



CATTDF E-newsletter

Welcome to the FIRST issue of CATTDF E-newsletter!

This E-Newsletter is developed by CAREC Institute. It outlines the activities inter-alia of CAREC Institute and highlights of discussion during the first Central Asia Think Tank Development Forum.

Central Asia Think Tank Development Forum

Central Asia Think Tank Development Forum was held on June 20, 21 at Nazarbayev University, Astana, Kazakhstan with participation of representatives from think tanks and research organizations from across the ten member countries of CAREC (Central Asia Regional Economic Cooperation) Institute. The Forum was jointly organized by CAREC Institute (CI) based in Urumqi, People's Republic of China and Asian Development Bank (ADB) with the support of Government of Republic of Kazakhstan and Graduate School of Public Policy of Nazarbayev University. The purpose of the Forum was to discuss future cooperation prospects, to develop a Network of Think Tanks from across the Region and create a power house of knowledge to inform CAREC initiative.

This Forum was also supported by leading multilateral organizations including World Bank, EBRD, UNDP and ADB Institute. Approximately 80 persons from all walks of life also took part including leading economists, transport, trade & energy experts, senior government officials, scholars and mass media. The Participants shared their insights about the development potential and value of cooperation between CAREC countries, as well as discussed the significance of developing a think tank network.

The theme of the forum was "Promoting Economic Cooperation for an Integrated Central Asia". The Forum's proceedings consisted of three major segments; First segment was focused on discussions about economic prospects of Central Asia and regional economic entities. Considering the global economic situation, officials from international organizations and delegates from CAREC countries analyzed economic conditions in the region, considered economic development prospects and challenges faced by major countries' economic structural adjustment initiatives and the lack thereof.



In the second segment, there were discussions between international experts and scholars on the necessity, opportunities and related challenges of strengthening connectivity infrastructures in Central Asia region. Experts from ADB introduced efforts and contributions made by CAREC Program, and specialists at the forum appreciated the ongoing research project of the CAREC Institute on Needs and Benefits of Infrastructure Investments in CAREC Region: 2016-2030. Other topics related to competitiveness, diversification of economies, inclusive development were discussed by representatives of research institutes from CAREC countries. Further, deliberations on work plans and projects to enhance policy and program coordination between Central Asian countries were made by representatives of ADB and the CAREC Institute respectively.

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The last segment focused on the necessity and feasibility of building a knowledge sharing network among member countries of CAREC. Think Tanks (TTs) are playing increasingly important roles in policy formulation and implementation, but still weak in research and policy advisory role; however, TTs are eager to share knowledge with peers on development experiences and policy lessons. In this regard, discussions concentrated around specific proposals on developing a Central Asia Think Tank Network (CATTN) under the auspices of this forum. It is envisaged that CATTN will help foster enhanced systematic regional knowledge sharing and integration, and would create enabling environment for knowledge based policy advice. The network will fill the gap between research and policy, which will result in amplifying the voice of Central Asia countries internationally and further achieve the goal of regional economic cooperation

After lively discussions all participants unanimously agreed to establish the regional think tank network. During the closing ceremony, Think Tank Representatives from both Kyrgyz Republic and Tajikistan proactively proposed that CI could consider holding the next forum in their countries. More than 30 Chinese and Kazakhstan Mass Media covered the forum.

Opening Session

Mr. Timur Zhaxylykov, Vice Minister of National Economy, Government of Republic of Kazakhstan, formally inaugurated the session. In his opening address he said that, "In 2010-2015 the volume of trade between Kazakhstan and CAREC members rose from USD 17.5 bn. to USD 22 bn. The key partner of Kazakhstan in the region is China, with the share in Kazakhstan - CAREC trade volume being over 77%. But since the oil crisis began, the trade dynamics had slowed down a bit". Meanwhile, according to the Vice Minister, strengthening of relations, trade and investments promotion and better access to external markets would help in improving perspectives for the region".



Timur Zhaxylykov



Juzhong Zhuang

On behalf of the Vice President of ADB, Mr. Juzhong Zhuang, the Deputy Chief Economist and Deputy Director General, ERCD, Asian Development Bank, expressed his appreciation for the initiative to set up a network for the region's think tanks, which would serve as a forum for exchange of knowledge and research. He said the forum presented an opportunity for the representatives of TTs to get to know each other and to forge alliances for future cooperation.

