

# Newsletter

## CAREC Institute Held Its Fifth Advisory Council Meeting

On October 19, the CAREC Institute held the fifth meeting of its Advisory Council to discuss current and future directions of research projects, the draft Rolling Operational Plan for 2024-2025 and the mid-term review of the implementation of the Institute's Strategy for 2021-2025. The Advisory Council serves as a vital platform for the exchange of innovative ideas and approaches to the Institute's strategic plans on knowledge formation and sharing.

Mr. Kabir Jurazoda, Director of the CAREC Institute, in his opening remarks, noted the importance of the advisory contributions of Council members to the Institute's ongoing efforts to improve the quality of knowledge products and services and their relevance to the needs of CAREC countries. Dr. Lyaziza Sabyrova, Regional Head of the Regional Cooperation and Integration, ADB Central and West Asia Department, suggested major areas that require new knowledge and rigorous research analysis for the CAREC region, such as cross-border technology transfer, private sector participation in green development, connectivity and trade, climate change and green energy transition, and inclusive development.

CAREC Institute Chief Economist Dr. Hans Holzacker provided an overview of the Institute's research initiatives. In previous years, the CAREC Institute has successfully completed key studies on public attitudes towards COVID-19 vaccination, the CAREC Regional Integration Index, the digital divide, investment in the digital economy, agriculture-water-climate change nexus, energy governance, and several studies using CPMM data. The Institute's current research includes water infrastructure financing, climate stress, fintech-led regional financial cooperation, blended learning through flipped classrooms, civil aviation, household energy access and readiness to move towards green energy, CAREC FTA, e-commerce, the cost of climate inaction, as well as quarterly macroeconomic monitoring. Dr. Holzacker suggested that the Institute's future research will focus on three main directions: i) *The Economics of Disruptive Technological Change and Innovation*, especially the green energy transition with a focus on green finance, sustainable/circular industry policies, and digitalization issues of infrastructure, fintech, e-commerce, and Industry 4.0; ii) *Economic Corridors and Connectivity*, including trade facilitation, CPMM, digital corridors, transit versus local corridor utilization; and iii) *Socioeconomic Impact and Inclusivity*, including such subjects as future of work, training and (re)qualification, internal and external migration.

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Participants of the CAREC Institute's Advisory Council Meeting.

The draft rolling plan of the Institute for 2024-2025 was presented by Chief of Strategic Planning Division, Mr. Khalid Umar. The two-year Rolling Operating Plan outlines the Institute's key initiatives and activities in the areas of economic monitoring and research, capacity building, knowledge management, and partnerships as part of the implementation of the CAREC Institute's Strategy 2021-2025. Over the next two years, the CAREC Institute will continue to produce Quarterly Economic Monitors assessing the trends of the CAREC national economies, economic and policy briefs on issues of regional importance, research studies, organize research conferences, publish annual research books, and collaborate with individual researchers through visiting fellowships program. Capacity building activities will include more than a dozen core programs annually related to the Institute's research. The e-learning platform will be expanded with new digital learning modules and additional functionalities. The Institute will continue to expand its knowledge management activities by using new communication channels and formats and improving the quality of knowledge products. The CAREC Institute will expand its knowledge partnerships through formal cooperation agreements, joint research through the research grant program, and joint organization of forums, workshops, and dialogues. As the Secretariat to the CAREC Think Tank Network (CTTN), the CAREC Institute will continue organizing its annual flagship

Think Tank Development Forum, CTTN grants program and CTTN dialogue/talk series. Mr. Khalid Umar further informed the Advisory Council members about the mid-term review of the implementation of the CAREC Institute Strategy 2021-2025 that will identify issues and challenges affecting the effective and efficient implementation of the Strategy, examine the external geo-economic environment, review internal developments and propose changes that will improve the work efficacy of the CAREC Institute.

Next, the members of the Advisory Council discussed the proposed issues, provided their feedback and shared their own ideas and proposals for further improving the work of the CAREC Institute.

