



# CAREC Institute Newsletter

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## Workshop on Road Asset Management

The CAREC Institute has completed a four-day capacity building online event, during 10-13 August 2020, on road asset management (RAM) and RAM system targeting senior government officials and experts from ministries of transport, rural development, public infrastructure, and other relevant state agencies of the CAREC countries. The workshop was led by Dr. Ian Greenwood, a Chartered Professional Engineer, a Fellow of Engineers New Zealand, and author of several internationally renowned RAM manuals.

The workshop was interactive, and participant centered. Expert discussions deliberated on the overall lifecycle of managing assets, particularly those vulnerable to the changing climate. The workshop highlighted the necessity for systematic asset management for all public infrastructures built or acquired at high or low costs. There were extended discussions on effective methods of data collection and their essential role in running RAM systems. International best practice examples were drawn to CAREC regional and national levels in the context of the [CAREC Transport Strategy 2030](#). Overall, participants were provided with updated knowledge on how RAM looks at optimizing levels and allocation of road maintenance funding, and how it serves sustainable road maintenance as well as reduction of costs to road users.

The workshop materials are stored on the CAREC Institute [e-Learning platform](#) which is an online space for target audience and other interested parties to attend workshops virtually, access materials, take quizzes, and apply for e-certificates.

**Asset Data Maturity vs Cost Graph**

If you don't look after your datasets, you can readily move back up the cost curve.

Dr. Ian Greenwo...

Chat Raise Hand Q&A Interpretation

## Improving Road Safety in CAREC: Workshop Proceedings

The workshop report on the elements of road safety engineering summarizes the CAREC Institute's online workshop which ran through seven webinars between 12 May and 2 June 2020 for Mongolia's Ministry of Road and Transport Development, traffic police, and road safety professionals. It also shares lessons and recommendations for future consideration.

One of the recommendations of the [September 2019 road safety workshop report](#) came to materialize – three CAREC manuals on [road safety audit](#), [safer road works](#), and [roadside hazard management](#) will soon be complemented by the fourth manual on pedestrian safety (to be released before the end of 2020).

The report provides valuable lessons about the online workshop structure, material delivery mode, case study nuances, tips on experiential learning delivery online, etc.

Recommendations are provided to strengthen connections with national technical universities to assist the teaching staff to be better equipped to teach road safety engineering to their students. The network of national technical universities is proposed to become a platform for knowledge sharing and mentoring in road safety audits (including cross-border audits) for national road authorities. Moreover, the report proposes establishment of the national road auditor accreditation schemes, and enactment of national road audit policies. Read more [here](#).

## CAREC Ports and Logistics Scoping Study

The Asian Development Bank (ADB) has completed the CAREC Ports and Logistics Scoping Study (scheduled for release before the end of 2020).

The study aimed to identify and examine the CAREC ports and multimodal corridors connecting the ports to the landlocked CAREC countries; examine past and future plans of governments regarding port and multimodal corridor development and assess gaps; and identify potential factors which would result in more successful implementation of investment initiatives.

A substantial research has been conducted on improving capacity, efficiency and safety of the defined CAREC corridors, including aspects of financial sustainability, environment, and social impact. Central Asia is perceived as one of the areas in the world with high logistics costs comprising 20% of GDP on average (18% in Kazakhstan; 23% in Tajikistan) while they are 9% in OECD countries (International Transport Forum, 2019). In spite of the challenges, Central Asia is currently one of the few hot spots in the world where cargo flows grow double digits. And some prospective studies forecast that freight flows in some corridors could increase threefold by 2050, in particular transit flows between the People's Republic of China (PRC) and Europe by rail that grew from less than 7,000 TEU in 2010, to 150,000 in 2016 and more than 300,000 in 2019. Still about 98% of volumes on the PRC-EU route move by sea.

