

# **ASIAN DEVELOPMENT BANK**

## **STATUS REPORT 2002 THE CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM**

### **EAST AND CENTRAL ASIA REGION**

September 2002

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CAR	–	Central Asian republic
EBRD	–	European Bank for Reconstruction and Development
EU	–	European Union
IsDB	–	Islamic Development Bank
NGO	–	nongovernment organization
SCO	–	Shanghai Cooperation Organization
SPECA	–	Special Program of Economies of Central Asia
TA	–	technical assistance
TTF	–	trade and transport facilitation
USAID	–	United States Agency for International Development

## **NOTES**

In this report, "\$" refers to US dollars.

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## **STATUS REPORT 2002**

### **THE CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM**

1. This report focuses on the status of the Asian Development Bank's (ADB) Central Asia regional economic cooperation program (the Program).<sup>1</sup> At present, seven countries are participating in the Program, viz., Azerbaijan, People's Republic of China (PRC), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan, with Azerbaijan and Mongolia having formally joined it in March 2002.<sup>2</sup>

#### **I. THE CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM**

2. Central Asia is landlocked and remote from major world markets, with only a small domestic market in each of the Central Asia republics (CARs). These locational and economic disadvantages combined pose daunting challenges to the region's long-term development, and significantly exacerbate the difficulties of the transformation and nationhood-building process upon which the CARs embarked after independence in the early 1990s. In addition, the endowments of vital resources of water and energy are distributed in a mutually dependent way across the countries. Market integration, within the region and with the outside world, is therefore a key to accelerating economic growth through reduced transaction costs including transport and transit costs, economies of scale and scope, and complementary use of water and energy. This high degree of economic interdependence constitutes a powerful incentive for cooperation and underlies the rationale for economic cooperation as an integral part of national development strategies. While the Xinjiang Uygur Autonomous Region, the westernmost province of the PRC bordering the CARs, has followed a different development path, it faces similar development constraints due to its geographical isolation; thus, similar incentives for cooperation exist.

3. The Program, initiated in 1997, has strategically targeted these key regional development challenges. Operationally, the Program has focused on promoting market integration through improving both hard and soft infrastructure in the areas of transport, energy, and trade facilitation. Through the focus on these areas the Program will make an important contribution to private sector development in the region.

- (i) The key to improving the efficiency of regional transport (road and rail) networks lies in (a) rehabilitating and expanding existing infrastructure to meet changing demand patterns; and (b) reforming transport management and financing, with a focus on facilitating cross-border and interregional transport.
- (ii) In energy (power and gas), the regional power and gas transmission networks are in urgent need of repair, as deterioration continues due to (a) lack of necessary financing, and (b) incomplete institutional and policy reforms to encourage and facilitate intercountry trade in power. Efficient power trade on a commercial basis would have important implications for the rational use of water resources, as hydroelectricity is an important part of the regional power structure.

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<sup>1</sup> Separately, ADB has provided technical assistance to support cooperation between the Inner Mongolia Autonomous Region of the People's Republic of China and Mongolia since 2000. As this support is still at its formulative stage, it will not be covered by this status report.

<sup>2</sup> Turkmenistan, which joined ADB in 2001, is not a core member of the Program. However, it has expressed interest in cooperation in selected areas, and it participated in the Ministerial Conference on Economic Cooperation in Central Asia, 25-26 March 2002.

- (iii) The removal of nontariff and nonphysical barriers, in particular administrative and procedural obstacles, and otherwise poor governance are key to trade expansion and thus market integration. These barriers pose a particular challenge, as many of them are nonlegal/official. Reforming and modernizing key public institutions such as customs is an integral component of trade facilitation.

4. The Program has followed a results-oriented approach, recognizing the inherent difficulty and complexity in economic cooperation. Based on mutual understanding, shared benefits, and consensus, the approach aims to achieve longer term strategic objectives through tangible benefits from concrete projects as building blocks. With strong country support and active participation, ADB has now developed a partnership with the countries in Central Asia.

5. The Program has to date achieved some degree of success:

- (i) increased core members from three in 1997 to seven in 2002, as well as involved neighboring countries in the Program's activities since 2001 (notably Afghanistan, India, Pakistan, and Turkey);
- (ii) raised awareness of the importance and enhanced understanding of economic cooperation through workshops, regional meetings, consultation, and publications;
- (iii) identified regional projects in the priority areas of transport, energy, and trade facilitation, followed with preliminary feasibility studies of their economic and financial viability; the projects are at various stages of preparation or implementation;
- (iv) provided a vehicle for more systematic and focused cooperation among the region's development assistance partners;
- (v) mobilized to date a total of \$4.2 million in technical assistance (TA) grants in direct support of the Program, and leveraged cofinancing of \$25.0 million in loans and \$0.8 million in TA;<sup>3</sup>
- (vi) provided targeted assistance on issues with long-term poverty reduction impact in the region, particularly in education, health, and environment;<sup>4</sup>
- (vii) complemented ADB's country operations in the region, particularly in the transport sector, as an operational focus in each country program, with total assistance to date of \$400 million in loans and \$14.0 million in TA; and for energy, where total assistance provided to date amounts to \$64 million in loans and \$4.5 million in TA; and

<sup>3</sup> The Almaty-Bishkek Regional Road Rehabilitation Project is an example of ADB's regional assistance that combines infrastructure investment with cross-border arrangements. The project is cofinanced by European Bank for Reconstruction and Development loans and grant TA from the European Union.

<sup>4</sup> ADB. 2000. *Technical Assistance for Subregional Cooperation in Managing Education Reforms*. Manila., ADB. 2001. *Japan Fund for Poverty Reduction: Improving Nutrition for Poor Mothers and Children*. Manila., ADB. 1999. *Technical Assistance on Regional Cooperation for Sustainable Mountain Development in Central Asia*. Manila., ADB. 2000. *Technical Assistance for Regional Environmental Action Plan in Central Asia*. Manila., ADB. 2000. *Technical Assistance for Combating Desertification in Asia*. Manila., ADB. 2001. *Technical Assistance for Promotion of Renewable Energy, Energy Efficiency, and Greenhouse Gas Abatement Projects*. Manila., ADB. 2001. *Technical Assistance for Ten Years After Rio: Promoting Subregional Cooperation for Sustainable Development*. Manila., ADB. 2001. *Technical Assistance for Regional Consultations for the Third World Water Forum*. Manila.

- (viii) programmed for 2003-2005 a total of \$11.0 million in TA and \$205 million in loans (\$100 million from ordinary capital resources and \$105 million from the Asian Development Fund).<sup>5</sup>

6. With the Program growing in breadth and depth, there was an increasing need to ensure continued firm country ownership, strengthen overall planning and implementation, and enhance aid coordination. This took on added urgency in the wake of the 11 September events. An overall institutional framework to guide the partnership was established in January 2002,<sup>6</sup> with the first Ministerial Conference under the framework held during 25-26 March 2002. Significantly, the Conference (i) reconfirmed transport, energy, and trade facilitation as the priority areas of cooperation; and (ii) reaffirmed ADB's results-oriented approach and its continued major role in mobilizing financing for the region's infrastructure needs.

7. Regional projects present special challenges, which take longer to prepare and face a higher degree of uncertainty. The Almaty-Bishkek road project is a case in point. While the project represents an early success of ADB's support for regional cooperation, it also highlights the complexity in terms of underlying cross-border issues of an otherwise straightforward investment project. The loan took more than a year to become effective, mainly due to the need to ratify the cross-border agreement in both Kazakhstan and Kyrgyz Republic. The lesson to draw from this experience is that efforts must be made during the early stages of project preparation to avoid problems, especially those arising from intercountry arrangements, that would otherwise delay project preparation and implementation.

## II. CURRENT DEVELOPMENT TRENDS AND ISSUES

### A. Recent Subregional and Global Developments

8. Developments since 11 September 2001 have had a major impact on the Central Asia region. Central Asia has close historical, ethnic, economic and other ties to Afghanistan. Since the armed incursions in Central Asia from Afghanistan in the summer of 1999, developments in Afghanistan had been a major source of official concern in Central Asia over stability and had contributed at times to rising tension in the region. The (perceived) threat of instability had been a major ground for border closings, tightening of control over transit and traffic, and intermittent and unpredictable disruption of road and rail transport. All of these created obstacles and burdens on the economies and on the lives of the peoples in the region.

9. Recent progress towards stability in Afghanistan has opened up new opportunities for Central Asia. The removal of a major source of instability would enable the governments within Central Asia to focus their limited resources on longer term development issues, including those that require joint efforts. A peaceful and stable Afghanistan would also offer the possibility of a southern route from Central Asia to the South Asian subcontinent and to the sea. Regional cooperation especially with the Central Asian countries, is one of the three key considerations on which Afghanistan's reconstruction strategy is based.<sup>7</sup> The countries in Central Asia are

<sup>5</sup> While the program for 2003-2005 received initial endorsement from the governments early this year, further confirmation is needed, especially in regard to loans. At this stage a number of factors pertinent to regional projects exist that may well lead to changes in loan amounts as processing proceeds. These factors include in particular the exact number of participating countries and the scope of regional projects that need to be determined on an individual project basis.

<sup>6</sup> The framework has an annual ministerial forum as its decision-making body, and committees and working groups at the operational level.

actively exploring opportunities for cooperation, especially in the transport and energy sectors, to take advantage of these short- and long-term opportunities.

10. Central Asia is now under intense multilateral and bilateral focus, with significant attention on enhancing cooperation in the region as a strategic means to achieving and maintaining global and regional security and stability. Over the past year, there have been intensified efforts in the region towards better cooperation, including a number of summits. Significant among those have been (i) renewed efforts at building or revitalizing regional organizations such as the Shanghai Cooperation Organization and the Central Asia Cooperation Organization;<sup>7</sup> and (ii) improvements in bilateral relations, especially in regard to easing restrictions on transport and transit, improvements in energy trade, and trade relations in general. However, to fully realize the benefits of cooperation, considerable financial and other resources, persistent collective efforts, as well as political will and skill of the leaders in Central Asia are required.

## **B. Economic Assessment and Outlook**

11. Accompanied by generally falling inflation, the economies of the region in 2001 continued their growth trend that began in 1999 after being severely affected by the 1998 Russian crisis. However, the global economic slowdown and the 11 September events both had a dampening effect on the economies. The weakened world demand and the ensuing fall in prices of the region's major export commodities, including cotton, oil, and nonferrous metals, slowed down the region's export growth. Furthermore, the governments had diverted resources and expenditures to strengthening security and other related measures. In addition, the events of 11 September 2001 added uncertainty and increased the perceived risk of investment in the region. These effects arising from external factors, however, are expected to diminish, as the world economy gradually recovers during 2002-2003 and the situation in Afghanistan continues to improve. For the region as a whole, positive growth is expected to continue over 2003-2005, although at reduced rates.

12. With extensive although weakening economic ties through trade, finance, migrant labor, and other formal and informal arrangements, Russia continues to exert significant influence on the economies of the CARs, as evidenced in the 1998 Russian economic crisis. Steady growth of the Russian economy over the past 2 years has contributed to growth in Central Asia; and a politically stable Russia under orderly economic management would continue to be a positive factor for the CARs' economies.

13. PRC's accession to the World Trade Organization in 2001 has far-reaching implications for other countries, including the CARs bordering the PRC. A more open Chinese economy bodes well in general for the CARs rich in natural resources. In addition, as the implementation of the "Go West" strategy unveiled in 2000 accelerates, the Xinjiang Uygur Autonomous Region of the PRC is likely to benefit from increased investments in both infrastructure and human development and other preferential policies. This would create more opportunities for mutually beneficial cooperation with Central Asia.

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<sup>7</sup> At a summit in June 2002, the leaders of the Shanghai Cooperation Organization (SCO), including Russia, PRC, and all CARs except Turkmenistan, signed its Charter, thus completing its formation as a regional organization. SCO evolved from "Shanghai Five Forum" in 2000, with its main objective to counter terrorism and maintain regional stability, with efforts at economic and trade cooperation having intensified recently. Within the region, the CARs, except Turkmenistan, signed an agreement in February 2002 to enhance cooperation through the Central Asia Cooperation Organization (hitherto named the Central Asia Economic Community).

