Committee (TPCC) aims to help all CAREC countries adopt more open trade regimes, thus facilitating both intra- and interregional trade.

1. Trade Policy Indicator (Table 5)

40. Monitoring of the TPSAP is conducted through a composite indicator—the CAREC Trade Liberalization Index (TLI).¹⁹ Based on a questionnaire-based monitoring mechanism designed jointly by the International Monetary Fund and the TPCC, the TLI tracks member

¹⁷ ADB. 2011. *Completion Report: East–West Highway Improvement Project in Azerbaijan*. Manila.

¹⁸ Trade Policy Coordinating Committee. 2008. *Trade Policy Strategic Action Plan for the Central Asia Regional Economic Cooperation Program*. Manila. www.carecprogram.org/uploads/docs/CAREC-Trade-Policy-Strategic-Action-Plan.pdf

¹⁹ The methodology for the TLI is found in Appendix 4 of the 2009 CAREC DEfR, available at www.carecprogram.org/uploads/docs/CAREC-DEfR/CAREC-Development-Effectiveness-Review-2009.pdf

countries' progress over the period 2009–2013 in (i) reducing or eliminating specific quantitative restrictions and tariffs, and (ii) simplifying tax regimes related to trade.

Table 5: Level 2—Trade Policy Sector Outputs

Indicator	2009 Baseline Value	2010	2011	2011 Target	2012 Target	Progress
CAREC Trade Liberalization Index	(1.8)	5.5	12.8	10.0	20.0	

() = negative, CAREC = Central Asia Regional Economic Cooperation.
Source: Trade Policy Strategic Action Plan monitoring questionnaire, 2011.

41. Based on the data received from CAREC countries for end-2011,²⁰ the Trade Liberalization Index (TLI) continued to record positive movement. The average value of the index for reporting countries increased from 5.5 in 2010 to 12.8 in 2011, exceeding the end-2011 target of 10.0. Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, and Tajikistan have reached or exceeded the 2011 target, and Uzbekistan is sufficiently close to the target, and can be considered as having reached it as well.

42. Positive developments have occurred in Azerbaijan, the Kyrgyz Republic and Uzbekistan, with all these countries successfully completing the 2011 actions prescribed by the TPSAP. The TLI for Kyrgyz Republic has reached the value of 23, making it the first country that has already reached the target for end-2012. In Kazakhstan, the 2011 actions have been completed as well, although this positive development was somewhat offset by the increase in the average tariff as a result of Kazakhstan joining the customs union with Russia and Belarus in 2010.²¹

43. Improving the institutional environment for trade is part of the TPSAP, and monitoring progress in this area is an essential element of the TPCC agenda. Following completion of its 2010 study on institutional impediments to trade in CAREC countries,²² the TPCC agreed in 2011 to develop a second composite indicator to jointly monitor progress made in this area in a regional context. Accordingly, the IMF began development of the Institutional Quality Index (IQI). The methodology and preliminary calculations of IQI were presented at the 15th CAREC TPCC meeting in November 2011.²³ The results show that many CAREC countries have achieved progress in recent years, but there is a lot of variation in institutional quality between CAREC countries, and most have substantial room for improvement. The methodology for calculating the IQI was reviewed by the TPCC, and comments will be incorporated in an improved and updated version of the index during 2012.

²⁰ TLI results for 2011 reflect data from Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Uzbekistan, and Tajikistan.

²¹ Prior to joining the customs union, the average tariff in Kazakhstan was around 6%. After joining the customs union, tariffs for trade with Russia and Belarus were abolished, but the average common tariff for trade with non-member countries was set close to 10%.

²² Trade and Institutional Environment: International Experience and a Proposed Agenda of Measures for CAREC Countries. www.carecprogram.org/uploads/events/2010/13th-TPCC/Trade-and-Institutional-Environment.pdf

²³ www.carecprogram.org/uploads/events/2011/15th-TPCC/CAREC-Monitoring-TPSAP-Implementation-Progress.pdf

C. Energy Sector

44. The *Strategy for Regional Cooperation in the Energy Sector of CAREC Countries* (Energy Strategy) seeks to ensure energy security, energy efficiency, and economic growth through energy trade.²⁴ The Energy Strategy is supported by the CAREC Energy Action Plan Framework 2010–2013 (Energy Action Plan), which focuses initially on the Central Asian energy corridor.²⁵ The Energy Action Plan is structured around three strategic pillars.²⁶ In 2011, three discrete subcommittees began to coordinate the activities and work plans under each pillar.

1. Energy Indicators (Table 6)

45. The work of the energy sector is represented in the overall CAREC results framework by two indicators: (i) “transmission lines installed or upgraded (km),” and (ii) “increased energy generation capacity (MW).” These indicators seek to capture how CAREC’s physical infrastructure rehabilitation operations contribute to energy security, efficiency, and ability to enhance the power trading in the region. They reflect only results from completed energy sector projects. It is not possible to reflect incremental annual progress for projects still under construction.

Table 6: Level 2—Energy Sector Outputs

Indicator	2009 Baseline Value	2010	2011	Projected Outputs for 2012–2015	Progress
Transmission lines installed or upgraded (km)	850	...	1,150	1,200	
Increased energy generation capacity (MW)	...	...	...	...	...

... = no data available; km = kilometer; MW = megawatt.

Source: ADB project completion and validation reports, and World Bank online project database.

46. Data for 2011 delivered results for only one of the two indicators (as in 2010).²⁷ A total of 1,150 km of transmission line was completed under three projects: 282 km of new double circuit 220kV transmission line under the Regional Power Transmission Interconnection Project implemented between Afghanistan and Tajikistan,²⁸ and 865 km of 500 kV line under the North-South Electricity Transmission Project and the KEGOC: Ekibastuz-YukGres Power

²⁴ Energy Sector Coordinating Committee. 2008. *Strategy for Regional Cooperation in the Energy Sector of CAREC Countries*. Manila. This strategy was endorsed at the 2008 CAREC Ministerial Conference, Baku, Azerbaijan, and is available at www.carecprogram.org/uploads/docs/CAREC-Regional-Cooperation-Strategy-in-Energy.pdf

²⁵ Energy Sector Coordinating Committee. 2009. *CAREC Energy Action Plan Framework 2010-2013*. Manila. This action plan was endorsed at the 2009 CAREC Ministerial Conference, Ulaanbaatar, Mongolia. The Central Asian energy corridor focuses on cooperation opportunities within the Central Asia countries of Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. The Action Plan is available at <http://www.carecprogram.org/uploads/events/2009/8th-MC/Energy-Action-Plan-Framework.pdf>

²⁶ The three strategic pillars comprise (i) energy demand/supply balance and infrastructure constraints; (ii) regional dispatch and regulatory development; and (iii) energy-water linkages.

²⁷ The 2009 baseline value for the indicator “transmission lines installed or upgraded” was revised upwards from 580 km to 850 km, in light of more comprehensive data becoming available in 2011. The additional 270 km of 500 kilovolt (kV) transmission line come out of the KEGOC: North-South Power Transmission Project in Kazakhstan (project information is available at www.carecprogram.org/index.php?page=carec-project-details&pid=234).

²⁸ Project information is available at www.carecprogram.org/index.php?page=carec-project-details&pid=2 (Tajikistan component) and www.carecprogram.org/index.php?page=carec-project-details&pid=1 (Afghanistan component).

Transmission Project in Kazakhstan.²⁹ The cumulative total for transmission line installation of upgrading now stands at 2,000 km.

47. As in 2009 and 2010, there were no projects completed in 2011 that contributed to the indicator “increased energy generation capacity.”

48. Based on recently approved and ongoing CAREC-related energy projects, it is anticipated that an estimated 1,200 km of high-voltage overhead transmission line will be installed or upgraded over the period 2012-2015. Two approved projects—in Azerbaijan and Kazakhstan—envisage completion of just over 600 km during 2012-2013; and three projects—in Afghanistan, Tajikistan, and Uzbekistan—anticipate completion of about 575 km by 2015. It should be noted, however, that projected estimates can be subject to unforeseen implementation delay.

49. During 2011, tangible progress was also seen in each of the Energy Strategy’s three strategic pillars. Under Pillar 1, the inception, interim, and draft final versions of the CAREC regional power master plan were produced, identifying generation and transmission needs and opportunities in Kazakhstan, the Kyrgyz Republic, Tajikistan and Uzbekistan. The feasibility and opportunities of linking the power grid of Afghanistan to the Central Asian system was also explored. The draft final version generated significant discussion and comments from CAREC members for inclusion in the report. The final version is anticipated in the first half of 2012.

50. Pillar 2 activities focused on knowledge sharing and training to further elaborate the strategic direction and implementation of this pillar. In particular, the presentation “Decision Support Software for Power System Planning and Operations” reviewed the four main areas where software can help in identifying optimal investment strategies: i.e., generation planning, transmission network planning, electric market activities, and real-time power system monitoring and control software. “Carbon Finance opportunities for CAREC: Case Study of Cross-Border Clean Development Mechanism Trade between India and Bhutan” demonstrated how to optimize carbon finance opportunities in emerging carbon markets. The presentation focused on (i) the nature and status of carbon markets; (ii) available carbon opportunities for CAREC members; and (iii) how to most effectively implement a clean development mechanism project in line with best practices.

51. Under Phase 1 of Pillar 3, a series of two-day national consultations were held in Afghanistan, Kazakhstan, the Kyrgyz Republic, and Tajikistan in the first half of 2011, to develop a consensus regional energy-water model structure, data requirements and supporting institutional platforms. The University of Washington developed a draft prototype demonstration model, and six existing models are currently under review. A final report on the needs assessment for the various Phase 1/Pillar 3 activities will be completed in 2012.

52. The Energy Sector Coordinating Committee should accelerate finalization of the new CAREC Energy Work Plan 2013-2015, which will (i) identify the next set of priority regional energy projects for implementation, (ii) update the results framework for the sector to capture more comprehensive outputs, and (iii) promote the mobilization of resources for the implementation of priority regional projects.

²⁹ Project information is available at www.carecprogram.org/index.php?page=carec-project-details&pid=235 (KEGOC: Ekibastuz-YukGres Power Transmission Project), and www.carecprogram.org/index.php?page=carec-project-details&pid=236 (North-South Electricity Transmission Project).

IV. LEVEL 3: OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS

53. Indicators at Level 3 track financial and knowledge-based contributions (inputs) to the CAREC Program to assess operational and organizational effectiveness. Monitoring these inputs helps CAREC better understand how the overall program is (i) building on and consolidating its active operations portfolio and completing ongoing project activities, (ii) securing new financing, and (iii) responding to its member country needs in capacity building and knowledge production and sharing.³⁰

A. Operations Growth (Table 7)

54. Indicators for operations growth examine trends in overall project growth in the transport, trade facilitation, and energy sectors, by tracking the cumulative number and volume of loans and grants approved, and the number of completed projects from the 2006 baseline to the period under review. The data indicate how successfully the CAREC partners continue to attract financing for ongoing and future investment.³¹ Data for 2011 reflect positive movement for all three indicators measuring operations growth, and they are rated “green.”

55. Cumulative investment in CAREC-related projects continued to grow steadily from the 2006 baseline to year-end 2011, increasing from \$3.11 billion to \$17.70 billion—a rise of 469%. This healthy increase follows a rise of 302% for the period 2006-2009, and 405% for 2006-2010. However, the annual percentage rise shows clearly that the rate of increase is slowing: 2006-2007 saw a 44% rise in cumulative investment, followed by 71% in 2007-2008, 63% in 2008-2009, 25% in 2009-2010, and just 13% in 2010-2011. This slowdown is mostly driven by volume of investment in the transport sector (given the comparatively small number of projects in the trade facilitation and energy sectors) where the percentage slowdown closely mirrors that of the overall portfolio. Applying a 3-year rolling average to cumulative investments shows the same trend occurring:³² overall, 2007-2009 volume increase was 62%, slipping to 45% for 2008-2010, and to 28% for 2009-2011.

Table 7: Level 3—Operations Growth

Indicator	Indicative Target	2006 Baseline Value	2009	2010	2011	Progress
Volume of approved investment projects (loans and grants, cumulative since 2001, \$ million)		3,108 ^a	12,506 ^a	15,694	17,696	
Number of investment projects approved (loans and grants, cumulative since 2001)		41	91	107	122	
Number of completed investment projects (cumulative since 2001)		3	14	23	36	

^a Figures include only disbursed tranches of multifinancing facility investments.
Source: CAREC Program Portfolio.

