



Newsletter

Workshop on CAREC Road Safety and Sustainable Mobility Course

The CAREC Institute delivered a five-day practical workshop on “CAREC Road Safety and Sustainable Mobility” from February 26 to March 1, 2024, in Bishkek, the Kyrgyz Republic. This dynamic event brought together practitioners from Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan to engage with international experts and collaborate on road safety action.

Organized in partnership with the Asian Development Bank, the European Bank for Reconstruction and Development, the Eastern Alliance for Safe and Sustainable Transport, and the International Road Assessment Program, this workshop demonstrated a strong regional commitment to cooperation on road safety.

During the workshop, participants had the opportunity to network with leading professionals, share best practices, and develop strategies to enhance road safety engineering in the region. The event focused on promoting evidence-based policy making, knowledge sharing, and establishing a national knowledge base for investment-ready road safety programs.

The workshop in Bishkek proved to be a resounding success, with participants gaining valuable insights, practical knowledge, and a strong network of peers dedicated to improving road safety and sustainable mobility in their respective countries.

The workshop is part of the integrated CAREC Road Safety Capacity Building Program, offered by the CAREC Institute, in collaboration with the Asian Development Bank. This Program aims to facilitate sustainable transfer of practical road safety knowledge, including the CAREC Road Safety Strategy, manuals, and associated learning materials, accumulated by international development partners to relevant institutions in the CAREC region. It strives to create communities of practice among leading road safety professionals from Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

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Participants of the workshop on “CAREC Road Safety and Sustainable Mobility.”

CAREC Institute Hosts Discussions on Resilience of Middle Class in Afghanistan

On February 20, the CAREC Institute hosted its Chai VIII dialogue on the role of the middle class in economic development and overcoming specific socioeconomic challenges in Afghanistan. The event was organized in collaboration with the CAREC Secretariat, the Asian Development Bank and the Biruni Institute (Afghanistan). The dialogue provided valuable insights for policymakers, researchers, and stakeholders seeking to understand and support the middle class in Afghanistan.

Mr. Kabir Jurazoda, Director of the CAREC Institute, welcomed the participants of Chai dialogue by noting the important position of Afghanistan in the CAREC connectivity and trade. "Today we have a clear goal: to provide a united platform for open dialogue, insightful perspectives, and collaborative solutions. Through dialogue and discussion, we aim to shed light on the pressing issues faced by the middle class, understand impactful strategies for building resilience, and promote long-term economic and social well-being in Afghanistan," said Mr. Kabir Jurazoda in his welcoming speech.

Dr. Lyaziza Sabyrova, Regional Head for Regional Cooperation and Integration at the ADB Central and West Asia Department, mentioned that the middle class in Kabul is barely surviving under existing political, economic and social challenges. She highlighted the negative impact of restrictions on education and employment of females, particularly affecting women-led businesses in Afghanistan. "A shift to promote livelihood, economic activities, and income-generating employment in Afghanistan is crucial," stated Dr. Lyaziza Sabyrova.

The keynote presentation of findings from research on the socioeconomic challenges faced by the middle class in Kabul was provided by Dr. Lutfi Rahimi, Head of Research at the Biruni Institute (Afghanistan). Dr. Lutfi Rahimi presented economic indicators on employment, consumption, saving patterns, and coping strategies of the middle class in Kabul. Additionally, he mentioned the vulnerabilities of the urban middle class compared to rural population and the importance of understanding their resilience in the face of economic and social challenges.

The panel discussion session featured insightful perspectives from regional experts, including Mr. Ayoo Ayooobi, Ms. Patricia McLaughlin, Mr. Artur Andrysiak and Mr. Hans Holzhacker, who shared their expertise on the current economic situation in Afghanistan and provided valuable policy recommendations to address the challenges faced by the middle class. Overall, the event highlighted the complex socioeconomic dynamics in Afghanistan and the importance of understanding and supporting the middle class in navigating these challenges.

The event emphasized the importance of collaboration and knowledge exchange in making informed decisions related to the country's development. The CAREC Institute remains committed to serving as a knowledge hub for promoting dialogue, collaboration, and innovative solutions for the challenges facing Afghanistan and the wider region.



Speakers of CAREC Institute's Chai VIII dialogue.

Successful Regional Workshop on FinTech Development in the CAREC Region Showcases Strategic Collaboration and Knowledge Sharing

The recently concluded regional workshop on Financial Technology (FinTech) development in the CAREC region has been hailed as a resounding success, highlighting the power of strategic collaboration and knowledge sharing in driving financial innovation.