14. Over the medium and long term, development challenges facing each of the CARs remain formidable, despite respectable growth registered by the economies since 1999. Tajikistan remains one of the poorest countries in Asia, while Kyrgyz Republic is grappling with significant debt and fiscal management challenges. Uzbekistan has moved only gradually towards economic liberalization. Kazakhstan has experienced fast growth powered by its oil and metal exports, but needs to diversify its productive base. Each country needs to deepen and broaden structural and other reforms to complete the transformation process, thereby laying a solid foundation for sustainable growth and poverty reduction. For the most part, large state-owned enterprises reform and divestiture has been slow and sporadic, and private sector development remains hindered by a variety of obstacles.

15. Collectively, the countries continue to face the challenge of further expanding markets and exploiting resource complementarity through market integration. While efforts towards cooperation have intensified since last year, continuing fiscal and budgetary constraints and the tendency towards self-sufficiency remain obstacles to bringing these efforts to fruition. In this respect, the diverging trends of development among the countries in Central Asia are particularly noteworthy. The divergence stems from a variety of factors including differing development strategies followed, and varied resource endowments. These differences will add complexity to the pursuit of economic cooperation.

16. In the social sectors, the overall pace of reforms has been slow, and the poorest countries in the region continue to face severe public expenditure constraints. As a result, the CARs are continuing to encounter difficulty in meeting the needs of their populations in key areas, including the provision of education, health care, basic water supply and sanitation, and environmental management. While recent economic growth may have improved the income aspect of poverty, reversing the trend of decline and erosion of quality of life that began more than a decade ago is long-term challenge for all governments in the region.

17. In the meantime, the subregional dimension to these social sector issues is emerging. In education, the governments in the region have emphasized the importance of furthering education reform and the beneficial role that exchanging experience could play. Communicable diseases, notably tuberculosis and HIV/AIDs<sup>8</sup>, have been fast on the rise, and combating them effectively will require a coordinated approach across the region. Potable water, vital to health and livelihood, is in short supply in various parts of the region. Therefore, it should constitute a key component of the region's water resources management, as countries in the region share, to a large extent, common water resources.

### **III. ADB'S STRATEGIC THRUSTS**

#### **A. ADB's Strategic Thrusts**

18. Given Central Asia's long-term regional development challenges, ADB's strategic and operational objectives in supporting economic cooperation (para. 3) will remain relevant and valid during 2003-2005. However, in wake the of the 11 September 2001 events, ADB's regional program faces the challenge of assisting the region to seize this historic window of opportunity for stability and prosperity through accelerated cooperation. ADB is well positioned for such a stepped-up undertaking, given the Program's wide country participation, sharp sector focus, full set of TA and loan instruments, and firm institutional footing.

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<sup>8</sup> Human immunodeficiency virus/acquired immunodeficiency syndrome.



19. ADB will follow a four-pronged approach in pursuing its strategic and operational objectives:

- (i) **Strengthening the building of trust, mutual understanding, and consensus.** These have been key to past progress of the Program and will be critical to its future success. Given the inherent complexity and difficulty in economic cooperation, ADB's continued role as "honest broker" and strong advocate for economic cooperation will be especially important. ADB will systematically pursue this, particularly through the overall institutional framework established in January 2002 between ADB and the participating countries.
- (ii) **Intensifying project support in thrust areas.** Transport, energy, and trade facilitation will continue to be the thrust areas of the Program. While fostering trust and building mutual understanding are the foundations of successful cooperation, increasing emphasis must be paid to bringing about tangible results, in particular through the preparation and implementation of key regional investment projects. These projects will be essential to keeping the momentum of cooperation, and will have a lasting impact on cooperation over and above any project-specific benefits, and promote the development of the private sector.
- (iii) **Widening geographical focus.** Support will focus on the widening of linkages between Central Asia and the South Asia subregion including those between Central Asia and Afghanistan. Afghanistan has expressed strong interest in participating in the Program. The Program is currently assisting such cooperation in the transport and energy sectors. Other areas including trade facilitation will be explored to help the countries involved realize the full benefits of cooperation.
- (iv) **Strengthening linkages between country and regional programs.** As ADB support at the country level deepens, opportunities have arisen and will arise that warrant taking a regional approach to concerns that either have a regional dimension or where sharing experience would benefit all countries. This may be relevant in areas such as education, health, and environmental management. Similarly, there is a regional dimension to key development issues such as governance, financial sector management, and private sector development. During 2003-2005 the support for exploring these linkages will be strengthened.

## **B. Coordination with Other Development Partners**

20. Given the enormity and complexity of the challenges facing the Central Asian region, no institution alone can adequately address them, a fact demonstrated clearly by the developments since 11 September 2001. Coordinating closely with its development partners has therefore been a priority of ADB's regional program to seek complementarity and synergy (for more details refer to Table A1.1 in Appendix 1). This is particularly important, as aid agencies have increased assistance to promote economic cooperation in Central Asia.

21. The European Bank for Reconstruction and Development's (EBRD) institutional mandate and operational focus and experience complement those of ADB, especially in regard to private sector development. Apart from revising an existing memorandum of understanding for guiding the overall coordination between the two institutions, ongoing cooperation includes EBRD's cofinancing of ADB's regional projects in energy and transport.

22. The European Union's (EU) Transport Corridor Europe Caucasus Asia Program directly complements ADB's regional support for transport and trade facilitation. Cooperation is ongoing in the area of enhancing customs facilities and harmonizing border crossing procedures. EU's Technical Assistance to Commonwealth of Independent States primarily provides grant assistance to the former Soviet republics including those in Central Asia. This grant assistance could be useful for capacity building (including policy reforms) and feasibility studies to complement ADB's infrastructure investments. Given the successful experience of cooperation in the Almaty-Bishkek regional road project, further opportunities for cooperation with EU's programs are being actively pursued especially in regard to transport and trade facilitation in Central Asia.

23. The United States Agency for International Development (USAID) has considerable experience in designing and implementing regional programs, especially in the areas of energy, water resources, and environment. Cooperation is ongoing in processing ADB's regional power transmission project and a study on the water and energy nexus. In general, USAID's focus on policy and institutional reforms through grant assistance is directly complementary to ADB's infrastructure investments in these areas. As US assistance to Central Asia is expected to increase considerably, ADB will further explore areas of mutually beneficial cooperation.

24. The World Bank has traditionally assumed a lead role in the rehabilitation of the Aral Sea. Since late 2001, it has paid increasing attention to regional issues including trade and transport facilitation (TTF). At present, ADB is in close coordination with the World Bank to ensure complementarity in regard to the latter's initial study on TTF, which would feed into ADB's regional TA on trade facilitation and customs cooperation.<sup>9</sup>

25. The United Nations supports regional cooperation in Central Asia through its Silk Road Area Development Program and Special Program of Economies of Central Asia (SPECA). The former focuses on facilitating the implementation of existing international agreements on transit and documentation, and the latter has a wider focus similar to the thrust areas of ADB's regional program. Cooperation with SPECA is ongoing to explore complementarity, where the ADB Program's financing instruments and wider country coverage would be important to implementing regional project proposals prepared by SPECA.

26. The Islamic Development Bank (IsDB) has been a cofinancing partner of ADB in Central Asia, and is considering cofinancing ADB's priority regional energy and transport projects. Given that Afghanistan and Pakistan are also IsDB members, there is potential for further cooperation, as ADB is assisting Central Asia, South Asia, and Afghanistan in pursuing cooperation.

27. As the situation improves in Afghanistan, some regional organizations that have been severely constrained in their functions may begin to play a more important role in regional affairs including regional cooperation.<sup>10</sup> ADB will continue to explore and seize such opportunities for cooperation.

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<sup>9</sup> Recently, the World Bank has established a large regional office in Almaty, which will become an institutional focal point of cooperation with the World Bank.

<sup>10</sup> One such organization is the Economic Cooperation Organization, a regional Islamic intergovernmental organization with members from Central Asia, Afghanistan, and South Asia, plus Iran.

#### IV. ADB PROGRAM FOR 2003-2005

##### A. ADB's Assistance for 2003-2005

28. Consistent with ADB's strategic objectives and its operational focus as discussed above, ADB's assistance in 2003-2005 will do the following:

- (i) **Strengthen the partnership.** As secretariat to the overall institutional framework, ADB is committed to ensuring its effectiveness as a mechanism for regular high level policy dialogue and consensus building, strengthening overall planning and implementation, and improving coordination with other development partners in Central Asia. Specific activities will include (a) preparing and holding regular ministerial and sector meetings under the framework, (b) developing an effective regional programming mechanism to ensure firm country ownership, (c) strengthening national capacity on economic cooperation within the framework, and (d) providing other necessary support as the secretariat to the framework.
- (ii) **Focus on priority regional projects.** Efforts will be made to identify, prepare, and implement regional projects in the thrust areas of transport, energy, and trade facilitation. These include (a) ensuring effective implementation of multiphased existing priority projects; (b) updating plans in each priority sector based on regional sector studies<sup>11</sup>; and (c) developing new projects, including in water resources and energy, where interlinkage makes them a key regional issue.
- (iii) **Broaden geographical focus.** ADB will play an important role in supporting cooperation between the CARs and Afghanistan and through Afghanistan with South Asia. Ongoing support, especially in the energy and transport sectors, includes a road project linking Turkmenistan with northern Afghanistan, and a feasibility study for a gas pipeline from Turkmenistan through Afghanistan to Pakistan. Efforts will continue to explore further opportunities in these areas and other areas as Afghanistan's reconstruction accelerates. Efforts will also be made to prepare Turkmenistan for formally joining the Program.
- (iv) **Address emerging issues.** The Program will focus on (i) exploring emerging social issues, especially those that would require joint country efforts such as environmental management and water resource management including water supply, as well as education and healthcare where sharing experience in targeted areas would benefit all countries; and (ii) systematically examining governance, financial sector, and private sector development in the region. The resulting assessment will form the basis for formulating an integrated strategy for ADB to assist in these important issues faced commonly by all countries in the region, which will also benefit directly the course of regional cooperation towards closer market integration.

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<sup>11</sup> Plans had been prepared which led to the identification of the existing regional projects, now at various stages of implementation, in the thrust areas of transport, energy, and trade facilitation including customs modernization. These plans will be updated during 2002-2003.

## **B. Assistance and Outlook**

29. The development challenges in Central Asia are formidable, and the region's needs for investment and non-investment support will remain large during 2003-2005. However, actual progress in economic cooperation is subject to a number of constraints. In general, subregional initiatives and projects require consensus building among participating countries, which is a time-consuming and staff resource-intensive process. In this respect, the recent diverging trend in development among the CARs as discussed in para. 15 could make consensus building more difficult. In addition, due to unsustainable external debt problems, some of the CARs need to severely limit their public borrowing even on concessional terms. These constraints are likely to remain binding during 2003-2005.

30. Taking these constraints into account, the expected level of annual assistance to support economic cooperation in Central Asia during 2003-2005 will be modest. The 2003-2005 nonlending and lending programs are summarized in Tables A1.2 and A1.3, respectively. The corresponding concept papers are provided in Appendix 2.

31. The present program reflects the outcome of the Ministerial Conference held in March, which reaffirmed the priority areas of transport, energy, and trade facilitation, and gave general endorsement to an earlier draft of the proposed three-year assistance program. While no substantive change in scope is envisaged, changes in activities in the program are likely to take place. This goes with the nature of regional cooperation, where forging and maintaining consensus over time is subjected to a variety of factors beyond any single country considerations. Two other specific factors will also contribute to changes in the program: First, as the reconstruction of Afghanistan goes into full swing, new opportunities for cooperation with the CARs are likely to emerge. Second, as ADB strengthens support for linkages between country and regional assistance, new areas may arise that require regional support.