56. Government cofinancing of the cumulative CAREC-related investment portfolio by end-2011 amounted to \$3.83 billion, or 21% of the overall \$17.69 billion portfolio. This confirms a

³⁰ The CAREC portfolio was updated during 2011 to more fully reflect investment and technical assistance activities of all CAREC multilateral institution partners and governments. As a result, some of the baseline data have changed from figures presented in the 2009 and 2010 DEfR reports.

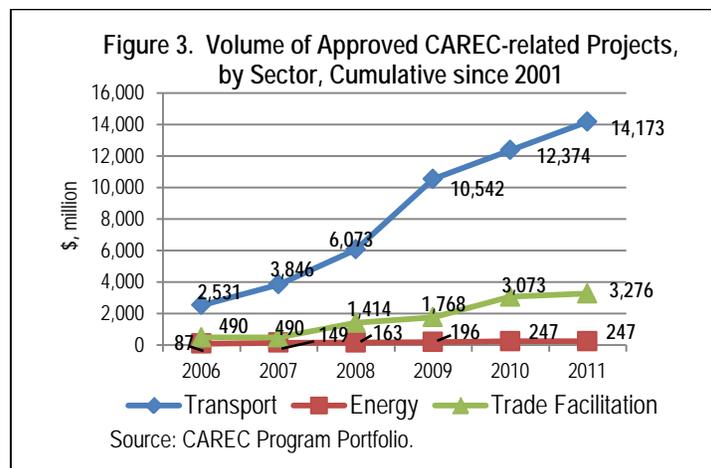
³¹ Portfolio activity relevant to 2011 is detailed in Appendix 5.

³² A 3-year rolling average flattens out figures from specific years where an unusually high level of investment may have been made.

stable trend in government cofinancing patterns for the CAREC implementing areas. With the exception of 2008—when it reached 30%—figures for government cofinancing are consistently between 21% and 23%. Other cofinanciers again financed 5% of the CAREC portfolio in 2011, showing the same trend as the last several years. Whatever fluctuation occurs in the share of financing between the CAREC governments and the multilateral partners, it does not appear to affect financing levels for external cofinanciers.

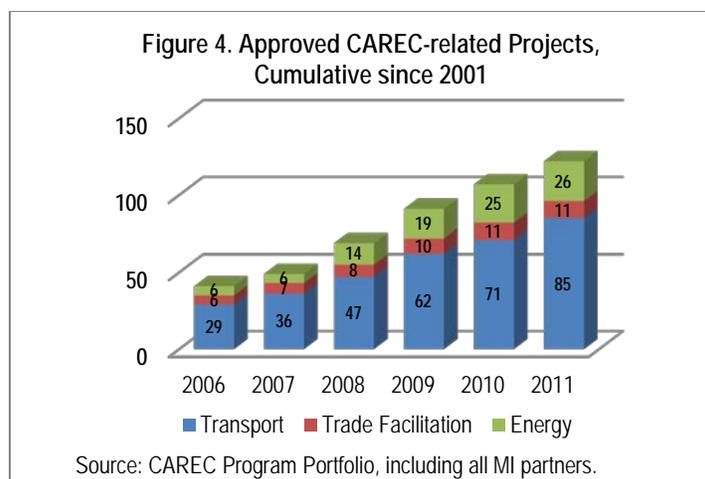
57. By end-2011, a total of \$11.5 billion had been committed through nine multitranche financing facility (MFF) investments for CAREC-related projects. This includes three MFFs approved in 2011, with a combined value of \$1.6 billion: Afghanistan's Transport Network Development Investment Program, Uzbekistan's Second CAREC Corridor 2 Investment Program, and Mongolia's Western Regional Road Corridor Development Program. Of the total \$11.5 billion, \$3.3 billion has already been disbursed. CAREC governments have committed a total of \$1.4 billion in cofinancing for these MFFs.

58. Cumulative investments since 2001 continued to show steady growth in 2011 for the transport sector with total investments standing at \$14.2 billion (Figure 3), representing an increase of 460% over the 2006 baseline. The energy sector stood at \$3.3 billion at end-2011 (a 568% rise over 2006), while trade facilitation saw no movement in terms of cumulative investment in 2011 and remained at \$247 million (183% rise over 2006).



59. As noted in the *2010 CAREC DEfR*, the number of new approved investment projects slowed in recent years and this trend continued through 2011 (Figure 4).³³ Although the cumulative 41 projects approved by end-2006 grew to 122 projects by end-2011 (a rise of 198%), a year-on-year breakdown confirms the slowdown: 2007-2008 recorded the highest annual rise of 41%, but this dropped to 32% for 2008-2009, 18% for 2009-2010, and finally 14% for 2010-2011.

³³ These data reflect both ongoing and completed CAREC-related projects.



60. The number of approved investments in the transport sector picked up during 2011 for a cumulative total of 85 projects since 2001 (63 of which were ongoing at end-2011). The energy sector recorded a total of 26 projects since 2001 (19 ongoing at end-2011), and with no new projects approved in 2011, trade facilitation remained at a total of 11 projects (4 ongoing at end-2011). Since 2006, trends predictably show the number of new investments in the transport sector as most stable, compared to investments in trade facilitation and energy where lead times to investment are longer and subject to specific complexities mostly not found in the transport sector.

61. Of the 122 CAREC-related projects at year-end 2011, 36 had been completed across the transport, trade facilitation, and energy sectors. Seven projects were completed in 2011 (three in transport, two in trade facilitation, and two in energy; Appendix 5). The CAREC portfolio indicates that a further 17 CAREC-related projects are due to close by year-end 2012 (7 in transport, 2 in trade facilitation, and 8 in energy), and another 17 by end-2013 (16 in transport and 1 in trade facilitation).

62. Development of the CAREC medium-term priority project list (MTPP)—as outlined in CAREC 2020—continued throughout 2011. A long list of proposed priority projects was prepared by end-2011. To sustain healthy operations growth, the MTPP should be endorsed by the Ministerial Conference of 2012, and the CAREC governments should commence mainstreaming the priority projects into their respective national development plans.

B. Finance Mobilization (Table 8) A

63. Level 3 includes two indicators that track different areas of finance mobilization: the “annual average volume of new approved investment projects” and the “CAREC technical assistance project financing gap.” The rationale for tracking these data is to build up a clear picture of overall annual investment trends—as distinct from (i) the cumulative volume of the program monitored through indicators for operations growth, and (ii) investment trends for individual sectors. Annual finance mobilization data will enable CAREC partners to analyze the main financing sources for CAREC project-based activities and better strategize future financing options and priorities.

64. The indicator designed to track CAREC’s technical assistance project financing gap (i.e., the outstanding funding gap for proposed priority sector technical assistance projects) will not

be activated until the CAREC MTPP has been established. Thereafter, this indicator should provide early warning of funding gaps that may cause delay or risk to project implementation.

65. The indicator tracking finance mobilization through the “annual average volume of new approved investment projects” dropped for the period 2009-2011 and is therefore rated “amber.”

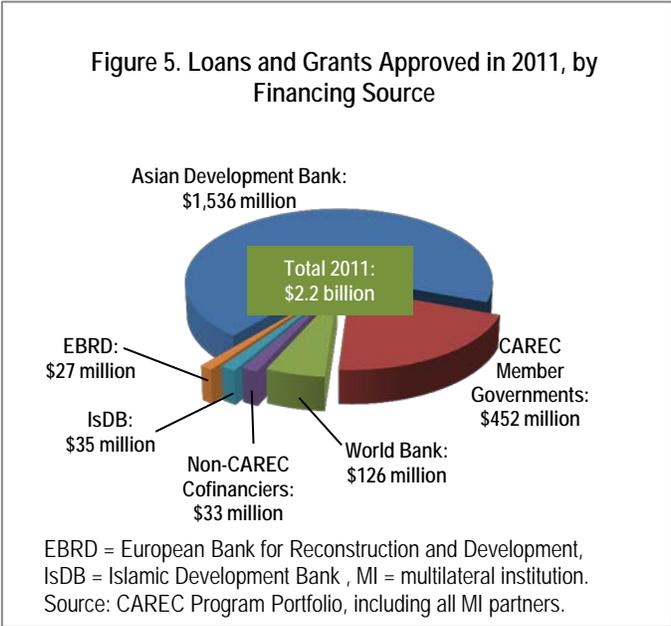
Table 8: Level 3—Finance Mobilization

Indicator	Indicative Target	2006 Baseline Value	2009	2010	2011	Progress
Annual average volume of new approved investment projects (loans and grants, 3-year rolling average, \$ million)	↑	595 ^a	3,133	3,736	3,349	A
CAREC technical assistance project financing gap (\$ '000)

^a Figures that appeared in the 2010 CAREC DEFIR have been adjusted to reflect updated project information. Note: Where rolling averages are used to flatten unrepresentative spikes and dips in data, 2006 reflects data for 2004–2006, 2009 reflects data for 2007–2009, 2010 reflects data for 2008-2010, and 2011 reflects data for 2009-2011. Source: CAREC Program Portfolio.

66. The drop recorded in 2011 for this indicator was relatively minor (10%) when “flattened” by applying a 3-year rolling average: volume for the individual sectors dropped by 5% for transport, 14% for trade facilitation, and 28% for energy. The larger decline in trade facilitation and energy volume is attributed to a smaller project base resulting in amplified change. This indicator also reflects the period of slowdown noted above: in 2008-2009, the 3-year average annual volume of new projects rose by 85%, and in 2009-2010 by 19%. A year-on-year breakdown of annual volume (i.e., with no 3-year rolling average applied) demonstrates these changes in starker terms: 2010-2011, for example, saw a 37% drop in overall volume of approved projects, following a 34% drop in 2009-2010.

67. In response to this drop, and to match the expected increase in CAREC-related operations growth following endorsement of the MTPP, efforts to explore cofinancing opportunities should be stepped up among CAREC governments, multi- and bilateral institutions, other development partners, and the private sector.



68. In total, 15 new investment projects were approved in 2011, the same number as in 2010 (Figure 5). As usual, most new projects were seen in the transport sector (14), together with one project in energy. Six of the transport projects approved in 2011 were tranches of MFF mechanisms, a slightly higher number of MFF tranches than in 2010. Overall volume of new

financing for 2011 was just over \$2.0 billion, a drop from \$3.2 billion in 2010, and \$4.8 billion in 2009.³⁴

69. The number of technical assistance projects approved in support of CAREC operations increased in 2011—in part due to the updating of the CAREC portfolio and capturing of additional technical assistance activities: 17 projects were approved for a combined value of \$28.9 million. This shows improvement over the 13 technical assistance projects approved in 2010 for a combined value of \$13.9 million, yet does not quite recover to the levels of 2008 and 2009 (33 and 22 projects, respectively, for values of \$29.8 million and \$38.6 million).

70. Technical assistance approved in 2011 was spread evenly over all sectors: 5 projects in trade facilitation, 3 each in transport and energy, and 6 in multisector/second tier activities, including climate risk management projects implemented by the United Nations Development Programme (UNDP) with the CAREC countries.

C. Knowledge Management (Tables 9 and 10)

71. The CAREC Program includes knowledge and capacity building as one of its key themes. Research and analytical work conducted through CAREC underpins the design and implementation of mutually beneficial regional initiatives throughout the CAREC region. The DEfR process assesses three areas of knowledge management: (i) the quality of CAREC-related technical assistance completion reports circulated in the year under review—“ratings of CAREC-related technical assistance projects completed (% successful);” (ii) the production and dissemination of CAREC-supported research and other knowledge products—indicator pending; and (iii) training programs and capacity building—“participants in CAREC-supported training programs (number of person days).”

72. The updating of the CAREC portfolio noted the relatively high number of technical assistance activities that were completed successfully and that led to investment projects. Typically, however, these technical assistance projects do not have stand-alone completion reports, which means that they are not captured in the indicator “ratings of CAREC-related technical assistance projects completed (% successful).” In recognition of the considerable contribution made to CAREC investments by such activities in terms of timely and effective implementation, from 2011 the indicator will include technical assistance projects that lead to investment projects.

1. CAREC-related Technical Assistance Projects

73. Applying the revised calculation methodology outlined above, the ratings of completed technical assistance projects reflect consistent delivery of successful technical assistance projects.