Hosted by the Asian Development Bank (ADB) and the CAREC Institute, in collaboration with the Ministry of Economy and Sustainable Development of Georgia and the National Bank of Georgia, on 21-22 February 2024, the workshop brought together a diverse group of stakeholders, including government officials, industry experts, and development partners, to explore the transformative potential of FinTech in fostering economic growth and regional cooperation.

The workshop aimed to align with the important objectives outlined in ADB's Strategy 2030 and the CAREC Digital Strategy 2030. By fostering regional financial cooperation, promoting economic stability, and enhancing financial inclusion, the workshop contributed to promoting a more interconnected and resilient financial ecosystem in the CAREC region.

The workshop highlighted the importance of bridging the digital divide to foster economic growth and development. "Through collaborative efforts and innovative approaches, we can bridge the digital gap and harness the full potential of digitalization for inclusive economic growth and development across the CAREC region," said Mr. Kabir Jurazoda, Director of the CAREC Institute, in his opening remarks. The meticulously organized event featured engaging panel discussions, insightful presentations, and interactive sessions that delved into key topics such as the role of FinTech in regional economic cooperation, regulatory frameworks, and the digital transformation of financial services. Participants had the opportunity to exchange ideas, share best practices, and forge valuable connections with peers from across the CAREC region.

For more information on the workshop and upcoming events, please visit [the CAREC Institute's website](#) and [E-learning platform](#).



Mr. Kabir Jurazoda, Director of the CAREC Institute, provides opening remarks at the Regional Workshop on FinTech Development

CAREC Institute Highlights the Crucial Role of Regional Collaboration at the Inaugural International Forum on Asian Development

The senior management of the CAREC Institute — Director Mr. Kabir Jurazoda, Deputy Director One Dr. Jingjing Huang and Deputy Director Two Dr. Kuat Akizhanov — participated in discussions about economic transformations in Asia and their implications for global development. The inaugural International Forum on Asian Development, jointly organized by the Centre for International Studies on Development and Governance at Zhejiang University, the Institute for International Affairs (Qianhai) at the Chinese University of Hong Kong, Shenzhen, and the Research Center for Regional Coordinated Development at Zhejiang University, with support from the Asian Development Bank (ADB) and the ADB-PRC Knowledge Sharing Initiative in Hangzhou city of Zhejiang Province, brought together scholars, government representatives, and industry experts to examine the relevance of existing studies for the future, identify knowledge gaps, and define a research program for the next three years.

that Asia is currently facing an array of increasingly complex challenges, and to sustain the momentum of prosperity in the region, nations should work together to bridge knowledge gaps, understand the unique drivers of Asian development, and collectively tackle the challenges. The CAREC Institute, as the knowledge arm of the CAREC Program, will foster the exchange of knowledge, providing a platform for innovative ideas and solutions to regional challenges.

During the Session 3 “Knowledge Gap and Research Agenda” of the forum, Dr. Kuat Akizhanov spoke about evolution of the field of economics after the 2008 Global Financial Crisis, leading to a deeper understanding of financial market dynamics, risk management, and regulatory frameworks. Key developments included a renewed focus on the role of financial institutions, the impact of globalization on economic stability, and the importance of addressing income inequality and systemic risks. Dr. Akizhanov especially highlighted that in times of so many policy-making decisions and theoretical concepts on development being discredited by ongoing climate crisis and rising socio-economic inequality throughout the world, the Asian Development Path remains a solid alternative to the mainstream ideas. There was a growing recognition of the interconnectedness of national economies and the need for international cooperation to prevent future crises. He further presented research initiatives of the CAREC Institute in following domains: 1) Digitalization and Sustainability, 2) Infrastructure and Connectivity, and 3) Socioeconomic Impact. He emphasized the Institute’s commitment to delivering impactful knowledge products, scientific findings, and capacity-building initiatives that translate into practical policy actions for the benefit of regional countries. These and other topics will be delivered during the CAREC Institute’s Think Tank Development Forum and Research Conference to be held this year in Almaty (Kazakhstan) on 26-30 August.

Dr. Jingjing Huang moderated the discussion session on “changing contexts,” which included experts’ presentations of the impacts of climate changes, deglobalization and digital transformation on Asian development.