Suggestions included new areas of research and capacity-building activities related to climate change and digitalization issues, improving the Institute's monitoring and evaluation activities, reviewing partnerships policy, developing e-linkages with universities and other knowledge initiatives, expanding collaboration with ADB, regional stakeholders and national think tanks, universities, and others. The Advisory Council also proposed to increase the frequency of the meetings to deepen engagement with the CAREC Institute and provide more informed advice on core strategic and operational matters.

## CAREC Think Tank Network (CTTN) Discussed Regional Strategic Vision for Climate Actions

On October 13, the CAREC Institute held a consultation webinar on the draft strategic document "Regional Action on Climate Change: A Vision for CAREC in 2050" as part of CAREC Think Tank Network Talk Series. The webinar aimed at collecting perspectives from leading national think tanks on the draft document.

In his welcoming speech, Mr. Kabir Jurazoda, Director of the CAREC Institute, noted the importance of coordination of strategic approaches among CAREC countries in addressing climate change. As one of the most vulnerable regions in the world, the CAREC region is experiencing climate change challenges, rising temperatures, increased

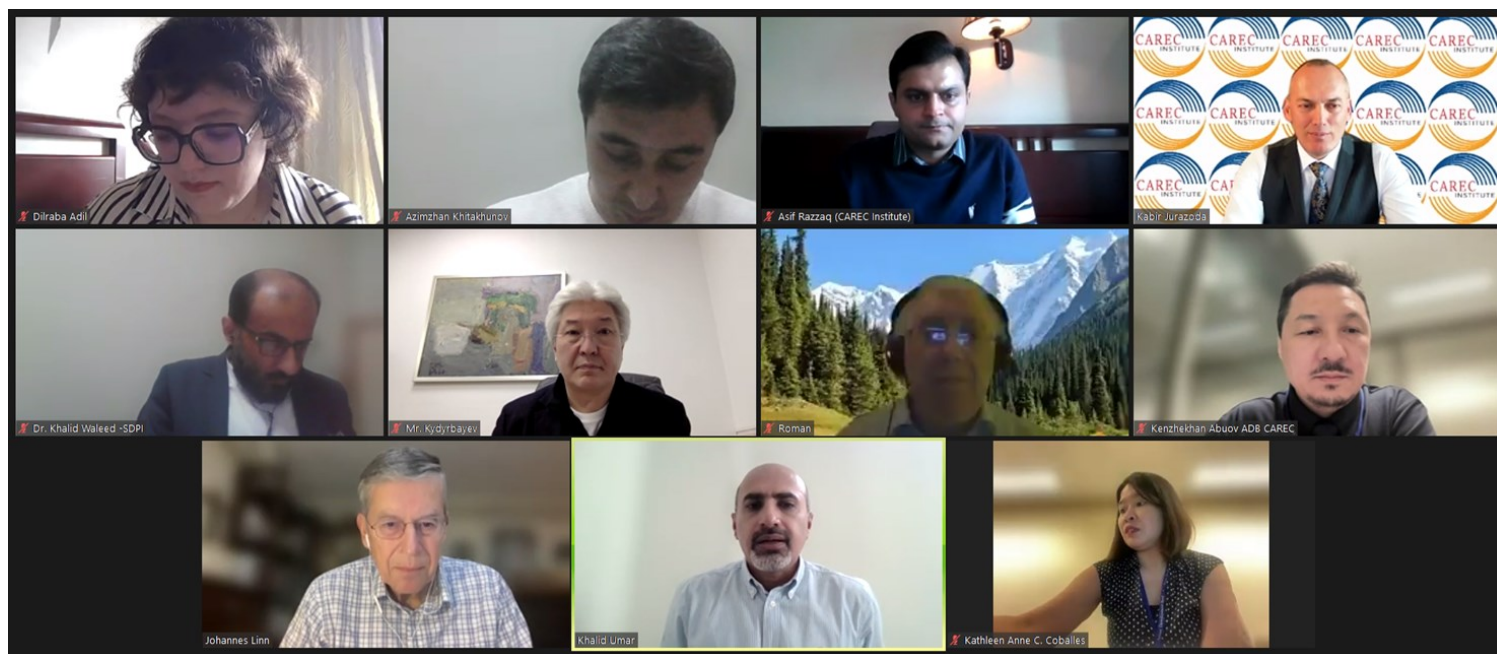
variability, and extremes in temperature and precipitation, leading to water shortages, increased flooding, and droughts. To support increased attention to climate change, the CAREC Secretariat has developed a strategic document establishing common principles among CAREC countries for climate action and identifying priority areas for investment with recommendations for concrete steps to achieve a more resilient and climate-resilient region. The document will be reviewed and adopted by CAREC ministers during the 22<sup>nd</sup> CAREC Ministerial Conference in Tbilisi, Georgia, in November 2023.

