

**Launching of the CAREC Institute
Urumqi, Xinjiang Uygur Autonomous Region, the PRC
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**Statement of Mr. Wencai Zhang
Vice-President, Asian Development Bank**

Vice Minister Shi, Vice Chairman Huang, distinguished delegates, ladies and gentlemen

I am privileged to be at this momentous occasion to witness the launching of the Central Asia Regional Economic Cooperation Institute. I regard today's event as a milestone for the enhancement of CAREC cooperation in the area of knowledge. I congratulate all CAREC governments who have so actively supported the creation of this Institute.

Let me extend my special thanks to the Government of the People's Republic of China as host for the Institute. I greatly appreciate the warm hospitality extended to the CAREC delegations and guests. I also thank the Government of Xinjiang Uyghur Autonomous Region for welcoming us to this vibrant city of Urumqi.

Introduction: The Idea of Creating the CAREC Institute

The CAREC Institute has come a long way starting from a virtual entity since its journey began in 2006 here in Urumqi. It was then that the 5th Ministerial Conference endorsed the establishment of the CAREC Institute with the Urumqi Declaration.

As embodied in the Urumqi Declaration, the CAREC Institute is meant to: (i) be the vehicle to increase the region's ability to engage in policy dialogue and knowledge generation; (ii) build capacity for officials engaged in regional cooperation; and (iii) promote outreach activities in CAREC countries and beyond. Until now as a virtual entity, the Institute was managed under the overall umbrella of the CAREC Secretariat. Initially, ADB provided seed funding for the Institute's activities by means of a technical assistance for \$5.2 million.

Formulating the CAREC 2020 Strategy: A Turning Point

A major turning point in the Institute's journey occurred with the formulation of the CAREC 2020 strategy, which was endorsed by the 10th Ministerial Conference in 2011. A strategic decision was made to include activities of the CAREC Institute in the 2020

strategy as a key operational priority based on the role played by knowledge products and services in advancing regional cooperation.

In 2012, a Strategic Knowledge Framework was introduced to guide the CAREC Institute in its crucial role for accomplishing the CAREC 2020's objectives. The Framework, which covers the period 2012-2017, envisages the Institute to become a hub for the provision of knowledge solutions for CAREC economic cooperation. It overall raises the bar for the operations of the Institute. From its earlier focus on promoting policy dialogue and building capacity with a regional perspective, the CAREC Institute is now called upon to provide knowledge solutions, accelerate project implementation, and generate innovative approaches to regional economic cooperation.

Moving to the Next Phase: A Physical Base for the CAREC Institute

Over the years, the enhanced role played by the CAREC Institute prompted a rethinking of its structure as a virtual entity. The need for a physical base emerged to deploy and build the required expertise, engage in meaningful and sustainable partnerships,

and serve as a strategic storehouse of knowledge and innovation on regional economic cooperation not only for today, but also for the generations to come.

CAREC Ministers reached consensus at the 12th Ministerial Conference in 2013 in Astana, Kazakhstan, to accept the offer made by the PRC to host the physical base of the Institute in Urumqi. After a year of detailed preparatory work on the part of the PRC, as guided by the 13th Ministerial Conference in Bishkek and with assistance of the CAREC Secretariat, the physical base of the CAREC Institute is now being launched.

The first meeting of the Institute's Governing Council was held this morning to set the course for its operations. Allow me to congratulate Mr. Umurzakov Kubat, on his appointment by the Council as the first Director of the CAREC Institute, and Mr. Ziqian Liang on his appointment as Deputy Director for Administration, Finance and Human Resources. We wish them great success in their endeavors.

The CAREC Institute and ADB's Focus on Knowledge

The CAREC Institute will conduct its first event tomorrow in collaboration with the ADB and the ADB Institute, on the topic of *Economic Corridors and Global Value Chains*.

Moving forward, it will be important for the CAREC Institute to continue working closely with the ADB, not only because we have been such good partners for so many years, but also because “knowledge” has now become a key priority for the Bank. ADB’s Strategy 2020 underwent its mid-term review and as an outcome of this exercise, we agreed to place very strong emphasis on delivering high-quality knowledge products and services—such as analytical and technical studies, economic reports, policy briefs, databases, capacity development programs, policy dialogues, conferences, seminars—as part of our operations.

From a focus on infrastructure, ADB has now made a strategic move to complement this with the provision of high-quality knowledge solutions as part of what we call “One ADB”. More than in the past, we are now approaching our clients collectively, combining the strength of our operations departments with that of knowledge departments. We would like to invite the CAREC

Institute to continue being ADB's close partner in delivering knowledge solutions to our clients.

Ladies and Gentlemen,

Today, we are moving forward into another important phase in the CAREC Institute's journey. The establishment of the Institution's physical base is a testimony to the commitment of the CAREC countries to forge ahead with even stronger resolve towards achieving the goals of the CAREC 2020 strategy. Several challenges lie ahead for the Institute, as well for the CAREC Program as a whole. ADB remains a committed partner of the CAREC Program and will continue to play a major role in supporting the CAREC Institute as it grows to be a key knowledge hub in the region.

Let me conclude by reiterating how delightful I am here today to witness this very important inauguration.

Congratulations again, and thank you for your attention.