³⁴ The figure for 2009 was unusually high due to the \$2.5 billion investment made that year under the Western Europe-Western People’s Republic of China International Transit Corridor Project for CAREC corridors 1b and 6b.

Table 9: Level 3—Knowledge Management

Indicator	Indicative Target	Baseline Year	Baseline Value	2009	2010	2011	Progress
Ratings of CAREC-related technical assistance projects completed (% successful)	↑	2006	89	94	88	93	⊙
<i>[Knowledge production and dissemination: pending]</i>

CAREC = Central Asia Regional Economic Cooperation Program.

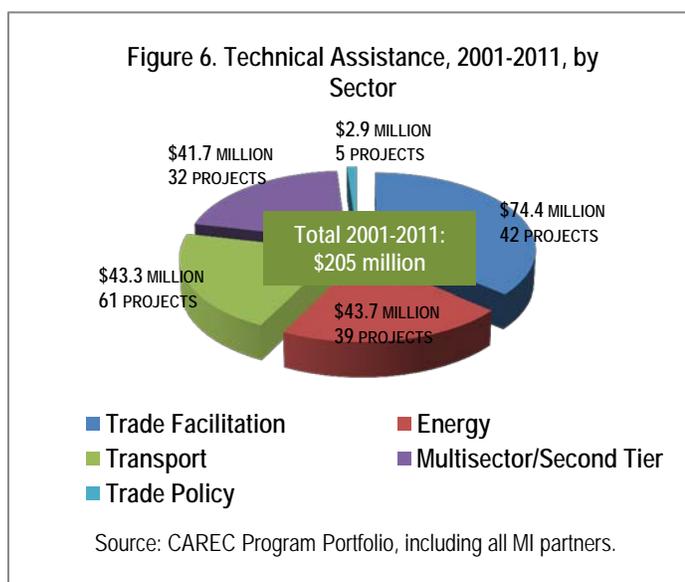
Sources: CAREC Program Portfolio; CAREC Institute; www.carecprogram.org.

74. During the period 2001-2011, the CAREC multilateral institution and government partners together supported technical and knowledge transfer activities worth over \$205 million in CAREC's priority and second tier implementation areas, through a total of 179 technical assistance projects (of which 115 are complete). Technical assistance to the transport sector dominated the number of projects, although trade facilitation saw the highest value of technical assistance at \$74 million over the 2001-2011 period (Figure 6).

75. In 2011, 14 technical assistance projects were completed with a combined value of \$28.7 million: 9 in transport (\$5.7 million), 3 multisector/second tier (\$5.4 million), and one each in trade facilitation (\$10.3 million) and energy (\$7.3 million). Of the 14 technical assistance projects, eight—worth a combined \$5.1 million—contributed directly to investment projects in the transport sector and, under the 2011 revised criteria, are included in the “successful” category for the indicator “ratings of CAREC-related technical assistance projects.”

76. Of the 179 technical assistance projects implemented during 2001-2011, 39 (worth a combined \$35.4 million) contributed directly to CAREC-related investment projects, for a combined value of over \$6 billion. A further 8 ongoing technical assistance projects (worth over \$5.3 million) will contribute to the design and preparation of future investment projects.

77. Efforts to update the CAREC portfolio in 2011-2012 led to a better understanding of the extent and diversity of technical assistance activities of the six CAREC multilateral institution partners in the priority and second tier areas of implementation. The database of technical assistance projects now presents a wider picture of the knowledge transfer activities of all partners. In this light, the technical assistance work of UNDP is especially significant. For example, UNDP's activity in promoting disaster risk management in Central Asia builds technical capacity and expertise in one of CAREC's second tier areas through several ongoing and completed technical assistance initiatives. Similarly, UNDP's partnership with the European



Union produces very significant technical support to CAREC countries through the Border Management Program in Central Asia. The CAREC Institute, together with the CAREC Secretariat, should design effective mechanisms to expand dissemination of relevant knowledge products to all CAREC members, especially through the CAREC web portal.

2. Knowledge Production and Dissemination

78. 2011 marks the third year of the CAREC results framework having no functional indicator of knowledge production and dissemination. This is one result of the 2010 decision to review and re-focus the CAREC Institute work plan: until this process is complete, it is unlikely that will be sufficient CAREC knowledge production to contribute to a meaningful indicator. CAREC 2020 is clear in how the CAREC Institute should proceed to optimize effectiveness. As one of CAREC's operational priorities, it should conduct (i) capacity building and knowledge-sharing activities directly relevant to CAREC priority sectors and discrete identified second tier areas; (ii) analytical work on key economic and thematic issues common to the CARE countries; and (iii) impact analysis of emerging issues. A results-based work plan for the CAREC Institute will be developed in 2012.

Research Program

79. Since inception, the CAREC Institute has been the program's primary mechanism of research production and dissemination. However, the early review and re-structuring of the Institute, noted above, has limited its ability to conduct effective research initiatives. Results for 2011 were sparse: (i) the Small Research Grants Program received final submissions for the second round of awards and focused in 2011 on preparation of these papers for electronic distribution; and (ii) a preliminary concept study was initiated on the subject of economic corridor transformation (Box 1).³⁵ This study will be further elaborated during 2012.

**Box 1. A Pilot Study on the Development of "CAREC Corridors":
Promoting Transformation of CAREC Corridors to Economic Corridors**

Improved transport systems are generally believed to reduce costs and time of transportation, thereby increasing the movement of goods and people. Increased traffic in turn offers new opportunities for potential local and foreign investors to develop business, tourism, and other socio-economic activities.

Efficient transport systems are a crucial factor for economic development, especially for the landlocked CAREC countries. Transport infrastructure connectivity across the region is expected to drive investments, including joint cross-border ventures that will help transform *landlocked* CAREC countries to *land-linked* countries. The growth potential engendered by increased trade, investments, and tourism offers enormous opportunity for neighboring countries to collaborate and take advantage of their complementarities.

Source: CAREC Institute. 2011. 'A Pilot Study on the Development of "CAREC Corridors": Promoting Transformation of CAREC Corridors to Economic Corridors'. Manila.

Publications and Outreach Activity

80. Efforts to create awareness and understanding of the CAREC Program—especially in support of celebratory activities associated with the 10th Ministerial Conference—were enhanced in 2011 by expanding the available toolkit of promotional products. *The New Silk*

³⁵ www.carecprogram.org/uploads/events/2011/SOM-Jun/Pilot-Study-Development-of-CAREC-Corridors-Paper.pdf

Road: Ten Years of the Central Asia Regional Economic Cooperation Program,³⁶ a glossy photo montage of CAREC achievements over its first decade, was published. The CAREC Secretariat produced a 15-minute video entitled ‘CAREC—Building a Global Future: Ten Years of Central Asia Regional Economic Cooperation,’ cataloguing the vision and achievements of the program.³⁷ The video was launched at the 10th Ministerial Conference and has since been extensively used in national consultations, donor and development partner briefings.

81. The CAREC Secretariat was responsible for the publication of strategic and institutional documentation, including *CAREC 2020: a Strategic Framework for the Central Asia Regional Economic Cooperation Program 2011-2020*, and the *CAREC Development Effectiveness Review 2010: Toward CAREC 2020*.

82. As reported in previous CAREC DEfRs, an important indicator of CAREC’s success in creating awareness of its activities in the public domain is the number of times information and news releases about the program appear in the mass media. In total, 2011 recorded 194 media hits related to CAREC—a considerable drop from the 275 hits recorded over the course of 2010.³⁸ Select international news media organizations—including Thomson Reuters and Xinhua News Agency—carried news reports on the Ministerial Conference. Of the 194 total hits, 158 news articles featured the 10th Ministerial Conference, and 96 of these in Azeri. An opinion editorial piece on Afghanistan ran in print media in Pakistan, Afghanistan and Turkey. Very few project-related media stories were picked up by media agencies in 2011. The CAREC Secretariat should coordinate closely with the National Focal Point Advisers to promote consistent messaging and information about the CAREC Program in all member countries.

CAREC Program Website

83. The CAREC Program website saw a steady increase in user visits during 2011: a total of 24,224 visits represented an increase of 33% over total recorded visits for 2010. The average number of monthly visits in 2011 rose by almost 500 over the monthly average for 2010. As in 2010, website traffic was most active around the CAREC Ministerial Conference and Senior Officials’ Meetings. Search engines also remained the top traffic source of visits (cornering 10,487 hits), followed by referring sites (7,237 hits), and direct traffic (6,500 hits). Of particular note during 2011, there was a marked rise in the number of academic institutions around the world accessing the website,³⁹ indicating increasing interest in the CAREC Program from research institutions.

84. The breakdown of which countries visited the website most in 2011 shows the same top three sources as in 2010—the United States of America (91% more hits than for 2010); Kazakhstan (30% more hits); and the Russian Federation (85% more hits).⁴⁰ These three countries always featured in the top five places throughout 2011. Interestingly, Germany and the United Kingdom occupied fourth and fifth places in country ranking, which leaves Kazakhstan as the only CAREC member to feature among the top five country sources. For the second year

³⁶ www.scribd.com/doc/82399297/The-New-Silk-Road-Ten-Years-of-the-Central-Asia-Regional-Economic-Cooperation-Program

³⁷ www.youtube.com/watch?v=xCWu6t4kj4I

³⁸ Total figures sourced from Factiva and Lexus-Nexus, the main news and media collating organizations active in the CAREC region.

³⁹ Institutions included the University of California, Irvine, United States of America; Institute of Information and Computing, Ewha Womans University, Republic of Korea; Universidad de Zaragoza, Spain; Moscow Institute of Economics and Statistics, Russian Federation; and the U, and Universität Erfurt, Germany.

⁴⁰ Country source data discounts user hits from the Philippines because the CAREC website was hosted on the ADB server for the majority of 2010, leading to a distorted weighting of ADB usage.

running, the feature on the *Central Asia Atlas of Natural Resources* dominated the most visited pages of the CAREC website.⁴¹ The Russian-language mirror site continued to draw significant attention, as did the pages for transport, energy, and trade facilitation sectors.

85. In November 2011, a redesigned CAREC Program website was launched—www.carecprogram.org. The new website expanded coverage from the original concept of a web portal focused on CAREC Institute activities, to a comprehensive website that includes the full spectrum of CAREC’s work. It will create a flexible user-friendly data repository for CAREC’s regional cooperation agenda. Improvements included:

- regrouping of relevant information and materials for each sector in a series of interlinked pages that build a fully searchable and expandable sector data repository;
- updating and streamlining of design and layout for easier navigation;
- engagement of a dedicated Russian-language IT assistant to bring the Russian mirror site up-to-date and ensure faster translation and posting of materials going forward; and
- migration of the CAREC website to an independent external server to allow more interactivity and technical flexibility.

86. The CAREC web team should build and expand the relevant web space for each priority sector and CAREC partner, and work with the CAREC Institute to design its space.

Training and Capacity Building

87. The indicator “participants in CAREC-supported training programs” tracks the annual number of person days that CAREC sponsors or co-sponsors training activities aimed to help its institutional bodies carry out their duties, and technical sectors implement projects in the most effective way. Some of these initiatives are coordinated through the CAREC Institute.

88. Fifteen CAREC-sponsored training courses, seminars, and workshops were attended by 561 participants over the course of 2011, amounting to a total of 1,582 person days of training (Table 10).⁴² Training courses took place in four CAREC member countries, as well as in Singapore and Thailand. Notwithstanding the 32% rise seen during 2011 in person days of training over 2010 data (due solely to longer training courses being held in 2011), the current review period shows a clear drop for the second year running both in the number of CAREC sponsored training events and the number of participants. In 2009, CAREC supported 939 participants in 34 training events, compared with 663 participants in 21 events during 2010, yet only 561 participants in 15 events during 2011. Female participation in CAREC training and capacity building initiatives improved slightly over figures for 2010: data show that 22% of all participants were female, up from 17% in 2010.

⁴¹ ADB. 2010. *Central Asia Atlas of Natural Resources*. Manila.

⁴² A comprehensive list of trainings, seminars, and events—including agendas, lists of participants, and relevant documentation—is available at www.carecprogram.org/index.php?page=events-list

Table 10: Level 3—Knowledge Management

Indicator	Indicative Target	Baseline Year	Baseline Value	2009	2010	2011	Progress
Participants in CAREC-supported training programs (number of person days)	↑	2009	1,825	...	1,199	1,582	⊙

CAREC = Central Asia Regional Economic Cooperation Program.