As most CAREC members are landlocked, many logistics chains to and from them originate or end in seaports often beyond the borders of CAREC countries. Georgia and Pakistan are coastal countries whose ports act as gateways to CAREC hinterlands but face various challenges to further development of this gateway function. Ports are also key links in multimodal chains across the Caspian Sea. These reasons underpin the pertinence of providing an integrated view of ports and logistics corridors within but also outside CAREC perimeter and its complementarity with pillars and working lines envisaged in [CAREC Transport Strategy 2030](#).

## E-commerce Development in CAREC: Workshop Proceedings

This workshop proceedings report summarizes discussions which took place on 28 May 2020 in a virtual workshop on regulatory framework for e-commerce development in CAREC, co-organized by the CAREC Institute and the Asian Development Bank Institute (ADBI) in collaboration with the Asia-Pacific Finance and Development Institute (AFDI).

It provides details on the milestones accomplished in development of global models for laws on cybercrime, privacy, consumer protection, etc. and how governing these areas effectively requires resources and administrative mechanisms that are not equal among all states. Examples are provided how e-commerce helped reduce inequality in Asia and helped SMEs survive the COVID-19 crisis. However, Asia remains underserved and not evenly served by e-commerce, so there is a lot of potential for its expansion.

There are examples of the Chinese experience with Alipay and WeChat, their flexibility and customer orientation; "3-1-0" system of Alipay (where an online application for credit could be made in 3 minutes, and approved in 1 second with no live human intervention); QR code payment innovation for street vendors; how the PRC overcame three challenges in e-commerce development: lack of infrastructure, lack of finance, and lack of knowledge; how collaborative laws helped respond to consumer concerns about data privacy; and how Chinese firms responded to supply chain disruptions during COVID-19 lockdowns.

The workshop proceedings report concludes that policy options for e-commerce development shall have three characteristics: 1) economic, legal, and cultural facets should work together flexibly; 2) e-commerce shall be part of an ecosystem involving all stakeholders, including the private sector, with appropriate regulation, and open enough to competition to admit new market participants; and 3) e-commerce shall be the product of regional cooperation where standards and laws are harmonized. Read more [here](#).

## Regional Climate Change Dialogue: Workshop Proceedings

The CAREC Institute workshop proceedings report on “Climate Change Regional Policy Dialogue: Learning from the COVID-19 Pandemic” of 18-19 June 2020 provides detailed information about climate-informed investment options; integration of environmental, social, and governmental (ESG) issues in climate change policies; influence of COVID-19 on green bonds; cooperation platforms, etc.

The report provides that future has become uncertain due to COVID-19, yet, recovering from the crisis must be more sustainable. The route back to normal must go through promotion of green investments. While climate mitigation activities require up to \$175 billion/year in Asia, adaptation costs about \$40 billion/year until 2030. Central Asia loses \$4.5 billion/year due to limited regional water cooperation. Notwithstanding many financing opportunities available, the financing gap remains. Current definitions of SDGs, ESGs, green bonds, and green loans may distort optimal investment portfolio allocation in the long term as investors have to factor in not well-defined concepts on top of risks and rate of return. Further, the report discusses options for tax on waste, etc.

The CAREC Institute Director Syed Shakeel Shah is quoted that dynamics of climate change transcend national and regional boundaries that call for joint collaborative action from governments, private sector, and world citizenship supported by innovative green financing approaches. Sharing best practices and knowledge across the region and the world, and catalyzing regional, interregional and global cooperation can enable CAREC members not only respond effectively to regional challenges but capitalize on opportunities as well. Read more [here](#).

## Environmental Cooperation with Shanghai Cooperation Organization

On 13-14 August 2020, the China Center of Shanghai Cooperation Organization (SCO) Environmental Cooperation held a webinar on prospects for SCO environmental cooperation in the post-epidemic era. The event brought together the representatives of relevant ministries and departments of a number of SCO member states, business and scientific communities of the PRC that specialize in environmental topics. Dr. Iskandar Abdullaev, Deputy Director Two of the CAREC Institute, was invited as a resource person.

