



Central Asia Regional Economic Cooperation Program

Recommendations of the CAREC Senior Officials' Meeting on the CAREC Institute

September 2012

INTRODUCTION

1. The CAREC Senior Officials' Meeting (SOM) held in Hohhot, PRC on 6–7 June 2012 endorsed the CAREC Institute (CI) Strategic Knowledge Framework and requested the CAREC Secretariat to conduct a CI Assessment Report and prepare a CI Work Plan (2013–2017). Subregional consultations on the draft CI Assessment Report and the CI Work Plan were held on 23–24 August and 28–29 August 2012 in Beijing and Almaty, respectively, and a subsequent Consultation Meeting with the CAREC National Focal Points (NFPs) was held on 28 September 2012 in Bangkok. Based on these consultations, the CAREC countries reached broad agreement on the following:

I. CI Strategic Knowledge Framework

2. As discussed at the Meeting in Hohhot, the SOM endorsed CI's Strategic Knowledge Framework consisting of three pillars, namely: knowledge generation (research), knowledge services (capacity building), and knowledge management (information dissemination and exchange) (Annex 1).

II. CI Work Plan (2013–2017)

3. The SOM agreed to endorse the CI Work Plan for 2013–2017 (Annex 2). The SOM noted that for 2015–2017, only indicative subject areas have been identified based on sector strategies in the four priority areas and that these would need to be validated by the sector coordinating committees in due course.

III. Moving the Physical Base of CI to the Region

4. The SOM agreed to recommend that the physical base of CI be moved from its present temporary location at the Asian Development Bank (ADB) to a physical location in the region.

5. The physical base of CI would serve as the center of its operations. Other relevant institutions in the region could be part of the CI network. This arrangement would help make CI function truly as a regional body while at the same time allowing the benefits of specialization to enhance the quality of CI's services and outputs.

6. The SOM agreed that the host country should satisfy the following requirements: (i) accessibility, (ii) availability of physical and information technology infrastructure, and (iii) availability of an accommodating legal framework (Annex 3). In establishing CI's physical base in the region, the SOM agreed that the CAREC countries will abide by the following guiding principles: (i) ownership and regionality; and (ii) fairness and balance (Annex 4).

IV. Governance and Management Structure, Operations, and Financing of the CI

7. The SOM agreed on the general features of the new CI governance structure, which considers the principles of equal representation, decision making by consensus, and fairness in the designation of its management and staff (Annex 5). The SOM recognized that the operating modality of CI would evolve over time. The SOM broadly agreed that CI operations would be

flexible and responsive, and should benefit from partnerships with specialized institutions in the CAREC region, CAREC multilateral institution (MI) partners, and other knowledge institutions.

8. The SOM agreed that the cost and financing plan for CI would need further consideration. In formulating the financing plan, the SOM agreed that the financial capacity of each individual country would be taken into account in determining their contribution to CI. The amount of a country's contribution however, would not in any way affect the principle of equality in CI's governing body. ADB and other CAREC MI partners will help fund CI.

9. The SOM agreed to a time-bound plan of action to address various aspects in the establishment and operationalization of the CI by [2014] (Annex 6).

V. Location of the CI Physical Base

10. The SOM took note of the offer of the People's Republic of China, Kazakhstan, and [...] to host the physical base of CI. The SOM agreed to recommend [...]

11. The SOM agreed that the physical base of CI be moved to [...] no later than [2014].

Recommendation

12. The CAREC Ministers are respectfully requested to consider the following recommendations of the SOM:

- Adoption of the CI Strategic Knowledge Framework (Annex 1);
- Approval of the CI Work Plan 2013–2017 (Annex 2);
- Transfer of the physical base of CI currently located at the ADB, to the CAREC region [not later than 2014];
- Adoption of the requirements to be satisfied by the country to host the CI's physical base, the general principles for CI operations, and the general features of the CI governance structure (Annexes 3, 4, and 5);
- Approval of the plan of action (PoA) for the establishment and operationalization of the CI (Annex 6); and
- [Host country of the physical base of CI to be ...].

CAREC Institute 2012–2017: A Strategic Knowledge Framework

1. CAREC 2020 reaffirms Good Partners, Good Neighbors, and Good Prospects as the overarching goal of economic cooperation in the region. CAREC Institute (CI) is to support the achievement of this goal. This requires that CI be at the intellectual forefront of regional economic cooperation pertinent to CAREC and focus on three sets of issues: regional issues, multi-sectoral issues, and common sector issues. To build CI towards such an institution, it is imperative to adopt a strategic knowledge framework.

