



# CAREC NOTES

Central Asia Regional Economic Cooperation

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## LESSONS FOR CENTRAL ASIA

# Experience with Regional Economic Cooperation

Regional cooperation has long been seen as an instrument for promoting economic growth and political stability around the globe. The successful integration of Europe under the umbrella of the EU after centuries of wars on the European continent has been a great beacon of hope for many developing countries and regions that have sought to avoid regional conflict and to exploit the opportunities to create prosperity through regional cooperation and economic integration.<sup>1</sup>

In the early decades after World War II much of the regional cooperation among developing countries was driven either by efforts to protect regional markets from international competition or by the need to grapple with the fall-out of decolonization, which led to the disintegration of integrated colonial economic regions, especially in Africa. In recent decades, in contrast, regional cooperation efforts have more commonly followed the premise of “new regionalism,” which postulates that regional cooperation should be designed to help countries not only integrate with each other, but also with the rest of the world.

After the collapse of the Soviet Union in 1990, the newly independent republics of the Former Soviet Union faced problems of political and economic disintegration on a huge scale. While early efforts were made by the new countries to maintain cooperative arrangements to prevent economic disintegration, these were not successful. Most notable was the failure of the Commonwealth of Independent States (CIS) to maintain open borders, trade, transport, and capital mobility. Since then, various efforts have been made in different parts of the Former Soviet Union to forge improved economic links through sub-regional cooperative arrangements. Among these the most notable for Central Asian countries are the Eurasian Economic Community (EurasEC), the Shanghai Cooperation Organization (SCO), and the Central Asia Regional Economic Cooperation Program (CAREC).

This CAREC Note<sup>2</sup> surveys the experience with regional organizations in developing countries and draws lessons which can be helpful for Central Asia, and specifically for the participants in CAREC. We found

### About the Authors

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## Box 1: A Typology of Regional Organizations

Regional organizations differ by their focus, the functions they are mandated to carry out, their form of organization, the operational modalities they employ, and their membership. We briefly describe each of these dimensions, which together define a typology of regional organizations.

**Focus:** Most regional organizations have a mandate to support regional integration, but this is not always the case. They may focus on preservation of mutual security or on support for development in each country.

**Function:** Regional organizations pursue specific functions, including cooperation in security and political aspects, trade, infrastructure, finance, and socio-economic aspects (including health, education, and science), or they can be comprehensive in pursuing groups or all of these functions.

**Organizational form:** Regional organizations are either formal, i.e., treaty-based or based on other formal legal agreements, or they are informal programs and forums where participants cooperate on the basis of looser understandings. They may operate as financial institutions with their own financial resources and instruments. Finally, they function at a level of heads of state, at ministerial level, or at the level of senior officials.

**Operational modalities:** Regional organizations may operate in an advisory capacity, and they may carry regulatory and financing responsibilities. They can have arbitration or enforcement mechanisms that allow them to ensure disagreements among members are arbitrated or binding commitments are complied with.

**Membership:** The membership may consist only of countries belonging to a particular region, or it may include members from outside the region as well as supra-regional, multilateral institutions. Many regional organizations allow observers.

the literature on regional organizations is quite limited. There appear to be few thorough evaluations of specific regional organizations that are publicly available. Our note does not purport to fill this gap in the literature. It represents a brief summary of lessons from the experience based on the limited information we were able to access.

## Performance of Regional Organizations in Central Asia

Thorough evaluations of individual organizations are rare, with the exception of analyses of the performance of the EU. Therefore, a summary evaluation of the performance of regional organizations by necessity has to be tentative.

In presenting such an assessment it is important to bear in mind the different goals, functions, and instrumentalities that characterize each regional organization (see Table 1). No regional organization is like another. Each has its own combination of characteristics and needs to be evaluated on its own terms.