32. Apart from coordination among governments and aid agencies, effective delivery of the proposed Program requires good internal coordination within ADB. This refers to (i) close team work with the South Asia Regional Department on all matters related to Afghanistan and South Asia, and (ii) further integrating the regional program with country programs to ensure firm country ownership. In this respect, the resident missions could play an important role.

33. Finally, this Report reflects not only the evolving nature of Central Asia regional economic cooperation but also the transitional nature of 2002 after the reorganization of ADB. Consequently, a full treatment of ADB's thematic, sector and other strategic concerns will be given during the preparation of a full Subregional Cooperation Strategy and Program in 2003.

Table A1.1: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p><b>ADB priority areas</b></p> <p>Transport</p>	<p>Lessen the region's locational disadvantages through improved transport systems.</p> <p>Activities have focused on rehabilitating the existing transport network including further development to meet changing demand patterns and reforming transport management and financing with an emphasis on encouraging cross-border movement. An early example is the Almaty-Bishkek regional road rehabilitation project approved in October 2000, and several TAs for feasibility studies, including the Kyrgyz Transport Corridor, have been or are being implemented.</p>	<p><b>EBRD:</b> has provided support for rehabilitation and maintenance of highways that serve as key regional trade and transportation routes including cofinancing, with ADB, the Almaty-Bishkek road. Cofinancing for the ADB project for the Atyrau-Aktau road in Kazakhstan is also expected.</p> <p><b>EU:</b> is developing the TRACECA route covering railway, road, and telecommunication networks. To date, TRACECA has provided 39 TAs including feasibility studies of road, railway, and port construction and maintenance; and studies for traffic forecasting and transit facilitation. EU provided a portion of a TA grant for ADB's Almaty-Bishkek road rehabilitation project, and is funding a feasibility study on a railway section of the Kyrgyz Transport Corridor.</p> <p><b>IsDB:</b> provided TA support with EU for multimodal transport operations in the ECO region, and proposes cofinancing with ADB for the Borovoe-Petropavlosk road in Kazakhstan linking Astana with the border to the Russian Federation.</p> <p><b>UNDP:</b> is developing the Silk Road Area Development Program (\$1.2 million) to facilitate transit and trade in the region. The main objectives are to (i) assist in implementing existing international transport agreements, (ii) facilitate transit through harmonized documents, and (iii) establish regional cooperation mechanisms for these purposes.</p> <p><b>UNSPECA:</b> established the Project Working Group on transport and cross-border issues in 1998. The PWG is preparing for the interstate MOU for road transport and a list of investment projects.</p> <p><b>WB:</b> is undertaking an initial study on regional trade and transport facilitation in Central Asia, following its increased attention to regional issues since late 2001, and recently has established a regional office in Almaty as an institutional focal point for cooperation with WB.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Energy and water	<p>Promote rational use of energy and water in the region.</p> <p>Activities have focused on rehabilitating the regional power transmission network and facilitating intercountry power trade, which also has important implications for the use of water resources.</p> <p>Two projects are in the pipeline: Regional Power Transmission Modernization Project, and Central Asia Gas Transmission Improvement Project.</p>	<p><b>EBRD:</b> is considering a gas pipeline rehabilitation project as a regional project for its possible intervention. This would provide the possibility of cooperation including cofinancing for ADB's envisaged gas pipeline project.</p> <p><b>EU:</b> is implementing INOGATE program, the main objectives of which are to promote regional integration of the oil and gas pipeline system and to facilitate their transport within the region and towards Europe. To this end, INOGATE provided TAs for feasibility studies on existing oil and gas pipelines in Central Asia, and is currently implementing the small-scale investment project for modernizing gas metering stations in Uzbekistan and Kazakhstan.</p> <p><b>Switzerland:</b> is implementing a project on sustainable use of water in the Fergana Valley to achieve better allocation and utilization of water among Uzbekistan, Tajikistan, and Kyrgyz Republic.</p> <p><b>UNSPEC:</b> established the Project Working Group on energy and water in 1998. The PWG is preparing a diagnostic strategy on water and energy in Central Asia.</p> <p><b>USAID:</b> supported the management and regulatory reform in regional power, oil, and gas systems during late 1990s. USAID is implementing the Natural Resources Management Project, which focuses on transboundary water initiatives including water resources management, water conservation, upstream snowmelt forecasting, water quality monitoring, irrigation system automation, small river basin water management, and capacity building. ADB is currently in cooperation with USAID in formulating its strategy on the water and energy nexus.</p> <p><b>WB:</b> has taken a lead role in rehabilitation of the Aral Sea. In line with this role, WB is currently implementing the Water and Environment Management Project in the Aral Sea Basin (\$72 million) with the purposes of improving regional water management and addressing environmental degradation of water in the Aral Sea basin.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Trade facilitation	<p>Enhance market integration within the region and with world markets.</p> <p>Activities include several studies on regional trade; a sector study on customs in the region; and, based on the studies, the launching of a comprehensive regional customs modernization and cooperation initiative. The latter consists of loan assistance to customs of Kyrgyz Republic and Tajikistan, and RETA for customs cooperation.</p>	<p><b>EBRD:</b> is implementing TFP, which provides guarantees for trade finance instruments and short-term advances to banks with a view to facilitating foreign trade. ADB is discussing its participation in TFP as a component of regional custom modernization and cooperation program. EBRD also supports SME development through its Direct Investment Facility and management and business advice program.</p> <p><b>EU:</b> completed its trade facilitation project in 1997, which focused on harmonized documentation and simplified customs procedures. Further to the study, EU currently provides TA grants for the Harmonization of Border Crossing Procedures project and the pilot project for Central Asian Road Border Crossing.</p> <p><b>IsDB:</b> is supporting the Trade Cooperation and Promotion Program, which aims to match trade opportunities among companies of member countries and enhance capacity related to trade.</p> <p><b>Switzerland:</b> supports customs reform, especially in Kyrgyz Republic and Tajikistan in the areas of computerization and revision of customs code.</p> <p><b>UNDP:</b> (see Transport)</p> <p><b>USAID:</b> is currently implementing the Trade and Investment project for SME. Main components are to (i) draft laws that remove constraints to SME trade and investment; (ii) provide WTO-related support in Kazakhstan, Kyrgyz Republic and Tajikistan; and (iii) provide customs support, especially in revising the customs code. USAID is considering a new regional Enterprise Development Project, focusing on the creation of an internet-based regional trade network, business training, and accounting reform.</p> <p><b>WB:</b> is undertaking an initial study on regional trade and transport facilitation in Central Asia, following on its increased attention to regional issues since late 2001.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p><b>Non-core areas</b></p> <p>Environment, health, education, etc.</p>	<p>Provide assistance to targeted issues with long-term poverty reduction impact in the region.</p> <p>Specific activities include:</p> <p>Environment/Natural Resources</p> <p>(i) TA: Regional Cooperation for Sustainable Mountain Development in Central Asia (1999)</p> <p>(ii) TA: Regional Environmental Action Plan in Central Asia (2000)</p> <p>(iii) TA: Combating Desertification in Asia (2000)</p> <p>(iv) TA: Promotion of Renewable Energy, Energy Efficiency, and Greenhouse Gas Abatement projects (2001)</p> <p>(v) TA: Ten Years After Rio: Promoting Subregional Cooperation for Sustainable Development in Asia and Pacific (2001)</p> <p>(vi) TA: Regional Consultations for the Third World Water Forum (2001)</p> <p>Education</p> <p>(i) TA: Subregional Cooperation in Managing Education Reforms (2000)</p> <p>Health</p> <p>(i) JFPR: Grant Assistance to Asian Countries in Transition for Poor Mothers and Children (2001)</p> <p>Others</p> <p>(i) TA: Rural Financial Systems Development Workshop in Central Asia (1999)</p> <p>(ii) TA: Comparative Assessment of Economic Development in Central Asia (2000)</p>	<p><b>EU:</b> is implementing the Regional Environmental Program, which aims at promoting the sustainable use of natural resources by reducing transboundary pollution. Main components are (i) support to implement National Environmental Action Plans; (ii) regional sea programs, including the Aral and Caspian Seas; and (iii) support for investment and relief program. EU also provides support for the development of democracy, focusing on combating drug trafficking and money laundering in Central Asia.</p> <p><b>Germany:</b> is supporting (i) regional environment program with an emphasis on combating desertification in the region; and (ii) regional legal reform program, focusing on the establishment of civil and commercial laws based on general and unified principles.</p> <p><b>Switzerland:</b> is supporting a TA for the Central Asia mountain program.</p> <p><b>UNDP:</b> has active regional programs in (i) environment and development; (ii) external debt management; (iii) democracy, governance, and participation; (iv) gender in development; (v) human development and statistics; and (vi) poverty alleviations.</p> <p><b>USAID:</b> is currently providing TA to (i) primary health care to cope with drug trafficking and HIV/AIDS, and (ii) democratic culture and institutions to enhance the capacity of local government and NGOs. USAID provided education support for civic leaders, civil servants, and private citizens for democracy.</p> <p><b>WB:</b> in collaboration with GEF, is implementing the Central Asia Transboundary Biodiversity Project with a total cost of \$13.6 million. The project supports an integrated set of activities at the local, national, and regional levels to extend a transboundary protected area covering Kazakhstan, Uzbekistan, and Kyrgyz Republic.</p>

ADB=Asian Development Bank, EBRD= European Bank for Reconstruction and Development, ECO=Economic Cooperation Organization, EU=European Union, GEF=Global Environment Facility, HIV/AIDS= human immunodeficiency virus/acquired immunodeficiency syndrome, INOGATE=Interstate Oil and Gas Transport to Europe, IsDB=Islamic Development Bank, MOU=memorandum of understanding, NGO=nongovernment organization, PWG=Project Working Group, RETA=regional technical assistance, SME=small and medium-sized enterprise, TA=technical assistance, TFP=Trade Facilitation Program, TRACECA=Transport Corridor Europe Caucasus Asia, UNDP=United Nations Development Programme, UNSPECA=United Nations Special Program of Economies of Central Asia, USAID=United States Agency for International Development, WB=World Bank, WTO=World Trade Organization.





Year/Sector/Project/Program Name	Poverty Classification	Thematic Priority	Division	Year of PPTA	Total	Cost (\$ million)				
						ADB			Gov't	Cofinancing
						OCR	ADF	Total		
<b>2005 Standby Loans</b>										
<b>Transport Sector</b>										
1. Kyrgyz Transport Corridor Road Project, Phase II (KGZ)	Other	REG	ECID	2004	-	20	20	5		
2. Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (TAJ)	Other	REG	ECID	2004	-	20	20			
<b>Subtotal</b>						-				
<b>Total</b>										
<b>Grand Total</b>										

ADB=Asian Development Bank, ADF=Asian Development Fund, AFG=Afghanistan, ECGF=Governance, Finance and Trade Division, ECID=Infrastructure Division, ECO=economic growth, KAZ=Kazakhstan, KGZ=Kyrgyz Republic, OCR=ordinary capital resources, PPTA=project/program preparatory technical assistance, REG=regional cooperation, TAJ=Tajikistan, UZB=Uzbekistan.