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During the first session, Dr. Johannes Linn, Senior Fellow, Global Economy and Development Program at the Brookings Institution, provided an overview of the draft strategic document CAREC Climate Change Vision – 2050. He noted that, based on the new strategic document, the CAREC Program should explore the opportunities to support its member countries in designing and implementing their national climate strategies and revisit CAREC sectoral and thematic strategic documents to ensure compliance with the goals of the Paris Agreement. Because climate change mitigation and adaptation will require large financial resources, CAREC Program should explore opportunities to develop financing plans and innovative tools for regional climate action programs in close partnership with development partners and private sector investors. To this end, CAREC Program will assist member countries in developing their climate finance plans and instruments, improving regional coordination and cooperation, strengthening the capacity of member countries to attract climate finance, and providing access to global climate funds, and more. To implement these initiatives and monitor their progress, CAREC countries need to establish the CAREC Climate Change Steering Group, which could be advised by a Cross-sectoral Working Group on Climate Change and/or a Climate Expert Group. The

CAREC Secretariat and the CAREC Institute will implement necessary analytical and capacity-building activities to help member countries better understand climate and disaster risks and support risk-sensitive policies and investments.

During the second session of the webinar, representatives of the CAREC Think Tank Network – Mr. Vugar Abbasov, Junior Research Fellow of the Economic Scientific Research Institute (Azerbaijan), Ms. Zhang Minwen, Deputy Director General of the International Economics and Finance Institute (China), Mr. Azimzhan Khitakhunov, Senior Research Fellow at the Eurasian Research Institute (Kazakhstan), Mr. Tuvshintugs Batdelger, Director of the Economic Research Institute (Mongolia), Mr. Khalid Waleed, Research Fellow at the Sustainable Development Policy Institute (Pakistan) and Mr. Bunyod Tillakhujaev, Chief Specialist at the Development Strategy Center (Uzbekistan) discussed the strategic document and shared their countries' perspectives on regional climate action.



Participants of CAREC Think Tank Network Talk Series webinar.



## CAREC Institute Contributes to the Discussions on Green and Low-carbon Development in Asia and the Pacific

On October 21, Mr. Merdan Yazyyev, Research Expert of the CAREC Institute, spoke at the Asia-Pacific Forum on Green and Low-Carbon Development in Changsha, the PRC. During the Forum's session "Public Private Partnership and Dialogue for Green and Low Carbon Development," Mr. Merdan Yazyyev presented about Turkmenistan's transition to green energy and how the Government of Turkmenistan is collaborating with the private sector through Public-Private Partnership (PPP) agreement to create green and eco-friendly urban spaces. He discussed the example of the city of Arkadag, the first smart city in Turkmenistan, that uses the environment-friendly technologies to achieve zero-carbon goals.

Furthermore, during the panel discussion, Mr. Merdan Yazyyev outlined several pivotal recommendations for governments seeking to enhance private sector participation in green initiatives. He stressed the importance of a robust policy framework tailored for PPPs in green endeavors, asserting that clarity in roles will inevitably stimulate private sector interest. Financial incentives, whether subsidies, grants, or soft loans, are essential to make green projects more attractive

for private sector investment. Tax incentives, especially for imported green technologies like e-vehicles, can make these advancements more accessible to the public. Emphasizing the need for skilled personnel, Mr. Merdan Yazyyev highlighted the need to build capacity in both the public and private sectors. He also noted the need for transparency throughout the PPP lifecycle to build trust, coupled with widespread public awareness campaigns underscoring the importance of sustainable growth.