In Central Asia, the Shanghai Cooperation Organization (SCO) has succeeded in providing a forum for regional leaders to discuss common border, security, and (less so) economic issues. Progress with settling outstanding disputes over border alignment was one area of clear success. For the People's Republic of China (PRC) and Russia, SCO provided a forum for developing a common position on non-intervention by outside powers in the region. For PRC it also provided reassurance that separatist movements in its western Xinjiang Uygur Autonomous Region would not receive shelter and support in neighboring countries. Common military exercises may have strengthened the military readiness of members of SCO. On the other hand, in the economic area, and also in the area of coordinated control over drug trafficking, SCO so far has had little impact.

The Eurasian Economic Community (EurasEC) provides a forum for leaders of its member countries to discuss and build trust around potentially contentious and disruptive issues, including water resource sharing, visas, and treatment of migrants from

member countries. However, overall EurasEC has not so far managed to develop into a strong organization promoting regional cooperation. One of its main goals, the creation of a customs union among its members, has not been accomplished. EurasEC also has had little impact so far in creating regional infrastructure or in addressing key regional water issues. With the recent creation of a new financial sister institution, the Eurasian Development Bank (EDB), which has grown quickly as an organization and acquired considerable technical expertise in its management and staff, EurasEC may have acquired the financing instrument it needs to become more effective.

The track records of the Economic Cooperation Organization (ECO) and the Special Program for the Econo-

mies of Central Asia (SPECA) have been weak. ECO's goals for regional trade integration and trade facilitation have shown virtually no progress; at least as far as Central Asian countries are concerned. SPECA, over its wide range of functional areas, has also had no significant impact according to an evaluation carried out on behalf of its own governing body, but it has since made an effort to reform and increase its effectiveness.

Finally, the Central Asia Regional Economic Cooperation (CAREC) Program has made progress in a number of areas, including the development of a Comprehensive Action Plan, regional strategies for its priority sectors—transport and trade facilitation; trade policy; and energy—and the implementation of a number of cross-border infrastructure projects

**Table 1: Key Dimensions of Regional Organizations Involving Central Asian Countries**

	Integration	Security	Trade	Finance	Infrastructure	Socio-economic	Form of organization	Level	Modality	Arbitration/ Enforcement	Members, Participants
SCO	(✓)	✓	(✓)		(✓)	(✓)	Treaty	Summit	Advisory/ (regulatory)		6 regional countries
EurasEC	✓		✓		✓		Treaty	Summit	Advisory/ regulatory	(✓)	6 regional countries*
EDB	(✓)			✓	✓		Treaty	Senior officials	Financing		2 regional countries
ECO	✓		✓		(✓)		Treaty	Ministerial	Advisory/ regulatory		10 regional countries
CAREC	✓		✓		✓	(✓)	Informal	Ministerial	Advisory/ financing/ regulatory		8 regional countries, 6 multilateral institutions
SPECA	✓		✓		✓	✓	Informal	Senior officials	Advisory/ regulatory/ (financing)		5 regional countries, 2 UN agencies

Check marks in ( ) indicate an area of secondary priority.

\* Uzbekistan announced suspension of its membership in 2008.

Source: Authors' compilation. For membership of each organization, see Box 2.

funded by the multilateral institutions that participate in CAREC. CAREC is unique among regional organizations reviewed here, since it fosters not only cooperation among participating countries but also has been a mechanism for facilitating coordination among the multilateral institutions, which traditionally have not cooperated closely in most of their operational activities. Nevertheless, at this stage CAREC's

success depends critically on the effective implementation of its new sector strategies and of the newly established "CAREC Institute", which is to support training, research, and outreach on regional cooperation in Central Asia.

In sum, in the economic sphere Central Asia so far lacks a strong regional cooperation mechanism although the strengthening of EurasEC with the creation of EDB, the progress