**Table A1.3: Assistance Pipeline for Nonlending Products, 2003-2005**

Year/Sector/Assistance Name	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2003</b>							
<b>Transport Sector</b>							
1. Kyrgyz Transport Corridor Road Project, Phase II (KGZ/UZB/PRC)	ECID	PPTA		500		500	
2. Atyrau-Aktau Road Rehabilitation (KAZ)	ECID	PPTA		500*		500*	
<b>Subtotal</b>				<b>500</b>		<b>500</b>	
<b>Energy/Water Sector</b>							
1. A Study on Amu Darya River Basin Development (UZB/TAJ/TKM/AFG)	ECAE	RETA		900		900	
<b>Subtotal</b>				<b>900</b>		<b>900</b>	
<b>Trade Facilitation Sector</b>							
1. Regional Private Sector Development (KAZ/KGZ/TAJ/UZB)	ECGF	RETA		800		800	
2. Regional Financial Sector Development, Phase I (KAZ/KGZ/TAJ/UZB)	ECGF	RETA		900		900	
<b>Subtotal</b>				<b>1,700</b>		<b>1,700</b>	
<b>Administration</b>							
1. Support for Greater Silk Road Initiative 2003-2005 (AZE/PRC/KAZ/KGZ/MON/TAJ/UZB)	CARECU	ETSW/ID		2,900		2,900	
<b>Subtotal</b>				<b>2,900</b>		<b>2,900</b>	
<b>Others</b>							
1. Capacity Building in Priority Areas of Regional Cooperation (AZE/PRC/KAZ/KGZ/MON/TAJ/UZB)	CARECU	RETA		800		800	
<b>Subtotal</b>				<b>800</b>		<b>800</b>	
<b>Total</b>				<b>6,800</b>		<b>6,800</b>	
<b>2004</b>							
<b>Energy/Water Sector</b>							
1. Participatory Water Management in Central Asia (KAZ/KGZ/TAJ/UZB)	ECAE	ETSW/ID		900		900	
<b>Subtotal</b>				<b>900</b>		<b>900</b>	

Year/Sector/Assistance Name	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>Trade Facilitation Sector</b>							
1. Regional Tourism Development (KAZ/KGZ/TAJ/UZB)	ECGF	RETA		1,000		1,000	
2. Trade Facilitation and Customs Cooperation Program, Phase II (AZE/PRC/KAZ/ KGZ/ MON/TAJ/UZB)	ECGF	RETA		900		900	
<b>Subtotal</b>				<b>1,900</b>		<b>1,900</b>	
<b>2004 Standby</b>							
<b>Transport Sector</b>							
1. Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (TAJ)	ECID	PPTA		500*		500*	
<b>Subtotal</b>				-		-	
<b>Total</b>				<b>2,800</b>		<b>2,800</b>	
<b>2005</b>							
<b>Trade Facilitation Sector</b>							
1. Regional Financial Sector Development, Phase II (KAZ/KGZ/TAJ/UZB)	ECGF	RETA		800		800	
2. Trade Facilitation and Customs Cooperation Program, Phase III (AZE/ PRC/KAZ/ KGZ/ MON/TAJ/UZB)	ECGF	RETA		600		600	
<b>Subtotal</b>				<b>1,400</b>		<b>1,400</b>	
<b>Transport Sector</b>							
1. Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (TAJ)	ECID	PPTA		500*		500*	
<b>Subtotal</b>							
<b>Total</b>				<b>1,400</b>		<b>1,400</b>	
<b>Grand Total</b>				<b>11,000</b>		<b>11,000</b>	

ADB=Asian Development Bank, AFG=Afghanistan, AZE=Azerbaijan, CARECU=Central Asia Regional Economic Cooperation Unit, ECAE=Agriculture, Environment and Natural Resources Division, ECGF=Governance, Finance and Trade Division, ECID=Infrastructure Division, ECOC=Operations Coordination Division, ETSW/ID=economic/thematic/sector work/Institutional Development, KAZ=Kazakhstan, KGZ=Kyrgyz Republic, MON=Mongolia, PPTA=project preparatory technical assistance, PRC=People's Republic of China, RETA=regional technical assistance, TAJ=Tajikistan, TKM=Turkmenistan, UZB=Uzbekistan.  
\* Amount included in the Country Assistance Pipeline.

## CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products:

- (i) Table A2.1: Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase I and II
- (ii) Table A2.2: Kyrgyz Transport Corridor Road Project, Phase I and II
- (iii) Table A2.3: Baravoe-Kokshetau-Petropavlovski Road Rehabilitation
- (iv) Table A2.4: Atamyrat-Imamnazar Road Rehabilitation and Construction
- (v) Table A2.5: Customs Modernization Project
- (vi) Table A2.6: Atyrau-Aktau Road Rehabilitation
- (vii) Table A2.7: Regional Power Transmission Modernization Project, Phase II
- (viii) Table A2.8: Central Asia Gas Transmission Improvement Project, Phase I and II

**Table A2.1: Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase I and II  
Concept Paper**

**Date: 20 September 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input checked="" type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECID/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Miller</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Project will rehabilitate a key transport corridor linking Tajikistan to the Kyrgyz Republic and onwards to the PRC. The project road provides the primary link between the Rasht Valley and Dushanbe. The project area was the scene of heavy fighting during Tajikistan's civil war in the mid-1990s, and has a poverty incidence estimated at 85-95%. The project road will eventually connect to Sary Tash in the Kyrgyz Republic, and thus to the Osh-Sary Tash-Irkeshtam road corridor currently being studied under TA 6024-REG: Regional Cooperation in Transport Projects in Central Asia. The projects are consistent with the regional strategy as they will assist in infrastructure rehabilitation, support poverty reduction and economic growth, improve governance through policy reform, and increase regional traffic and trade.</p> <p><b>b. Goal and purpose:</b> To reduce poverty and increase regional trade and cooperation by rehabilitating the road linking Dushanbe, Tajikistan, to Sary Tash, Kyrgyz Republic</p>										

<p><b>c. Components and outputs:</b> The Project will include civil works for rehabilitation of the Dushanbe-Sary Tash road and feeder roads, consulting services for project implementation, associated AOTAs for institutional strengthening and policy reform, and possibly purchase of equipment for road maintenance.</p> <p><b>d. Expected results and deliverables:</b> Rehabilitation of the Dushanbe-Sary Tash road and feeder roads; improved road maintenance financing and practices.</p> <p><b>e. Social or environmental issues or concerns:</b> No environmental and social assessment of the project has been undertaken yet.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Transport</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p> <p>The Ministry of Transport and other relevant institutions (including local governments for the feeder roads) are involved in the project design currently being prepared under TA 3738-TAJ: Second Road Rehabilitation Project.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval  Lending: 2003, 2005  Nonlending (project preparatory):  Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance  Lending: 2003-2008  Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input checked="" type="checkbox"/> Asian Development Fund: - To be determined  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: Anticipated cofinancing of about \$5 million for each phase, source not yet identified  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget: <input type="checkbox"/> Grant TA funds: \$450,000</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, AOTA = advisory and operational technical assistance, CSP = country strategy and program, ECID = Infrastructure Division, ECRD = East and Central Asia Department, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.2: Kyrgyz Transport Corridor Road Project, Phase I and II  
Concept Paper**

**Date: 20 September 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECID/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Miller</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Project will rehabilitate the sections of the Andizhan-Osh-Irkeshtam-Kashgar road passing through the southern Kyrgyz Republic. The road, which links the PRC and Uzbekistan, needs rehabilitation to allow effective use of this international transport corridor. Increased trade and communication along this route would improve relations among PRC, Kyrgyz Republic, and Uzbekistan, as well as generate economic benefits in all three. The route is likely to have extraregional transport potential as well. It is envisioned that the projects will address cross-border issues in order to facilitate trade and traffic. TA 6024-REG: Regional Cooperation in Transport Projects in Central Asia is presently studying cross-border issues, financing modes, and regional coordination and dialogue (including establishing a regional working group) to facilitate preparation and implementation of these projects.</p> <p><b>b. Goal and purpose:</b> To reduce poverty and increase regional trade and cooperation by rehabilitating the road linking Andijan, Uzbekistan; Osh, Kyrgyz Republic; and Kashgar, PRC</p>										



<p><b>c. Components and outputs:</b> The project will include civil works for rehabilitation, consulting services for project implementation, institutional strengthening and policy reform, and possibly purchase of equipment for road maintenance.</p> <p><b>d. Expected results and deliverables:</b> Rehabilitation of the road; increased levels of regional trade and traffic; reforms in cross-border procedures; improved road maintenance financing and practices</p> <p><b>e. Social or environmental issues or concerns:</b> No environmental and social assessment of the project has been undertaken yet.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> Ministries of Transport and Communication of Kyrgyz Republic, PRC, and Uzbekistan</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> A regional working group is being formed under TA 6024-REG, and meetings will begin in October 2002.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval  Lending: 2003, 2005  Nonlending (project preparatory):  Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance  Lending: 2003-2008  Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input checked="" type="checkbox"/> Asian Development Fund: To be determined  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: Anticipated cofinancing of about \$5 million for each phase, source not yet identified  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input type="checkbox"/> Grant TA funds: \$450,000</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, ECID = Infrastructure Division, ECRD = East and Central Asia Department, PRC = People's Republic of China, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.3: Baravoe-Kokshatau-Petropavlovsk Road Rehabilitation Project  
Concept Paper**

**Date: 13 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other: {specify}</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communications Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> P. Seneviratne</p>										
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> The first internationally financed road development project in Kazakhstan, which was part of the principal north-south road from Almaty to Petropavlovsk on the Russian Federation border, was prepared and financed by ADB in 1996. The project paved the way for more external involvement in the road transportation sector and interest in completing the link, as it is also a major thoroughfare for trade between East and Southeast Asia and Europe. Rehabilitation of many sections between Almaty and Barovoe are either complete or under way. The Government is seeking to rehabilitate the remaining section from Barovoe to Petropavlovsk.</p> <p>b. <b>Goal and purpose:</b> Complete upgrading the main north-south road corridor; once completed, the road will facilitate fast, reliable, and safe domestic and international passenger and freight transportation</p> <p>c. <b>Components and outputs:</b> Upgrading and repairing about 233 km of road and related infrastructure, and providing TA to reduce non-tariff barriers such as vehicle standards, access to traffic and investment restrictions</p>										

<p><b>d. Expected results and deliverables:</b> Road rehabilitation will lessen travel time and vehicle operating costs, and increase safety and security of travel. Approximately 233 km of road will be upgraded to international standards with uniform traffic control devices.</p> <p><b>e. Social or environmental issues or concerns:</b> No environmental and social assessment of the project has been undertaken yet.</p> <p><b>f. Plans for disseminating results/deliverables:</b> Not applicable</p>
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Transport and Communications (MOTC)/Committee of Roads (COR)</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> CSP Mission's discussions with MOTC, COR and Ministry of Finance</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2003 Nonlending (project preparatory): Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance(s) Lending: 2004-2006 Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: \$50 million  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: Islamic Development Bank, \$20 million  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing): Total cost, \$90 million; ADB, \$50 million; others, \$20 million; Government, \$20 million</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds: \$500,000</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, COR = Committee of Roads, CSP = country strategy and program, km = kilometer, MOTC = Ministry of Transport and Communications, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.4: Atamyrat-Imamnazar Road Rehabilitation and Construction  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>    Sector: Transport</p> <p>    Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Humanitarian aid to AFG</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Humanitarian aid to AFG	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Humanitarian aid to AFG										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input checked="" type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECID/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> Kari Saari, Sean O'Sullivan</p>										
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> Humanitarian aid to Afghanistan. A third transport route to Afghanistan from Turkmenistan is needed because the area in Afghanistan south of Kucha near the Iranian border is unsafe, and the border crossing in Termez, Uzbekistan, is very busy and sometimes closed. The Afghanistan Interim CSP states that the rehabilitation of the transport infrastructure is among the highest priorities for ADB's operations. The rehabilitation and reconstruction of the roads with linkages to neighboring countries are to be included in the first batch of projects for reconstruction and rehabilitation. In selecting road links to be covered by ADB loans in 2003, the Afghanistan Interim CSP proposes to give preference for projects that are also on the priority list of ECRD in the neighboring Central Asian countries. Implementation of such projects, which have distinct subregional character, will not only give subregional cooperation further momentum but also provide immediate succor to the population in Afghanistan dependent on relief supplies that are transported along these transport corridors.</p> <p>One such road linkage is the Atamyrat to Andkhoy road, which handles nearly half the humanitarian relief and other supplies destined for northern Afghanistan. The Turkmenistan Government has agreed to provide this</p>										

humanitarian corridor for the passage of international aid to Afghanistan. Out of the 52,000 metric tons of food that is required every month for the 6.5 million vulnerable people in Afghanistan, the international community plans to channel half through Turkmenistan. Traffic through the border towns of Turkmenistan into Afghanistan has increased considerably during the past few months. The heavy traffic has aggravated the already poor condition of the road and during certain times of the year the road is virtually impassable. The road, both in Turkmenistan and Afghanistan, is hence in urgent need of rehabilitation.