The Forum was jointly hosted by the Ecology and Environment Department of Hunan, Hunan Provincial Department of Finance, the Asian Development Bank and the National Center for Climate Change Strategy and International Cooperation, and organized by the ADB-PRC Regional Knowledge Sharing Initiative and Hunan Innovative Low Carbon Center. It serves as a flagship platform for sharing knowledge and insights on green development and low-carbon initiatives in the Asia-Pacific region..



Mr. Merdan Yazyyev speaks at the Asia-Pacific Forum on Green and Low-Carbon Development.

## CAREC Institute Contributes to Discussions on the Belt and Road Initiative and the China-Pakistan Economic Corridor

On October 12, Dr. Ghulam Samad, Senior Research Specialist of the CAREC Institute, spoke about regional industrial cooperation at a Belt and Road Initiative seminar in Islamabad, Pakistan. The seminar was jointly organized by the Ministry of Planning, Development and Special Initiatives of Pakistan, the Embassy of the People's Republic of China in Pakistan, the Center of Excellence for China-Pakistan Economic Corridor and Qiad-e-Azam University.

Speaking during the panel session, Dr. Ghulam Samad highlighted the trade potential and unique role of China's Xinjiang Uyghur Autonomous Region in connecting the CAREC region. Boasting great natural resources, the Xinjiang region serves as an economic and transport hub for four important CAREC corridors (1, 2, 3 and 5) connecting China with Europe, the Mediterranean, the Russian Federation, South Asia and the Middle East. More than eighty percent of CAREC trade goods flow through these four CAREC corridors, linking trade and value chains. He said that the Quadrilateral Transit Trade Agreement and the expansion of rail and road networks between Pakistan, China and Central Asia offer enormous potential for regional connectivity, economic integration and prosperity.

He called on CAREC countries to implement trade facilitation measures and develop regional electronic data

interchange. In particular, Pakistan can use CAREC regional cooperation mechanisms to facilitate trade by coordinating and simplifying TIR and non-TIR regimes, upgrading the Sost-Khunjerab Cross Border Point using the AI-enabled Integrated Transit Trade Management System, and deepening cooperation between Rashakai Special Economic Zone in Pakistan and Kashi Economic Development Zone in China. The CAREC Program supports policy coordination, cross-border trade, and the integration of regional networks to enhance trade and industrial cooperation. In turn, the CAREC Institute, as the knowledge hub of the CAREC Program, supports the regional economic cooperation through knowledge generation and sharing, capacity building and research partnerships.



Dr. Ghulam Samad speaks at a Belt and Road Initiative seminar.

## CAREC Institute Researcher Included in List of World Top Scientists

CAREC Institute Senior Researcher Dr. Asif Razzaq has been named among the top 2% of scientists in the world in a joint report published by [Stanford University and Elsevier Publisher](#).

According to the annually published database of the most cited scientists, researchers are classified into 22 scientific fields and 174 subfields according to the standard Science-Metrix classification. Percentile rankings for specific fields and subfields are provided

to all scientists who have written at least 5 papers. Selection is based on the top 100,000 scientists by c-score (with and without self-citations) or percentile rank of 2% or higher in a subfield.

This recognition is a significant achievement for both Dr. Asif Razzaq and the CAREC Institute.

## CAREC Institute Presented Results of Its New Civil Aviation Research Project

On October 24, the CAREC Institute presented the results from its new research for the restoration and development of air transport between China and five selected CAREC member countries: Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, and the Kyrgyz Republic during a workshop with experts and researchers in Urumqi, the PRC.

