



Completion Report

Project Number: 46134-001
Technical Assistance Number: 8148
September 2017

Enhancing Coordination of the Central Asia Regional Economic Cooperation Program

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TA Number, Country, and Name:			Amount Approved: \$3,000,000	
TA 8148-REG: Enhancing Coordination of the Central Asia Regional Economic Cooperation Program			Revised Amount: \$5,500,000	
Executing Agency: ADB		Source of Funding: TASF-IV, TASF-V, TASF-other sources	Amount Undisbursed: \$ 408,202	Amount Utilized: \$ 5,091,798
TA Approval Date: 30 Aug 2012	TA Signing Date: 30 Aug 2012	Fielding of First Consultants: 5 Nov 2012	TA Completion Date Original: 31 Aug 2015	Actual: 31 Aug 2016
			Account Closing Date Original: 31 Aug 2015	Actual: 26 May 2017

Description

The Central Asia Regional Economic Cooperation (CAREC) program has evolved from a sector-focused regional cooperation group to a multi-disciplinary and demand-driven regional platform with focus on transport, energy, trade facilitation, trade policy sectors, and economic corridor development. The technical assistance (TA) responded to the expectations from CAREC member countries and development partners¹ for ADB’s support for the overall institutional framework (OIF) of CAREC to effectively implement regional cooperation projects and activities. The TA supported the implementation of the CAREC 2020 strategy, by providing financial, technical, and knowledge resources, and supporting the coordinating function of the CAREC Secretariat.

Expected Impact, Outcome, and Outputs

The intended impact of the TA was to expand the total international trade volume of CAREC member countries. The expected outcome was the enhanced overall coordination of regional cooperation in Central Asia. The TA outputs include (i) increased effectiveness of regional and national bodies under the CAREC OIF, and (ii) strengthened coordination support of the CAREC Secretariat.

Delivery of Inputs and Conduct of Activities

The original TA amount of \$3 million was approved on 30 August 2012, with the implementation period of September 2012 to August 2015. During this time, CAREC member countries asked ADB to improve coordination by providing stronger mandates to the national focal points (NFPs), stronger role for senior officials’ meetings and stronger interface with private sector institutions. These refinements required enhanced coordination of sectors within and among the CAREC countries, more frequent consultations with public and private stakeholders, and more resources from ADB to support the CAREC Secretariat. In June 2014, a major change was approved to increase the TA amount by \$2.5 million (bringing the total TA amount to \$5.5 million), and to extend the TA implementation period to 31 August 2016. The enhanced amount financed additional TA activities following an increase in the subregional and national events, as well as the strengthening of the CAREC Secretariat providing support to NFPs.

The TA has sustained the institutional support to the OIF and provided substantive inputs in delivering regional projects and policy initiatives in the priority sectors. The TA supported: (i) four annual ministerial conferences (MC), (ii) eight senior officials’ meetings (SOM), (iii) four special meetings of the NFPs, and (iv) 11 sector committee and subcommittee meetings.

To deliver the TA outputs, international experts, and national consultants based in ADB Headquarters (HQ) and in 10 member countries were engaged (Georgia became the 11th member in 2016). The national consultants acted as advisors to the NFPs and as regional cooperation coordinators (RCCs) to liaise with national and sector focal points involved in regional cooperation activities, including logistics arrangements for conferences, and in processing and implementation of CAREC projects. These advisors were effective in ensuring that government participants to the CAREC events had appropriate authority and knowledge to make useful contributions in CAREC meetings. The RCCs were the primary channel of communication among the CAREC Secretariat, the member country governments, and other partners. ADB HQ-based national consultants were engaged for administrative tasks.

ADB is the executing agency (EA) of the TA. The CAREC Unit in ADB’s Central and West Asia Department has managed all the consultants, who were engaged individually in accordance with ADB’s Guidelines on the Use of Consultants. Actual engagement on the TA included 11.5 person months of international and 714 person-months of national consulting services. Advisors and RCCs were both engaged for 5 member countries (KAZ, KGZ, MON, PRC, TAJ) only. For the other member countries, one consultant was hired to coordinate the work. All consultants delivered satisfactory performance, with 4 rated excellent.

¹ The 11 CAREC member countries are—Afghanistan, Azerbaijan, People’s Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. CAREC is a partnership between member countries and six multilateral institutions (MIs)—ADB, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and the World Bank. The CAREC institutions (i.e., the Ministerial Conference, Senior Officials’ Meeting, and sector committees) were established in 2001. ADB is the CAREC Program Secretariat.