**b. Goal and purpose:** The objective of the Project is to rehabilitate the road from Atamyrat in Turkmenistan to Afghanistan (and further to Andkhoy in Afghanistan) to facilitate the flow of humanitarian aid to Afghanistan and enhance cross-border trade between the two countries.

**c. Components and outputs:** Construct 34 km of missing road link, and rehabilitate 81 km of existing paved road.

**d. Expected results and deliverables:** Unhindered access to Afghanistan from Turkmenistan.

**e. Social or environmental issues or concerns:** To be assessed by ongoing PPTA

**f. Plans for disseminating results/deliverables:** ADB website

**7. Proposed executing/implementing agencies:** Turkmenautoyollari

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** WFP and UNDP have endorsed the project.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval  
 Lending: 2002  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory):

c. Period and duration of assistance  
 Lending: 2003-2004  
 Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources: \$20 million
  - Asian Development Fund:
  - Other: Turkmenistan Government \$5 million

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ECID = Infrastructure Division, ECRD = East and Central Asia Department, km = kilometer, PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance, UNDP = United Nations Development Programme, WFP = World Food Programme.

**Table A2.5: Customs Modernization Project  
Concept Paper**

**Date: 20 September, 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Trade Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECGF/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation to promote sustainable economic growth and poverty reduction is a key objective of ADB's operations. Facilitating trade, especially cross-border trade, has been a focus of ADB's program in the region since 1997. Despite the progress made over the past decade, considerable barriers to trade continue to exist. Since 2000, ADB's trade facilitation has focused on the potential for customs modernization and cooperation. In 2002, program loans, <i>Trade Facilitation</i> and <i>Customs Reform</i>, to support policy reforms for trade facilitation and customs modernization in Tajikistan and the Kyrgyz Republic are being processed in parallel with PPTAs aimed to undertake needs assessment, and financial and economic analysis of investments in computerization, customs equipment, and infrastructure to prepare for investment loans. Processing of investment loans is subject to successful implementation of policy and institutional reforms under the program loans and completion of the PPTAs.</p> <p><b>b. Goal and purpose:</b> The goal is to improve customs operational efficiency in order to facilitate trade and improve revenue collection. This has been supported by program loans in 2002 for policy and institutional</p>										

reforms to facilitate trade and modernize customs. The proposed project will build on those reforms and finance investments in border infrastructure, inspection and servicing systems, and information and communication technology.

**c. Components and outputs:** The project loans will support investments in infrastructure, equipment, and information and communication technology to modernize the Kyrgyz and Tajik customs services. The PPTAs launched in 2002 will provide a detailed assessment of hardware and software needs and identification of the best options from a cost-benefit perspective. The project will conduct prioritized investment activities for border infrastructure and equipment at priority border posts and processing points.

**d. Expected results and deliverables:** Improved operational efficiency resulting from an automated customs service with simplification of clearance and control procedures. Coordination among customs, the Ministry of Finance, and the Tax Inspectorate will be strengthened. The details of the investment to be financed under the loan will be determined upon completion of the PPTAs.

**e. Social or environmental issues or concerns:** No social and environmental assessment of the project has been undertaken yet.

**f. Plans for disseminating results/deliverables:** n/a

**7. Proposed executing/implementing agencies:** Ministry of Finance and State Customs Inspectorate, Kyrgyz Republic; and Ministry of Finance, Ministry of State Revenue and Tax Collection, Ministry of Economy and Trade, Tajikistan

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
 Lending: 2003  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory):

c. Period and duration of assistance  
 Lending:  
 Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund: To be determined
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ECGF = Governance, Finance, and Trade Division, ECRD = East and Central Asia Department, PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.6: Atyrau-Aktau Road Rehabilitation  
Concept Paper**

**Date: 13 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communications Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> P. Seneviratne</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The proposed Transport Corridor Europe Caucasus Asia network includes the Atyrau-Aktau part of the north-south transport corridor extending from India and the Persian Gulf to northwest Kazakhstan and the Russian Federation. Kazakhstan's national road development program is also developing the road from Bejneu (midway on the Atyrau-Aktau road) to the Uzbekistan border, thereby creating an international corridor from Bishkek to Moscow.</p> <p><b>b. Goal and purpose:</b> Upgrade about 900 km of road from Atyrau and Aktau ports to link two major development centers in Kazakhstan and facilitate interregional trade by creating a transit corridor from the People's Republic of China to the Russian Federation via Kazakhstan, Kyrgyz Republic, and Uzbekistan.</p> <p><b>c. Components and outputs:</b> Upgrade and repair about 900 km of road and related infrastructure and provide TA to manage infrastructure maintenance and traffic safety.</p> <p><b>d. Expected results and deliverables:</b> Road rehabilitation will lessen travel time and vehicle operating costs, and increase safety and security of travel. Approximately 900 km of road will be upgraded to international standards with uniform traffic control devices.</p>										



<p><b>e. Social or environmental issues or concerns:</b> No environmental and social assessment of the project has been undertaken yet.</p> <p><b>f. Plans for disseminating results/deliverables:</b> Not applicable</p>
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Transport and Communications (MOTC)/Committee of Roads (COR)</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> CSP Mission's discussions with MOTC, COR and Ministry of Finance.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2004 Nonlending (project preparatory): 2003 Nonlending (other than project preparatory): 2004</p> <p>c. Period and duration of assistance Lending: 2004-2007 Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: \$50 million      <input checked="" type="checkbox"/> Other: \$ 150 million  <input type="checkbox"/> Asian Development Fund:</p> <p>If cofinancing is required indicate sources, and amount sought: EBRD, \$100 million  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing): Total costs \$180 million: ADB, \$50 million; other, \$100 million; Government, \$30 million.</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds: \$500,000 for the PPTA and \$600,000 for the attached TA</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, COR = Committee of Roads, CSP = country strategy and program, EBRD = European Bank for Reconstruction and Development, km = kilometer, MOTC = Ministry of Transport and Communications, PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.7: Regional Power Transmission Modernization Project, Phase II  
Concept Paper**

**Date: 20 September 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>    Sector: Energy</p> <p>    Subsector: Power</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department: ECID</b></p>										
<p><b>5. Responsible ADB officer(s): Sean M. O'Sullivan</b></p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Central Asia power system comprises interconnected high-voltage links encompassing southern Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. The main transmission lines link the power systems of the five countries for parallel operation. The system shares common operational and service management, planning, information channels, and control, and connects 83 power plants, including 29 thermal and 48 hydropower plants, with a total installed capacity of about 25,000 megawatts. The unified dispatch center in Tashkent is responsible for maintaining the balanced and synchronized operation of the power transmission and distribution systems of the five countries. Following the dissolution of the Soviet Union in 1991, the countries maintained their balanced and synchronized operation to allow import and export of electricity among them. Market-oriented issues increasingly play a major role in power system management. However, the regional technical operation protocols are less respected and funds for maintenance and rehabilitation are scarce. Each country has been focusing more on power self-sufficiency rather than establishing a competitive regional market that would achieve economically efficient patterns of trade.</p>										

**b. Goal and purpose:** To improve the operation and efficiency of the regional power transmission system and enhance economic regional power trade and cooperation among the Central Asian Republics. The Project will encourage intercountry power trading and establish the foundation for a future wholesale regional power market.

**c. Components and outputs:** Rehabilitated and refurbished 500 kV substations and switchyards—replacement in each substation of circuit breakers, current transformers, protection and control systems and the DC system

Rehabilitated and upgraded dispatch and communication facilities and new metering—upgrading of facilities at the Unified Dispatch Center, national control center, and area control centers in each country and interconnecting telecommunication links. Install new remote terminal units in 500 kV substations and in major power plants. Install new transborder metering together with meter management systems at control centers.

Improved policy, institutional, and regulatory environment for the Central Asian Grid

**d. Expected results and deliverables:**

- Increased economic exchange of energy among the countries and among energy companies
- Improved reliability and quality of electricity supply to industrial, commercial, and domestic consumers in the region
- Reduced primary energy consumption as fuel for power generation
- Optimization of generation in the region with additional generation from hydropower stations and savings in generating costs
- Reduction of unserved energy due to forced outages
- Reduction of technical transmission network losses
- Reduced emissions due to increased use of renewable energy and better energy efficiency

**e. Social or environmental issues or concerns:** There are no negative socioeconomic impacts as a direct result of the proposed Project, which is expected to result in an improved power supply to all consumers. However, adequate safety nets must be provided to the poor as electricity tariffs rise with the move to full cost recovery pricing in each country.

The proposed Project should not have any adverse environmental impacts that cannot be satisfactorily mitigated. Rehabilitation and upgrading of the transmission and dispatch facilities involves existing component replacement or retrofitting new components to existing equipment. The Project should have net environmental benefits as a result of fuel savings and reduced emissions.

Environmental Category B

**f. Plans for disseminating results/deliverables:**

**7. Proposed executing/implementing agencies:** Power utility/transmission company in each country

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Three regional meetings, with delegates from ministries of energy, finance, and trade and the power utility companies, have been held to provide direction to the consultants in formulating the scope of the project and to consider the collaborative actions required to enhance regional cooperation and power trading among the countries.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending: October 2004
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: To be decided
  - Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources: To be decided
- Asian Development Fund: To be decided
- Other:

If cofinancing is required indicate sources, and amount sought: To be decided

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ECID = Infrastructure Division, kV = kilovolt, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.8: Central Asia Gas Transmission Improvement Project, Phase I and II  
Concept Paper**

**Date: 20 September 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Gas</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department: ECID</b></p>										
<p><b>5. Responsible ADB officer(s): Edu Hassing</b></p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Natural gas is the predominant energy source in the CARs, and the extensive pipeline network in the region reflects its importance. However, inadequate infrastructure and lack of financial resources for exploiting natural gas resources and increasing operations are major hurdles for developing these resources to promote regional economic growth. Further policy and institutional arrangements need to be introduced and implemented to ensure existing intercountry trade in energy including gas is consistent with market-oriented principles and practices. The natural gas sector therefore represents a considerable potential for increasing regional cooperation in Central Asia, in particular among Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. This would help the region to become a larger exporter of energy and, at the same time, enable the CARs to meet their own energy needs in the most economically efficient manner. Promoting energy trade is a key area of the ADB's regional assistance program as endorsed by the governments at the Ministerial Conference held in March 2002.</p> <p><b>b. Goal and purpose:</b> The goal is to promote sustained economic growth through regional cooperation in the CARs by eliminating technical and institutional bottlenecks and other barriers that constrain efficient operation</p>										

and flow of natural gas, prevent energy trade, and impede rational use of the transmission system linking them. The Project will encourage efficient natural gas trade in the region, and facilitate wider access to modern energy.

**c. Components and outputs:** Rehabilitation and modernization of the gas transmission network in the CARs. Improved regional policy, institutional, and regulatory environment. Given the complexity of the issues, especially in regard to the number of countries involved and policy and institutional arrangements needed for improvement, the Project will adopt a phased approach. This approach will enable the Project to yield tangible benefits as building blocks for further cooperation. Turkmenistan is unlikely to participate in phase I of the Project, as it has focused on developing an export route through Afghanistan. Consultation with the governments is continuing.

