

Summary of Discussions at the Workshop on the CAREC Institute's Program and Partnerships held in Shanghai, 10 July 2015

1. The CAREC Institute (CI) held a workshop on 10 July 2015 at the Shanghai National Accounting Institute (SNAI). The purpose of the workshop is twofold: a) medium and long term prospects for the CI in relation to its work plan and program; and b) strengthening strategic partnership and cooperation. Accordingly, the workshop has two sessions. Participating in the workshop were representatives from the Chinese National Institute of Public Administration (CNIPA), and SNAI and ADB, as well as CI management and staff. The workshop agenda is in Attachment 1 and a list of participants in Attachment 2.
2. Mr. Umurzakov, Director of the CI, chaired the meeting and delivered the opening remarks. Mr. Liang, Deputy Director 1 (DD1) of the CI, was the workshop moderator. In his opening remarks, CI Director welcomed all participants to the first such workshop held by the CI, and looked forward to fruitful discussions. In his introductory remarks, Mr. Liang, DD1, briefed the participants on recent development of the CI, especially since the opening of its physical base in Urumqi in March this year.
3. During the first session, the participants emphasized the significance of this new phase of CI development for enhancing understanding and cooperation among all CAREC countries, as well as promoting economic development and cooperation in the CAERC region.
4. On the vision for the CI, the participants shared the view that the CI has the opportunity and potential to become a key and leading knowledge institution for, and the potential to play a significant role in, supporting economic cooperation in the CAREC region.
5. Citing the CI establishment as a "historical event", Mr. Du, Deputy Dean, CNIPA, emphasized the important role played by the demand for CI's services especially from the public sector. In his view, the CI, as an international organization of ten governments, is well positioned to fulfill its role. He also cited adequate funding and a strong faculty as key factors for a reputable institution.
6. Mr. Li, Deputy Director, SNAI, emphasized the role of research. Research leads to understanding of issues and needs of region in economic development and cooperation. This helps underpin a demand-driven and prioritized plan and program for the CI. As a point of entry, he suggested workshop as an appropriate format to solicit views, gather ideas, and survey demand on the ground. Mr. Li also stressed the need for the CI to develop its own niche. As an example, he mentioned trade facilitation as an area where workshops help find key issues and focus, to be followed by relevant research, the results of which would help find solutions and building capacity building programs that would be targeted and more effective.

7. Mr. Zhuang, Deputy Director General, Economic Research and Regional Cooperation Department, ADB, echoed the others in their emphasis on the role of demand. He suggested that for a knowledge institution like the CI, ADBI can be a good example, whose development since inception in 1997 offers a lot of experience as well as lessons for the CI to learn from. He further presented ADB's knowledge agenda and main areas of work as a reference for the CI in preparing its own plan and program.

8. The participants agreed that as an intergovernmental organization, strong government support is the biggest asset of the CI, and the existing effective CAREC institutional arrangements are another source of comparative advantage for the CI. On creating a niche for the CI, one suggestion was to publish annually or biannually a flagship publication with a focus on regional economic development and cooperation. This would add value to existing knowledge work on the region, and help establish a reputation for the CI. Similarly, a regularly-held regional forum could also be considered. All participants emphasized the role of research as the key to establishing the CI as a leading knowledge institution. In this respect, they also pointed out the need for building a core of research capability of its own at the CI even though partnership and cooperation in research is both necessary and important. Some participants drew attention to growing need in the PRC for gaining better understanding of the CAREC region, and the unique role that the CI could play in bridging this gap. Modern media in the age of ICT plays an important role. It helps create public image of the CI, but it also enhances the effectiveness of the CI in all lines of its knowledge work.

9. Session Two began with an introductory note from Mr. Liang, DD1 of the CI, who highlighted the strategic importance of partnership and cooperation for the CI. His remarks were followed by presentations from the CNIPA and SNAI. Both institutions were established over a decade ago directly by the central government to meet growing needs for enhanced national reform and open door policy. Both have grown into top national institutions in their own fields and developed a strong international reputation. CNIPA has cooperation with nearly 200 institutions from 87 countries including seven of the CAREC countries. SNAI and the Asia Pacific Public Finance College under its administration, which was established for the ASEAN+3, has a variety of programs of international cooperation including ADB and ADBI.

10. On potential areas of cooperation, Mr. Du, Deputy Dean, CNIPA, pointed out the fundamental commonality shared by his Institute and the CI which lies in the fact that the main clients of both are government officials. He then made three suggestions on potential areas of cooperation, including: a) its national network of public administration institutes which can provide a base for holding joint activities in every province of PRC; b) holding joint workshops and forum on commonly interested issues and topics; and c) conducting joint research with several research centers within the CNIPF, and carrying out policy advice. Mr. Du also highlighted the Institute's advantage of accessing to national media.

11. SNAI has experienced fast growth since its establishment in 1997, with a flexible, demand-driven and successful business model. Thus, the potential for cooperation with the CI is high especially in the areas of public finance, accounting for research, training and knowledge sharing. Mr. Li, Deputy Director, SNAI, proposed carrying out a study to help identify priority areas of cooperation based on joint interests and comparative advantage of each institution. The Institute's prime location, modern facilities and rich events holding experiences make it an ideal platform for conducting joint events such as workshops and training. He also mentioned four areas for consideration for cooperation, including a) knowledge and experience sharing between CA and S. East Asia government officials; b) inclusive growth including financial market development based in Shanghai as a prime financial center; c) SME financing and development; and d) development evaluation.

12. ADB has been the main supporter of the CI. Mr. Zhuang, DDG, ERD, ADB made a presentation on the research and training program of ADB, and pointed out several areas where common interests constitute grounds for cooperation. They include: a) global value chain research; b) macro-monitoring and early warning system; c) capacity building for regional financial regulators; d) project economic analysis which also incorporates sector contents (energy, water, transport, etc.); e) trade facilitation; and f) Asia think tank network. He further informed that some of these topics list above are under implementation. Thus, cooperation at action level can proceed quickly within this year or early next year, while for others it may take some time to prepare.

13. Mr. Liang, DD1 of the CI, thanked all participants for their informative presentations and valuable suggestions for future cooperation. As part of follow up, he suggested that

- (i) Launching a joint study with SNAI quickly to identify priority areas for cooperation and concrete suggestions; this should be concluded before end 2015;
- (ii) Carrying out similar activities as in (i) with CNIPF for the same purpose within this year;
- (iii) Incorporating into CI's work program 2016 the joint activity with the ADB to organize a CA region think tank forum preferably within first half of 2016;
- (iv) Further discussion with ERD, ADB on its two other programs under implementation – macro monitoring and early warning system, and project economic analysis – with a view to incorporating both into CI' work program for 2017.

14. Mr. Umurzakov, CI Director, made the concluding remarks. In it, he thanked all participants for the fruitful and very useful discussions and suggestions. The experience, expertise and equipment of the three institutions are impressive, and potentials for future cooperation with each is great. In particular, research on Central Asia region in the framework of CAREC is important. Similarly, training for the PRC officials on CA and vice versa for CA officials on PRC experience will be fruitful area of cooperation. The CI

will continue cooperation with ADB as a close long-term partner, and will seek continued strong support from ADB. He particularly welcomed the proposal to conducting a CA regional think tank workshop together with the ADB early next year. Given the usefulness of this workshop, he suggested similar activities be held in the near future.

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