2. **The strategic knowledge framework** has three components: knowledge generation, knowledge services and knowledge management.

- *Knowledge generation* will encompass research and studies on key issues regarding economic cooperation which are of regional, multi-sectoral significance and sectoral significance common to more than one country. These activities are conducted either directly under CI or through partner institutions or individuals.
- *Knowledge services* will involve knowledge sharing through capacity building interventions such as learning programs and related activities (seminars and workshops).
- *Knowledge management* will include organizing and processing existing knowledge/information and transforming it into knowledge products for wide dissemination using appropriate means, including portals and CAREC website.

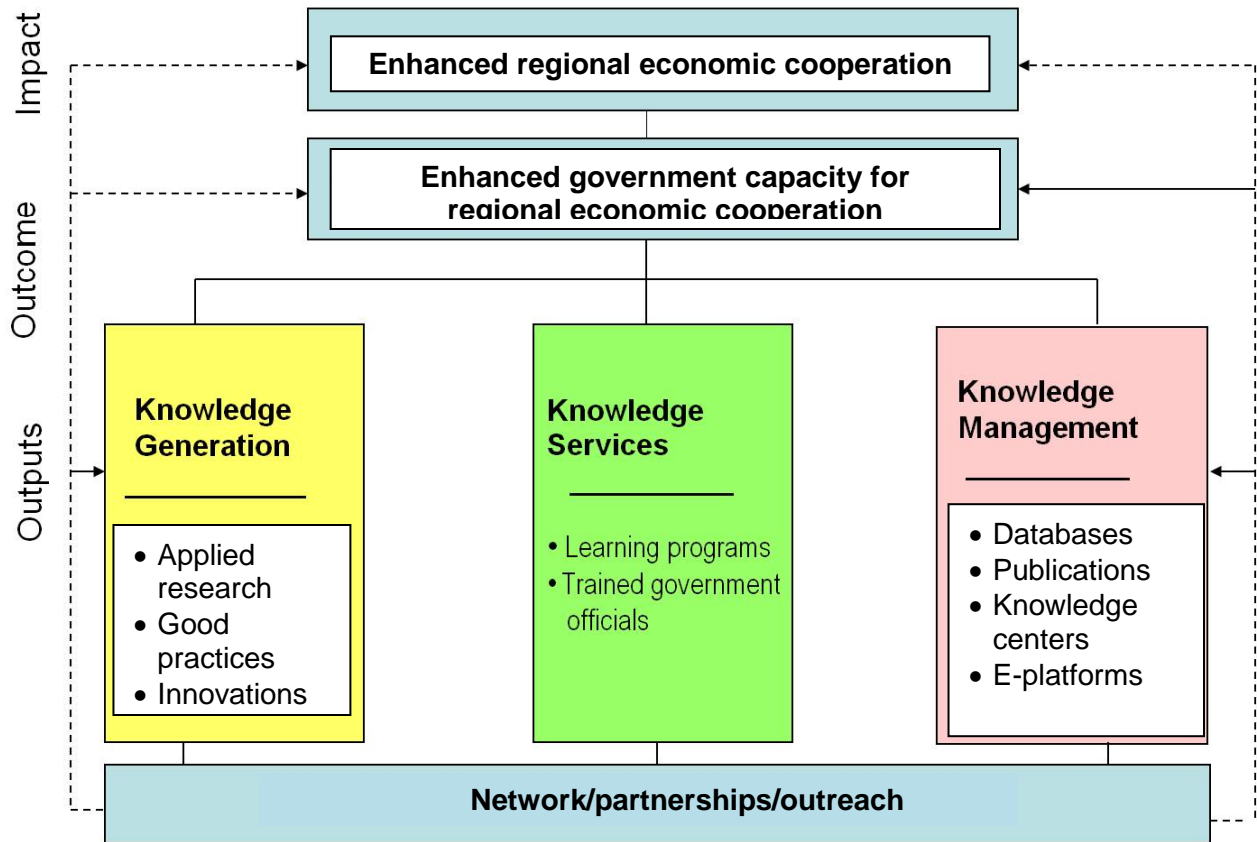
3. **An integrated approach** is essential to implementation under the strategic knowledge framework. This approach requires better strategic planning, with key emphasis on the complementarity and synergy among the three knowledge components. For example, if the economic impact of Common Economic Space were to become a research topic, then how this knowledge product would benefit CAREC countries and the general public should be integrated into the planning. That is, in what form and format should this knowledge product benefit the capacity, knowledge and relevant decision-making of CAREC countries, and how this would interact with the general public, should be considered and planned from the very outset.