**d. Expected results and deliverables:** Increased economic exchange of gas between the countries

**e. Social or environmental issues or concerns:** To be assessed by ongoing PPTA

**f. Plans for disseminating results/deliverables:** ADB website, regional conferences, and wide circulation among governments and development partners

**7. Proposed executing/implementing agencies:** Gas transmission company in each country

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Energy is a key focus of ADB regional assistance, confirmed by the participating governments at the Ministerial Conference held in March 2002. The Conference also gave endorsement to this Project. Further regional consultation meetings will be held during processing of the ongoing PPTA.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending: first phase in 2004
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: To be further assessed.
  - Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources: To be further assessed upon completion of PPTA
- Asian Development Fund: To be decided
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds: To be further assessed

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, ECID = Infrastructure Division, PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

### CONCEPT PAPERS FOR NONLENDING PRODUCTS

This appendix contains the concept papers for the following nonlending products:

- (i) Table A3.1: Kyrgyz Transport Corridor Road Project, Phase II
- (ii) Table A3.2: A Study on Amu Darya River Basin Development
- (iii) Table A3.3: Regional Private Sector Development 2003
- (iv) Table A3.4: Regional Financial Sector Development, Phase I 2003
- (v) Table A3.5: Support for Greater Silk Road Initiative 2003-2005
- (vi) Table A3.6: Capacity Building in Priority Areas of Regional Cooperation
- (vii) Table A3.7: Participatory Water Management in Central Asia
- (viii) Table A3.8: Regional Tourism Development 2004
- (ix) Table A3.9: Regional Trade Facilitation and Customs Cooperation Program, Phase II 2004
- (x) Table A3.10: Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II
- (xi) Table A3.11: Regional Financial Sector Development, Phase II 2005
- (xii) Table A3.12: Regional Trade Facilitation and Customs Cooperation Program, Phase III 2005

**Table A3.1: Kyrgyz Transport Corridor Project, Phase II  
Concept Paper**

**Date: 20 September 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECID/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Miller</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The TA will prepare a project for the second phase of rehabilitation of the sections of the Andizhan-Osh-Irkeshtam-Kashgar road passing through the southern Kyrgyz Republic. The road, which links PRC and Uzbekistan, needs rehabilitation to allow effective use of this international transport corridor. Increased trade and communication along this route would improve relations among PRC, Kyrgyz Republic, and Uzbekistan, as well as generate economic benefits in all three. The route is likely to have extraregional transport potential as well. It is envisioned that the projects will address cross-border issues in order to facilitate trade and traffic. TA 6024-REG: Regional Cooperation in Transport Projects in Central Asia is presently studying cross-border issues, financing modes, and regional coordination and dialogue (including establishing a regional working group) to facilitate preparation and implementation of the first and succeeding phases of the road rehabilitation.</p> <p><b>b. Goal and purpose:</b> To prepare a second phase transport project to reduce poverty and increase regional trade and cooperation among PRC, Kyrgyz Republic, and Uzbekistan</p> <p><b>c. Components and outputs:</b> The Project will include civil works for rehabilitation, consulting services for</p>										



<p>project implementation, institutional strengthening and policy reform, and possibly purchase of equipment for road maintenance.</p> <p><b>d. Expected results and deliverables:</b> Rehabilitation of the road; increased levels of regional trade and traffic; reforms in cross-border procedures; improved road maintenance financing and practices</p> <p><b>e. Social or environmental issues or concerns:</b> To be assessed during the TA</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> : Ministries of Transport and Communication of Kyrgyz Republic, PRC, and Uzbekistan</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> A regional working group is being formed under TA 6024-REG, and meetings will begin in October 2002.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): 2003 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: 2003/2004 Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input type="checkbox"/> Asian Development Fund: To be determined</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: Anticipated cofinancing of about \$5 million for each phase, source not yet identified If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$450,000</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, ECID = Infrastructure Division, ECRD = East and Central Asia Department, PRC = People's Republic of China, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.2: A Study on Amu Darya River Basin Development  
Concept Paper**

**Date: 26 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECAE/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> T. Bayarsaihan</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Central Asia is a relatively water-rich region of the world. Two large river systems, the Amu Darya and Syr Darya, provide more than 90% of the water resources flowing into the Aral Sea Basin. Both the Amu Darya and Syr Darya basins have been intensively developed for irrigated crops through massive irrigation infrastructure built in 1960s. Overextraction of water from the rivers resulted in significant reduction in the amount of water discharged to the Aral Sea. In reaction, the sea began to recede rapidly, with high salt concentrations leading to serious environmental and ecological problems. Despite worsening environmental degradation in and around the Aral Sea, the riparian countries remain heavily dependent on the water in these rivers to support irrigated agriculture as a key to support the national economies and the livelihood of vast rural populations, as well as industry and domestic water supply.</p> <p>Water management facilities in the Aral Sea basin were originally built in the Soviet era, to allow sharing among the Central Asian economies of a multiyear supply of water for power generation (required by the upstream riparian countries in the winter) and irrigation (for the lower riparian countries during the summer). With the collapse of the Soviet Union, however, the mechanism to manage transboundary water in the Amu Darya and</p>										

the Syr Darya has become dysfunctional. The collaborative framework built since 1993 – based on the Interstate Commission for Water Coordination (ICWC) – has not been effective, leaving the riparian states to manage increasingly critical and difficult issues of transboundary water on a highly adhoc annual agreement among them. The issue of transboundary water management has been recognized as a key to forge sustained economic and environmental collaboration among the Aral Sea basin countries. Support and assistance from aid agencies to address the transboundary water management issue, particularly in the Syr Darya basin, have been substantial, but the outputs delivered thus far have been less than spectacular.

During the February 2002 ICWC Conference, held in Almaty, the riparian states renewed their commitment to improved cooperation, and requested aid agencies for increased assistance. A specific proposal was also presented to ADB for assistance to strengthen water management in the Amu Darya basin, through strengthening of the existing Basin Water Organization (a river basin authority created as an executive arm of ICWC).

The Amu Darya is the larger of the two rivers, and drains an area of about 700,000 square kilometers, covering Afghanistan, Tajikistan, Turkmenistan, and Uzbekistan. Compared to the Syr Darya, the Amu Darya basin does not currently experience highly visible transboundary conflicts. Presently, Turkmenistan and Uzbekistan split the Amu Darya River discharge with approximately 60 cubic km per year on average, with Afghanistan only using two cubic km. With investment and development interests for Afghanistan, however, Turkmenistan and Uzbekistan now recognize Afghanistan's increasing need for its share of water as a possible transboundary issue.

**b. Goal and Purpose:** The goal of the proposed study is to forge a stronger and sustainable collaborative framework among the Amu Darya's riparian states for more efficient and environmentally sustainable management of the water resources in the Amu Darya basin.

The specific purpose of the study is to help the Amu Darya's riparian states identify the existing and emerging transboundary water management issues, identify specific skill/institutional gaps that need to be filled in addressing such issues, and formulate a practical program to fill the identified gaps by realigning the existing institutional framework and skills within a specific short and medium-term time frame.

**c. Components and outputs:** Subject to further review by and discussions with the riparian states, the proposed study would include the following as components:

- resources endowment review/assessment,
- institutional review of regional and national water management agencies,
- identification/analysis of transboundary water management issues,
- comparative analysis with other international experience in managing transboundary waters,
- specific needs assessment and formulation of institutional/skill development programs, and
- multistakeholder workshops.

It is expected that the study will be based on the outputs from the ongoing RETA (RETA 6001) for the Regional Consultation for the Third World Water Forum, under which preliminary consultation and discussions are to be held with the CAR governments on transboundary water issues and the necessary policy actions.

**d. Expected results and deliverables:** The study will result in: (i) a set of specific transboundary issues, either existing or emerging, as mutually recognized and agreed upon by the riparian states; and (ii) specific proposals for the riparian states to address these issues through a closer and stronger cooperation framework, using the existing Amu Darya Basin Water Organization.

**e. Social or environmental issues or concerns:** Issues relating to environmental/ecological degradation in and around the Aral Sea have attracted international concerns and interests. There have been a number of externally assisted activities in this regard. In addition, ADB has also assisted the formulation of the Regional Environmental Action Plan in Central Asia (TA No. 5934). The proposed study will maintain close linkages with these past/ongoing studies and initiatives to make sure that it reflects the experiences and findings of the existing and emerging environmental issues relating to water resources in general and to the Amu Darya in particular.

**f. Plans for disseminating results/deliverables:** The study is expected to involve a number of multi-stakeholder workshops with a large number of participants from the riparian states. Through these workshops, progress and outcomes of the study will be disseminated.

<p><b>7. Proposed executing/implementing agencies:</b> Asian Development Bank</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> The request for assistance was conveyed by the Scientific and Information Center of ICWC during the ICWC conference held in Almaty in February 2002 (ref. BTOR, 25 March 2002 by T. Bayarsaihan, ECAE). Further detailed framework of the study will be discussed with the concerned authorities of the CAR governments through RETA 6001 (under which a workshop on transboundary water issues in Central Asia is planned for September 2002).</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): June 2003</p> <p>c. Period and duration of assistance(s) Lending: Nonlending: October 2003-October 2004</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds \$900,000</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, BTOR = back to office report, CAR = Central Asian republic, CSP = country strategy and program, ECAE = Agriculture, Environment, and Natural Resources Division, ECRD = East and Central Asia Department, ICWC = Interstate Commission for Water Coordination, km = kilometer, RETA = regional technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.3: Regional Private Sector Development 2003  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>    Sector: Trade</p> <p>    Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department: ECGF/ECRD</b></p>										
<p><b>5. Responsible ADB officer(s): To be determined</b></p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> A vibrant private sector is vital to growth and development in the CARs. While the share of the private sector of GDP in the CARs has increased, large state-owned enterprises dominate in the industrial sectors. These sectors tend to be heavily concentrated with few enterprises as well. Resource-rich countries like Azerbaijan and Kazakhstan have attracted foreign direct investments (FDI) in their oil industries, but the other countries have received comparatively small amounts of FDI, and there is a lack of private financing for infrastructure, for example. Lack of coherent investment and competition policies hampers private sector development and investments, both domestic and foreign. Furthermore, these countries have to exploit the options for public-private partnerships in infrastructure finance. Private capital is necessary to complement the scarcity of government funding for investments and infrastructure in particular.</p> <p><b>b. Goal and purpose:</b> The goal is to promote private sector development in the region to enhance trade, investment, and growth. The purpose of the TA is to identify the constraints to investment and private sector development and to develop measures and actions to address these in a regional context.</p>										

<p><b>c. Components and outputs:</b> The TA will (i) examine investment policies, competition policies, the legal framework for public-private partnership for infrastructure financing, and the potential for the region's economies to attract private capital both, FDI and financing, for infrastructure; and (ii) develop recommendations for policies and guidelines for investment and competition policies in line with the proposed WTO recommendations, and measures to facilitate and enhance the flow of FDI and promote private-public partnerships for infrastructure finance.</p> <p><b>d. Expected results and deliverables:</b> Reports, workshops</p> <p><b>e. Social or environmental issues or concerns:</b> No social and environmental issues involved</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> ADB will execute the overall TA. The ministries of trade and industry, chambers of commerce or equivalents, and industry associations or equivalents in the respective countries in the East and Central Asian Region will be the implementing agencies.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Chambers of commerce (and equivalents) and industry associations have been consulted in the preparation of the initial concept.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval  Lending:  Nonlending (project preparatory):  Nonlending (other than project preparatory): 2003</p> <p>c. Period and duration of assistance  Lending:  Nonlending: To be determined</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, ECGF = Governance, Finance, and Trade Division, ECRD = East and Central Asia Department, FDI = foreign direct investment, GDP = gross domestic product, SCSP = subregional cooperation strategy and program, TA = technical assistance, WTO = World Trade Organization.