Sources: CAREC Program Portfolio; CAREC Institute; www.carecprogram.org.

89. Reasons behind the notable drop of 40% in participants over only three years and 55% in the number of training events may include: (i) the re-structuring of the CAREC Institute and a decline in the number of events supported through this mechanism during this process; (ii) increased focus by technical sectors on targeted training and capacity building; and (iii) a decline in events associated with CAREC's second tier, such as public private partnership, private sector development, communicable disease control, climate, and disaster risk management. The CAREC Institute should coordinate closely with the sector coordinating committees to ensure that all relevant sector-focused training and capacity building activities are included in the CAREC Institute's work plan.

90. Training and capacity building components work to strengthen all areas of CAREC institutional and operational activity. Regular and effective CAREC regional gatherings in 2011 continued to provide an effective platform for members to both address strategic issues of a regional nature, and enhance sectoral and cross-cutting technical expertise. The most important include:

- ***Institutional framework support and capacity building:*** The 10th Ministerial Conference was held in Baku, Azerbaijan, and showcased many of the achievements from CAREC's first decade of implementation. As the final component of the Ministerial Conference, CAREC convened its first ***Development Partners' Forum***,⁴³ where almost 150 delegates (i) discussed the goals and aspirations of the CAREC Program over the coming decade and voiced commitment to the implementation of CAREC 2020; (ii) identified opportunities for future financing and partnerships with CAREC member countries and other international funding organizations; and (iii) proposed ways to help CAREC achieve its objectives of expanded trade and competitiveness. Participating delegates comprised ministers and representatives from all CAREC partners, Agence Française de Développement, Deutsche Gesellschaft für Internationale Zusammenarbeit, Japan International Cooperation Agency, Department for International Development, and the Government of the United States of America. Two regular Senior Officials' Meetings (SOMs) took place, supplemented by a Consultation Meeting with all CAREC National Focal Points to elaborate preparations for the 10th Ministerial Conference and address other pertinent issues. Finalization of the strategic framework CAREC 2020 and development of the MTPP was helped by a second round of subregional workshops.
- ***Institutional strengthening for the technical sectors of CAREC*** gathered pace in 2011. The CAREC sector coordinating committees met a total of five times in 2011 to review technical progress and prioritize future work plans: the Trade Policy Coordinating Committee met twice, and the Energy Sector Coordinating Committee (ESCC), Transport Sector Coordinating Committee, and Customs Coordinating Committee each

⁴³ www.carecprogram.org/index.php?page=carec-development-partners-forum

met once. The ESCC Subcommittee for Pillar 1 of the Energy Action Plan met three times to discuss progress of the Regional Master Power Plan and develop next steps for Pillar 1 activities. The CAREC CFCFA was especially active during 2011, hosting their Second Annual General Meeting and a Business Networking Forum, as well as engaging in a series of national level consultations across CAREC countries.

- **Technical training and capacity building across all priority sectors** continued during 2011, including events sponsored or co-sponsored by the CAREC country and multilateral institution partners, and other development partners. The trade facilitation sector accounted for the majority of technical capacity building activities with several sessions dedicated to CFCFA trainings. Both trade facilitation and trade policy sectors dedicated capacity building sessions to the impact of the customs union on CAREC countries. The ESCC introduced three topics for technical training: Decision Support Software for Power System Planning and Operations; Carbon Finance Opportunities for CAREC; and Regional Metering System for Cross Border Power Flows.⁴⁴ The transport sector explored new opportunities for CAREC through the Sustainable Transport Initiative.⁴⁵
- The third and final round of the **Executive Leadership Development Program** took place in 2011,⁴⁶ providing senior government officials with innovative approaches to fostering successful regional economic cooperation through leadership, public sector management, strategic thinking and planning, public sector finance, and negotiation and persuasion. Dialogue with policy makers from Singapore and the region, and meetings with major government agencies in Singapore provided insight into leadership and public management issues in a practical public sector setting.
- The final two rounds of CAREC's **Public Sector Management Course** took place in the People's Republic of China and Mongolia during 2011. This two-day course for mid-level government officials provided updated practical knowledge and skills in public sector management, and public private partnership. The delivered modules (i) examined major strategies and tools with the aim of boosting the performance of public sector management organizations, and (ii) enhanced participants' knowledge and practical skills in key areas of public private partnership for infrastructure in Central Asia.

91. Recognizing the increasing number of CAREC events and gatherings as the program deepens implementation of the sector strategies, efforts were made during 2011 to streamline meeting procedures, ensure focus on key issues for specific forums, and ensure participation of the most relevant delegates.

⁴⁴ www.carecprogram.org/uploads/events/2011/ESCC-Meeting-May/Day2-Decision-Support-Software-Power-System.pdf; www.carecprogram.org/uploads/events/2011/ESCC-Meeting-May/Day2-Carbon-Finance-Opportunities-for-CAREC.pdf; and www.carecprogram.org/uploads/events/2011/ESCC-Meeting-May/Day2-Regional-Metering-System-Cross-Border-Power-Flows.pdf

⁴⁵ www.carecprogram.org/uploads/events/2011/10th-TSCC/Day1-Sustainable-Transport-Initiatives-within-CAREC.pdf

⁴⁶ www.carecprogram.org/index.php?page=3rd-executive-leadership-development-program-eldp

V. PROPOSED ACTIONS

92. The CAREC DEfR seeks to be an action-oriented living document: it aims to function both as a monitoring tool for the effectiveness of the CAREC Program and as a platform from which to initiate specific priority actions going forward. Table 11 summarizes proposed Actions.

Table 11: Priority Actions, 2011-2012

Priority Actions	Pages Discussing Actions	Responsibility	Action Status
<i>Accelerate implementation of CAREC 2020</i>			
<ul style="list-style-type: none"> Implement on a timely basis the midterm review of the Transport and Trade Facilitation Strategy and Action Plan. 	14	Transport Sector Coordinating Committee. Customs Cooperation Committee.	Ongoing
<ul style="list-style-type: none"> Maximize the benefits of CAREC corridors by identifying key nonphysical barriers to cross-border transport and feasible approaches to implementing transport facilitation agreements in the CAREC corridors. 	13	Transport Sector Coordinating Committee. CAREC Federation of Carrier and Forwarder Associations.	Ongoing
<ul style="list-style-type: none"> Accelerate finalization of the CAREC Energy Work Plan 2013-2015. 	17	Energy Sector Coordinating Committee.	Ongoing
<ul style="list-style-type: none"> Continue implementation of the Trade Liberalization Index and develop Institutional Quality Index. 	15	Trade Policy Coordinating Committee. International Monetary Fund.	Ongoing
<ul style="list-style-type: none"> To sustain operations growth, endorse medium-term priority project list at the Ministerial Conference of 2012, and commence mainstreaming priority projects into national development plans of the CAREC countries. 	20	CAREC governments. All sectors.	2012
<ul style="list-style-type: none"> To counter the drop in finance mobilization, step up efforts to explore cofinancing opportunities among CAREC governments, multi- and bilateral institutions, other development partners, and the private sector. 	21	CAREC governments. All sectors.	Ongoing
<ul style="list-style-type: none"> Ensure relevant sector-focused training and capacity building activities are implemented through the CAREC Institute. 	27	CAREC Institute. All sectors.	Ongoing
<ul style="list-style-type: none"> Expand dissemination of relevant knowledge products to all CAREC members, especially through the CAREC web portal. 	24	CAREC Secretariat. CAREC Institute.	Ongoing
<ul style="list-style-type: none"> Build and expand web-based data repository functions for each priority sector, CAREC partners, and the CAREC Institute. 	26	CAREC web team. All CAREC partners.	Ongoing
<ul style="list-style-type: none"> Coordinate closely with National Focal Point Advisers to promote consistent messaging and information about the CAREC Program in all member countries. 	25	National Focal Point Advisers. CAREC Secretariat.	2012-2013
<i>Enhance CAREC Program results orientation</i>			
<ul style="list-style-type: none"> To better identify linkage between CAREC sector outputs and national development outcomes, identify intermediate outcome indicators to monitor progress toward the two new objectives of CAREC 2020—expanded trade and improved competitiveness. 	9-10	CAREC Secretariat.	2012
<ul style="list-style-type: none"> Explore alternative data sources to ensure more regular updating of indicators, to the extent possible. 	6	CAREC Secretariat.	Ongoing

CAREC = Central Asia Regional Economic Cooperation.

VI. CONCLUSION

93. CAREC's third annual performance assessment has shown distinct progress in the program's main implementing sectors against the objectives set out in the 2006 *Comprehensive Action Plan*. Three consecutive years of monitoring the same indicator and data sets allows more effective analysis of emerging trends that point to continued strong performance in transport, trade policy, and energy, and sustained effort in trade facilitation activities. While overall operations growth and finance mobilization continued to increase, trends confirmed a year on year slowdown in the rate of increase over the past several years.

94. As the CAREC partnership looks forward to its second decade of implementation, the CAREC 2020 strategic framework promises to tighten the focus of project-based and other activities, and deliver results. The overall CAREC results framework will expand to appropriately reflect progress in the strategic objectives introduced by CAREC 2020—expanded trade and increased competitiveness. CAREC 2020's MTTP will guide prioritization and planning of projects across the region, and also be tracked through the expanded results framework.

95. The DEfR proposes a set of priority actions to address emerging issues and increase the effectiveness of all major component parts of CAREC operations. These actions are directed to the technical sector coordinating committees, the CAREC Secretariat, and the CAREC Institute. They are for the consideration of the midterm Senior Officials' Meeting in June 2012 in Hohhot, the People's of Republic of China. Subsequent progress made in resolving actions and issues will be reported by the senior officials to the 11th Ministerial Conference, scheduled for November 2012.

APPENDIX 1: CAREC PROGRAM RESULTS FRAMEWORK 2011

Table A1.1: Level 1—CAREC Region Development Outcomes

Indicator	Indicative Target	Baseline Year	Baseline Value	2008	2009	2010/ Latest Value	2011 Progress
1. Population living on less than \$2 a day (%)	↓	2002	65.3 ^a	52.1 ^{a,b}	50.1	...	G
2. Human Development Index	↑	2000	0.524	0.573	0.599 ^c	0.612 ^d	G
3. Gender Inequality Index	↓	2010	0.614 ^e	...	...	0.436 ^{d,e}	G
4. GDP per capita PPP (constant 2005 intl. \$)	↑	2006	2,643	2,884	2,964	3,072	G
5. GDP PPP (constant 2005 international \$ billion)	↑	2006	242.8	262.6	272.7	284.7	G
6. Real GDP growth rate (%)	↑	2006	11.1 ^a	8.1	4.1 ^a	5.4	G
7. Labor force participation rate (%)	↑	2006	57.7	57.7	58.2	...	G
8. Women employed in nonagricultural sector (%)	↑	2006	38.6 ^{a,f}	38.0 ^{a,f,g}	37.9 ^h	...	R
9. Real growth in trade of goods and services (%)	↑	2006 ^h	12.5 ^h	7.2	(3.9) ^{g,i}	...	R
10. Trade openness (%) ^f	↑	2006	0.547 ^j	0.561 ^j	0.509 ^j	0.514 ^j	G
11. Intraregional energy trade (GWh)	↑	2006	5,061	4,227	4,435	...	G
12. GDP per unit of energy use (2005 PPP \$ per kilogram of oil equivalent)	↑	2006	3.0 ^a	3.6 ^a	4.0 ^a	...	G
13. Foreign direct investment (% GDP)	↑	2006	2.5	4.2	4.9	4.2	A
14. Time required to start a business (days)	↓	2006	31 ^k	17 ^k	15 ^k	15 ^{d,k}	A
15. Cost of business start-up procedures (% GNI per capita)	↓	2006	26.6 ^k	10.9 ^k	12.2 ^k	10.8 ^{d,k}	G

... = data not available; () = negative; GDP = gross domestic product; GNI = gross domestic income; GWh = gigawatt hour; PPP = purchasing power parity.

^a No data for Afghanistan.

^b 2005 data.

^c 2010 data.

^d 2011 data.

^e No data for Turkmenistan or Uzbekistan.

^f No data for Uzbekistan.

^g Includes 2007 data.

^h 2008 data.

ⁱ No data for Mongolia.