4. **Results-based.** CI should be results oriented, as called for by CAREC 2020. This would require a proper results-framework for CI. Given the specificities of knowledge in terms of monitoring and measurement, there is considerable work to be done in setting up the results framework, including deciding on appropriate indicators, establishing baseline data, and proper monitoring and reporting mechanisms.

5. **Partnership and networking.** Closer partnerships are essential to achieving CAREC's overarching goal. CI is no exception. Two sets of key stakeholders of partnerships are i) MI partners within CAREC; and ii) players outside CAREC. Collectively, MI partners within CAREC possess considerable intellectual and other resources. CI should play an effective coordinating role in garnering these resources for better results on all three knowledge components than achieved so far. Players outside CAREC include, first and foremost, relevant institutions in CAREC countries, other multilateral and bilateral agencies, and individuals. Together, they represent extensive networks which have huge potentials for knowledge generation, services and management. Partnerships and networking should be flexible and selective, with future results firmly in mind.

6. Figure 1 illustrates schematically CI's strategic knowledge framework within CAREC.

Figure 1



**CAREC Institute
Work Plan 2013–2017**

1. Following the SOM's (6–7 June 2012, Hohhot, People's Republic of China) broad agreement on the Strategic Knowledge Framework (SKF) and indicative work areas of the CAREC Institute (CI), the CAREC Secretariat initiated the process of preparing the Work Plan covering the period 2013–2017.

2. The Work Plan preparation involved a review of the Sector Coordinating Committees work plans, as well as soliciting the inputs of the CAREC countries especially with regard to their training needs. The process of Work Plan preparation entailed:

- Identifying subject areas in the Work Plans of the Sector Coordinating Committees as basis for the CI to initiate activities under its three SKF pillars, namely: (i) knowledge generation; (ii) knowledge services (training); and (iii) knowledge management;
- Identifying which among the suggested areas by the CAREC member countries are already covered by the sector Work Plans; and
- Prioritizing the activities for implementation in 2013–2014.

3. Table 1 presents the activities and subject areas for inclusion in the CI Work Plan 2013–2014.

Table 1: Activities and Subject Areas for Inclusion in the CI Work Plan 2013–2014

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
TRANSPORT				
KG-T-01	Study of multimodal transport systems in selected routes.		2013	
KS-T-01	Road Safety Training. Implementation of road safety measures; non-engineering aspects of road safety; road safety management needs.	– Placement and assembly of road signs – Qualification of specialists in road safety – Traffic control in the CU	2013	– All countries; – 3 participants per county
KS-T-02	Performance-Based Maintenance Contracting. Road maintenance planning; concept and systems for PBMC.	– Qualification of specialists in road repair.	2013 (June)	– All countries; – 3 participants per county
KS-T-03	Road efficiency. Factors that reduce benefits from road transport investments; use of technology to reduce these barriers;	– Increasing highway efficiency through modern technology	2013	– All countries; – 3 participants per county

¹ KG=knowledge generation; KS=knowledge services; KM=knowledge management.

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
	levels of service and traffic management; technical measures and operating measures to reduce environmental impact			
KS-T-04	PPPs in Transport Infrastructure. Policy conditions; PPPs as instrument of investment policy; formulation, evaluation, and implementation of PPP projects.	(Identified by some countries)	2014	– All countries; – 3 participants per county
KS-T-05	Transport Planning. Preparing, assessing and implementing transport policies, plans and projects at national and regional level; to include economic evaluation of regional transport projects.	(Identified by some countries)	2014	– All countries; – 3 participants per county
KS-T-06	Environmental and Social Safeguards in Road Projects. Social issues in transport projects (poverty, safety, access, responsiveness); safeguards against displacement and loss of economic options); environment issues in transport projects (natural habitats, physical culture, indigenous peoples, climate change), etc.		2014	– All countries; – 3 participants per county
KM-T-01	Road Safety Data Collection and Analysis Systems. Data base development Number of accidents; number of fatalities and injuries; road user deaths, etc.		2013	

