



## CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM

### CAREC High-Level Session During the Annual General Meeting “Regional Cooperation in the Time of COVID-19: Lessons Learned and Way Forward” (17 September 2020, 15:00–17:00, GMT+8 Manila time)

#### SUMMARY OF PROCEEDINGS

##### I. Introduction

1. A virtual CAREC high-level session was conducted on 17 September as a side event of the Annual General Meeting of the Asian Development Bank. The objective of the meeting was to reflect on lessons from the past about the benefits of regional cooperation, particularly in times of global and regional crisis, and to deliberate on the future prospects of regional cooperation in light of the current global challenges and how to best position CAREC going forward. All eleven member countries participated in the high-level session which was moderated by Prof. Peter Frankopan, Professor of Global History, Worcester College, Oxford, UK and renowned author of “*The Silk Roads: A New History of the World.*”<sup>1</sup> Mr. Werner Liepach, Director General, CWRD, ADB introduced the moderator and panelists.

2. In his welcome remarks, Mr. Shixin Chen, Vice President (Operations 1), ADB, highlighted the need for strengthening regional cooperation to address the unprecedented threat posed by the novel coronavirus disease (COVID-19) outbreak. VP Chen emphasized three key areas in which CAREC countries should work together in the future. First, building more resilient regional public health systems through regional surveillance networks, harmonized health protocols, and establishment of coordinated mechanisms to slow virus spread across borders. Second, supporting regional economic revitalization by promoting regional connectivity, cross-border trade and tourism, and digital connectivity. And third, facilitating policy coordination and knowledge sharing on issues of regional relevance such as debt management, common health challenges, and other regional public goods. Mr. Hadi Arghandiwal, Governor for the Islamic Republic of Afghanistan in the ADB and Acting Minister of Finance, Afghanistan gave the opening remarks. He echoed the necessity to develop joint and coordinated risk responses for overcoming the existing and future common global and regional challenges, such as the COVID-19 pandemic, and achieve economic growth and prosperity in the region. The session closed with a wrap-up by Mr. James Patrick Lynch, Director General, EARD, ADB. The Session Agenda is enclosed as Appendix 1.

##### II. Meeting Highlights

3. **Lessons from history.** In his introduction, Prof. Frankopan explained that there are many lessons to learn from the past, including the primary observation that countries in the region have often succeeded and failed in unison. Close cooperation over centuries has helped unlock economic rewards and resulted in improvements in governance, healthcare outcomes, and reinforcements of the rule of law. At the same time, trade and transport networks across

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<sup>1</sup> Frankopan, *The Silk Roads: A New History of the World* (London, 2015)

played a key role in the spread of infectious disease in the past. COVID-19 is the latest in a long line of pandemics that have brought economic dislocation, strained health care systems, and brought about high levels of mortality. In the last century alone, pandemics known as the 'Spanish flu' (1918-20), the 'Asian flu pandemic' (1957-8), the Hong Kong flu (1968-9) and the SARS crisis (2002-4) resulted in hundreds of millions of infections and many tens of millions of deaths. Neighboring countries in the past have learned valuable lessons about disease prevention, containment and information sharing. Building on these experiences is vital for the future, as emerging infectious diseases are not just a problem for today but for tomorrow.

4. **Amidst the Challenges, Opportunities.** While it is important not to underestimate the difficulties that COVID-19 presents, it is also worth stressing that the crisis also offers unique opportunities. These include harmonization and/or simplification of documents requirements for international and trans-regional trade; the adoption of more efficient border-crossing procedures; and greater uses of data gathering and analytics for imports/exports. In addition, there is a clear need for greater cooperation around disease prevention and mitigation, information sharing and cross-border collaboration, as well as for harmonization of pharmaceutical standards. Focusing on current capacities and needs in the health sector will be important in helping develop a regional framework that pays dividends –not only during future outbreaks of infectious disease but to improve more general healthcare provision across CAREC countries. For this purpose, strengthening policy coordination and dialogue around environmental regulations, and new technologies and issues connected to climate change will be paramount going forward.

5. Professor Frankopan's introduction was followed by extensive discussion from CAREC officials. Key points revolved around the following:

6. **The pandemic has validated the benefits of and need for continued regional cooperation.** Participants were united in saying that the CAREC platform has been highly beneficial to the growth of the region, in building confidence, and in sharing knowledge on key issues and areas of regional relevance. The CAREC platform has become even more relevant now, during the pandemic, when cooperation is needed to exchange lessons, identify urgent investment needs, and mobilize resources. Examples were cited of recent successful bilateral negotiations that led to opening-up of borders to allow free movement of goods (e.g. food products, pharmaceuticals, medical equipment, coal, etc.), resulting in higher levels of exports of such products compared to the pre-pandemic period. Hence, it is paramount that countries continue working together to enhance connectivity within the region and beyond, improve logistics, and simplify cross-border procedures to reduce the cost of goods and services and allow faster responses to future crisis. Participants noted that CAREC's support in promoting economic corridor development will be key in a post COVID-19 environment as it can help unlock the potential for cross-border investments and trade, and build more resilient global and regional value chains going forward.