^j No data for Afghanistan, Mongolia, or Turkmenistan.

^k For indicators 14 and 15, 2009 data is shown under the year 2008; 2010 data is under the year 2009; and 2011 data is under the year 2010/Latest Value column. No data for Turkmenistan.

Notes: Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region are not available.

Sources: World Bank. PovcalNet Online Database for indicator 1; United Nations Development Programme. 2011. *Human Development Report, 2011*, New York, for indicators 2 and 3. World Development Indicators Online Database for indicators 4-8, 10, and 12-13; World Bank. World Trade Indicators Online Database for indicator 9; Central Dispatch Center, Tashkent, Uzbekistan, 2011, for indicator 11; International Finance Corporation/World Bank Doing Business Online Database, for indicators 14 and 15.

Table A1.2: Level 2—CAREC Priority Sector Outputs

Indicator	Baseline Year	Baseline Value	2009	2010	2011	2017 Target	2011 Progress
<i>Transport and Trade Facilitation</i>							
Expressways or national highways built or improved (km)	2008	177	1,288	1,025	1,022	8,640	
Proportion of total CAREC road corridor built or improved (%)	2008	65	70	74	79	100	
Time taken to clear a border crossing (hours)	2010	8.7	...	...	7.9		
Costs incurred at a border crossing clearance (\$)	2010	186	...	...	156		
Speed to travel 500 km on CAREC corridor section (km per hour) ^a	2010	24	...	...	22		
Costs incurred to travel corridor section (\$)	2010	712	...	...	959		
<i>Trade Policy</i>							
CAREC Trade Liberalization Index	2009	(1.8)		5.5	12.8	20.0 ^b	
<i>Energy</i>							
Transmission lines installed or upgraded (km)	2009	850	...	...	1,150	1,200 ^c	
Increased energy generation capacity (MW)	...	...	...	...	...	...	...

... = no data available; () = negative; CAREC = Central Asia Regional Economic Cooperation; km = kilometer; MW = megawatt

^a Speed is measured here 'with delays' for a 20-ton truck or a 20-foot equivalent unit container (Appendix 4).

^b Target year is 2012.

^c The total 1,200 km represents expected output over 2012-2015.

Sources: Transport and Trade Facilitation Coordinating Committee, Country Progress Reports for transport indicators; CAREC Corridor Performance Measurement and Monitoring Quarterly and Annual Reports, 2009-2010, for trade facilitation indicators; Trade Policy Strategic Action Plan monitoring questionnaire, 2010; and ADB project completion and validation reports, and World Bank online project databases for energy indicators.

Table A1.3: Level 3—Operational and Organizational Effectiveness

Indicator	Indicative Target	Baseline Year	Baseline Value	2009	2010	2011	2011 Progress
Volume of approved investment projects (loans and grants, cumulative since 2001, \$ million)	↑	2006	3,108 ^a	12,506 ^a	15,694	17,696	G
Number of investment projects approved (loans and grants, cumulative since 2001)	↑	2006	41	91	107	122	G
Number of completed investment projects (cumulative since 2001)	↑	2006	3	14	23	36	G
Annual average volume of new approved investment projects (loans and grants, 3-year rolling average, \$ million)	↑	2006	595 ^b	3,133 ^b	3,736 ^b	3,349 ^b	A
<i>CAREC technical assistance project financing gap (\$ '000)</i>
Ratings of CAREC-related technical assistance projects completed (% successful)	↑	2006	89	94	88	93	G
<i>[Knowledge production and dissemination: pending]</i>
Participants in CAREC-supported training programs (number of person days)	↑	2009	1,825	...	1,199	1,582	G

... = no data available; CAREC = Central Asia Regional Economic Cooperation Program.

^a Figures include only disbursed tranches of multifinancing facility investments.

^b Figures that appeared in the 2010 CAREC DEIR have been adjusted to reflect updated project information

APPENDIX 2: RESULTS FRAMEWORK DEFINITIONS AND SOURCES

Table A2.1: Level 1—CAREC Region Development Outcomes

Indicator	Definition and Source
Poverty Reduction	
Population living below \$2/day	Definition: Percentage of the population living on less than \$2-a-day measured at 2005 international prices adjusted for purchasing power parity (PPP). The \$2-a-day poverty line is compared to consumption or income per person and includes consumption from own production and income in kind. Source: World Bank PovcalNet Online. April 2012.
Human Development Index	Definition: The Human Development Index (HDI) is a composite index measuring average achievement in three basic dimensions of human development—a long and healthy life (life expectancy at birth); access to knowledge (mean years of schooling, and expected years of schooling); and a decent standard of living (GNI per capita [PPP US\$]). The HDI provides a single statistic as a frame of reference for both social and economic development. The HDI sets a minimum and a maximum for each dimension, called goalposts, and then shows where each country stands in relation to these goalposts, expressed as a value between 0 and 1. Source: United Nations Development Programme. <i>Human Development Reports</i> . New York.
Gender Inequality Index	Definition: The Gender Inequality Index (GII) reflects women's disadvantage in three dimensions—reproductive health, empowerment and the labor market. The index shows the loss in human development due to inequality between female and male achievements in these dimensions. It ranges from 0, which indicates that women and men fare equally, to 1, which indicates that women fare worse in all measured dimensions. Source: United Nations Development Programme. <i>Human Development Report 2012</i> . New York.
Gross Domestic Product, Trade, and Business Development	
GDP per capita PPP (\$)	Definition: Sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products, divided by population. Calculated without deductions for depreciation of fabricated assets or for depletion and degradation of natural resources and at market prices based on constant local currency. Source: World Bank. World Development Indicators Online. April 2012.
GDP PPP (constant 2005 international \$ billion)	Definition: Gross domestic product (GDP) is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output. Growth is calculated from constant price GDP data in local currency. Source: World Bank. World Development Indicators Online. April 2012.
Real GDP growth rate (%)	Definition: Average annual growth of sum of value added by all resident producers in the economy plus any product taxes (less subsidies) not included in the valuation of output, calculated without making deductions for depreciation of fabricated capital assets for depletion and degradation of natural resources, expressed in PPP US dollar terms. Source: World Bank. World Development Indicators Online. April 2012.
Labor force participation rate (%)	Definition: Percentage of the working-age population (ages 15-64) that actively engages in the labor market by either working or actively looking for work. Source: World Development Indicators Online. April 2012.
Women employed in nonagricultural sector (%)	Definition: Share of female workers in nonagricultural sector expressed as a percentage of total employment in the sector. Nonagricultural sector includes industry and services. Following the International Standard Industrial Classification of All Economic Activities, "industry" includes mining and quarrying (including oil production), manufacturing, construction, electricity, gas and water. "Services" includes wholesale and retail trade; restaurants and hotels; transport, storage and communications; financing, insurance, real estate and business services; and community, social and personal services. Source: World Bank. World Development Indicators Online. April 2012.
Real growth in trade of goods and services (%)	Definition: Average annual growth rate of total exports and imports in goods and services, deflated by import and export prices maintained by Development Prospects Group 2000. This indicator reflects the trade expansion of a country over the period. Source: World Bank. World Trade Indicators Online. April 2012.
Trade openness (%)	Definition: Trade openness is measured using the trade volume approach where export and import of goods and services are divided by GDP in constant \$ price (exports+imports/GDP). This methodology allows time series analysis of results.

Indicator	Definition and Source
Gross Domestic Product, Trade, and Business Development	
Intraregional energy trade (GWh)	<p>Definition: Total volume of regional electric trade in gigawatt-hours of CAREC members Afghanistan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.</p> <p>Source: Central Dispatch Center, Tashkent, Uzbekistan, May 2012.</p>
GDP per unit of energy use (2005 PPP \$ per kilogram of oil equivalent)	<p>Definition: The ratio of GDP to energy use indicates energy efficiency. GDP per unit of energy use is the ratio of gross domestic product per kilogram of oil equivalent of energy use, with GDP converted to 2005 constant international dollars using PPP rates. An international dollar has the same purchasing power over GDP that a dollar has in the United States. Energy use refers to the use of primary energy before transmission to other end-use fuel, which is indigenous production plus imports and stock changes minus exports and fuel supplied to ships and aircraft engaged in international transport.</p> <p>Source: World Bank. World Development Indicators Online. April 2012.</p>
Foreign direct investment, net inflows (% GDP)	<p>Definition: International investment that obtains a lasting interest (at least 10%) in an enterprise resident in another economy. The components of foreign direct investment (FDI) are equity capital, reinvested earnings and other capital (mainly intra-company loans). As countries do not always collect data for each of those components, reported data on FDI are not fully comparable across countries. In particular, data on reinvested earnings, the collection of which depends on company surveys, are often unreported by many countries.</p> <p>Source: World Bank. World Development Indicators Online. April 2012.</p>
Time required to start a business (days)	<p>Definition: The cost, as a percentage of the economy's per capita income, including all official fees and fees for legal or professional fees, fees for purchasing and legalizing company books, if such services are required by law for an entrepreneur to start up and formally operate an industrial or commercial business.</p> <p>Source: International Finance Corporation/World Bank. Doing Business Online. April 2012.</p>
Cost of business start-up procedures (% GNI per capita)	<p>Definition: The time, in calendar days, needed to complete the required procedures for legally operating a business. If a procedure can be expedited at additional cost, the fastest procedure, independent of cost, is chosen. The measure captures the median duration that incorporation lawyers indicate is necessary to complete a procedure with minimum follow-up with government agencies and no extra payments. The minimum time required for each procedure is one day and, although procedures may take place simultaneously, they cannot start on the same day. A procedure is considered complete once the company has received the final document.</p> <p>Source: International Finance Corporation/World Bank. Doing Business Online. April 2012.</p>

CAREC = Central Asia Regional Economic Cooperation, FDI = foreign direct investment, GDI = gender inequality index, GDP = gross domestic product, GNI = gross national income, HDI = human development index, PPP = purchasing power parity.

Table A2.2: Level 2—CAREC Priority Sector Outputs

Indicator	Definition and Source
Transport and Trade Facilitation Sectors	
Expressways or national highways built or improved (km)	Definition: Length of expressways (i.e. fully access controlled highways) built or improved, expressed in km. Access control means no direct crossings. 'Expressways' can include roads that in certain countries are called highways if they have full access control. 'Improving' includes all activity to restore a degraded road to originally intended design capacity (repair/rehabilitation) and to improve on its design capacity (e.g. by widening). 'Improving' cannot be applied in cases where only road signage is improved. Source: Transport Sector Coordinating Committee, Country Reports for transport indicators.
Proportion of total CAREC road corridor built or improved (%)	Definition: Percentage total of all CAREC road corridors built or improved through CAREC investment activities that meet appropriate international roughness index standards. Road should be open to public use. Source: Transport Sector Coordinating Committee, Country Reports for transport indicators.
Time taken to clear a border crossing (minutes)	Definition: The average duration (in minutes) taken to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Besides the standard formalities to clear customs, immigration, and quarantine, this measurement also includes waiting time, unloading and loading time, change of rail gauges and so forth, to capture both complexity and inefficiencies inherent in the border crossing process. This indicator is normalized at 500 km as a basis of unit, so that duration between long and short corridors is comparable. Source: CAREC Corridor Performance Measurement and Monitoring (CPMM) Reports.
Costs incurred at a border crossing clearance (\$)	Definition: The average of total expenses (\$) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where CIQ are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable. Source: CAREC CPMM Reports.
Speed to travel 500 km on CAREC Corridor section (kph)	Definition: The average speed for a unit of cargo to travel within the country and across borders. A unit of cargo refers to a cargo truck with 20 tons of goods (for road transport) or a rail wagon with one 20-foot equivalent unit (for rail transport). Speed is calculated by taking the total distance traveled divided by the total time taken; both distance and time include border crossings. Source: CAREC CPMM Reports.
Costs incurred to travel corridor section(\$)	Definition: The average of total costs "with delays" incurred for a unit of cargo to travel within the country and across borders. A unit of cargo refers to a cargo truck with 20 tons of goods (for road transport) or a rail wagon with one 20-foot equivalent unit (for rail transport). Both official and unofficial payments are included. Source: CAREC CPMM Reports.
Trade Policy Sector	
CAREC trade liberalization index	Definition: Composite indicator measuring achievement in prioritized actions leading toward effective trade liberalization, as a first step in the process of World Trade Organization accession. Progress is monitored in the following areas: (i) tariffication of quantitative restrictions, (ii) tariff simplification, and (iii) reduction of impediments to transit trade. Source: Data are extracted from an annual International Monetary Fund-conducted questionnaire survey of CAREC partners.
Energy Sector	
Transmission lines installed or upgraded (km)	Definition: Transmission lines ≥ 110 kilovolt (some countries may report only ≥ 220 kilovolt, which was accepted by the committee because it will under-report performance), constructed or upgraded (km). Source: Energy Sector Coordinating Committee, CAREC-related project completion and validation reports, and CAREC multilateral institution online project databases.
Increased energy generation capacity (MW)	Definition: Increased energy generation capacity (expressed in megawatts) is incremental capacity created by the project, and the aggregate of the following categories: (i) MW capacity of new power plant projects; (ii) incremental MW as the result of rehabilitation project; and (iii) MW-equivalent capacity of heating supply added. Source: Energy Sector Coordinating Committee, CAREC-related project completion and validation reports, and CAREC multilateral institution online project databases.
CAREC = Central Asia Regional Economic Cooperation, CPMM = CAREC Corridor Performance Measurement and Monitoring ESCC = Energy Sector Coordinating Committee, km = kilometer, MW = megawatt.	