Dr. Abdullaev presented his findings on main stakeholders, processes and roles for environmental cooperation in CAREC. He suggested a number of policy prescriptions, namely, region to region cooperation on big initiatives, such as Belt and Road, promotion of science-based strategic decision-making, private sector involvement and facilitation of exchange of information and innovative technologies.

SCO environmental cooperation platform was founded in 2014 with the aim to promote sharing and application of information, knowledge, experience and technology on environmental protection of all member states, observer states, and dialogue partners in the region; improve the national environmental protection capacities; enhance regional coordination and cooperation; jointly address regional environmental challenges; build green Silk Road economic zone, and promote green development.

## Meeting with the Green Climate Fund

On 12 August 2020, the CAREC Institute, represented by Dr. Iskandar Abdullaev, Deputy Director Two, held an online meeting with the Green Climate Fund (GCF), represented by Mr. Urvaksh Patel, Regional Manager of Eastern Europe and Central Asia.

The sides exchanged thoughts on potential collaboration between the two organizations. GCF's main mission is to provide access to climate finance to developing economies globally to deal with climate change adaptation and mitigation issues, Mr. Patel mentioned. Financing is offered through different modalities, including grants, loans, equity, and guarantee type of activities. The priority areas for financing are formed in close collaboration with governments who have full ownership of projects.

Dr. Abdullaev presented the Institute's projects, highlighted results of the recent research on [climate vulnerability, infrastructure, finance, and governance in CAREC](#), and noted that the Institute is well placed to promote climate issues in CAREC and conduct capacity building events.

The parties agreed to continue the dialogue and explore the ways to strengthen collaboration in the following priority areas: 1) sustainable investment in climate change adaptation and mitigation; 2) stakeholder coordination; and 3) promotion of the readiness program.

## Assessing Economic Impact of Climate Change on Agriculture

One of our visiting fellows 2020, Mr. Samrat Kunwar of the College of Saint Benedict and Saint John's University of Minnesota, USA, assessed the economic impact of climate change on agriculture in Central Asia (KAZ, KGZ, TKM, TAJ, UZB) by employing the Ricardian method.

The research findings suggest that agriculture in Central Asia is sensitive to climate change, and the impacts will be more acute after the temperature increase. Results indicate that every degree Celsius increase in annual temperature has resulted in a modest benefit of \$4/hectare increase in agricultural net revenue, which amounts to \$117 million in total agricultural benefits across Central Asia.

The estimation of future climate change scenarios indicates that changes in the pattern of rainfall and temperature by 2040 will result in approximately \$66 million net welfare loss from agriculture in Central Asia (with Kazakhstan at \$50 million loss, and Tajikistan at \$1.6 million).

From a policy perspective, the results in this study highlight the need for governments of Tajikistan, Turkmenistan, and Uzbekistan to implement regulations that allow private ownership of farmlands to encourage investments in adaptation measures; for the government in Kazakhstan to invest in novel technologies such as drip irrigation systems, climate smart agriculture, and canals for rainwater harvesting; while the government of Kyrgyzstan might benefit from ensuring that farming populations in the country easily alter their farm types or even switch between owning crops and livestock that are suited for dry climatic conditions.

## Dialogue Platforms for Agriculture and Water Cooperation in CAREC

How do academia cooperate in Central Asia? – asks Mr. Dovlet Jumagulyyev of the Interstate Commission for Sustainable Development of the International Fund for Saving the Aral Sea in Turkmenistan, our visiting fellow 2020, then looks at environmental research experience of several institutions in Central Asia, Mongolia, Pakistan, and the PRC, and proposes modernization of tools and approaches to systemize information in a single network, and activate an academic cooperation

platform. He provides that melting glaciers, desertification, deforestation, and other environmental complications will cause similar issues along Pamir, Tianshan, and Hindukush mountain ranges, and it merits effort to join forces in research. He also argues that the COVID-19 pandemic limits availability of funds for research, however long-term SDG commitments by governments have driven policy makers closer to scientific communities to inform their decision-making.