Following ADB's Procurement Guidelines, equipment was purchased under this TA under the "shopping method". A total of 4 laptops, 1 printer and MS Office software were purchased to support the CAREC OIF functions for 2012–2016. All equipment was turned over to the EA by February 2017. With support of the TA, the CAREC website was improved to become more responsive, accessible, readable, and engaging to a wider audience. The website has effectively disseminated knowledge products by ADB and partner multilateral institutions (MIs). More than 15 videos have been produced showing the CAREC projects in the region as well as in individual countries. The overall performance of ADB, as the EA, is rated satisfactory. ADB has supervised and monitored all activities under the TA and ensured the timeliness of all deliverables.

Evaluation of Outputs and Achievement of Outcome

ADB's sustained support as CAREC Secretariat has led to achieving the outputs as below:

1. **The regional and national bodies under the CAREC OIF increase their effectiveness.** The sector coordinating committees successfully completed their respective strategies and action plans. These include the Wuhan Action Plan, refined Transport and Trade Facilitation Strategy 2020, Energy Work Plan 2013–2015 and Energy Strategy and Work Plan for 2016–2020, and Trade Policy Strategic Action Plan 2013–2017, Almaty-Bishkek Corridor Initiative, and the commitment to road safety, which were endorsed during MCs. The regular meetings enabled constant dialogue among CAREC members and enhanced effectiveness in implementing the sector strategies and work plans.
2. **CAREC coordination support is strengthened.** Aside from the annual SOMs and MCs, annual special NFP meetings enabled more detailed discussion of progress and related deliverables for the MC. The CAREC Secretariat completed its database of CAREC projects, and regularly monitored and updated the pipeline projects and their approval. The methodology, processes and indicator system for monitoring the results of the CAREC program were improved and reflected in the 2013 Development Effectiveness Review (DEFER) Report, and implemented onwards. The revamp of the CAREC website improved its accessibility with almost 42,000 hits in 2016 compared to 27,000 hits in 2012.

The outputs under the TA have contributed to the intended outcome of enhanced overall coordination of regional cooperation in Central Asia. As of 2016, CAREC investments amounted to \$29.4 billion from \$21.2 billion in 2012, with 77% of total investments going to the transport sector, and 21% to energy. The total investments in trade facilitation has more than doubled from \$247 million in 2012 to reach \$602 million in 2016.

Overall Assessment and Rating

The TA is rated successful. The TA was relevant and effective. As discussed above, the TA outputs were successfully achieved. Good progress was made on achieving the TA outcome. The CAREC projects were included in the individual countries' development plans, and in the assistance pipelines of ADB and MI partners. The committed outputs were attained efficiently resulting in TA surplus amount of more than \$400,000. Consultants were engaged only when necessary, with some ADB resident mission staff acting as focals to assist with CAREC activities. The TA outcome is sustainable as the mechanisms of the CAREC OIF as well as the Secretariat functions have been fully institutionalized thereby facilitating the coordination efforts to implement the CAREC program.

As for the TA's intended impact, the total international trade volume of the CAREC member countries has expanded during the implementation period from \$3.1 trillion in 2010 to \$3.9 trillion in 2016. However, this increase of about \$763 billion is much lower than the target of \$3.3 trillion as trade in CAREC member countries was adversely affected by the downtrend in global oil prices starting 2014.

Major Lessons

(i) Strong coordination and commitment among stakeholders are necessary to implement regional cooperation initiatives; (ii) ADB's support to CAREC has to be sustained over the medium term to ensure responsiveness to the increasing challenges and needs in the region as well as in the individual countries; and (iii) high-level participation of CAREC member countries in regular meetings can be pursued effectively through engaging the correct mix of country advisors and RCCs for effective communication.

Recommendations and Follow-Up Actions

To sustain ADB's strong support to the CAREC program, a follow-on TA (9156-REG) has been approved in August 2016 to continue ADB's strong support, and responsiveness to enhance coordination among CAREC stakeholders. As the CAREC member countries move towards stronger regional cooperation, it is important to keep the CAREC program updated and relevant to the current challenges of the region. The CAREC 2030 strategy expected to be endorsed by October 2017 during the 16th MC, advocates deepening of existing operational priorities and selective expansion of CAREC's agenda to add new priority areas in line with emerging needs of member countries, and consistent with the new international development goals. It will also refine CAREC's institutional framework, align development partners' role and participation; and provide a stronger role of CAREC Institute's knowledge support to CAREC member countries.