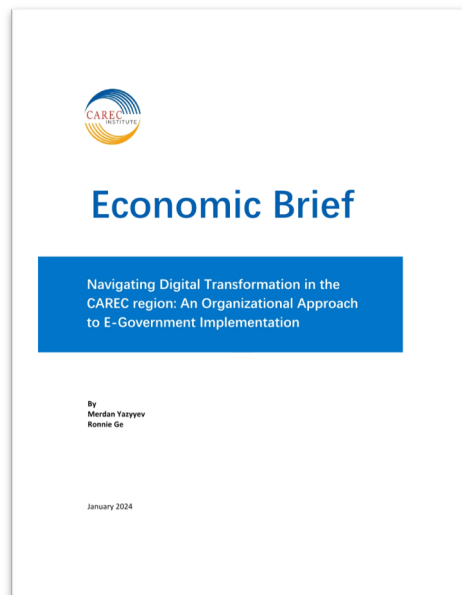


Participants of the International Forum on Asian Development.

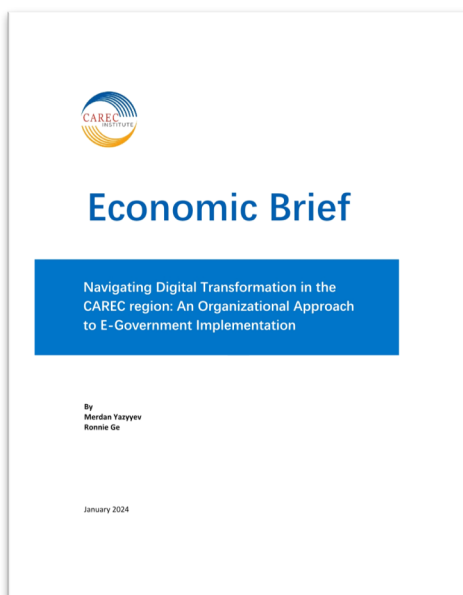
Mr. Kabir Jurazoda in his opening remarks warmly congratulated participants on the commencement of such a momentous forum, which underscores the importance of drawing lessons from Asian history, enhancing understanding of modernization, steering sustainable development amidst an ever-changing landscape, and encouraging multi-stakeholder cooperation for the adaptation of research. He noted

Economic Brief “Navigating Digital Transformation in the CAREC region: An Organizational Approach to E-Government Implementation”

[The new economic brief of the CAREC Institute](#) takes a deep dive into the nuances of digital transformation from an organizational standpoint of e-government implementation in the CAREC region. It emphasizes that progress in digitalization is not just a technological journey but a holistic organizational transformation. The brief pinpoints challenges which individual organizations face, such as aligning digital strategies with core business goals, securing necessary funding, closing skill gaps, and navigating change resistance. By offering tailored strategies for robust digital governance and effective change management, the brief encourages organizations to embrace these shifts, unlocking the full potential of digitalization for enhanced economic growth.



Economic brief “Promoting Electric Vehicles Deployment in the CAREC Region”



[This economic brief of the CAREC Institute](#) shows that the transport sector is one of the largest CO2 emitters in the CAREC region and should be urgently decarbonized by shifting car fleets from internal combustion engine vehicles to electric vehicles (EVs). It calls for measures that could help CAREC economies to accelerate their EV deployment, including measures to support the national EV industry and battery manufacturing, to build up the charging and swapping infrastructure, better supply chain management, and battery recycling and waste management. Joining international initiatives on electromobility, speeding up pan-CAREC free trade agreements, and switching to EVs in the government sector would also help to advance the transition to EVs.

Visiting Fellow Paper: Exploring the Development, Environment, Trade, and Technology Nexus in the CAREC Region – A Path Analysis from Technology to Sustainable Development

CAREC Institute Visiting Fellow Program paper [“Exploring the Development, Environment, Trade, and Technology \(DETT\) Nexus in the CAREC Region: A Path Analysis from Technology to Sustainable Development,”](#) authored by Rabia Nazir, examines the role of international trade, environmental quality, and information and communication technology (ICT) in driving sustainable development (SD). Using trade and environmental quality as mediating factors, the study examines the direct and indirect effects of ICT on SD (proxied by GDP). It uses a structural equation method to investigate the relationship between trade, environmental quality, ICT, and SD using data on the CAREC economies from 2000 to 2022.

The findings show that the total impact of ICT on GDP is positive; ICT has a positive impact on trade, energy consumption, and ecological footprint but a negative impact on energy efficiency. In turn, all these variables—except for energy efficiency—have positively impacted GDP. The study’s conclusions have important ramifications directly through ICT to improve SD and indirectly through reducing environmental degradation and improving trade. This study extends the prior literature by examining the moderating effect of trade and environmental quality on the relationship between ICT and SD.

