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Concept Paper

Proposed CAREC Business Development Forum (BDF)

**Senior Officials' Meeting on
Central Asia Regional Economic Cooperation**

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The Context for the CAREC BDF

- Building on the preparatory meeting of the Regional Business Roundtable (RBR) in November 2005 (see the Bishkek Action Plan)
- The PRC suggested after the November RBR meeting that CAREC hold a Business Development Forum (BDF) for Central Asia
- Given the strong commonalities and potential synergies between the RBR and the proposed BDF, it is recommended that the activities be combined into a meeting of the CAREC BDF to be held prior to the CAREC MC in October

The Focus of the Proposed CAREC BDF

- The RBR preparatory meeting called strongly for enhancing the representation and injecting the perspectives of the business sector in regional cooperation meetings
- The proposed focus of the Business Development Forum is to build on this objective and promote joint public-private sector partnerships (PPP) in key projects
- Utilizing all key players: including active investment banks and multinational and large domestic corporations operating in the region

The Basic Coverage of the CAREC BDF

- The proposed CAREC BDF meeting in October will examine the region's priority investment opportunities and how to overcome the existing obstacles to investment in four sectors identified in the Bishkek Action Plan, namely:
 - Energy;
 - Transport;
 - Financial Sector; and
 - Tourism and Related Service Industries.
- It is also proposed that the CAREC BDF considers as a topic for discussion the critical area of Trade Facilitation and Policy

Objectives of the Proposed CAREC BDF - 1

- To bring together public and private sector investors in the four areas to identify and define major investments opportunities; and communicate to the MC existing barriers that preclude such investments from happening
- To leverage the vast amounts of information available in the public and donor sectors to support private sector investments
- To identify the major constraints to investment in the respective areas and develop mechanisms to address these constraints

Objectives of the Proposed CAREC BDF - 2

- To support the development of hard and soft infrastructure
- To foster the required linkages between all private sector participants in the region
- To enhance business sector involvement in CAREC initiatives through direct and regular channels with the CAREC Program
- To prepare sustainable structures and institutional mechanisms to support PPP and private sector involvement in regional cooperation projects

Contribution of the CAREC BDF to the Business Sector

- A focal point or intermediary between the public and private sectors in the CAREC Program
- Greater coordination and networking amongst the business communities
- Greater awareness of the common challenges and obstacles of doing business in Central Asia
- “Economies of scale” in investment opportunities, training, and leverage of donor inputs and business-related activities
- Privileged links with major international organizations supporting CAREC



Proposed CAREC BDF Preparation Timeline

Following the approval of the CAREC SOM in April 2006, the following steps are recommended:

1. Consultations with CAREC and Other Key Stakeholders (April – May 2006)
2. Preparing for the CAREC BDF (June – September 2006)
3. Finalize Organizing Arrangements and Implement the CAREC BDF (October 2006)

Proposed CAREC BDF Meeting Structure

- Day 1:** Opening Session followed by breakout groups on each of the four sectors and plenary discussions of the key opportunities and impediments
- Day 2:** Ongoing discussions on investment projects, on mechanisms to address specific obstacles to projects and activities, and on more concrete and practical measures to ensure sustainability of CAREC BDF activities

Issues for consideration

- Should CAREC organise BDF?
 - Wider scope than RBR
 - Overlap with other regional business forums (e.g. UNDP Silk Road Investment Forum, SCO Business and Investment Forum, etc.)
- If so, when, where and who?
 - October 2006 (back-to-back with MC)
 - Urumqi
 - Wide-ranging private sector players that are operating both within and outside the region (vis-à-vis “selected” group); wider government representation beyond traditional CAREC representatives; multilateral institutions; etc.