**Table A3.4: Regional Financial Sector Development Phase I 2003  
Concept Paper**

**Date: 20 September, 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Trade Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECGF/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The financial sectors in the CARs are dominated by banks, which provide basic financial services, but the financial sectors are shallow, as indicated by low ratios of deposits and credit to GDP; ineffective in financial intermediation due to inadequate experience in credit risk and management; and ineffective in providing credit and trade finance to the private sector. While efforts have been made to upgrade the regulation and supervision of financial institutions, enforcement is still lagging. The financial institutions are not effective in providing financing and in catalyzing private sector development in the region, and capital markets have yet to develop to broaden and deepen the financial sectors. Effective financial sectors and institutions will catalyze private sector development and facilitate regional trade and growth.</p> <p><b>b. Goal and purpose:</b> The goal is to promote effective financial sectors in the region that can catalyze private sector development, regional trade, and growth. The purpose is to identify weaknesses in the financial sectors in the region that are obstacles to private sector development and to develop recommendations and actions to address these. The TA will also complement the private sector and financial management assessments being undertaken for each of the countries in the region.</p>										

<p><b>c. Components and outputs:</b> The TA will have two components. The first component is a diagnostic study of the financial sectors in the region to assess (i) the capability of financial institutions in the region to provide financing (working capital, medium-term credit, trade finance) to support private sector development, (ii) the state of regulation and supervision of financial institutions and the need for capacity building, and (iii) the options and role of the capital markets to support enterprise growth and development in a regional context. The second component will be development of a blueprint for (i) capacity building for financial sector regulators, (ii) harmonization of banking sector policies, and (iii) development and integration of capital markets.</p> <p><b>d. Expected results and deliverables:</b> Reports containing the diagnostic and blueprint.</p> <p><b>e. Social or environmental issues or concerns:</b> No social and environmental issues involved</p> <p><b>f. Plans for disseminating results/deliverables:</b> workshops</p>
<p><b>7. Proposed executing/implementing agencies:</b> ADB will execute the overall TA. The Ministries of Finance, Central Banks, and other regulatory agencies in the respective countries in the East and Central Asian Region will be the implementing agencies.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval  Lending:  Nonlending (project preparatory):  Nonlending (other than project preparatory): 2003</p> <p>c. Period and duration of assistance  Lending:  Nonlending: To be determined</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, ECGF = Governance, Finance, and Trade Division, ECRD = East and Central Asia Department, GDP = gross domestic product, SCSP = subregional cooperation strategy and program, TA = technical assistance.



**Table A3.5: Support for Greater Silk Road Initiative 2003-2005  
Concept Paper**

**Date: 20 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECOC/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> Lan Wu</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation is one of the three pillars of ADB's poverty reduction strategy, and a strategic focus in ADB operations as enunciated in the LTSF. ADB has provided support for economic cooperation in Central Asia since 1997 through its Greater Silk Road program (GSR program - known until mid 2002 as the Central Asia Regional Economic Cooperation program). The program has strategically aimed at two sets of challenges facing the region. The first refers to a set of regional issues whose solutions would require joint efforts of two and more countries. Prominent among them are issues arising from the geographic isolation of the region, which, coupled with the limited domestic market in each individual country, presents formidable locational and economic disadvantages to the region. The geographic isolation also makes it compulsory for the countries to share vital resources such as energy and water. The second set is common issues where countries can benefit from each other's experience in dealing with same or similar transition and development challenges. Examples would be promoting good governance, private sector development, certain education and health issues, and environmental protection and management.</p>										

Guided by these strategic considerations, the program has focused on (i) building mutual trust and understanding among the countries; and (ii) identifying, preparing and implementing flagship projects as building blocks towards achieving longer term strategic objectives. With this pragmatic approach, strong country support, and active participation, the program has achieved concrete results in terms of identifying a set of flagship projects now at various stages of preparation and implementation. An overall institutional framework was established in Jan 2002, which will greatly strengthen the overall planning, prioritization, and implementation of the program and its coordination with other aid agencies.

**b. Goal and purpose:** The overall goal of the TA is to promote economic growth, thereby reducing poverty in Central Asia. The specific purposes of the TA is to promote economic cooperation through (i) supporting further trust building and confidence enhancing in economic cooperation, (ii) strengthening the GSR program, and (iii) elevating efforts to identify and prepare flagship projects across regional and common issues.

**c. Components and outputs:** The TA will have the following components and corresponding outputs:

- (i) supporting trust and consensus building among the countries, especially through the overall institutional framework wherein ADB acts as its secretariat, with outputs being an annual ministerial conference, senior officials' meeting, and various sector coordinating committee meetings in addition to other regular consultation between ADB and the countries;
- (ii) strengthening the GSR program, especially with respect to overall planning, prioritization, and implementation, with outputs being an effective programming mechanism, 3-year rolling regional program, and improved implementation capacity and support; and
- (iii) elevating efforts at flagship projects, with outputs being the identification and preparation of flagship projects that have significant impacts on regional and common issues, especially in the areas of trade, transport, energy, environmental protection and management, governance, and human development.

**d. Expected results and deliverables:** The TA is expected to generate (i) enhanced mutual trust and understanding among the countries and stronger partnership between ADB and the countries; (ii) enhanced economic cooperation through an improved GSR program based on better planning, enhanced ETSW, effective consultation, and better coordination between aid agencies and within ADB; and (iii) concrete progress and gains to participating countries through investment projects and an improved policy environment.

**e. Social or environmental issues or concerns:** None foreseen

**f. Plans for disseminating results/deliverables:** Dissemination will be through conferences, workshops, meetings, publications, and other means, in addition to wide circulation of materials (including consultant reports) within each government and among aid agencies and other stakeholders.

#### 7. Proposed executing/implementing agencies: ECOC / CARECU

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** ADB has committed to serving as the secretariat to the overall institutional framework established in January 2002 for guiding the GSR program. This was declared in the Ministerial Statement issued at the first Ministerial Conference on Central Asia Economic Cooperation held in March 2002. The proposed TA is the umbrella TA to enable ADB to honor this commitment to enhancing support for economic cooperation in Central Asia.

#### 9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2<sup>nd</sup> half 2003
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2003-2005

#### 10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:

- Asian Development Fund:
- Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ECOC = Operations Coordination Division, ECRD = East and Central Asia, ETSW = economic/thematic/sector work, GSR = Greater Silk Road, LTSF = long-term strategic framework, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.6: Capacity Building in Priority Areas of Regional Cooperation  
Concept Paper**

**Date: 26 July 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECOC/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> Lan Wu</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation is one of the three pillars of ADB's poverty reduction strategy and a strategic focus in ADB operations as enunciated in the LTSF. Under the overall objective of promoting sustained economic growth and poverty reduction, ADB has provided support for economic cooperation in Central Asia since 1997. Its operational focus is on three areas: transport—to alleviate the region's locational disadvantage; energy – to encourage rational use of vital resources of energy and water; and trade facilitation – to promote trade within the region and with outside world. To date, modest success has been achieved, as evidenced in (i) increased awareness and understanding of cooperation, with an overall framework established to further cooperation; and (ii) a preliminary set of priority regional projects identified in each of the focused areas, which are now at various stages of implementation.</p> <p>With the gradual return of peace to Afghanistan, renewed world focus on Central Asia, and a general climate more conducive to cooperation in the region, ADB faces new challenges: principally, how to advance cooperation to assist the countries in seizing this historical window of opportunity to achieve and maintain peace,</p>										

stability, and prosperity through cooperation? One key to future success on a sustainable basis lies in the strengthening of capacity of the countries participating in the ADB-supported Central Asia regional cooperation program. Specifically, the institutional capacity of government agencies involved in regional cooperation, and the capacity of the officials in charge of or participating in regional cooperation (policy making and implementation) would be the basis for bringing forward the cause of regional cooperation.

This important role of capacity for regional cooperation has been clearly recognized by the participating governments, and the request for ADB to assist in capacity building for regional cooperation especially in the three priority areas of cooperation was reflected in the Ministerial Statement issued at the Ministerial Conference on Economic Cooperation in Central Asia held 25-26 March 2002.

**b. Goal and purpose:** The overall goal of the TA is to promote economic growth and reduce poverty in Central Asia. The specific purpose of the TA is to promote economic cooperation through strengthening the capacity of the participating governments for regional cooperation, particularly in the area of transport, energy, and trade facilitation.

**c. Components and outputs:** The TA will have the following components and corresponding outputs:

- (i) A comprehensive assessment of the capacity building needs – the output will be a comprehensive capacity building plan. The plan will identify and analyze the medium and longer term needs for institutional and technical capacity building, and describe a plan to meet these needs with sequenced steps of implementation and with clear monitorable indicators.
- (ii) Capacity building activities for National Focal Points (NFPs) – as NFPs are a central part of the overall framework and key to the coordination of cooperation activities in their respective governments, their capacity both as an institution and as individual officials will be crucial to the future success of cooperation. The capacity-building needs including training need will need to be tailored to suit the specific mandate of the NFPs.
- (iii) Sector capacity-building activities – two sets of activities including training courses will be important: one more skills and capacity in the more general area of administration and management pertinent to economic cooperation; and the other more technical skills and capacity specific to their respective sectors.
- (iv) Supporting activities – based on the assessment, some support for equipment may be necessary in order to ensure the effectiveness of capacity-building activities.

**d. Expected results and deliverables:** The TA is expected to generate (i) enhanced institutional capacity of the governments in furthering regional cooperation in general, and (ii) strengthened technical and institutional capacity of the priority sectors of economic cooperation.

**e. Social or environmental issues or concerns:** None foreseen

**f. Plans for disseminating results/deliverables:** Dissemination will be through workshops, meetings, publications, and other means including ADB websites, in addition to wide circulation of materials (including consultant reports) within each government and among aid agencies and other stakeholders.

**7. Proposed executing/implementing agencies:** Operations Coordination Division/East and Central Asia Department

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** ADB has committed to developing capacity building at the request of the governments as explicitly stated in the Ministerial Statement of the Ministerial Conference on Economic Cooperation in Central Asia during 25-26 March 2002.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 1<sup>st</sup> half 2003
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2003-2005

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ECOC = Operations Coordination Division, ECRD = East and Central Asia Department, LTSF = long-term strategic framework, NFP = National Focal Point, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.7: Participatory Water Management in Central Asia  
Concept Paper**

**Date: 28 May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Water Resources Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECAE/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> M. A. Malik</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Agriculture in many Central Asian countries is heavily dependent on irrigation. Most of the existing irrigation systems were built in the 1960s under the Soviet era. As a result of the severe financial crisis followed by the collapse of the Soviet Union, the governments have not been able to meet the increasing operation and maintenance (O&amp;M) budget requirements. As a result, the operational status of massive and energy-intensive irrigation infrastructure systems is rapidly deteriorating. At the same time, rapid privatization of farms within the irrigated command areas has also resulted in disruption of on-farm level water management.</p> <p>Concerned with declining efficiency of the irrigation supply systems, many CAR governments place high priority on the immediate rehabilitation/restoration of the supply systems, such as high-lift pumps and long feeder (main) canals. However, issues relating to the maintenance of on-farm watercourses and management of irrigation water distribution (where largest loss of water takes place) do not receive much attention from policy makers and sector planners.</p> <p>In many other parts of Asia, however, the importance of on-farm water management through strong beneficiary</p>										

participation has been recognized as a key to address issues relating to sustained maintenance of irrigation systems and equitable distribution of water. In some Asian countries, participatory management of water management has advanced to a stage of irrigation management transfer to the beneficiaries, resulting in more efficient assessment/collection of irrigation fees, and more cost-effective, transparent, and participatory management of irrigation systems. Initial attempts to develop participatory management of on-farm irrigation distribution (e.g., through development of water user associations) have been made in a number of CARs, but their experiences and progress have not been shared among themselves.

**b. Goal and purpose:** The goal of the study is to promote awareness of the CAR governments on the importance and potential of participatory water resources management.

The specific purpose of the study is to compile the collective experience and lessons gained in the participatory management of water in Central Asia, analyze comparative progress/outcomes in relation to the relevant policy framework, and study the relevance of the experiences and lessons from other Asian countries, where participatory water resources management is in a much advanced stage.

**c. Components and outputs:** The study will involve specific case studies on selected irrigation systems in Central Asia, secondary data analyses of the experiences in other Asian countries, participatory workshops (including presentation of advanced irrigation management transfer in Indonesia or Philippines), and preparation of policy recommendations.

**d. Expected results and deliverables:** The study is expected to result in a set of specific policy recommendations for the CAR governments to promote participatory water resources management.

**e. Social or environmental issues or concerns:** No environmental and social assessment of the project has been undertaken yet.