7. **The COVID-19 pandemic has underscored the need for regional health cooperation.** Regional health cooperation will need to be a priority area for CAREC, and efforts of ADB and the CAREC Secretariat towards developing a regional strategy for health are strongly supported. CAREC countries' capacity to jointly respond to regional health threats needs to be enhanced, and one concrete way is by sharing information on human and animal infectious diseases for cross-border surveillance as well as undertaking joint health research. Cooperation has begun in terms of facilitated movement of pharmaceutical products and medical equipment. This needs to be complemented with agreements on common

pharmaceutical standards, mobilization of greater resources to improve health infrastructure and build countries' capacities, and development of more resilient regional public health systems.

8. **Beyond the pandemic, cooperation will be needed to address climate change, build disaster resilience, and promote digital platforms that are crucial in the post COVID-19 period.** There was consensus that continued cooperation is necessary to address new and emerging challenges. Climate change is increasingly affecting agriculture, food security, water supply, and has been linked to disaster events that affect mainly vulnerable populations. Building disaster resilience requires transboundary cooperation, knowledge sharing, capacity building, and financing of infrastructure and prevention measures. In this regard, participants welcomed the ADB initiative to design a regional the disaster risk transfer facility to help reduce countries' physical and financial vulnerability to natural hazards and infectious diseases.

9. One area that the pandemic has revealed to be an essential element to address the post COVID-19 normal is digitalization. Digital connectivity has allowed trade to continue despite containment measures during the pandemic. However, the use of information and communication technologies and internet access and coverage remain limited in some areas of the region. Thus, participants noted that CAREC can serve as a platform to increase cooperation in the digital sphere to unleash the potential of digital technology in the region and ensure seamless movement of goods, services and people across borders not only during but well beyond the pandemic period.

10. During the open discussion, VP Chen briefed the participants on the support that ADB has provided to CAREC countries to respond to the COVID-19 pandemic. This includes budget support for Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, and Uzbekistan; emergency assistance projects for Afghanistan, the Kyrgyz Republic, Mongolia, Pakistan, and Uzbekistan; and special assistance grants for Kazakhstan, Mongolia, Pakistan, and Tajikistan. He reiterated ADB's readiness to continue supporting member countries in efforts for medium- and long-term economic recovery and help the region to rejoin a sustainable, diversified, and integrated development path.

11. Lastly, CAREC countries responded to questions submitted by the audience with regards to the potential of regional platforms to increase cooperation in the region and enhance disaster preparedness going forward. Mr. Sultan Akhmatov, Deputy Minister of Economy of the Kyrgyz Republic underscored the need to increase knowledge sharing among member countries on disaster preparedness and develop joint actions to respond to future disaster events and the adverse impacts of climate change. Mr. Nematullo Hikmatullozoda, Assistant to the President of Tajikistan on Economic Issues also noted that CAREC's comparative advantage lies in the combination of high-level policy dialogue on issues of regional relevance and the materialization of such dialogue through the implementation of regional projects. This holistic approach will be key for effectively responding to common challenges and continuing the path of regional integration going forward.

12. In his closing remarks, Director General James Lynch summarized the discussions with four key messages. First, globalization remains key to resilient economic recovery. As the global economic landscape continues to evolve, the CAREC region can recover and prosper by continuing reforms, improving connectivity, and facilitating trade through regional cooperation. Second, there is a need to keep the movement of goods and people safer. Coordinated border measures and regional surveillance can help minimize transboundary health risks along the

CAREC corridors. Third, future pandemics or disaster events will continue to transcend national boundaries. This calls for better preparedness through coordinated approaches. The development of a CAREC Health Strategy 2030 will help address common health threats and strengthen health security in the region. And fourth, it is necessary to adapt and evolve to realize new opportunities from digital economy and supply chain restructuring.

11. Overall, participants welcomed CAREC’s initiative to bring together high-level officials from member countries to exchange views and facilitate policy coordination and knowledge-sharing towards joint actions to build resilience during the COVID-19 crisis and beyond. As VP Chen said, ADB will continue to support CAREC and its member states and this high-level policy dialogue gives a strong message that there is need to “combine theory and practice in our CAREC cooperation going forward”.