Mr. Shigeo Katsu, President of Nazarbayev University said that Central Asia countries since 1990s are undergoing very serious transformation. "One of the aspects of transformation is demography which has positive trends in Central Asia, but there are still some demographic windows because CA society is a relatively young one. We know that demographic windows will close in some 15-20 years, and we have no time to let the grass grow under our feet. Our aim is to move forward by 2050, so that the per-capita income in all regions is comparable to per-capita income of new EU members. These are the key challenges; if somebody fails to handle them, the consequences will be sorrowful", he concluded.



Shigeo Katsu



Kubat Umurzakov

Kubat Umurzakov, Director of CAREC Institute, stated stressed on the importance of regional economic cooperation and integration. He opined that CI had established a platform for member countries for knowledge sharing and economic cooperation for accelerating growth and development. *"Being a knowledge institution, CAREC Institute's scope of work also includes exploring emerging regional challenges and common country or sector issues, as well as prospects for cooperation in other areas with the potential to bring about mutual gains to the countries. Similarly, knowledge work on cross-region, cross-discipline and cross-sector cooperation including data and information, exchanging experiences and lessons learned also forms a part of CAREC Institute's mandate."*

Professor Arystan Yessentugelov, Honourary President of Economics Research Institute, Ministry of National Economy, Government of Kazakhstan in his keynote address deliberated on problems and ways of improving the competitiveness of Kazakhstan's economy in the context of contemporary technological changes in the most advanced economies. He stressed on necessity of structural and institutional reforms to ensure economic growth and to become competitive in the region and globally.



Arystan Yessentugelov



L-R: Kubat Umurzakov, Shigeo Katsu, Timur Zhaxylykov, Juzhong Zhuang, Ziqian Liang

Economic Outlook of Central Asia



Juzhong Zhuang

Mr. Juzhong Zhuang, Deputy Chief Economist and Deputy Director General, ERCD, ADB, gave a presentation on "Asian Development Outlook 2016: Asia's Potential Growth" He delivered three key messages (i)Growth in developing Asia is to decrease slightly to 5.7% in 2016 and 2017, from 5.9% last year, with PRC growth to decline further to 6.5% in 2016 and 6.3% in 2017 as it continues to shift its growth model, and India's growth to dip slightly to 7.4% in 2016 before picking up to 7.8% in 2017. (ii) Inflation of consumer prices would remain subdued, but many economies face possibly harmful producer price deflation. (iii) Structural reforms were critical to boosting developing Asia's potential growth, including Labor market flexibility; quality of institutions; trade openness; financial integration. Investment in infrastructure, human capital, and technology are important as well. While analyzing average annual potential growth in 2015-2020 under various scenarios, Mr. Zhuang informed that annual growth without reforms would be lower (5.90%) than under different scenarios but involving reforms (6.27%-6.64%).

Mr. Qiangwu Zhou, Deputy Director General of Asia-Pacific Finance and Development Center, Beijing Office, Ministry of Finance, PRC, and Ms. Aktoty Aitzhanova, CEO of National Analytical Center of Nazarbayev University, Kazakhstan presented economic outlook of China and Kazakhstan. With a summary of recent developments in 2015-2016, Mr. Zhou illustrated China's economy was shifting from high speed to mid-high speed development with a slower and more sustainable growth path, which focuses more on structural reform. China will no longer count on exports, investment and the property sector to drive its economy. Increasing trade and bilateral investment between China and Central Asia Countries, as well as achieving leaping development in Sino-Central Asia relationship would contribute to growth in Central Asia.



Qiangwu Zhou



Aktoty Aitzhanova

Ms. Aktoty Aitzhanova, while characterizing recent trends in economy stressed that low oil prices, slowdown in FDI, and negative spillovers from slowdown in Russia and China have been putting downward pressure on economic activity. Since the beginning of 2016, pass-through effect of depreciation had began to fade away, but inflationary trends still persisted. A rebound is projected for 2017, though in the medium term the growth is likely to remain below its long-run potential. In view of Ms. Aitzhanova, with implementation of structural reforms including energy sector restructuring, lifting price control in agriculture, privatization, and investment climate improvement positive effects are likely to kick in over the medium to long term.

