SPCA
Special Program for Central Asia

Enhancing Competitiveness, Increasing Trade and Economic Growth
IDB Group’s Regional Program for Central Asia

Main Elements
Introduction
Development Context
Development Challenges

What is the SPCA?
Strategic Framework, Priorities

How are we going to Finance and Implement SPCA?
Indicative Envelope
Implementation Mechanism

Conclusion & Next Steps
Introduction

Development Context
Development Challenges
Central Asia Development Context

- High Growth Rates
- But Poverty reduction has not been at the same pace.
- Falling Commodity Prices
- Sustaining the progress is a Key challenge for the Region
Development Challenges

Key Development Challenges: Diversification & Competitiveness

**Energy**
- Inefficient use of natural resources
- Deteriorated state of the existing power assets/inefficiency in generation, transmission & distribution
- Dramatic reduction in Power Trade

**Transport**
- Landlocked geography
- Low density of the population and long distances between economic activity centers
- Poor quality of transport infrastructure and services
- Limited transport network

**Agriculture**
- Doubling of the demand for food (population increase)
- Water scarcity
- Low agricultural productivity
- Vulnerability to natural disasters
- Land degradation

**Trade**
- High trade costs
- Underdeveloped trade services
- Cumbersome customs administration
- Insufficient economies of scale

• Inefficient use of natural resources
• Deteriorated state of the existing power assets/inefficiency in generation, transmission & distribution
• Dramatic reduction in Power Trade
What is the SPCA?

Strategic Framework & Priority Interventions
Strategic Framework

Overarching Goal
- Enhanced Growth
- Enhanced Competitiveness
- Increased Trade

Sector Objectives
- Trade Development
- Enhanced Regional Energy Security
- Expanded Transport Network
- Increased Agricultural production & value addition

Enabling Environment
- Islamic Finance
- Capacity Development
- Private Sector Development
- Environmental Sustainability
SPCA Priority Interventions

- **Trade Policy Development**
- **Capacity Development for Trade Promotion**
- **SMEs’ Exports**
- **Transit facilitation**

- **Increased Generation**
- **Efficient Transmission & Distribution**
- **Energy exchanges**
- **National quality infrastructure systems**
- **Maintenance policies**
- **Financing - Renewal of rolling stock etc.**
- **Standardization and safety measures**
- **Irrigation Infrastructure & Water Management**
- **Increased crop production**
- **Increased value addition**

- Increased Generation
- Efficient Transmission & Distribution
- Energy exchanges
- National quality infrastructure systems
- Maintenance policies
- Financing - Renewal of rolling stock etc.
- Standardization and safety measures
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- Increased crop production
- Increased value addition
How are we going to Implement and Finance SPCA?

Implementation Mechanism
Indicative Financing
Implementation Mechanism

- Special Meeting of CA Governors and OIC Meeting (Annually)
- Technical Committee Meeting Bi-annually
- Sectoral Sub-committees (Trade, Energy, Transport, Agriculture)
- National Coordinator
- Coordination Secretariat
- Development Partners
Financing

Total financing estimated for the Program amounts to US$ 6 billion.

The concessional element of the total financing will vary depending on the type of the intervention.

The Bank is assumed to earmark 15% of the SPCA OCR to concessional resources for eligible regional activities.

### Table 2 - Financing (2016-2020)(US$, M)

<table>
<thead>
<tr>
<th>Type of Financing</th>
<th>Annual Approval</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Capital Resources</td>
<td>500</td>
<td>2,500</td>
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<tr>
<td>Regional Concessional Allocation (including mobilized concessional resources)</td>
<td>75</td>
<td>375</td>
</tr>
<tr>
<td>Trade Finance</td>
<td>250</td>
<td>1,250</td>
</tr>
<tr>
<td>Private Sector Financing</td>
<td>100</td>
<td>500</td>
</tr>
<tr>
<td>Resource Mobilization/Co-financing</td>
<td></td>
<td>1,375</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>925</strong></td>
<td><strong>6,000</strong></td>
</tr>
</tbody>
</table>

Source: IDB Staff Projections
Conclusion
Conclusion

• At the end of its effective implementation, SPCA is expected to:

  - Result in a wider production base, increase production and value addition (Agriculture, Industrial and SMEs, Etc.)
  - Increase trade within the Region
  - Increase regional energy security
  - Expand the transport network in the Region

All contributing to increase Enhanced Competitiveness, Economic Growth & Cooperation
Thank You