**Table 2: Key Dimensions of Regional Organizations in Other Regions**

	Integration	Security	Trade	Finance	Infrastructure	Socio-economic	Form of organization	Level	Modality	Arbitration/ Enforcement	Members, Participants
GMS	✓		✓		✓	(✓)	Informal	Summit/ Ministerial	Advisory/ financing/ regulatory		6 regional countries, ADB
MRC	✓		✓		Water	Environ- ment	Informal	Senior officials	Advisory/ financing/ regulatory	(✓)	4 regional countries
ASEAN	✓	(✓)	✓	✓	✓	(✓)	Treaty	Summit	Advisory/ regulatory		10 regional countries
EU	✓	✓	✓	✓	✓	✓	Treaty	Summit	Advisory/ financing/ regulatory		27 regional countries
Stability Pact	✓		✓		✓	✓	Informal	Ministerial	Advisory/ financing/ regulatory		9 regional countries, 31 countries/ international organizations
IIRSA	✓				✓		Informal	Senior officials	Advisory/ financing		12 regional countries
MERCOSUR	✓		✓				Treaty	Ministerial	Advisory/ financing/ regulatory		4 full, 6 associate regional countries
CAF	✓				✓		Treaty	Senior officials	Financing		16 regional countries, 1 nonregional country

Check marks in ( ) indicate an area of secondary priority.  
Source: Authors' compilation. For membership of each organization, see Box 2.

made by CAREC and efforts to rejuvenate SPECA hold some promise of improved regional cooperation. However, as we will discuss further below, the multiplicity of regional organizations with overlapping, but differing memberships creates its own problems and will require cooperation among regional organizations.

### **Performance of Regional Organizations in the Rest of the World**

The most successful regional organization in recent history no doubt is the EU. It has succeeded in terms of creating political cohesion and stability, developing organizational capacity and financing instruments, and fostering economic prosperity overall and convergence in living standards among member countries. The EU has been remarkably successful in expanding its membership while also expanding the range of functions over which cooperation takes place and for which common laws and standards apply, including borderless travel, a common currency, etc. However, the process has taken a long time and many observers, and indeed many citizens in the member countries, feel that there remain significant weaknesses. Not only do some of the common features (borderless travel, common currency) not apply to all members, but an EU constitution remains elusive, the EU lacks a common foreign policy, its decision making process is cumbersome, and its executive body, the European Commission, is seen by the public overwhelmingly as an intrusive, cumbersome, and unaccountable bureaucracy (see Table 2 for key dimensions of organizations).

The Stability Pact for South East Europe, which was formed after the Balkan wars of the early 1990s, has been reasonably successful measured

against the mandate it was given: building trust within the region, helping countries prepare for eventual EU accession, coordinating among international donors and among governmental and non-governmental organizations, especially in regard to trade and trade facilitation. One of the major reasons for the success of the Stability Pact was the pull exerted by the expectation of progress towards EU membership among the participating countries; other factors were the financial and technical support provided by the EU and by the international financial institutions, and the dynamic leadership by the successive heads of the Stability Pact.

In Asia, the Greater Mekong Subregion Program (GMS) and the Mekong River Commission (MRC) have on the whole successfully delivered on their narrow mandates (respectively, investment in regional infrastructure development, and water resource development and protection). The Asian Development Bank's lead role in GMS, supported by PRC, was certainly a factor in keeping the program on track.

The Association of Southeast Asian Nations (ASEAN) has a much broader membership and mandate, and a long and somewhat uneven history. In its early years it pursued a regional program of large industrial projects for Southeast Asia that was not successful and was eventually abandoned. In contrast, its trade liberalization efforts were more successful and were one factor contributing to the rapid export growth of its member countries. The Asian financial crisis of 1997-98, during which ASEAN was not able to provide effective remedies, led to a reassessment of its governance and organizational structure, and to a broadening of its regional coverage for certain aspects (especially financial crisis prevention) in the context

**The multiplicity of regional organizations with overlapping, but differing memberships creates its own problems and will require cooperation among regional organizations.**

## Box 2: Membership of Regional Organizations

### Central Asia

- SCO:** People's Republic of China, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan, and Uzbekistan
- EurasEC:** Belarus, Kazakhstan, Kyrgyz Republic, Russia, and Tajikistan; Uzbekistan announced suspension of its membership in 2008
- ECO:** Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, Turkey, and Uzbekistan
- CAREC:** Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan; Asian Development Bank, European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank
- SPECA:** Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan

### Southeast Asia

- GMS:** Cambodia, People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam; Asian Development Bank
- MRC:** Cambodia, Lao People's Democratic Republic, Thailand and Viet Nam are full country members; People's Republic of China and Myanmar are "dialogue partners"
- ASEAN:** Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam

### Europe

- EU:** Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

- Stability Pact for South-East Europe:** Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Moldova, Montenegro, Romania, Serbia and The Former Yugoslav Republic of Macedonia; EU members states, the European Commission, various international and regional partner organizations, including the United Nations agencies, European Bank for Reconstruction and Development, and the World Bank

### Latin America

- IIRSA:** Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, and Venezuela
- MERCOSUR:** Core members are Argentina, Brazil, Paraguay, and Uruguay; associate members are Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela
- CAF:** Its main shareholders are Bolivia, Colombia, Ecuador, Peru, and Venezuela; associated countries are Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Jamaica, Mexico, Panama, Paraguay, Spain, Trinidad & Tobago, and Uruguay; 15 private banks from the Andean region are partners

of the ASEAN+3 framework. The Chiang Mai Initiative (CMI) was organized in 2000 to allow for regional multilateral swap arrangements to supplement other international financial crisis management mechanisms. The lack of a strong secretariat, of own financial resources, and of a dispute settlements process have limited ASEAN's ability to pursue a strongly proactive regional cooperation agenda. However, ASEAN nonetheless was able to serve as a forum for discussion and negotiation among the member countries and helped sustain regional stability and trust.

In Latin America, the Andean Development Corporation (CAF) is generally regarded as a great success story, not only because of its phenomenal loan growth over the last 10 years, but also because it excels in the simplicity, low administrative burden, and speed with which it processes loan applications. This in turn may be linked to the fact that CAF is principally owned and managed by countries from the region itself and that it has been led by a very dynamic president. The Integration of Regional Infrastructure in South America (IIRSA) also contributed to the development of regional infrastructure in South America. In contrast to the generally successful performance of CAF, the Common Market of the South (MERCOSUR) has a more ambiguous record. It has failed to make sustained progress in regional trade liberalization and macroeconomic policy coordination in the face of political and economic uncertainties and tensions in the region.

In Africa, many sub-regional organizations have been created since independence, with the goal of creating more efficient and competitive economic spaces in the fractured post-colonial patchwork of African

countries' borders. With some exceptions these efforts focused principally on trade, and only secondarily on infrastructure and financial integration. However, progress has been at best modest, and more often very limited. There are some examples of successful regional cooperation in specific areas, most notably the River Blindness Eradication Program in West Africa, the Africa Hydropower Development Program involving three countries in the Senegal River Basin, and the Lake Victoria Environmental Management Program.

The Arab experience of decades of regional cooperation efforts has been characterized by the creation of many overlapping bodies (similar to what has more recently happened in Central Asia), by political tensions among members, and by volatility of financial resource flows (often linked to volatile oil revenues). The region's principal development banks and funds, moreover, were focused less on supporting integration in the region, but more on supporting development in Islamic countries generally. As a result the benefits from regional cooperation and integration in the Arab world were much less than might have been possible, as successive UNDP Arab Human Development Reports have pointed out.

In South Asia regional integration efforts have been very limited to date, with the South Asia Association for Regional Cooperation (SAARC) and the South Asia Preferential Trade Agreement the only examples worthy of note involving more than two countries. However, the results of these two initiatives have been modest. One special case, particularly of relevance for Central Asia is the Indus River Treaty in 1960 and establishment of the Indus River Commission with the support of the World Bank. The treaty led to a durable sharing

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of Indus River waters between the otherwise hostile neighbors India and Pakistan.

In sum, the EU is clearly an outlier of success among regional cooperation efforts around the globe, but there are a handful of other success stories of regional cooperation in developing countries, especially in Southeast Asia and Latin America. The question for Central Asian regional cooperation efforts in general, and for CAREC in particular, is what are the key lessons that can be learned from the worldwide experience with regional cooperation?