In May 2023, commissioned by the International Cooperation and Service Center of the Civil Aviation Administration of China, a joint research team led by Dr. Bob Zhao, Senior Research Specialist of the CAREC Institute and Professor Zhao Guihong from the Civil Aviation University of China, began a study on the restoration and development of air transport between China and five selected CAREC member countries. The purpose of this study was to analyze the development, needs and trends of air transportation industries in China and the five Central Asian countries in the post-COVID-19 pandemic era, and propose relevant policy recommendations to enhance bilateral and multilateral air transport cooperation.

During the workshop, the research team presented the research objectives, methodology, and findings and provided key policy recommendations. Through professional evaluation and discussion, the experts

provided positive feedback on the quality and results of the research, highlighting the relevance of the research findings and policy recommendations to the current needs of the civil aviation sector. They noted that the research results contribute to deepening the development and international cooperation of the civil aviation industry between China and the five Central Asian countries.

The CAREC Transport Strategy 2030 defines air transportation as a key priority for regional cooperation and development. The CAREC Institute's research on Civil Aviation started in 2018 with the support of the International Cooperation and Service Center of the Civil Aviation Administration of China. The current project represents the third phase of research, resulting from an extended long-term collaboration between both parties. As the knowledge hub for the CAREC Program, the CAREC Institute will continue working with all parties to promote inclusive and sustainable air transportation development and continuously promote regional connectivity through knowledge products and services.



Participants of the webinar on CAREC Institute's new civil aviation research.



## CAREC Institute Research Results Presented at the East Asian Economic Association International Conference

Senior Research Specialist of the CAREC Institute Dr. Ghulam Samad attended the 18<sup>th</sup> East Asian Economic Association International Conference on October 21-22, 2023, at the Seoul National University (SNU), Korea. The conference titled "Charting Inclusive Pathways for Innovation, Growth, and Integration in Asia" was organized by the SNU Institute of Economic Research, the Korean International Economic Association and the Center for Economic Catch-up.

During the parallel session on "Evidence from the Corridor Performance Measurement and Monitoring (CPMM) Database in the Central and West Asian countries" hosted by Asian Development Bank, Dr. Ghulam Samad presented the results from his research paper ["Geographical Proximity and Trade Impacts in the Central Asia Regional Economic Cooperation,"](#) co-authored with Amjad Masood and Junaid Ahmed. Using the structural and spatial gravity model with the CPMM data, the authors found that electronic sanitary and phytosanitary (e-SPS) certification can increase trade by reducing customs clearance time and border crossing costs. Furthermore, the preferential and free trade agreements facilitate trade of participating countries,

and subnational trade facilitation measures in neighboring areas can also improve regional trade. Dr. Ghulam Samad suggested that CAREC countries continue regional cooperation to improve the trade facilitation performance through implementing digitalization initiatives (such as e-SPS) and achieving region-wide trade agreements.



Dr. Ghulam Samad presents at the East Asian Economic Association International Conference.

## ANNOUNCEMENTS



### Knowledge-Sharing Webinar

#### ENHANCING REGIONAL TRADE FACILITATION THROUGH NATIONAL SINGLE WINDOW: PAKISTAN'S EXPERIENCE

2 November 2023

15:00 – 17:30 (Beijing time, UTC+8)

To attend the webinar, please register by **October 25, 2023**,  
using the following link: <https://n9.cl/eofwq>



#### REGIONAL POLICY DIALOGUE

#### REGIONAL SUSTAINABLE DEVELOPMENT COOPERATION IN CENTRAL ASIAN COUNTRIES



REGISTER VIA ZOOM

#### WEBINAR

16 NOVEMBER 2023

15:00 - 16:00 (BEIJING TIME, UCT+8)

#### About CAREC Institute

The Central Asia Regional Economic Cooperation (CAREC) Institute is an intergovernmental organization dedicated to promoting the economic cooperation in the Central Asia and along the Silk Road through knowledge generation and sharing. The CAREC Institute is jointly shared, owned, and governed by eleven member countries.

The Institute acts as a knowledge connector among the five CAREC themes—economic and financial stability; trade, tourism, and economic corridors; infrastructure and economic connectivity; agriculture and water; human development—to ensure coherence in design and implementation of policies, programs, and projects to promote regional economic cooperation and integration.

