



Central Asia Regional Economic Cooperation Program

Reference Document
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Ministerial Announcement on the Establishment of the Physical Base of the CAREC Institute

**13th Ministerial Meeting
Central Asia Regional Economic Cooperation
6 November 2014
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MINISTERIAL ANNOUNCEMENT ON THE ESTABLISHMENT OF THE PHYSICAL BASE OF THE CAREC INSTITUTE

1. At the 11th Ministerial Conference in October 2012 in Wuhan, the People's Republic of China, the CAREC Ministers agreed to establish a physical base for the CAREC Institute to help provide, on a continuing and sustainable basis, the analytical underpinning for strategic-, sector-, and project-related work under the CAREC Program, and associated capacity development for all CAREC bodies.
2. Further consensus was reached at the 12th Ministerial Conference in October 2013 in Astana, Kazakhstan to accept the offer of the People's Republic of China to host the physical base of the CAREC Institute in Urumqi, Xinjiang Uygur Autonomous Region, and to start its initial operations in 2014 so that it can begin providing analytical inputs and associated capacity building in support of CAREC Program initiatives.
3. We are pleased to announce that the CAREC Institute's office has now been set up in Urumqi and will start operation in December 2014.

Mission and Purpose

4. The mission of the CAREC Institute is to enhance the quality of the CAREC Program through knowledge generation and capacity building for effective regional cooperation towards the goal of accelerating economic growth in the CAREC region.
5. The main purposes of the CAREC Institute are to:
 - provide innovative solutions based on the sharing of good practices to enable CAREC member countries to respond to regional challenges and cooperative processes;
 - enhance the capabilities of CAREC government officials to engage in regional cooperation processes, improve their capacities to plan and implement regional cooperation projects, and build their capacities for informed policy analysis;
 - conduct strategic research by mobilizing world-class intellectual resources to enhance regional cooperation capacity and accelerated growth in the CAREC region;
 - promote the effectiveness of scientific research among the CAREC member countries through joint or collaborative projects and wide dissemination of research findings and results; and
 - develop a network of research institutions in the region to serve as a resource base for strategic research and knowledge sharing, comprising universities, think tanks, and development institutions, among others.

Guiding Principles

6. The CAREC Institute, as an entity for regional economic cooperation, is managed by the countries participating in the CAREC Program. The nature of the institution shall be reflected in all aspects of its operations, including its governance structure, decision-making, staffing, access to training and right of access to information.
7. The operations of the CAREC Institute shall be balanced and fair, considering the multitude of needs of CAREC member countries, without undue advantage to the host country

of the CAREC Institute, or any one country, in planning or carrying out its work. The CAREC Institute will take into account the special needs and circumstances of smaller countries. Services of the CAREC Institute will be distributed equitably based on the country needs for capacity building to further enhance regional cooperation.

Governance Structure

8. Following the recommendation of the Senior Officials' Meeting held on 5 November 2014, and the approval of the Ministerial Conference, we are pleased to announce the establishment of a 10-member Governing Council with its mandate to guide, oversee and supervise the CAREC Institute. In the interim period, the Governing Council is comprised of the CAREC National Focal Points. The Governing Council shall report to the Ministerial Conference, the highest decision-making body of the CAREC Institute. The Governing Council shall decide on the basis of the principle of consensus. We have also noted that Asian Development Bank, as CAREC Secretariat, has agreed to participate in all Governing Council meetings to provide coordination, advice and un-biased inputs to ensure smooth CAREC Institute operations with continuity, efficiency and effectiveness.

9. The Governing Council shall convene its first Meeting in December 2014 in conjunction with the launching of the CAREC Institute. In its first meeting, the Governing Council shall adopt its rules of procedure, form two Committees, i.e., the Recruitment and Selection Committee as well as the Budget and Audit Committee, and approve the CAREC Institute's organization structure and staffing levels to pave the way for a smooth start of CAREC Institute's operations.

10. The Governing Council shall establish an Advisory Council in due course to serve as a sounding board and source of new ideas and approaches that could enhance the strategies and operations of the CAREC Institute. Members of the Advisory Council will be prominent thinkers, scholars or civic leaders that stand out in their respective fields or disciplines that relate to the priorities of CAREC.

Organization, Management and Staffing

11. The CAREC Institute's organization structure, management, and staffing shall be guided by (i) adherence to the principles of equal ownership and regionality, and fairness and balance; (ii) enhancement of the effectiveness and efficiency of the CAREC Institute operations; and (iii) the development of the CAREC Institute's in-house capacity for long-term sustainability and effectiveness. Balance in the representation of countries shall be observed in selecting candidates for the managerial and technical positions. The operations of the CAREC Institute shall abide by principles consistent with public international law and good governance, and apply best practice among international organizations, as may be appropriate.

12. The Governing Council shall ensure that the recruitment and selection of candidates for the CAREC Institute management and staff positions follows sound international practices and are transparent, fair, based solely on merit, and without discrimination on account of gender, race or religious beliefs. The Governing Council may create bodies or mechanisms to provide support in putting in place the required processes to uphold these principles and standards.

13. We reaffirm our commitment to make the CAREC Institute an effective and sustainable world-class knowledge provider that will establish the intellectual base to drive regional cooperation to a new horizon towards CAREC 2020's goals.