### Key Lessons on Regional Economic Cooperation

**Regional cooperation is not easy and implementation of stated intentions is frequently weak.** International experience shows that despite their leaders' often stated ambitions to develop regional cooperation schemes, few countries are willing to share sovereignty, and that it is not easy to develop the sense of trust that is needed to embark on and stick with serious cooperation efforts. As a result, many regional organizations are weak and regional cooperation initiatives are poorly implemented. It helps if

- countries have clearly shared interests and clear ownership of the cooperation program;
- an external or third-party honest broker assists with the cooperation process;
- countries have come out of a shared crisis or conflict that drives home the need to cooperate for future conflict avoidance;
- financial resources are available to help provide incentives for cooperation;
- arbitration or enforcement rules can be established to ensure that

agreements are actually implemented; and

- regional strategies are effectively linked with national strategies.

Effective regional cooperation and integration take time to develop, and require incremental, gradual, and flexible implementation with visible payoffs. The EU experience shows that regional cooperation and integration is a slow and gradual process. Other cases of relatively successful cooperation initiatives similarly show that success is measured in decades, rather than years. Some important ingredients make for success along the way:

- Patience and sticking with the process are essential.
- Setting ambitious, but clear and realistic intermediate targets with visible payoffs along the way will help keep the process on track.
- When progress in one area is not feasible, it helps pursuing others where progress is possible, as a way to show that cooperation can work, to build trust and where possible build coalitions and develop win-win deals across issues.
- Starting with a limited functional focus, rather than burdening the cooperation process with too many issues at the outset, is critical.
- Finally, it can help to let some countries in a regional grouping go ahead, while others at least temporarily go slow.

**Successful cooperation requires leadership.** Cooperation initiatives can benefit from strong leadership in three ways:

- At the country level, one or more countries may push the process of cooperation and are willing to commit their own prestige and resources, perhaps disproportion-

ally so, to make the initiative a success. When the lead country is a regional power it needs to show respect for the sensitivities of the smaller countries, otherwise its efforts can easily backfire.

- At the institutional level, it helps if a strong organization takes a lead, or members support the development of a strong organization over time.
- At the individual level, visionary, effective organizational leadership is required at the top of the regional organization or among key advisers and supporters of the initiative.

**Keep the membership of the regional organization manageable.**

Successful regional organizations attract the interest of other neighboring countries which want to join. This creates an unavoidable tension between the goal of inclusiveness and a focus on effective cooperation among the core countries of a region with shared geography and common regional interests. On balance it is better to start with fewer members and expand only when the capacity to absorb additional members is clearly established.

**Avoid the “spaghetti bowl” effect, where possible.**

One of the complicating factors in regional cooperation is that various regional initiatives and organizations often overlap in membership and functions. Multiple bilateral free trade agreements are notorious in their detrimental effects by creating potentially distortive trading incentives as well as burdensome and opaque customs rules at the borders. But similarly costly and confusing overlaps can also occur in other areas (transport, water, energy, etc.), not least by placing great costs in time and travel on the limited gov-

ernmental and leadership capacity in each of the countries. Various solutions can reduce the problem:

- Replace bilateral with regional trade agreements and/or join the World Trade Organization (WTO): Consolidating or replacing multiple bilateral trade agreements is one of the great potential benefits of regional cooperation and of joining WTO.
- Consolidate regional organizations: In practice this is rare, as it is generally difficult to abolish an institution once created, but examples show that it can be done.
- Work towards an explicit division of mandates.
- Collaborate and share information.

**Ensure financial resources and instruments are available to support regional investments and cooperation.**

Financial resources can help in various ways, including:

- facilitating investment in regional infrastructure (transport, water, energy, border facilities, trade facilitation, etc.);
- creating incentives for cooperation among governmental and non-governmental players; and
- providing resources for helping backward regions catch up with the more advanced regions, or to assist sectors suffering negative consequences from regional competition in their adjustment.

**External actors should assist wherever possible.**

External support can be very helpful for the success of regional organizations, as the experience of GMS, CAREC, and the Stability Pact of South East Europe demonstrate. In each of these cases, larger regional and international agencies provided technical, financial, and trust-build-

The core message is that regional cooperation underpinned by effective regional organizations is possible and brings considerable benefits to the participants.

ing support. However, CAF (and the EU) demonstrates that regional organizations can also succeed without substantial external support, provided enough of the other success factors are in place. In any case, international financial institutions should play a more active role in supporting regional organizations.