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
TRANSPORT AND TRADE FACILITATION				
KG-TF-01	Mid-Term Review of the Transport and Trade Facilitation Action Plan.		2013	
KG-TF-02	<p>Expert evaluation on corridor development passing through CAREC, application of best international practice on further promotion of competitiveness of Central Asian routes.</p> <p>Review and assessment of cargo flows; main obstacles to the growth of transit flows and measures to address them, main directions of transit cargoes, competitiveness of technical equipment and maintenance indicators, relevant market segments and role of rail companies, compliance with national legislation; recommendations on national staging of improvements in technical and operational parameters; and development of proposal to increase transit flows to CAR territory.</p>		2013	
KG-TF-02	<p>Border control systems in CAREC's Neighboring Countries.</p> <p>The study will look among others at the border control systems between Georgia and Turkey and other systems in neighboring countries.</p>		2014	

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
KS-TF-01	<p>CAREC Corridor Performance Measurement and Monitoring. Training on data analysis and reporting; cost-time analysis; evaluation of competing modes; assessment of alternate routes</p>	<ul style="list-style-type: none"> – Identification of inefficiencies to isolate bottlenecks in the CAREC corridors 	2013	<ul style="list-style-type: none"> – All countries – 5-10 participants per country
KS-TF-02	<p>Modernization of Customs Management, Customs Inspection and Management Simplified and harmonized customs procedures; modern customs control, risk management processes, tools and skills.</p>	<ul style="list-style-type: none"> – Customs control of cargo and transport vehicles in sea ports and free zones – Goods under the customs transit procedure – Taking adequate measures to decrease smuggling and other customs violations – electronic declaration and IT applications in customs 	2013	<ul style="list-style-type: none"> – All countries – 5-10 participants per country
KS-TF-03	<p>Post-Customs Control. Systems audit techniques for importers/expoters</p>	<ul style="list-style-type: none"> – Customs clearance of cargo under multimodal transport systems 	2013	<ul style="list-style-type: none"> – All countries – 5-10 participants per country
KS-TF-04	<p>Trade Logistics and Procedures for Logistics Practitioners. Efficiency and quality of logistics services; customs procedures from a freight forwarder's perspective.</p>	<ul style="list-style-type: none"> – Training for road carriers, freight forwarders, and logistics services providers – Customs procedure from a logistics provider/ freight forwarder's perspective 	2013	<ul style="list-style-type: none"> – All countries – 5-10 participants per country
KS-TF-05	<p>FIATA Standards and International Best Practices. International best practices in freight forwarding.</p>	<ul style="list-style-type: none"> – Adoption and standardization based on international best practices in freight forwarding and logistics services 	2014	<ul style="list-style-type: none"> – All countries – 5-10 participants per country
KS-TF-06	<p>Single Window Strategic Development and Implementation. Policy and program formulation; private sector involvement in single window; development of appropriate country approaches.</p>	<ul style="list-style-type: none"> – Policies on paperless trade and single window environment – Familiarization for private sector involved in single window – Country-appropriate high-level approach to developing single window solutions 	2014	<ul style="list-style-type: none"> – All countries – 5-10 participants per country

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
KS-TF-07	Trade Awareness for Border Control Staff. Awareness of trade practices and priorities to promote cooperation within the confines of legislation and practice.	– Trade practices and priorities for border control staff	2014	– All countries – 5-10 participants per country
KM-TF-01	CAREC Corridor Performance Measurement and Monitoring Conference. An event to promote greater awareness of the CPMM to various sectors (policy-makers; freight forwarders, customs organizations, and business organizations); discuss means to improve and maintain the quality of the CPMM.		2013	
ENERGY				
KG-E-01	Central Asia-South Asia Energy Corridor. Study of interconnection options; cost-effective solutions for efficient energy resource utilization; elimination of summer/winter deficit; meeting of energy demand.		2013	
KG-E-02	Design of regulatory frameworks for energy trade in the CAREC region. An assessment of existing policies and institutions for promoting energy trade in the CAREC region and implications and issues for the design of a regional framework.		2014	
KS-E-01	Renewable Energy. Alternative energy sources; balancing CAREC's energy portfolio; RE potentials in CAREC; successful RE projects.	(Identified by some countries)	2013	– All countries; – 3 participants per county