Table A2.3: Level 3—Operational and Organizational Effectiveness

Indicator	Definition
Operations Growth	
Volume of approved investment projects (loans and grants; cumulative since 2001, \$ million)	Total volume of approved CAREC-related projects, jointly financed by CAREC governments and multilateral institution partners, cumulative since 2001.
Number of investment projects approved (loans and grants, cumulative since 2001)	Number of approved CAREC-related projects, jointly financed by CAREC governments and multilateral institution partners, cumulative since 2001.
Number of completed investment projects (cumulative since 2001)	Number of multilateral institution-validated project completion reports.
Finance Mobilization	
Annual average volume of new approved investment projects (loans and grants, 3-year rolling average, \$ million)	Total volume of CAREC-related projects (loans and grants) from all CAREC partner multilateral institutions and country governments, approved during 12-month period under review.
<i>CAREC technical assistance financing gap (\$, '000)</i>	<i>Outstanding funding gap for proposed/approved priority sector technical assistance projects, forecast for current 12-month period.</i>
Knowledge Management	
Ratings of CAREC-related technical assistance projects completed (% successful)	Number of completion reports issued for CAREC-related technical assistance projects in the review period with "successful or better" ratings as a percentage of total technical assistance completion reports circulated in the same year. Technical assistance projects that lead and/or contribute directly to investment projects—and which often do not have completion reports—are counted as "successful."
<i>Knowledge sharing and dissemination: work-in-progress</i>	<i>Pending</i>
Participants in CAREC-supported training programs (# person days)	Total count of individuals successfully completing CAREC-sponsored training programs during 12-month period under review.

CAREC = Central Asia Regional Economic Cooperation.

Sources: CAREC Program project portfolio, CAREC-related project completion and validation reports, CAREC multilateral institution partner online project databases, CAREC website.

APPENDIX 3: CAREC REGION DEVELOPMENT OUTCOMES

Table A3.1: Millennium Development Goals in the CAREC Region

Indicator	2005 Baseline Year	2008	2011 / Latest Value
Population living below \$1.25 (PPP) a day (%)	25.5 ^a	18.0 ^a	14.4 ^a
Children under 5 moderately or severely underweight (%)	24.5 ^b	22.3 ^b	21.7 ^b
Total net enrolment ratio in primary education, both sexes	70.6 ^{a,b}	71.2 ^{a,b}	74.2 ^{a,b}
Pupils starting Grade 1 who reach last grade of primary, both sexes (%)	75.0	68.8	69.0
Primary education completion rate, both sexes (%)	70.4	64.5	64.2
Gender parity index in primary level enrolment	0.770	0.823	0.815
Gender parity index in secondary level enrolment	0.784	0.736	0.866
Gender parity index in tertiary level enrolment	0.835	0.811	0.845
Children under 5 mortality rate per 1,000 live births	96.5	92.7	86.1
Infant mortality rate (0-1 year) per 1,000 live births	74.5	71.6	67.3
Adults (15+) living with HIV (number, million)	0.082 ^c	0.113 ^c	0.101 ^c
Women (15+) living with HIV (number, million)	0.100	0.100	...
Tuberculosis prevalence rate per 100,000 population	390.1	338.1	295.7
Tuberculosis death rate per 100,000 population	46.1	34.1	27.1
Land area covered by forest (%)	3.6	3.5	3.5
Protected area to total surface area (%)	7.0	6.0	7.1
Consumption of ozone-depleting CFCs (ODP metric tons)	39.2 ^d	37.1	37.1
CO ₂ emissions (metric tons per capita)	2.0 ^b	2.4 ^b	2.5 ^b
Population using improved drinking water source (% of population with access)	82.9	84.2	86.0
Population using improved sanitation facilities (% of population with access)	54.0	55.8	57.4

... = no data available; CAREC = Central Asia Regional Economic Cooperation; CFC = chlorofluorocarbon; CO₂ = carbon dioxide; ODP = ozone-depleting potential; PPP = power purchase parity.

^a No data for Afghanistan.

^b Includes data for Turkmenistan.

^c No data for Afghanistan and Turkmenistan.

^d 2001 data.

Note: Comparable subnational data for Xinjiang Uygur Autonomous Region and Inner Mongolia Autonomous Region are not available, therefore these two regions are not reflected in Table A3.1.

Sources: Millennium Development Goals Online Database; World Bank. PovcalNet Online Database; World Bank. World Development Indicators Online Database.

Table A3.2: Level 1 Country Groupings—International Finance Corporation/World Bank's *Doing Business*

East Asia and the Pacific		
Brunei Darussalam	Malaysia Marshall Islands	Solomon Islands
Cambodia	Micronesia, Fed. Sts	Taiwan, China
China	Mongolia	Thailand
Fiji	Palau	Timor-Leste
Hong Kong SAR, China	Papua New Guinea	Tonga
Indonesia	Philippines	Vanuatu
Kiribati	Samoa	Vietnam
Lao PDR	Singapore	
Eastern Europe and Central Asia		
Albania	Georgia	Montenegro
Armenia	Kazakhstan	Romania
Azerbaijan	Kosovo	Russian Federation
Belarus	Kyrgyz Republic	Serbia
Bosnia and Herzegovina	Latvia	Tajikistan
Bulgaria	Lithuania	Turkey
Croatia	Macedonia, FYR	Ukraine
Cyprus	Moldova	Uzbekistan
South Asia		
Afghanistan	India	Pakistan
Bangladesh	Maldives	Sri Lanka
Bhutan	Nepal	
Organisation for Economic Co-operation and Development Country Group		
Australia	Hungary	Poland
Austria	Iceland	Portugal
Belgium	Ireland	Slovak Republic
Canada	Israel	Slovenia
Czech Republic	Italy	Spain
Denmark	Japan	Sweden
Estonia	Korea, Rep.	Switzerland
Finland	Luxembourg	United Kingdom
France	Netherlands	United States
Germany	New Zealand	
Greece	Norway	

Source: International Finance Corporation/World Bank. Doing Business online database 2012.

Table A3.3: Level 1 Country Groupings—World Bank's *World Development Indicators*

Europe and Central Asia (developing countries only)		
Albania	Kosovo	Russian Federation
Armenia	Kyrgyz Republic	Serbia
Azerbaijan	Latvia	Tajikistan
Belarus	Lithuania	Turkey
Bosnia and Herzegovina	Macedonia, FYR	Turkmenistan
Bulgaria	Moldova	Ukraine
Georgia	Montenegro	Uzbekistan
Kazakhstan	Romania	
South Asia		
Afghanistan	India	Pakistan
Bangladesh	Maldives	Sri Lanka
Bhutan	Nepal	

Source: World Bank. World Development Indicators online database 2012.

APPENDIX 4: LEVEL 2 METHODOLOGY REVISIONS

A. Transport Sector: Setting Targets

96. The 2008 CAREC Transport and Trade Facilitation Strategy (TTFS) and its Action Plan focus on the building/upgrading of six transport corridors, in support of the overarching goals to (i) establish competitive corridors across the CAREC region; (ii) facilitate efficient movement of people and goods through CAREC corridors and across borders; and (iii) develop sustainable, safe, user-friendly transport and trade networks.⁴⁷ Annual progress toward these goals is measured through two indicators in the overall CAREC results framework: “expressways or national highways built or improved (km)” and “proportion of total CAREC road corridor built or improved (%)”.

Methodology

97. The TTFS identifies that of the total 24,000 kilometer (km) length of the CAREC road corridors, 8,640 km require building or upgrading, equivalent to 36% of the total length of corridor. The remaining 64% of the corridors are deemed in good condition and no building or upgrading is necessary. The TTFS results framework stipulates the following broad target dates:

- 2008—64% of total corridors in good condition
- 2012—75% of total corridors in good condition
- 2017—100% of total corridors in good condition

98. The baseline is thereby set at 64% in 2008. The annual targets of the transport sector work to accomplish the objectives of the TTFS, and against which transport annual results will be gauged, are as follows:

- 2011-2012—880 km per year, equating to a total 11% rise from the 2008 baseline
- 2013-2017—1,200 km per year, equating to a 5% annual rise from 2012 to 2017

99. The CAREC member countries gather detailed quantitative data on a semi-annual basis that reflects progress in the CAREC project-based transport portfolio. These data are collated and validated by the Transport Sector Coordinating Committee, before being submitted to the CAREC Secretariat for inclusion in the overall CAREC results framework.

B. Trade Facilitation: CAREC Corridor Performance Measurement and Monitoring Project

100. The CAREC Transport and Trade Facilitation Strategy and its Action Plan focus on developing and improving six regional corridors. The CAREC Corridor Performance Measurement and Monitoring (CPMM) Project monitors and reports on selected links and nodes, identifies bottlenecks, and proposes actions to improve corridor traffic flow. In 2011, improvements in the standardization process of CPMM data were introduced to ensure and improve consistency in estimates of time, cost, and speed indicators. These improvements focus mainly on the classification and standardization of raw data before any estimation and data aggregation procedures are used.

⁴⁷ Transport Sector Coordinating Committee. 2008. *Transport and Trade Facilitation Strategy: Partnership for Prosperity*. Manila. www.carecprogram.org/uploads/docs/CAREC-Transport-TradeFacilitation-Strategy.pdf

101. The time-cost/distance (TCD) documents submitted by CPMM partners (the CAREC Federation of Carrier and Forwarder Associations [CFCFA]) provide information on actual trips along CAREC corridors. As routes taken vary by corridor and mode of transport, problems arise in aggregating and rescaling the data based on TCD factors. CAREC corridors are not similar, which poses issues of comparability. CAREC corridors cross several countries and differ significantly in terms of road development, length, and cross-border protocols. The chosen mode of transport raises similar issues: road and rail movements have different standards and protocols, making one mode preferable to the other for some freight forwarders. TCD documents in 2011 are divided into segments depending on mode of transport and corridor classification.

102. To facilitate better estimation—not just on a modal basis but also by corridor—TCD documents were subjected to this classification before any standardization procedures were applied. To maintain data comparability, the standardization of TCDs per 20-ton cargo and per 500-kilometer trip must still apply.

103. Furthermore, both the border-crossing point (BCP) and the non-BCP component of the trips are normalized for each 500 km segment. However, due to the complexity of TCD data, and the indicators that CPMM monitors, standardization is not straightforward. Transit cost and duration can easily be rescaled as both of these variables are directly affected by distance, while activity cost and duration are not. The latter depends on the number of stops made en route before reaching a final destination, and the number of stops is, indirectly, affected by distance. For example, in a trip of 1,000 km, a truck made 4 stops, which averages to 2 stops in a 500-km distance. This implies that the above example has a stop multiplier of 0.5, which is then applied to the average of total activity cost and duration spent throughout the trip.

104. The frequency of stops for border-crossing activities is not similar to those of non-border-crossing stops. Therefore, multipliers should be made on both of these stops separately. Different multipliers for different corridors and modes of transport should be obtained as well. This is due to the inherent incomparability of trips classified under these factors.

105. A new baseline was established for trade facilitation indicators using 2010 data: the CPMM began operating only in 2009, and data from that original baseline year was incomplete and less robust than 2010. In order to apply the revised 2011 methodology for these four indicators in a uniform manner that will ensure comparable results, it was essential to establish a baseline year that yielded comprehensive and better quality data.

