

ALMATY–BISHKEK ECONOMIC CORRIDOR STRATEGIC PLANNING MEETING

1–2 March 2017

Intercontinental Hotel
Kuala Lumpur, Malaysia

PROGRAMME AND AGENDA

I. Introduction

The Corridor. The two countries, Kazakhstan and the Kyrgyz Republic, envision the Corridor as an integrated economic space between the two cities of Almaty and Bishkek, and the region surrounding and connecting them, tightly bound by trade flows, free movement of labour and capital, and modernized infrastructure with the purpose of exporting goods and services to the world. Corridor investments will be largely driven by the private sector, especially in services and the production sectors, attracted by the integrated region and high quality of the cities to locate in the corridor. These investments will take place only with the assistance of a supporting public policy and regulatory environment. Large infrastructure investments are likely to be public sector or under public-private partnerships.

The Corridor is an important pilot for regional cooperation and economic corridors under the Central Asia Region Economic Cooperation (CAREC) program. It is also envisioned as a flagship of regional integration within the Eurasian Economic Union. The potential of an integrated economic space represented by the Corridor is explicitly recognized in the EEU treaty. The Corridor idea is also consistent with other initiatives such as One Road One Belt and the Silk Road Tourism Corridors of the UN World Tourism Organization.

The situation today. The two governments and the two city administrations, with support from the Asian Development Bank (ADB), initiated implementation of the Almaty–Bishkek Corridor Initiative (ABCI) with the signing of an MoU between the Mayors of Almaty and Bishkek at the 13th Ministerial Conference of CAREC in November 2014.¹ Subsequently a Joint Working Group (JWG) comprising representatives from both national and city governments met four times to review and finalize the strategy underlying the Corridor as well as analytical studies in agriculture and agribusiness, tertiary education, tertiary health, disaster risk management, tourism, ICT integration, spatial planning, and transport.

The JWG finalized the ABCI *Investment Framework*,² a document which provided the conceptual development plan for the Almaty Bishkek Economic Corridor, outlining the scope of policy, institutional, infrastructure and capacity development initiatives that would be needed in

¹ This followed ADB (2014), “Operationalizing Economic Corridors in Central Asia: A Case Study of the Almaty-Bishkek Corridor”, available at <https://www.adb.org/publications/operationalizing-economic-corridors-central-asia-case-study-almaty-bishkek-corridor>

² <http://www.carecprogram.org/uploads/docs/CAREC-Publications/2016-ABCI-Investment-Framework.pdf>.

the prioritized sectors. In September 2016, the high-level Steering Committee for ABCI endorsed the *Investment framework*, which was subsequently presented to the 15th Ministerial Conference of CAREC in October 2016.

Making the Corridor come alive. The Steering Committee requested, as the next step, that a detailed *Implementation Plan* (IP) be formulated with a view to:

- ***Purpose 1:*** further develop the design and scope of policy initiatives and reforms necessary to generate the private investment response;
- ***Purpose 2:*** formulate the appropriate sequencing of supporting public investments, policy reforms and other initiatives across different sectors and within sectors;
- ***Purpose 3:*** identify coordination needs for overcoming regulatory obstacles to integration and investments;
- ***Purpose 4:*** strengthen harmonization of ABEC development with national plans and policy initiatives already envisaged under Eurasian Economic Union institutions;
- ***Purpose 5:*** develop detailed blueprint for the longer-term institutional arrangements for governance and management of ABEC development program;
- ***Purpose 6:*** identify and develop financing sources, both public and private, for ABEC development; and consider the role of development partners; and
- ***Purpose 7:*** advance the concept and design of the priority set of initial investment projects, the implementation of which may be started even as the detailed IP is being formulated;

The Steering Committee agreed that the *ABEC Implementation Plan* should be completed by late 2017.

Managing the Corridor. The IF also proposed a two-tier institutional structure to guide, manage and implement the development of the ABEC.

At the highest level, it proposed a *Supreme Corridor Authority* to provide overall guidance, approve multi-year work programs and budgets, inter-government coordination and fast tracking of projects.

At an operational level, the IF proposed a *Corridor Development Authority* comprising vice ministers and deputy Akims of oblasts and the two cities comprising the ABEC region.

Based on subsequent discussions between the two countries and also with the ADB, both countries are establishing institutional structures for ABEC building on existing processes for bilateral cooperation and coordination supplemented by other arrangements as needed. The existing proposal is for the countries to use the Intergovernmental Council at the level of Prime Ministers as the apex political process, combined with the establishment of national sub-committees for ABEC in each country to support the apex coordination.

These arrangements would be reviewed in the light of experience and would be strengthened as the work requirements rise in the course of implementing development of the ABEC.

II. Objectives of the Strategic Planning Meeting (SPM)

Two fundamental objectives underlie the SPM: (i) to provide strategic direction to the work of the Corridor; and (ii) to develop priority areas and a set of plans for project work to be undertaken over 2017–18. In fulfilling these objectives, the SPM will ensure the optimum deployment of teams from Kazakhstan and the Kyrgyz republic, supported by the ADB and other development partners.

Strategic direction

- i. Formulate the content of the *Implementation Plan*; and agree on work plan and responsibilities across the teams from the two countries and cities, supported by the ADB, for developing the *Implementation Plan*;³ and
- ii. Conceptualize the preliminary design for the institutional arrangements for managing and implementing ABEC development in 2017 and beyond.⁴

Priority areas and projects

- iii. Agree on work plan and assign responsibilities for designing investment projects as well as supporting policy and regulatory reforms in areas already prioritized by both countries, namely, agribusiness and tourism;⁵ and
- iv. Identify further priority areas for policy reforms and investment projects, based on the analysis in the *Investment Framework*, such as transport, tertiary education, tertiary health, and integration of markets for goods, skilled labor and investments. The use of modern technology solutions will be a vital cross-cutting theme in all these areas.⁶

³ Corresponds to Purposes 1 to 4 of the guidance of the Steering Committee.