Mr. Jumagulyyev lists several successful examples of applied research, such as the [Scientific-Information Center of the Interstate Coordination Water Commission of Central Asia](#), headquartered in Tashkent, who contributes to building bridges between scientific community and water management specialists in the region, and adoption of important interstate agreements and decisions; establishment of a [Central Asian Journal of Water Research](#) under the Institute of Natural Resources of the [Kazakh-German University](#); establishment of annual water forum and development of Water Code for Uzbekistan under the Tashkent Institute of Irrigation and Agriculture Mechanization Engineers (TIAME), which was included as a legislative document in a [web portal](#) for public discussion; [Agriculture Department of the Government of Punjab](#) in Pakistan which prioritizes awareness raising among farmers and manufacturers and provides over 90 examples of successful application of knowledge.

The author concludes that common research on sustainable management of shared natural resources offers benefits beyond a single nation's territory and academic cooperation on these topics becomes urgent and inevitable.

## ECOSF Webinar on the Impact of COVID-19 in ECO Region

Our Chief Economist Dr. Hans Holzacker contributed to the online discussion regarding COVID-19 impact and healthcare system preparedness in ECO region (which includes eight CAREC members) organized by the Economic Cooperation Organization Science Foundation ([ECOSF](#)) in collaboration with the Center of Excellence for International Economics (CEIE) on 10 August 2020.

The COVID-19 has exposed the fragile limits of healthcare infrastructure and institutions around the world. Even countries with renowned healthcare systems stumbled while handling the crisis. The situation is worse in the developing world where poor sanitation is prevalent, access to clean water is not universal, societies lack numerous healthcare capabilities, and COVID-19 creates significant additional pressure on overburdened health systems.

The [ECOSF analysis](#) sheds some light on the health infrastructure in ECO region. The 10 August webinar recording is available [here](#) under the title: "Impact of COVID-19 in ECO Region and What It holds for the Future of the ECO Member Countries." Dr. Holzacker's own analysis of July 2020 titled "Resurgence of the Pandemic and Economic Uncertainties: The Global Scramble for a Vaccine" is available [here](#).

## MOU with Pakistan Institute of Development Economics

On 24 August 2020, the CAREC Institute, represented by Director Syed Shakeel Shah, and Pakistan Institute of Development Economics (PIDE), represented by Dr. Durre Nayab, Head of Research PIDE, acting on behalf of Dr. Nadeem-ul-Haq, Vice Chancellor PIDE, have signed a memorandum of understanding (MOU) in Islamabad. The parties committed to extend regular exchange and collaboration among universities and research institutions to share and create knowledge in areas of focus, such as trade, connectivity, and regional integration.

PIDE was established in 1957 to conduct research on issues linked to national and international economic development in Pakistan. Its functions include: (a) advising the government of Pakistan, through policy oriented research, on critical economic and developmental issues; (b) conduct theoretical and applied research on policy diffusion and its impact; (c) establish task-oriented research sections to undertake theoretical and applied research. PIDE disseminates its research through the Pakistan Development Review, working paper series, special working paper series, policy viewpoints, newsletters, seminars, and conferences.

Furthermore, PIDE is hosting the China-Pakistan Economic Corridor (CPEC) Centre of Excellence which carries out workshops and conferences with renowned Chinese institutions, such as Chinese Academy of Social Sciences, China Centre for Special Economic Zone Research, Shenzhen University, and Zhejiang University.

The MOU will present the parties with an opportunity to deepen their research in CAREC economic corridors and explore their complementarity with other multilateral and bilateral economic initiatives.

Dr. Durre Nayab of PIDE and CAREC Institute Director Shah concluding an MOU in Islamabad, 24 August 2020.



## Upcoming Workshops and Webinars

The CAREC Program will be holding four webinars on trade in September 2020. Webinars will cover the service sector, e-commerce, customs cooperation, etc. Register [here](#)

The CAREC Institute will hold a workshop titled “Unlocking Private Investments in Sustainable Infrastructure in Asia: Lessons from Central Asia” during 23, 24, 30 September, 1 October 2020 through the Zoom webinar platform. Register [here](#)