Ben Slay, Senior Advisor of Regional Bureau for Europe and the Commonwealth of Independent States, UNDP, moderated the session on the Economic Outlook of Central Asia commented by R. Fariz Mammadov, Leading Research Fellow of Institute for Scientific Research on Economic Reforms, Azerbaijan and Ms. Janna Fattakhova, Senior Research Coordinator of Center for Economic Research, Uzbekistan followed by open discussion.



Ben Slay, representative of UNDP



Participants at the session

Sessions on infrastructure investment, connectivity, competitiveness and regional cooperation and integration

Mr. Kenzhenhan Abuov, ADB consultant, in his presentation considered achievements in developing connectivity infrastructure and existing operational challenges as well as prospects for establishment of economic corridors in the region. He emphasized importance of implementing measures to improve cross-border transport and trade logistics services in order to increase contribution of transport and logistics industry to the overall economic development of CAREC countries



Kenzhenhan Abuov



Guntur Sugiyarto

Mr. Guntur Sugiyarto, Senior Economist of ERCD, ADB in his presentation analysed key challenges and policy implications in meeting the infrastructure needs in Asian countries at Country and Regional Levels. With emphasis on the importance of infrastructure, he mainly focused on key challenges, and proposed recommendations include accelerating infrastructure development, setting out right policies and institutions, considering environmental concerns, supporting technological advancement and strengthening cross-border infrastructure through regional cooperation.

Mr. Yergali Dosmagambet, Deputy Director of CAREC Institute, gave a presentation on CI's research study recently started on "Needs and Benefits of Infrastructure Investments in CAREC Region: 2016-2030." He explained the objectives of CI's research study, which was recently started, and stressed on the positive effects of infrastructure projects involving several CAREC countries for enhanced connectivity. Expected contributions of the study include updating existing information and knowledge of CAREC region, in terms of infrastructure investment needs, and the potential benefits of such investments. It will also facilitate the governments decision-making and planning of infrastructure investment in national/regional infrastructure projects, and provide evidence to benefits of, and add support to more and effective CAREC infrastructure projects.



Yergali Dosmagambet



Representatives on the Session



Representatives on the Session

Ms. Aigul Kosherbayeva, Director of Regional Development & Competitiveness Research Center, Economic Research Institute, Ministry of National Economy, Kazakhstan, in her presentation on “Kazakhstan Economy: Retrospective, Current situation, Anti-crisis policy” reviewed main achievements of Kazakhstan's economy over the past five years and new global challenges. She stated that the country's strategy “Nurly Zhol” and action plan “100 concrete steps” were the main instruments for implementing the new economic policy of the country.



Aigul Kosherbayeva



Naoyuki Yoshino

Mr. Naoyuki Yoshino, Dean of ADBI, gave a video presentation on “Financing for Infrastructure and The Way to Increase Rate of Return”. He began by building an argument for inclusive growth with parallel approaches of ‘growth’ and ‘equity’. He thereon argued about the correlation between ‘efficiency impact’ and ‘distributive impact’ with citation from different research studies. Arriving at the core of his presentation Mr. Yoshino unveiled the findings of the new research which for the first time presents a framework of ‘inclusive growth’ which establishes a net positive correlation between equity and growth in rural infrastructure development. Hence the study enhances the scope of infrastructure from roads and bridges to ‘life infrastructure’ which includes landline telephone, water and electricity. Using econometrics modeling the research collected data from ‘controlled’ and ‘application’ data sets of 9 years from China about life infrastructure. Different variables were tested proving the role of infrastructure in growth and contributory role of distributive impacts on growth. This new approach of inclusive growth is expected to contribute towards more meaningful growth strategies for developing infrastructure.

Mr. Guanghua Wan, Director of Research of ADBI, in his presentation on “Rural Infrastructure and Inclusive Growth” proposed an analytical framework, to simultaneously consider growth and equity impacts of rural infrastructure in a unified framework. He analyzed growth and distributive impacts of physical infrastructure including telephone, water, and electricity in rural China and presented information on the positive and important role infrastructure development plays in promoting inclusive growth in rural China.