⁴ Corresponds to Purposes 5 and 6 of the guidance of the Steering Committee.

⁵ Corresponds to Purpose 7 of the guidance of the Steering Committee.

⁶ Corresponds to Purposes 1 and 7 of the guidance of the Steering Committee.

III. Agenda for the Meeting

Box: Preparing for the Meeting

It is strongly suggested that delegates from each country come thoroughly prepared for addressing objectives of both strategic directions and priority areas and projects as outlined above. It is expected that the lead in the dialogue will be taken by country representatives, using the IF and this document for background purposes.

The dialogue will include presenting ideas and proposals on the *Implementation Plan*, organizational and financial aspects as well as on preparing initiatives and projects that go much beyond just a project title. It is expected that an inter-active detailed discussion will take place by both sides to ascertain the continued relevance and place in the development of the ABEC. Delegates from relevant agencies will also need to discuss proposals from the other side in adequate detail to reach decision about whether or not to proceed and in what form.

To help the discussion under each agenda item, background information is provided under different Annexes to this document that also outline key issues for discussion.

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Strategic Planning Meeting

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AGENDA

Wednesday, 1 March 2017 – Day One	
08:30–09:00	Registration
09:00–12:30	Session I: Implementation Plan
09:00–09:20	Welcome Address Safdar Parvez, Director Regional Cooperation and Operations Coordination Division (CWRC) Opening Remarks Almas Baitenov, Deputy Director, Budget Investment and PPP Development Department, Ministry of National Economy Ernis Zarlykov, First Vice Mayor of Bishkek
09:20–09:30	Introduction to the Agenda Pradeep Srivastava, Principal Economist, CWRC
09:30–10:30	The Implementation Plan: Purpose, Content, Priorities, Work Plan, and Responsibilities (Annex I) Chair: Safdar Parvez, Director, CWRC Facilitator: Pradeep Srivastava, Principal Economist, CWRC
10:30–10:50	<i>Coffee Break – Photo Session</i>
10:50–11:50	Institutional Aspects for the Management of the Corridor: General Aspects and Staffing (Annex II) Chair: Ernis Zarlykov, First Vice Mayor of Bishkek Facilitator: Saumya Mitra, Consultant, ADB
11:50–12:30	Discussion
12:30–14:00	<i>Lunch (Serena Brasserie, Ground Floor, InterContinental)</i>

14:00–15:15	Institutional Aspects <i>for the Management of the Corridor: Financial Aspects and Development Partners (Annex III)</i> Chair: Almas Baitenov, Deputy Director, Budget Investment and PPP Development Department, Ministry of National Economy Facilitator: Saumya Mitra, Consultant, ADB
15:15–15:45	<i>Coffee Break</i>
15:45-17:15	Session II: Tourism
15:45–16:45	Project Concepts, Work Plan and Responsibilities Presentations by Country Delegations Chair: Ernis Zarlykov, First Vice Mayor of Bishkek
16:45–17:15	Discussion
18:30–20:30	<i>ADB-hosted dinner (Serena Brasserie, Ground Floor, InterContinental)</i>

Thursday, 2 March 2017 – Day Two

08:30–09:00	Registration
09:00-10:45	Session III: Agriculture and Agribusiness
09:00–10:15	Value Chains, Branding, and the ABEC Chair: Akmal Siddiq, Director, Environment, Natural Resources & Agriculture Division (CWER) Presentations: Aigul Zhanserikova, Resource Speaker (Agricultural Policy Specialist) Marat Beksultanov, Resource Speaker (Institutional Development Specialist) Aman Khanna, Resource Speaker (Institutional Development Specialist)
10:15–10:45	Discussion
10:45-11:00	<i>Coffee Break</i>
11:00–12:30	Session III (cont'd.): Agriculture and Agribusiness
11:00–12:00	Project Concepts, Work Plan and Responsibilities Presentations by Country Delegations, ADB for ABEC early implementation Chair: Akmal Siddiq, Director, Environment, Natural Resources & Agriculture Division (CWER)
12:00–12:30	Discussion
12:30-14:00	<i>Lunch (Serena Brasserie, Ground Floor, InterContinental)</i>

14:00–15:00	Session IV: ICT Cutting Across ABEC
14:00–15:00	<p>Project Concepts, Work Plan and Responsibilities Presentations by Country Delegations and ADB Chair: Pradeep Srivastava, Principal Economist, CWRC</p>
15:00–15:15	<i>Coffee Break</i>
15:15–16:15	Session V: Other ABEC Sectors
15:15–16:15	<p>Other Sectors and Programs (Education, Health, Transport, Disaster Risk, Urban Management) Chair: Almas Baitenov, Deputy Director, Budget Investment and PPP Development Department, Ministry of National Economy Discussion</p>
16:15–17:30	Session VI: Closing
16:15–17:15	<p>Agreed Conclusion on the Work Plan (Annex IV) Chair: Akmal Siddiq, Director, Environment, Natural Resources & Agriculture Division (CWER)</p>
17:15–17:30	Closing Remarks
18:30–20:30	<i>ADB-hosted dinner (Hakka Restaurant)</i>