Knowledge Pillars¹/ Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
KS-E-02	Cross-border Metering and Control. Regional energy dispatch issues; technical and financial principles; legal and institutional implications.	– Domestic transmission structures	2013	– All countries; – 3 participants per county
KS-E-03	Regional power trade models and case studies. Power trade models; lessons for CAREC	– Regional energy management	2013	– All countries; – 3 participants per county
KS-E-04	Commercial operations of regional energy grids. Negotiations, contracting, dispatch and systems control, tariff setting, utility accounting and audit, operational efficiency, regulatory framework.		2014	– All countries; – 3 participants per county
KS-E-05	System Planning and Optimization Software. Software application for informed decisions on technical and commercial viability, as well as prioritization.	– Forecast methods and demand modeling – Software for estimating investments in power generation – Electricity demand supply balance – Automated dispatch controls – Development of energy effective technologies	2014	– All countries; – 3 participants per county
KS-E-06	Regional Transmission Organizations. Institutional implications of energy trade; institutional models in other regions; competencies needed for these organizations.	– Corporate governance practices in energy systems – Regulation of tariffs – Regional supervisory control and development of regulations	2014	– All countries; – 3 participants per county
KM-E-01	Database on Energy Expertise and Knowledge Products in the CAREC Region Data and information on expertise (experts) as well as knowledge products (studies, master plans, models	– Some countries identified the need for this information.	2013-2014	

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
	(e.g. forecasting, optimization), and software).			
TRADE POLICY				
KG-TP-01	Tariff policy and tariff setting. Tariffs as instruments of trade policy, types of tariffs, trade promotion and protection, tariff setting, etc.		2013	–
KS-TP-01	Management of institutional trade reforms. Defining policy objectives; evaluating trade offs; winners and losers from trade policy adjustments; timing and sequencing of economic policy and trade policy; legal framework for WTO accession		2013	– All countries – 3 participants per county
KS-TP-02	Integrated Framework. Mainstreaming trade into development strategies; selected issues on trade and development (poverty, labor, environment)		2013	– All countries – 3 participants per county
KS-TP-03	Bilateral, regional and multilateral frameworks for trade. Principles of economic integration: unilateralism, regionalism and multilateralism; different forms of economic integration.		2014	– All countries – 3 participants per county
KS-TP-04	Trade negotiations. Elements, identification of negotiating goals and objectives, preparing for negotiations, skills required, drafting agreements, dispute resolution mechanisms.	Identified by some countries.	2014	– All countries – 3 participants per county
KM-TP-01	IMF Methodology for Institutional Quality Index.		2014	

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
	An event to promote awareness and understanding of the index, its methodology, and interpretation.			
REGIONAL/MULTISECTORAL				
KG-RM-01	Profiling of CAREC Economic Corridors. Role of corridors in the movement of intra-CAREC and international trade; gaps in transport infrastructure; bottlenecks in the cross-border movement of goods; profile of existing transport support services (logistics); scale of international trade to determine the demand for transport services; existing and potential value-chains in the corridor		2013	-All countries
KG-RM-02	Role of regional cooperation in the economic diversification strategies of CAREC Countries.		2013-2014	AZE, TURK, UZB, KAZ
KG-RM-03	Master plans for identified economic corridors. Follow on to profiling of economic corridors (KG-RM-01)		2014	
Cross-Border Transport Agreement (CBTA)				
KS-CBTA-01	Seminar on Transport Facilitation Arrangements in the CAREC Region.		2013	– All countries; – 2 officials each
KS-CBTA-02	CBTA Awareness, Strategic Planning, and Policy Development Training for Senior Officials involved in the CBTA. (For Members of the National Transport and Trade Facilitation		2013	– AFG, KGZ, TAJ – 2-3 days per country

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
	Committees)			
KS-CBTA-03	National CBTA Workshops for Senior Government Officials. (For concerned ministries and central agencies)		2013	– AFG, KGZ, TAJ – 1 day per country
KS-CBTA-04	Management Training Program for Senior and Middle Managers at Headquarters and Operational Managers in Field Operations (For border guards, customs, quarantine, and transport agencies)		2014	– AFG, KGZ, TAJ – 2-3 days per country
KS-CBTA-05	Training in the Operation of the CBTA for BCP Management and Staff, and Regional Officials of Concerned Ministries. (For border guards, customs, quarantine, and transport agencies)		2014	– AFG, KGZ, TAJ – 4-5 days per country
KS-CBTA-06	Development and Training of Training Officers in the Primary Border Management Agencies. (Training of trainers)		2014	– AFG, KGZ, TAJ – 4-5 days per country
SECOND TIER AREAS				
KG-ST-01	Opportunities for cooperation in the second tier areas in the CAREC region. Study to include among others, areas such as communicable disease control, agriculture, disaster risk management, and climate-change adaptation and mitigation where they have a significant bearing to activities in the core areas.		2013	