106. Other minor adjustments made in 2011 include: (i) corrections on treatment of missing values, (ii) standardization in names of BCPs and other key cities, (iii) application of appropriate weight to reflect cargo transport, (iv) validity checks on missing key TCD information, and (v) outlier management on duration of activities. These adjustments provide more efficient and more robust estimates for cost, duration and speed indicators monitored in CPMM. When applied to 2010 data, the methodological revisions generate lower estimates than those presented in earlier reports (higher in the case of speed with delay). These revised estimates better reflect reality.

APPENDIX 5: 2011 CAREC PROGRAM PORTFOLIO

Table A5.1: CAREC Investment Projects (Loans and Grants) Approved in 2011

Project	Country	Year of Approval	Year of Closing	Funding Agencies	Funding (\$ million)	Total Funding (\$ million)	Brief Description of Project
TRANSPORT							
CAREC Corridor 2 Road Investment Program, Project 2 (multitranche financing facility (MFF))	UZB	2011	2014	ADB	240	240	Financed by ADB, this investment program aims to reconstruct the Uzbekistan section of Corridor 2—part of the 1,200-kilometer (km) A380 highway. Project 2 involves reconstructing about 85 km of the 222 km A380 highway; procurement of pile-boring equipment; and provision of consulting services for procurement and safeguards support, and construction supervision. The investment will contribute to better transport connectivity and efficiency, and enhance institutional effectiveness.
Western Regional Road Corridor Development Program: Tranche 1 (MFF)	MON	2011	2020	ADB G – MON	170 92	262	This ADB-financed MFF will support inclusive economic growth and effective regional cooperation by improving accessibility on a local level for remote project areas, as well as between western Mongolia and neighboring countries. The first tranche of this MFF will complete the Western Regional Road (part of CAREC Corridor 4a); construct local access roads; establish and equip a maintenance center; and provide capacity building for maintenance planning, works, procurement, and project management.
CAREC Corridor 3 (Dushanbe-Uzbekistan Border) Improvement Project	TAJ	2011	2015	ADB European Bank for Reconstruction and Development (EBRD) G – TAJ	120 27 39	186	Financed by ADB, EBRD, and the Government of Tajikistan, this project will help increase national and regional trade, and economic growth through improved connectivity and mobility along the Tajikistan sections of CAREC Corridor 3. The ADB-funded portion of the project will improve the 62-km highway linking Dushanbe with the Uzbekistan border; improve the Dusti border point facilities; connect the border point to a reliable power source; build modern customs buildings; and install new information technology to help increase trade and cut waiting time at the border. EBRD will fund the 5-km Avicenna Monument–West Gate part, close to Dushanbe.
CAREC Transport Corridor 1 (Zhambyl Oblast Section), Tranche 4 (MFF)	KAZ	2011	2014	ADB G – KAZ	112 19	131	This fourth tranche of Kazakhstan's Transport Corridor 1 MFF loan will contribute to sustainable economic development through building a more efficient transport system in Zhambyl Oblast. The project involves reconstruction of about 49 km of the two-lane category II Aspara–Blagoveschenka road section located between Taraz and Korday, and widening the section into a four-lane category IB road. It will also provide consulting services for construction supervision.

National Road Rehabilitation (Osh-Batken-Isfana), Second Additional Financing	KGZ	2011	2013	World Bank	16	16	This World Bank-financed project—approved in 2009 with additional financing in 2010—will provide reliable access to social services and economic opportunities, and improve road network management in the country. The second additional financing project in 2011 aims to reduce transport costs and travel time along the Osh–Batken–Isfana road corridor; improve road safety planning; and repair and rehabilitate road infrastructure in and around Osh and Jalal-Abad cities.
North-South Railway Project	TKM	2011	2013	ADB	125	167	ADB is financing this first CAREC project in Turkmenistan to increase regional trade by improving accessibility to Kazakhstan, the Persian Gulf, the Russian Federation, and South Asia, through better connectivity. The project includes installation of 311 km of signaling and telecommunication facilities between Bereket and Buzhun; procurement of equipment for maintenance; institutional capacity building of the Ministry of Railway Transportation; and consulting services.
				G – TKM	42		
Second CAREC Corridor 2 Road Investment Program, Tranche 1 (MFF)	UZB	2011	2013	ADB	130	160	This ADB-financed project will contribute to increased domestic and international trade in Uzbekistan. It will improve connectivity by reconstructing about 74 km of a section of the A373 highway. The project aims to enhance safety and effective management of CAREC Corridor 2 by developing a national road infrastructure safety strategy and action plan; solar road signs for the Kamchik Pass section; public awareness programs; and a road safety capacity development program for the Republic Road Fund and Uzavtoyul.
				G – UZB	30		
CAREC Corridor I (Bishkek-Torugart Road), Project 3	KGZ	2011	2013	ADB	55	70	This ADB-financed project will increase regional trade, particularly between the Kyrgyz Republic and PRC, by improving mobility for people and goods along the road corridor between Naryn and Torugart. Upgrading a 60-km two-lane section of the Bishkek–Torugart road to national Category III road standards includes features to protect the environment, preserve road structure, and reduce vehicle accidents.
				G – KGZ	15		
CAREC Corridor 6 (Marakand-Karshi) Railway Electrification Project	UZB	2011	2016	ADB	100	176	Financed by ADB, this project aims to increase regional trade opportunities and accelerate economic growth through improved railway operations between Marakand and Karshi. The project has two main components: (i) the design, supply, installation, and commissioning of electrification, signaling and telecommunication systems, supervision control and data acquisition (SCADA) system, ancillary works and provision of maintenance equipment on the 140-km railway section between Marakand and Karshi; and (ii) construction supervision, project management support, and institutional capacity development of Uzbekistan Temir Yullari (UTY).

Transport Network Development Investment Program, Tranche 1 (MFF)	AFG	2011	2014	ADB	189	240	The first tranche of this investment program will rehabilitate and expand major sections of Afghanistan's transport networks, improving domestic and regional connectivity and access to social and economic opportunities. The project will improve 145 km of road sections; support operation and maintenance for the Hairatan to Mazar-e-Sharif railway line; deliver a new governance needs assessment, a revised national road and rail transport plan, and provide a feasibility study for the new Mazar-e-Sharif to Andkhoy railway; and provide various nonphysical components to improve planning at the Ministry of Public Works.
				Afghanistan Infrastructure Trust Fund (AITF)	33		
				G – AFG	18		
Road Network Development Program, Tranche 3	AZE	2011	2014	ADB	200	200	This MFF will develop an efficient, safe, and sustainable road network, enhancing the domestic and international road links of Azerbaijan. The third financing tranche relates to part of the country's primary north-south highway linking the capital, Baku, to the southern border: the project will construct (i) approximately 39.3 km of a new four-lane category I expressway; (ii) 61.4 km of the Masalli-Astana highway; and also provide project management support and consulting services.
CAREC Corridor I (Taraz Bypass) Project (MFF)	KAZ	2011	2014	ADB	95	123	This ADB project is part of the Government's priority Western Europe-Western People's Republic of China Corridor Investment Program. It will reconstruct approximately 7.7 km of road section and construct about 57.3 km in bypass road. The 65 km Taraz bypass section is integral to the transport corridor, connecting the oil-rich western part of the country to its southeast and beyond. The project will boost regional connectivity. The overall investment program aims to improve approximately 2,787 km of road sections in the Kazakhstan territory along CAREC Corridor 1.
				G – KAZ	28		
Reconstruction of Bishkek-Naryn-Torugart Road	KGZ	2011	2014	Islamic Development Bank (IsDB)	16	16	Financed by IsDB, this project will rehabilitate a 93 km stretch of highway (km 272- km 365), as part of a larger multi-donor program that will result in almost 600 km of rehabilitation. The most important trading corridor for the Kyrgyz Republic to both Kazakhstan and PRC, completion of this project will significantly contribute to domestic and regional trade and connectivity, and boost economic growth.
Shagon-Zigar Road Reconstruction, Phase III	TAJ	2011	2014	IsDB	19	19	This IsDB-financed project will provide the capital Dushanbe and western parts of Tajikistan with all-weather access to the eastern Autonomous Region of Gorno-Badakhshan, the seaport at Karachi, and the international highway network via the Karakorum Highway.

ENERGY							
Talimarjan Transmission Project	UZB	2011	2015	WB G – UZB	110 93	203	Financed by the World Bank, this project aims to improve reliability of the electricity supply to residential and business consumers in South-Western Uzbekistan. The loan supports the construction of a 500/220 kV new switchyard, about 220 km 500 kV single circuit transmission lines, a connection bay, and a 500 kV connection line. Institutional strengthening will enhance technical and fiduciary capacity, together with aspects of project management, monitoring, and implementation.

ADB = Asian Development Bank, AFG = Afghanistan, AZE = Azerbaijan, CAREC = Central Asia Regional Economic Cooperation, EBRD = European Bank for Reconstruction and Development, G- = Government of, IsDB = Islamic Development Bank, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, km = kilometer, kV = kilovolt, MFF = multitranches financing facility, MON= Mongolia, PRC = People's Republic of China, TAJ = Tajikistan, UZB = Uzbekistan.

Table A5.2: CAREC Investment Projects (Loans and Grants), Completed in 2011

Project	Country	Year of Approval	Year of Closing	Funding Agencies	Funding (\$ million)	Total Funding (\$ million)	Brief Description of Project
TRANSPORT							
Hairatan to Mazar-e-Sharif Railway Development Program	AFG	2009	2011	ADB	165	170	This ADB and Government of Afghanistan financed project aimed to increase trade between Afghanistan and Uzbekistan, reduce transport costs, increase vehicle operation savings, and create job opportunities in the project area. The loan supported construction of a new single-track railway line of about 75 km from Hairatan to Mazar-e-Sharif, and a transshipment terminal facility at Mazar-e-Sharif. It installed signaling and telecommunication systems, safety features for efficient operation, and improved Hairatan's marshalling yard and railway station.
				G – AFG	5		
Reconstruction of Taraz-Talas Suusamyр Road II	KGZ	2008	2011	IsDB	11	11	
Shagon-Zigar Road Reconstruction, Phase II	AZE	2005	2011	ISDB	14	14	This IsDB-financed project was the second in a phased approach to reconstructing the Shagon-Zigar Road, and connecting the capital Dushanbe with all-weather access to the eastern Autonomous Region of Gorno-Badakhshan, the seaport at Karachi, and the international highway network via the Karakorum Highway.
TRADE FACILITATION							
Customs Modernization Project	MON	2006	2011	ADB	5	7	This project aimed to strengthen the institutional and human capacity of the Mongolian Customs Administration in project implementation. The project migrated and upgraded Mongolia's customs automated data processing system; improved infrastructure at major customs houses and customs border posts; and strengthened institutional capacity (including business process re-engineering, capacity building, interagency coordination, regional cooperation, and public-private partnerships).
				e-Asia	0.1		
				G – MON	1.5		
Regional Customs Modernization and Infrastructure Development Project	TAJ	2004	2011	ADB	11	17	This project, jointly financed by ADB and the governments of Tajikistan and the USA, continued ADB's support for customs reform and modernization in Tajikistan following the launch of the Regional Trade Facilitation and Customs Cooperation Program in 2002. It aimed to develop a unified automated information system, as well as customs border-post infrastructure.
				G – TAJ	4		
				G – USA	2		

ENERGY							
Regional Power Transmission Interconnection Project (Afghanistan Component)	AFG	2006	2011	ADB Afghanistan Reconstruction Trust Fund G – AFG	35 17 4	56	This component of the project aimed to restore power supply, reduce cost for consumers, and improve capacity of Afghanistan Electricity Authority. A 220-kilovolt double-circuit transmission line was constructed, linking the hydropower stations on the Vakhsh River in Tajikistan to the border town of Sherkan Bandar; then to Kunduz, Baglan, and Pule-Khumri in Afghanistan.
North-South Electricity Transmission Project	KAZ	2005	2011	World Bank EBRD IES G – KAZ	100 13 43 4	160	The project involved construction of a 475-kilometer (km) 500-kilovolt (kV) single circuit overhead line from Ekibastuz to Agadyr, expansion of the existing 1,150/500 kV substation at Ekibastuz to accommodate the new 500 kV link with the Agadyr substation, expansion of the existing 500 kV substation at Agadyr to accommodate the new 500 kV link with the Ekibastuz and YuKGRES substations, and provision of consulting services.