Guanghua Wan



Arjun Goswami

Mr. Arjun Goswami, Technical Advisor of ERCD, ADB in his presentation briefed about the main operational directions in ADB's regional cooperation and integration area including strengthening connectivity between economies, raising competitiveness in connected markets, and increasing investments in regional public goods. He further stressed the importance of CAREC Institute's role as a knowledge institution for regional cooperation and integration, in particular to produce knowledge products on key RCI issues in CAREC, and sectoral and thematic issues with regional significance; cooperate with national research centers, other regional think tanks and educational institutions on specific RCI issues; share best practices on RCI through capacity building and learning programs; and organize existing information for wider dissemination, such as through websites and portals.

A presentation on “Working together for development of Central Asia” was delivered by Mr. Kubat Umurzakov, Director of CAREC Institute. He emphasized on the importance of partnerships and alliances for CI. “As an institution specialized in knowledge, CI could not flourish without support from others especially sister institutions like ADB. The nature of knowledge and the power of knowledge dictate that working closely together with others is a top priority of CI if it is to realize its vision, and contribute to the region’s development,” said Mr. Umurzakov. 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.



In the course of sessions in the first and second day, comments and discussions were held. R. Fariz Mammadov, Leading Research Fellow of Institute for Scientific Research on Economic Reforms, Azerbaijan, Ms. Janna Fattakhova, Senior Research Coordinator of Center for Economic Research, Uzbekistan, Mr. Azamat Dikambaev, Director of National Institute of Strategic Studies, Kyrgyz Republic, Mr. Safdar A. Sohail, Joint Director of Pakistan Institute of Development Economics, Mr. Tamim Asey, research fellow/economic adviser of Afghan Institute for Strategic Studies, Mr. Berdimyrat Bashimov, Head, Institute of Strategic Planning and Economic Development, Ministry of Economy and Development of Turkmenistan, Ms. Chona R. Echavez, Director of Afghanistan Research and Evaluation Unit, Ms. Odonchimeg Ikhbayar, Deputy Director of Economic Policy and Competitiveness Research Center, Mongolia and other researchers shared their views on the latest developments in economies of their respective countries, recent trends and economic outlook from short to mid-term period, made proposals on future cooperation activities including research and knowledge sharing in the region.

Role of Think Tank Network

The second day of the forum started with the Role of Think Tank Network, moderated by Mr. Kashif Noon, the Unit Head of CAREC Institute. Comments were made by Mr. Qiangwu Zhou, Deputy Director General of Asia-Pacific Finance and Development Center, Beijing Office, Ministry of Finance, People's Republic of China, and Director of National Institute of Strategic Studies, Kyrgyz Republic, Mr. Azamat Dikambaev.

Mr. Dongxiang Li, Advisor of ERCD, ADB in a presentation on The Case of Asian Think Tanks Network (ATTN) briefed on ATTN, an institutionalized knowledge sharing and capacity development platform among the government-linked think tanks in Asia and the Pacific which was created in 2013. The objectives are to enhance systematic knowledge sharing, particularly South-South knowledge cooperation; enable better policy advising; bridge the gap between research and policy; strengthen the capacity of the Asian think tanks, particularly, those in low income DMCs; and increase the collective voice of Asia and the Pacific in international arenas. Mr. Li informed on networking activities and modes as well.



In his presentation on “The Proposal on the Establishment of Central Asia Think Tank Network” Mr. Ziqian Liang, Deputy Director of CAREC Institute outlined the functions of Central Asia Think Tank Network (CATTN) and its objectives. The proposed organizational structure of CATTN consisted of top tier of a General Body, the second tier of the governing council and the third tier of the Secretariat. Mr. Liang concluded the presentation by introducing proposed regulation framework and follow-up actions.

Closing Ceremony

A befitting closure of the forum was moderated by Ms. Anjum Assad Amin, Additional Secretary of Economic Affairs Division, Ministry of Finance, Government of Pakistan. Ms. Aigul Kosherbayeva and Mr. Kubat Umurzakov made a closing speech in the session.



Central Asia Think Tank Development Forum

Astana, Kazakhstan June 20-21, 2016



Excerpts and Quotes

During the discussion of each session and tea break, representatives were interviewed and they expressed their feelings and thoughts about the Forum.