Knowledge Pillars ¹ / Codes	Activities and/or Subject Areas Based on Sector Work Plans (1)	Subject Areas Proposed by CAREC countries Related to Column (1) (2)	Year	Particulars
KG-ST-02	Action Plan(s) on Identified Priority Second Tier Area(s) for CAREC Cooperation.		2014	

4. It is noted that several proposals from the countries reflect their specific needs in relation to the Sector Work Plans. Since the activities identified for inclusion in the CI Work Plan are based on the Sector Coordination Committees Work Plans (column 1), these would have already incorporated the countries' proposals to a large extent (column 2). Moreover, specific elements that the countries have proposed would also be accommodated in the course of designing and refining the training courses. Some common needs identified by two or more countries were also listed for inclusion in the CI work plan.

5. For practical reasons, only the activities for 2013–2014 were listed in the CI Work Plan. There would be flexibility in both the timing of holding a particular activity, and in expanding the 2013–2014 activities based on resources that could be made available. As regards the indicative areas listed for 2015–2017, these would evolve as CAREC cooperation in the various sectors make progress, and as other issues are identified in the course of conducting knowledge generation and knowledge services activities. The sector strategies however, provide an indication of the longer-term knowledge requirements which can be pursued in 2015–2017 and these were listed in Table 2. The indicative areas listed in Table 2 however, will need to be further reviewed and validated by the sector coordinating committees in due course before they are considered by the SOM.

Table 2: Indicative Areas for Inclusion in the CI Work Plan for 2015–2017

	Sector	2015	2016	2017
Knowledge Generation	Transport	Study of multimodal systems in selected routes		
		Conduct of National Master Plans on Transport Sector Development		
		Restructuring of railway sector	Liberalization of air services	
	Transport and Trade Facilitation	Development of results-based framework (and indicator system) for trade facilitation		
		Modernization of border-crossing points (assessment of hardware and software requirements)	Supply chain studies in selected industries	Expanded study on cross-border trade (initial study done in four countries only)
		Special economic zones in border crossing points		
Trade Policy	Review and update of the Trade Policy Strategy and Action Plan	Assessment of trade liberalization and institutional reforms (using the trade liberalization index and the institutional quality index)	Service trade in the CAREC Region	

	Sector	2015	2016	2017
	Energy	National and regional power sector development master plans		
		Technical operation of regional dispatch systems and alternatives	Legal and regulatory implications of regional trade dispatch	Energy-water management: issue-based regional analysis (e.g. flood management)
		Energy corridors and inter-and intra regional linkages	Design of energy regulatory frameworks	Improved forecasting
		National and regional grid codes		
	Multisector/Regional	Master plans for identified priority economic corridors		
		Implications of the Customs Union (Common Economic Space) to labor migration and remittances in the CAREC region	Institutions for regional cooperation and integration in the CAREC region	Impact of regional cooperation on economic growth: an impact assessment of the CAREC Program
Knowledge Services	Transport	Road efficiency by modes	Standard international rail conventions	Aviation safety standards
		Standard international road conventions	Freedoms of the air	Liberalization of transport services under the GATS ²
		Analytical tools for evaluating alternative transport modes	International aviation conventions	Climate proofing of road transport
	Transport and Trade Facilitation	Simplification of road fees and other charges	Comparative regional customs transit systems	Customs automation and data exchange
		Behind the border measures	Models of joint customs control	Integrated cross-border facilitation
		Risk management, post-entry audit and customs intelligence	Facilitating cross-border movement of people	
	Trade Policy	Analytical tools in formulating policy reforms	Management of institutional reforms	Trade in services under the GATS
	Energy	Demand side management; energy efficiency; and energy conservation	Modernization of combined heat and power systems	Cross-border Clean Development Mechanism
		Sector restructuring and commercialization for energy trade	Governance, tariff adjustments and operational efficiency	Management of multipurpose water reservoirs
		Loss reduction	PPPs in energy	Hydropower development