ADB = Asian Development Bank, AFG = Afghanistan, EBRD = European Bank for Reconstruction and Development, G- = Government of, IsDB = Islamic Development Bank, KAZ = Kazakhstan, km = kilometer, KGZ = Kyrgyz Republic, MON = Mongolia, TAJ = Tajikistan, USA = United States of America.

Table A5.3: CAREC Technical Assistance Projects, Approved in 2011

Technical Assistance Project	Country	Year of Approval	Year of Closing	Funding Agencies	Funding (\$)	Total Funding (\$)
TRANSPORT						
Railway Electrification Investment Program	UZB	2011	--	ADB	225	225
Sustainable Transport of Almaty City	KAZ	2011	2012	UNDP	50	50
CAREC Corridor 2 Road Investment Program II	UZB	2011	2011	ADB G – UZB	220 55	275
TRADE FACILITATION						
CAREC: Border Crossing Point Improvement and Single Window Development Project	REG	2011	2013	ADB	2,000	2,000
Modernization of Customs Services in Azerbaijan Project	AZE	2011	2012	UNDP G – AZE	30 420	450
Border Management in Central Asia, Phase 8 (for 5 Central Asia countries)	REG	2011	2014	UNDP EU	1,378 13,787	15,165
Aid for Trade for Central Asia, South Caucasus and CIS	REG	2011	2013	UNDP	420	420
Integrated Trade Facilitation Support for CAREC (supplementary)	REG	2011	2013	ADB	1,200	1,200
ENERGY						
Regional Power Interconnection Project	AFG TKM	2011	2013	ADB G – TKM	1,300 100	1,400
CASAREM – Talimarjan Power Generation and Transmission (supplementary)	UZB	2011	--	ADB	600	600
Technology Transfer and Market Development for small Hydropower in Tajikistan	TAJ	2011	2015	UNDP GEF	1,330 2,000	3,300
MULTISECTOR / SECOND TIER						
Strengthening CAREC 2007-2012 (supplementary)	REG	2011	2012	ADB	1,000	1,000
Climate Risk Management (Uzbekistan)	REG	2011	2014	UNDP	800	800
Climate Risk Management (Kyrgyz Republic)	REG	2011	2014	UNDP	600	600
Climate Risk Management (Turkmenistan)	REG	2011	2014	UNDP	585	585
Capacity Development for Radioactive Waste Management and Early Warning System in Fergana Valley	UZB	2011	2012	UNDP Government of Germany	45 84	129
Strengthening CAREC 2007-2012 (supplementary)	REG	2011	2012	ADB	750	750

ADB = Asian Development Bank, AFG = Afghanistan, AZE = Azerbaijan, CAREC = Central Asia Regional Economic Cooperation, CASAREM = Central Asia/South Asia Regional Electricity Market, EU = European Union, G – = Government of, GEF = Global Environmental Facility, KAZ = Kazakhstan, REG = regional, TAJ = Tajikistan, TKM = Turkmenistan, UNDP = United Nations Development Programme, UZB = Uzbekistan.

Table A5.4: CAREC Technical Assistance Projects, Closed in 2011

Technical Assistance Project	Country	Year of Approval	Year of Closing	Funding Agencies	Funding (\$)	Total Funding (\$)
TRANSPORT						
CAREC Corridor 2 Road Investment Program II	UZB	2011	2011	ADB, G – UZB	220 55	275
Railway Development Study	AFG	2009	2011	ADB G – AFG	1,200 60	1,260
Railway Development Study (supplementary)	AFG	2010	2011	ADB, G – AFG	700 40	740
North-South Railway	TKM	2010	2011	ADB G – TKM	350 50	400
Road Database Development Using Geographic Information System	MON	2009	2011	ADB G – MON	500 100	600
Aktau-Beineu Road Project	KAZ	2009	2011	ADB G – KAZ	600 150	750
CAREC Corridor 2 Road Investment Program	UZB	2009	2011	ADB G – UZB	900 200	1,200
Ujar-Zardab-Aghdjabedi Highway Construction	AZB	2009	2011	Islamic Development Bank	--	--
Regional Logistics Development Project	MON	2008	2011	ADB G – MON	400 100	500
TRADE FACILITATION						
Border Management in Central Asia, Phase 7 (for 5 Central Asia countries)	REG	2009	2011	UNDP EU	262 10,047	10,309
ENERGY						
Wind Power Market Development Initiative	KAZ	2008	2011	UNDP G – KAZ Private Sector	164 7,110	7,274
MULTISECTOR / SECOND TIER						
Support to National Disaster Risk Response	TAJ	2009	2011	UNDP SDC	600 571	1,171
Strengthening Early Recovery Capacities in Tajikistan	TAJ	2009	2011	UNDP --	215 2,970	3,185
Disaster Risk Management	KGZ	2008	2011	UNDP	1,000	1,000

ADB = Asian Development Bank, AFG = Afghanistan, CAREC = Central Asia Regional Economic Cooperation, EU = European Union, G- = Government of, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MON = Mongolia, REG = regional, SDC = Swiss Agency for Development and Cooperation, TAJ = Tajikistan, TKM = Turkmenistan, UNDP = United Nations Development Programme, UZB = Uzbekistan.

Table A5.5: CAREC Multitranche Financing Facility Investments, Ongoing in 2011

MFF Investment Name	Country	Year of Approval	Funding Agencies	Funding (\$ million)	Total Funding (\$ million)	Brief Description of Project
TRANSPORT AND TRADE FACILITATION						
Multitranche Financing Facility (MFF): Second CAREC Corridor 2 Road Investment Program (Loan)	UZB	2011	ADB G – UZB	500 100	600	The Second CAREC Corridor 2 Investment Program MFF for Uzbekistan will boost domestic and international trade, by financing reconstruction of the Uzbekistan section of CAREC Corridor 2, which connects Uzbekistan to Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan. The program tranches will help improve road connectivity, safety, and effective management of the Uzbekistan section of CAREC Corridor 2. The investment program will include (i) about 236 km of the reconstructed section of CAREC Corridor 2; and (ii) implemented road system sustainability plans, relating to road safety and asset management. The first tranche, approved in 2011, will improve connectivity by reconstructing about 74 km of a section of the A373 highway.
MFF: Western Regional Road Corridor Investment Program	MON	2011	ADB G – MON	170 92	262	The Western Regional Road Corridor Investment Program MFF will support inclusive economic growth and effective regional cooperation by enhancing connectivity in the western region of Mongolia. Accessibility will be improved on a local level for remote project areas, as well as between western Mongolia and neighboring countries. The investment program will provide a vital link to economic opportunities and social services, reduce the high costs of imports, and improve the competitiveness of the region's export products. The first tranche of this MFF, approved in 2011, will complete the western regional road (forming part of CAREC Corridor 4a); construct local access roads; establish and equip a maintenance center; and provide capacity building for maintenance planning, works, procurement, and project management.
MFF: Transport Network Development Investment Program (Grant)	AFG	2011	ADB Afghanistan Infrastructure Trust Fund G – AFG	754 33 18	805	This MFF investment program aims to improve domestic and regional connectivity while widening access to social and economic opportunities. It will facilitate investment in key strategic industries, including mining and related services, resulting in growth, jobs, welfare, and trade. Providing better links from Central Asia to markets in the south, east, and west will generate transit fees but also new business opportunities to companies across Afghanistan. Physical investments will upgrade road and rail infrastructure—including 578 km of reconstructed and rehabilitated regional and national roads, and 225 km of constructed railway and stations between Mazar-e-Sharif and Andkhoy. The first tranche, approved in 2011, will improve 145 km of road sections; support operation and maintenance for the Hairatan to Mazar-e-Sharif railway line;

MFF: CAREC Corridor 2 Road Investment Program (Loan)	UZB	2010	ADB	600.0	738	This MFF intends to create better connectivity, more efficient transport systems and institutional effectiveness in Uzbekistan. The Investment Program aims to finance projects with one or more of the following activities: i) road development (reconstruction of about 222 km of the A380 highway); ii) strengthening of transport logistics; and iii) strengthening of road sector sustainability in Buhhara, Khorezm, and Karakalpakstan Republic. Civil works on about 50km of roads (between Km 440 and 490 of A380 highway) and support to road management of the surrounding communities are scheduled to be completed by 2013.
			G – UZB	138.0		
MFF: CAREC Corridor 2 (Mangystau Oblast) (Loan)	KAZ	2010	ADB	800.0	850	The investment program will (i) reconstruct 790 km roads of CAREC Corridor 2 in Mangystau, which includes 430 km on the Aktau-Manasha section, 84 km on the Beineu-Akzhigit (Uzbekistan border) section, and the 237 km on the Zhetybai-Fetisovo section; (ii) strengthened capacity for planning, project management, and asset management; and (iii) improved cross-border infrastructure and facilities. These outputs will be achieved through two components: road development and capacity development. Due to be completed by 2016, the first tranche involves physical investments in the Aktau-Manasha road sections; and (ii) project management and institutional support to the Department of Roads (MOTC).
			G – KAZ	50.0		
MFF: CAREC Corridor I (Zhambyl Oblast Section) (Loan)	KAZ	2008	ADB	700.0	1,480	This MFF will improve and expand the Western Europe–Western PRC International Transit Corridor. Running from Khorgos, at the PRC border, through Almaty and Shymkent, to the western border with the Russian Federation. Road investments will be made in the PRC, Kyrgyz Republic, and Tajikistan. The corridor is a flagship transaction under the Central Asia Regional Economic Cooperation Program. Further, it justifies development of the North–South Corridor which runs into Uzbekistan, Turkmenistan, Afghanistan, and Pakistan. The investment program is divided into three projects financed under separate tranches. The first tranche under ADB financing will have two major components: (i) road development, and (ii) road operations and maintenance.
			IsDB	414.0		
			JICA	150.0		
			G – KAZ	216.0		
MFF: Road Network Development Investment Program (Grant)	AFG	2008	ADB	400.0	1,250	This MFF finances a broad investment program over the medium term, focusing on national roads. The overall investment program involves constructing about 2,900 kilometers (km) of national roads and maintaining about 1,500 km of existing ones. The nonphysical part includes the reorganization of the Ministry of Public Works, the creation of a new agency to deal with national roads, the establishment of a maintenance facility, introduction of improved traffic safety procedures, and the execution of training programs to improve planning and project management.
			World Bank	150.0		
			USAID	400.0		
			G – AFG	300.0		

MFF: Road Network Development Program (Loan)	AZE	2007	ADB Others	500.0 2,861.0	3,361	This MFF program aims to develop an adequate, efficient, safe, and sustainable road network, linking Azerbaijan domestically and internationally. Its outputs include an improved national road network and effective and efficient management of the road network. The outputs will be achieved from two components: (i) road infrastructure development, and (ii) road network management capacity development.
ENERGY						
MFF: Energy Sector Development Program (Grant)	AFG	2008	ADB EBRD, G – AZE, IsDB, World Bank	582.0 1,752.0	2,334	The physical and nonphysical outputs of this multi-financed MFF will lead to a more reliable power system. Physical outputs include (i) rehabilitation, augmentation, and expansion of the North East Power System (NEPS); (ii) development of distribution systems for load centers supplied from NEPS; (iii) increased domestic generation capacity through new off-grid greenfield small and mini hydropower plants; and (iv) rehabilitation of gas fields. Off-grid rural electrification is based on renewable hydropower. Non-physical outputs include (i) training for better system operation and maintenance; (ii) better planning, project management, and systems, including the introduction of a management information system; (iii) metering, billing, and collection of tariffs; and (iv) thematic coverage, including gender mainstreaming and private sector development. The investment program will set up mechanisms of teams for monitoring and evaluation, reporting, and measuring results.
ADB = Asian Development Bank, AFG = Afghanistan, AZE = Azerbaijan, CAREC = Central Asia Regional Economic Cooperation, EBRD = European Bank for Reconstruction and Development, G – = Government of, IsDB = Islamic Development Bank, JICA = Japan International Cooperation Agency, KAZ = Kazakhstan, km = kilometer, MFF = multitranches financing facility, MON = Mongolia, NEPS = North East Power System, PRC = People's Republic of China, USAID = United States Agency for International Development, UZB = Uzbekistan.						