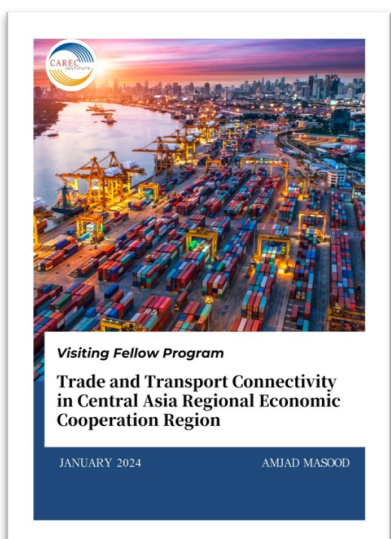
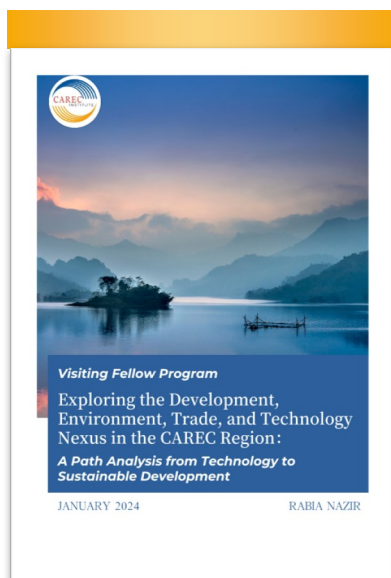
Visiting Fellow Paper: Trade and Transport Connectivity in Central Asia Regional Economic Cooperation Region

CAREC Institute Visiting Fellow Program paper [“Trade and Transport Connectivity in the Central Asia Regional Economic Cooperation Region,”](#) authored by Amjad Masood, examines regional trade to explore the potential for enhanced CAREC regional integration through bilateral trade.

The study formulates the Segmental Transport Comparative Efficiency (STCE) framework, a novel approach to analyze the comparative efficiency of bilateral transport connectivity within the region. The findings indicate significant variation in the comparative efficiency of transport connectivity among different country pairs in the region. Some countries face extended delays at border crossing points or slower speeds owing to inferior infrastructure quality, resulting in longer transit times. For example, Pakistan and Afghanistan display relatively poor connectivity with other regional countries, primarily attributed to longer border clearance procedures. Conversely, China stands out for its more efficient connectivity, largely owing to its infrastructure facilitating higher average travel

speeds. These disparities in the comparative efficiency of bilateral transport connectivity among regional countries have implications for the trade of various products. Notably, the competitive efficiency of the trade in fruit and vegetables ranks the lowest. In this way, the STCE framework serves as a valuable tool for pinpointing areas requiring policy support to enhance trade flow within the CAREC region.

Furthermore, the study discusses how transport costs impact specific products within regional trade. In this context, the study examined HS four-digit products within the textile sector. These products were categorized into raw cotton, yarn, and fabrics based on their level of value addition. The calculations highlight a significant disparity in the relative transportation cost as a proportion of commercial value. Specifically, transportation costs are three times higher for yarn and five times higher for raw cotton when compared to fabrics.



Visiting Fellow Paper: Analysis of CAREC Transport Corridors – Efficiency and Impact of the Participation of CAREC and Eurasian Countries Along the Routes in Regional Value Chains

CAREC Institute Visiting Fellow Program paper [“Analysis of CAREC Transport Corridors: Efficiency and Impact of the Participation of CAREC and Eurasian Countries Along the Routes in Regional Value Chains,”](#) authored by Falendra Kumar, analyzes the comparative efficiency of the CAREC transport corridors and their impact on the participation of the CAREC and Eurasian countries along routes in regional value chains (RVCs), and further explores the barriers and challenges to participation in RVCs in the CAREC region.

The study reveals that only CAREC Corridor 4 demonstrated efficiency over 2010 to 2020, while CAREC Corridors 1 and 5 exhibited consistent performance during 2010 to 2015. However, CAREC Corridors 3 and 6 were less efficient than the most efficient CAREC Corridor 4. Despite this, CAREC Corridors 3 and 6 displayed an increasing return to scale over 2010 to 2020, indicating that a proportionate rise in all inputs led to a greater proportionate increase in output. All the corridors

can reorient their transit infrastructure through vigorous reforms and can learn significantly from the existing transit facilitation being carried out in CAREC Corridor 4.