² General Agreement on Trade in Services

	Sector	2015	2016	2017
		methods in energy grids		in international rivers
Knowledge Management	Transport	Database on status of road and rail sections of CAREC corridors		
	Transport and Trade Facilitation	Forum on regional trade logistics development		
	Trade Policy	Seminar on regional economic integration		
	Energy	Compilation of national and regional energy efficiency statistics, policies and measures		
		Database of energy projects in the CAREC region.	Successful PPPs in energy (seminar)	International experience in transboundary river management and protection
			Energy trade in Africa and Latin America (seminar)	

6. In identifying the activities for inclusion in the Work Plan, the three principles articulated in the SKF were considered, namely:

- Integration—the extent to which an activity spans the three knowledge pillars, i.e. an activity has important requirements in knowledge generation; knowledge services and knowledge management;
- Results-based—the extent to which an activity is an important input to the delivery of the targets indicated in CAREC 2020;
- Partnership and networking—the extent to which an activity can be delivered in collaboration with multilateral institutions (MIs) and/or relevant partner institutions in the CAREC countries.

7. Prioritization of activities for 2013–2014 would depend primarily on resource availability. For purposes of planning, it is envisaged that:

- Around 12 training courses (3 from each of the four sectors) could be implemented in 2013, and another 12 in 2014;
- At least two studies under the knowledge generation pillar could be conducted in the course of 2013–2014 ; and
- At least two knowledge management activities could be implemented in 2013–2014.

8. Specifically for training courses, the activities listed in Table 1 have been over programmed by about 30%, using as benchmark, the resources that could be made available primarily by ADB. Full program delivery would therefore depend on the additional support that could be provided by the MIs, as well as cost-sharing arrangements with the CAREC countries and/or institutions.

9. In the course of consultations with the subregional groupings and the MIs, the following points would be discussed:

- Confirmation of activities to included in the Work Plan, focusing on 2013-2014;
- Additional proposals; and
- For training activities, a discussion of broad design elements such as: (i) participating countries; (ii) topics to be covered; and (iii) implementing and collaborating institutions.

Requirements to be Satisfied by the Country to Host CI's Physical Base

- Accessibility. This pertains to the availability of transport connectivity by various modes from key points in the CAREC region to the CI's physical base, and the ease of entry to, and exit from, the CI host city.
- Physical and information technology infrastructure. This pertains to availability of office and service facilities, such as training rooms and facilities, transportation for ease of mobility, proximity to basic services such as health, banking and store facilities; efficiency and cost-effectiveness of information technology (IT) infrastructure including availability of IT support services, and facilities to host large databases.
- Legal framework. This pertains to the legal requirements of the host country for registering the CI as legal entity, as well as pertinent laws on work permits, remittances, taxation, foreign exchange convertibility, and copyright to the extent that these could have a bearing on the operations of the CI.

Guiding Principles for CI Operations

- Ownership and regionality. The CI, as a regional body established under the framework of the CAREC Program, is owned by the countries participating in the Program. The nature of this ownership would be reflected in all aspects of the CI's operations, including its governance structure, decision-making, staffing, right of access to information, and financing.
- Fairness and balance. The operations of the CI should in no way provide an undue advantage to the host country or any one country in particular. In implementing its work plans, the CI should take into account the special needs and circumstances of smaller countries.

Features of the CI Governance Structure

- The CI's governing body would be responsible for providing overall strategic direction to the CI's operations. All CAREC countries would be represented in the governing body. The members of the governing body would be appointed by, and be accountable to, the governments of the CAREC participating countries. It shall report to the Ministerial Conference.
- The governing body would decide on the basis of consensus.
- The principle of rotation, in alphabetical order, would apply to key management positions of the CI, as determined by its governing body.
- The selection and appointment of the management and staff of the CI would be based on merit.
- The Ministerial Conference, and/or the CI governing body may decide to establish an Advisory Board to advise on the strategic directions of the Institute.

Plan of Action (PoA) for the Establishment and Operationalization of the CI

	Activity	Target Date*	
1	Decision on the location of the CI's physical base	Q4	2012
2	Governance and Management Structure (Functions, qualifications, selection and recruitment process, remuneration and other benefits, tenure, etc.)	Q1&2	2013
3	Legal status and related legal applications, instruments of agreement	Q3	2013
4	Financing Plan and Operating Budget for Year 1	Q4	2013
5	Selection and appointment of governing body	Q1	2014
6	Selection and appointment of management and staff	Q2	2014
7	Business processes and operating guidelines	Q3	2014
8	Launching of the CI (13 th Ministerial Conference)	Q4	2014

* Refers to the target date for completing decisions. The start of discussions can take place much earlier.