“The CATTDF Forum is quite important for Kazakhstan because, through the forum we have found a way on how we could foster cooperation between the thin tanks of the CAREC countries. The first step is to analyze what kind of projects we can do together and set up related criteria. Additionally, regarding financing issues, it is suggested to use the needs of think tank to develop collaborations and set up mechanisms. The role of Professional experts who are familiar with the needs of government and participants are crucial as well. The CATTDF has made a great beginning on finding a way for developing a network and we can work together to improve it in the future.”

--- Aigul Kosherbayeva

Director of Regional Development & Competitiveness Research Center
Economic Research Institute, JSC
Ministry of National Economy of the Republic of Kazakhstan

“It was the first CATTDF, the Forum was a great success. Representatives from the Central Countries were honored to be invited and they got together to discuss on how to continue cooperation. In the future, cooperation and networking was quite important for all of us and it is our common interest.”

--- Aktoty Aitzhanova

CEO of National Analytical Center of NU

“There are great development challenges like energy and water infrastructure for Central Asia countries. CAREC was created to help the countries face the challenges and CAREC Institute was created to provide intellectual inputs necessarily to provide answers to these challenges. We had very high quality discussions in the past two days, in terms of both the

analysis and framework for the work going forward. We can look forward to the next year for stronger support to the work of CAREC in the area like energy, trade, trade policy, transport, achieving sustainable development. The meeting was very successful in these areas. "

--- Ben Slay
Senior advisor of UNDP

" It was a successful and insightful Forum. Presentations on the outlook of the region were elaborately illustrated by each country. The participants tried to find a good model that allows the network to be more vibrant and relevant for the development of the region. "

--- Frances Ato Brown
Country Manager for Kazakhstan, the World Bank

"It was my pleasure to attend the forum. It was very well-organized. The discussions were excellent and the speakers were of very high standard. The forum provided an opportunity to think and interact on the topics. Some of the presentations were very stimulating. Such event if held annually would provide a better platform for CAREC region on cooperation and collaboration."

--- Anjum Assad Amin
Additional Secretary of Economic Affairs Division (CAREC NFP)

"I think this Central Asia Think Tank Development Forum was very successful. We had valuable discussions. I am very pleased to see the positive responses from the participants of the forum about the proposal to establish this central Asia Think Tank network. I Hope this effort will continue. The proposal by Mr. Liang is very good. We developed a good road map and agenda to have this kind of framework so that every country can work together. I think we had a very good start, and ADB will continue to support this effort."

--- Juzhong Zhuang
Deputy Chief of Economist and Deputy Director General
ERCD, ADB

List of Think Tanks

No.	Country	Think Tanks
1	AFG	Afghan Institute for Strategic Studies
2		Afghanistan Research and Evaluation Unit
3	AZE	Department of the Economic Analysis and Global Affairs Center for Strategic Studies under the President of the Republic of Azerbaijan
4		Department for Economic Modeling and Analysis, Institute for Scientific Research on Economic Reforms under Ministry of Economic Development
5		Department for Development of Innovation, Institute for Scientific Research on Economic Reforms under Ministry of Economic Development
8	KAZ	Economic Research Institute (ERI), Ministry of National Economy of the Republic of Kazakhstan
9		Graduate School of Public Policy, Nazarbayev University
10	KGZ	The National Institute for Strategic Studies of the Kyrgyz Republic
11		Institute of Public Policy and Administration, University of Central Asia
12	MON	Economic Policy and Competitiveness Research Center
13		International Think Tank for LLDCs
14		Institute for Strategic Studies National Security Council of Mongolia Central
15		Business School, National University of Mongolia
16	PAK	Ministry of Commerce Pakistan Institute of Trade and Development (PITAD)
17		Pakistan Institute of Development Economics (PIDE)
6	PRC	Development Research Center of the State Council
7		Asia-Pacific Finance and Development Center, Beijing Office Ministry of Finance (MOF)
18	TJK	Institute of Economy and Demography of Academy of Sciences of Tajikistan
19	TKM	Institute of Strategic planning and economic development, The Ministry of Economy and Development of Turkmenistan
20	UZB	Institute of Forecasting and Macroeconomic Research (IFMR)
21		Center for Economic Research (CER)