Empirical results underline the constructive impact of CAREC corridors on the participation in RVCs of countries along designated routes and underscore the multifaceted interplay of factors shaping the participation of CAREC corridor countries in RVCs. The CAREC transport corridor organizations must downsize operational costs to enhance the value of facilities provided by the corridors and realize the necessary valuable progress of functioning corridor efficiency by lowering transport costs and travel time. With lower trade transit costs, the CAREC transport corridors can be transformed into economic corridors to tap the novel trade opportunities that have emerged in the Eurasian countries. This requires CAREC economies to renovate manufacturing methods and acquire suitable export and investment opportunities.

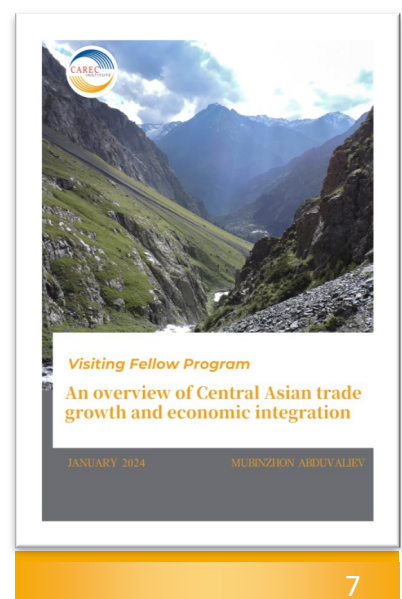
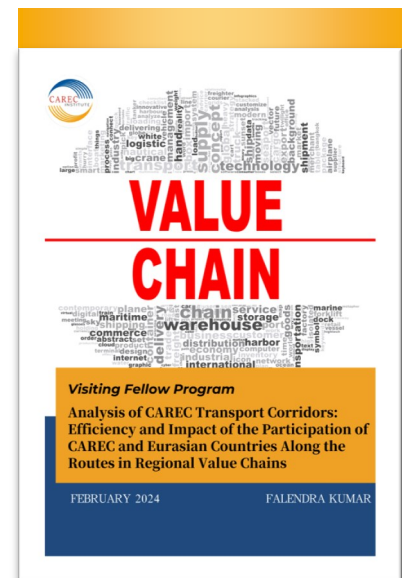
Visiting Fellow Paper: An Overview of Central Asian Trade Growth and Economic Integration

CAREC Institute Visiting Fellow Program paper [“An Overview of Central Asian Trade Growth and Economic Integration,”](#) authored by Mubinzhon Abduvaliev, studies the relationship between the trade growth in the Central Asian republics and the performance of their major external partners.

After the disintegration of the Soviet Union, many Central Asian republics have adopted multivector foreign economic policies to enhance stability and develop their economies through international cooperation. In consequence, multidimensional foreign economic policies became a distinctive characteristic of all Central Asian republics. Although the republics share many similarities in economies, politics, history, culture, and other aspects, they have chosen to strengthen their inter-regional cooperation rather than their intraregional integration. To assess the prospects of inter- and intra-Central Asia trade relations, the study using

panel data examines the extent to which trade growth in the Central Asian republics is related to the performance of their major external partners, including China, the EU and Russia, over the period 2005-2022.

The coefficient of GDP for Central Asian republics takes a significant positive elasticity value of about 0.005 percent to 0.05 percent, indicating that if GDP rises by 1 percent, the amount of exports will go from 0.005 percent to 0.05 percent, respectively. The GDP of China, Russia, and the EU also takes a significant positive elasticity value of about 0.007 percent to 0.09 percent; this suggests that exports will increase by 0.007 percent to 0.09 percent if their economic size increases by 1 percent.



Visiting Fellow Paper: Role of Patents in Promoting E-commerce Technology Transfer in CAREC FTAs

CAREC Institute Visiting Fellow Program paper [“Role of Patents in Promoting E-commerce Technology Transfer in CAREC FTAs,”](#) authored by Qian Yin, explores the substantive rules of patent protection in the Agreement on Trade-Related Aspects of Intellectual Property Rights and free trade agreements (FTAs) to promote e-commerce technology transfer in the CAREC region.