### Implications for CAREC

The CAREC Program's key strengths are (1) its focus on a few primary areas (transport, trade policy, trade facilitation and energy), but also its flexibility to take on secondary tasks, where there is clear leadership by one of the countries or international organizations (e.g., natural disaster preparedness); (2) a track record of country interest and engagement; (3) the intensive technical and financial contributions by the multilateral institutions and the high degree of coordination among them; and (4) a clear focus on sectoral strategies and action plans with a commitment to develop and monitor the achievement of specific sectoral benchmarks. These strengths should be fostered and preserved.

CAREC's current limitations and hence challenges lie in the following areas:

- CAREC is not based on a formal agreement or treaty and has limited organizational capacity;
- In contrast to SCO and EurasEC, CAREC does not operate at the summit level;
- Partly as a result of this, CAREC is not yet visible and well known in the region;
- This—and the continuing strong external leadership role of the multilateral institutions—limits the sense of “ownership” of CAREC by the Central Asian countries;

- CAREC has many functional overlaps with other regional organizations in Central Asia, but so far still only very weak links with them;
- Links between national and regional plans appear to remain weak;
- There is no enforcement or arbitration mechanism for CAREC; and
- A key regional player (Turkmenistan) is missing from CAREC, and key partners (Russia, India, Pakistan, bilateral donors) are not engaged.

CAREC participants are well aware of these challenges and accordingly have agreed on a number of specific responses, including:

- strengthening the capacity of the CAREC secretariat and setting up the CAREC Institute to strengthen training, indigenous policy research capacity, and outreach;
- increasing the engagement of ministers and senior officials, national focal points and country coordinators in the management of the CAREC agenda at ministerial, senior officials, and sectoral committee meetings;
- exploring information sharing and coordination mechanisms with other regional organizations and where appropriate work towards division of labor; and
- working towards the participation of Turkmenistan and creating a CAREC Partnership Forum in which partners have a chance to participate in the shaping of the CAREC agenda and coordinate activities as appropriate.

In conclusion, international experience is highly relevant for Central Asian regional economic cooperation in general, and for CAREC in particular. The core message is that regional cooperation underpinned by effective

regional organizations is possible and brings considerable benefits to the participants. The existing regional organizations present a number of strengths and opportunities, but also weakness and challenges that can and should be addressed in a cooperative spirit among the countries, together with the multilateral organizations and other partners, as well as among the various regional organizations themselves. ■

## Endnote

<sup>1</sup> We refer to “regional integration” as the process of establishing economic linkages (trade, capital flows, migration, etc.) among countries, while we use the term “regional cooperation” to refer to governmental (and where appropriate non-governmental) institutional mechanisms that support the integration process.

<sup>2</sup> This note is drawn from Linn, Johannes and Oksana Pidufala, *The Experience with Regional Economic Cooperation Organizations: Lessons for Central Asia*, Wolfensohn Center for Development Working Paper 4, October 2008. The Brookings Institution, Washington, DC [www.brookings.edu/papers/2008/10\\_carec\\_integration\\_linn.aspx](http://www.brookings.edu/papers/2008/10_carec_integration_linn.aspx).

## About CAREC

The Central Asia Regional Economic Cooperation (CAREC) Program is a robust development partnership; a concrete example of countries and institutions cooperating to achieve a common purpose. The Program's overarching goal is development through cooperation, leading to accelerated economic growth and poverty reduction. By promoting and facilitating regional cooperation in transport, trade, energy, and other key areas of mutual interest, the CAREC Program helps the countries of greater Central Asia realize their immense potential in an increasingly integrated Eurasia.

The CAREC Program is a partnership of eight countries—Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan—and six multilateral institutions—Asian Development Bank (ADB), European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank—working together to promote regional economic cooperation. ADB serves as the CAREC Secretariat.

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