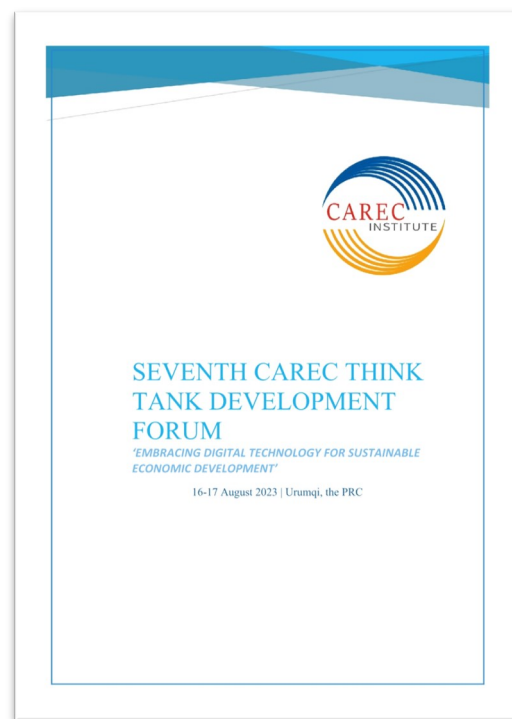
unleashing the potential of patents to advance the transfer of e-commerce technology, the paper proposes a pan-CAREC FTA framework to integrate intra- and extra-bloc cooperation, with reference to ASEAN practice, incorporating rules of patentability and disclosure requirements regarding e-commerce technology.

The CAREC Digital Strategy 2030 recognizes regional digital cooperation in policy design, capacity building, and digital technologies to accelerate digital transformation. At the same time, FTAs featuring e-commerce or digital trade-related provisions are rising to advance the development of norms and rules for regional digital cooperation. The patents act as both direct and indirect sources of technology transfer in light of the patentability and disclosure requirements. By exploring the status quo and the way out for CAREC FTAs in

Seventh CAREC Think Tank Development Forum Report

The CAREC Institute has published the report, which summarizes proceedings of the Seventh CAREC Think Tank Development Forum (CTTDF), titled [“Embracing Digital Technology for Sustainable Economic Development,”](#) held on 16-17 August 2023 in Urumqi, the PRC. The forum discussed, among other topics, (i) the findings of CTTN Research Grants Program studies; (ii) the role of digital technology in spurring economic development; (iii) digital strategies, governance, and infrastructure; (iv) the digital divide and policies for boosting digital skills and competencies; and (v) e-commerce, governance, financial inclusion, and fintech.

CTTDF is organized annually under the auspices of the CAREC Think Tank Network as a regional platform for policy discourse on the region’s key challenges. CTTDF attracts leading practitioners from think tanks, multilateral development partners, governments, and the private sector to brainstorm regional challenges and offer diverse perspectives and intelligent solutions to address regional challenges through dialogue, experience sharing, and knowledge collaboration.





CALL FOR PAPER

From Ideas to Impact: Accelerating Climate Solutions through Innovative Development

CTTN RESEARCH GRANTS PROGRAM (RGP)

CAREC Institute Announces the 2024 CTTN Research Grant Program to Accelerate Climate Solutions

The CAREC Institute announces the new call for grant applications under its 2024 Research Grants Program. The Program aims to accelerate climate solutions through innovative development by supporting policy research on regional topics and fostering collaboration among the CAREC Think Tank Network (CTTN) members.

Established in 2017, the CTTN is a regional network of leading think tanks in the CAREC member countries, working together to promote regional cooperation and integration by exchanging ideas, best policy practices and knowledge.

CTTN member think tanks within the CAREC region are invited to submit their grant applications with institutional zero draft papers (not exceeding 5,000 words, excluding references). The selected applicants will be awarded an institutional grant of up to US\$5,000 to expand the manuscripts into policy research papers. The research grant is for nearly seven months from the date of grant approval.

Research proposals are expected to focus on a range of topics, including global governance of climate policy, climate obstruction policies, financial architecture for climate financing, and the potential of new technologies in carbon capture and storage, and others. For the full list of topics please look at [the TOR "Call for Papers"](#). The research emphasis should be placed on practical policy recommendations that address country-specific issues and challenges and promote regional integration in the CAREC region. Further, proposals comparing (sub) regions, deriving lessons, and sharing best practices and success stories from Asia are especially welcome.

Applications for research grants should be emailed to Ms. Jesscy Hu, Coordination Specialist, at jesscyh@carecinstitute.org, with the subject "CTTN Research Grants Program".

The deadline for submission of zero draft papers is 15 March 2024, and the decision will be announced by 19 April 2024.

For more details and the application form, please, look at the [TOR "Call for Papers"](#).

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.