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agencies:** Asian Development Bank

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
None so far

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2004
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): To be determined
- c. Period and duration of assistance
  - Lending:
  - Nonlending: To be determined

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds



If cofinancing is required indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, ECAE = Agriculture, Environment, and Natural Resources Division, ECRD = East and Central Asia Department, O&M = operation and maintenance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.8: Regional Tourism Development 2004  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>    Sector: Trade</p> <p>    Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECGF/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting sustainable economic growth through regional cooperation would greatly enhance the economic transition process in the CARs. One of the sectors that particularly lends itself to regional cooperation is the tourism sector. Regional tourism development is an engine of economic growth and presents an opportunity for sustainable economic and social development by generating foreign exchange revenues, promoting economic diversification, and strengthening regional cooperation and collaboration.</p> <p>The most suitable countries for a regional approach to tourism development among the CARs are Kazakhstan, Kyrgyz Republic, and Uzbekistan. In addition to their natural beauty, these countries share a rich historic past and cultural heritage. Both topography and politics have resulted in historical trade patterns in the CARs, such as the legendary "Silk Road," a loose network of trade routes linking the CARs with the People's Republic of China (PRC), Europe, South Asia, and central Siberia. More recently land bridges such as the famous Trans-Siberian Railroad were established. Coupled with the region's Tian Shan Mountains, attracting both foreign and domestic skiers and trekkers, the three countries provide considerable potential for tourism development.</p>										

<p><b>b. Goal and purpose:</b> The objectives of the RETA are to (i) evaluate the feasibility of sustainable development of the tourism potential of Kazakhstan, Kyrgyz Republic, and Uzbekistan in a way that advocates subregional cooperation; (ii) promote economic growth in the subregion; (iii) facilitate information exchange with the private sector; and (iv) identify a pipeline of subregional tourism development projects.</p> <p><b>c. Components and outputs:</b> The components of the RETA include (i) comprehensive analysis of the current status of the tourism sector in the three countries and the subregion, including identification of obstacles to sector growth on a subregional basis; (ii) preparation of a tourism development study identifying subregional projects based, inter alia, on social, economic, legal, financial, and environmental analyses; (iii) identification of ways and management mechanisms needed to increase subregional cooperation in tourism development while preserving and protecting joint cultural and historical heritage and the environment; and (iv) dissemination of the tourism development strategy to key stakeholders including the private sector.</p> <p><b>d. Expected results and deliverables:</b> The major outputs of the RETA will include (i) a subregional tourism development study, including a pipeline of subregional tourism development projects; (ii) identification of subregional economic growth potential through tourism development; (iii) cooperative management mechanisms for subregional tourism development; (iv) enhanced visibility of tourism development in the subregion through industry forum and publication on study results; and (v) identification of opportunities for private sector participation.</p> <p><b>e. Social or environmental issues or concerns:</b> No environmental and social assessment of the project has been undertaken yet.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> ADB will be the executing agency.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 2004</p> <p>c. Period and duration of assistance Lending: Nonlending: To be determined</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, ECGF = Governance, Finance, and Trade Division, ECRD = East and Central Asia Department, PRC = People's Republic of China, RETA = regional technical assistance, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.9: Regional Trade Facilitation and Customs Cooperation Program, Phase II 2004  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Trade Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECGF/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation to promote sustainable economic growth and poverty reduction is a key objective of ADB's operations. Facilitating trade, especially cross-border trade, has been a focus of ADB's program in Central Asia since 1997. Since 2000, ADB's trade facilitation has focused on the potential for customs modernization and cooperation. The first phase of TA for regional trade facilitation and customs cooperation is being processed in 2002 comprising the following components: (i) harmonization and simplification of documentation, (ii) simplification of border and transit procedures, (iii) establishment of data transfer protocols, (iv) coordinated data gathering and information systems, (v) development of common performance standards, (vi) effective use of technical resources, (vii) possible regional initiatives to promote post-transit/entry compliance audits, (viii) establishing pilot joint processing centers of customs, and (ix) regional capacity-building and training initiatives.</p> <p><b>b. Goal and purpose:</b> The goal is to establish efficient and effective customs arrangements in the region which will facilitate foreign trade and investment, encourage movement of goods and people, and promote economic growth.</p>										

<p><b>c. Components and outputs:</b> The Phase II TA will build on and carry forward the activities started in Phase I, but expand issues related to WTO. Phase II will tentatively focus on (i) continued capacity building for customs officials, (ii) information and communication technology applications for trade facilitation and customs and regional information linkages, (iii) continued and expanded pilot joint processing centers, (iv) support for implementation of simplified border and transit procedures, and (v) assessment of issues relating to WTO accession for applicant countries and development of action plans to support applicant countries in their preparations for WTO accession. The details will be decided upon completion of Phase I of the TA.</p> <p><b>d. Expected results and deliverables:</b> Reports, workshops, and seminars</p> <p><b>e. Social or environmental issues or concerns:</b> None foreseen</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> The ministries for trade and state customs administrations in the respective countries in the East and Central Asian Region will be the implementing agencies. ADB will execute the overall TA.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval  Lending:  Nonlending (project preparatory):  Nonlending (other than project preparatory): 2004</p> <p>c. Period and duration of assistance  Lending:  Nonlending: To be determined</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, ECGF = Governance, Finance, and Trade Division, ECRD = East and Central Asia Department, SCSP = subregional cooperation strategy and program, TA = technical assistance, WTO = World Trade Organization.

**Table A3.10: Dushanbe–Kyrgyz Border Road Rehabilitation Project, Phase II  
Concept Paper**

**Date: 20 September 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Roads</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input checked="" type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECID/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Miller</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The TA will prepare the second phase of the rehabilitation of the Dushanbe-Sary Tash road, a key transport corridor linking Tajikistan to the Kyrgyz Republic and onwards to the PRC. The first phase will rehabilitate the Dushanbe-Darband section, and this PPTA will determine which of the remaining sections should be rehabilitated under the second phase. The project road provides the primary link between the Rasht Valley and Dushanbe. The project area was the scene of heavy fighting during Tajikistan's civil war in the mid-1990s, and has a poverty incidence estimated at 85-95%. The project road will eventually connect to Sary Tash in the Kyrgyz Republic, and thus to the Osh-Sary Tash-Irkeshtam road corridor currently being studied under TA 6024-REG: Regional Cooperation in Transport Projects in Central Asia. The project is consistent with the regional strategy, as it will assist in infrastructure rehabilitation, support poverty reduction and economic growth, improve governance through policy reform, and increase regional traffic and trade.</p> <p><b>b. Goal and purpose:</b> To prepare the Phase II Project, which will aim to reduce poverty and increase regional</p>										

trade and cooperation by rehabilitating the road linking Dushanbe, Tajikistan, to Sary Tash, Kyrgyz Republic

**c. Components and outputs:** The TA will prepare the Phase II Project suitable for ADB financing. The Project will include civil works for rehabilitation of the Dushanbe-Sary Tash road and feeder roads, consulting services for project implementation, associated AOTAs for institutional strengthening and policy reform, and possibly purchase of equipment for road maintenance.

**d. Expected results and deliverables:** Rehabilitation of the Dushanbe-Sary Tash road and feeder roads; improved road maintenance financing and practices

**e. Social or environmental issues or concerns:** No environmental and social assessment of the project has been undertaken yet.

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agencies:** Ministry of Transport

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

The Ministry of Transport and other relevant institutions (including local governments for the feeder roads) are involved in the project design currently being prepared under TA 3738-TAJ: Second Road Rehabilitation Project.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001

b. Expected date of submission for approval  
 Lending: 2004  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory):

c. Period and duration of assistance  
 Lending: 2004/2005  
 Nonlending:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required indicate sources, and amount sought: Anticipated cofinancing of about \$5 million for each phase, source not yet identified.

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds: \$450,000

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, AOTA = advisory and operational technical assistance, CSP = country strategy and program, ECID = Infrastructure Division, ECRD = East and Central Asia Department, PPTA = project preparatory technical assistance, PRC = People's Republic of China, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.11: Regional Financial Sector Development Phase II 2005  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Trade Subsector: Customs</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
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<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> ECGF/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The financial sectors in the CARs are dominated by banks, which provide basic financial services, but the financial sectors are shallow, as indicated by low ratios of deposits and credit to GDP; ineffective in financial intermediation due to inadequate experience in credit risk and management; and ineffective in providing credit and trade finance to the private sector. While efforts have been made to upgrade regulation and supervision of financial institutions, enforcement is still lagging. The financial institutions are not effective in providing financing and in catalyzing private sector development in the region, and capital markets have yet to develop to broaden and deepen the financial sectors. Effective financial sectors and institutions will catalyze private sector development and facilitate regional trade and growth.</p> <p><b>b. Goal and purpose:</b> The goal is to promote effective financial sectors in the region that can catalyze private sector development, regional trade, and growth.</p> <p><b>c. Components and outputs:</b> The second phase of assistance for the region's financial sectors will aim to implement reforms identified during phase I in the areas of (i) harmonization of banking sector policies, (ii)</p>										



<p>capacity building for regulators, and (iii) development and integration of capital markets. The details will be decided on upon completion of the first phase TA in 2003.</p> <p><b>d. Expected results and deliverables:</b> To be determined</p> <p><b>e. Social or environmental issues or concerns:</b> None</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined</p>
<p><b>7. Proposed executing/implementing agencies:</b> ADB will execute the overall TA. The ministries of finance, central banks, and other regulatory agencies in the respective countries in the East and Central Asian Region will be the implementing agencies.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval</p> <p style="padding-left: 20px;">Lending:</p> <p style="padding-left: 20px;">Nonlending (project preparatory):</p> <p style="padding-left: 20px;">Nonlending (other than project preparatory): 2005</p> <p>c. Period and duration of assistance</p> <p style="padding-left: 20px;">Lending:</p> <p style="padding-left: 20px;">Nonlending: To be determined</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p style="padding-left: 20px;"><input type="checkbox"/> Ordinary capital resources:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Asian Development Fund:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p style="padding-left: 20px;"><input type="checkbox"/> No resources required, other than ADB staff</p> <p style="padding-left: 20px;"><input type="checkbox"/> ADB's administrative budget:</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Grant TA funds: To be determined</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CAR = Central Asian republic, CSP = country strategy and program, ECGF = Governance, Finance, and Trade Division, ECRD = East and Central Asia Department, GDP = gross domestic product, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.12: Regional Trade Facilitation and Customs Cooperation Program,  
Phase III 2005  
Concept Paper**

**Date: May 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other: RETA</p>										
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<p><b>4. Responsible division/department:</b> ECGF/ECRD</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation to promote sustainable economic growth and poverty reduction is a key objective of ADB's operations. Facilitating trade, especially cross-border trade, has been a focus of ADB's program in the region since 1997. Since 2000, ADB's trade facilitation has focused on the potential for customs modernization and cooperation. The first phase of TA for regional trade facilitation and customs cooperation is being processed in 2002 comprising the following components: (i) harmonization and simplification of documentation, (ii) simplification of border and transit procedures, (iii) establishment of data transfer protocols, (iv) coordinated data gathering and information systems, (v) development of common performance standards, (vi) effective use of technical resources, (vii) possible regional initiatives to promote post-transit/entry compliance audits, (viii) establishing pilot joint processing centers of customs, and (ix) regional capacity building and training initiatives. The Phase II TA in 2004 will aim to carry forward these initiatives to ensure continuity and expand more on WTO-related issues, and the Phase III will further expand and carry forward these initiatives and strengthen regional cooperation.</p>										

**b. Goal and purpose:** The goal is to establish efficient and effective trade and customs arrangements in the region that will facilitate foreign trade and investment, encourage movement of goods and people, and promote economic growth.

**c. Components and outputs:** Phase III will carry forward the components initiated in phases I and II to ensure continuity in capacity building, harmonization of procedures, and data sharing. Phase III will have a stronger focus on WTO accession matters for applicant countries, by providing more capacity building for the applicant countries to facilitate necessary adjustments in policies, regulations, and standards to comply with WTO requirements. The details will be decided on upon completion of Phase II TA in 2004.

**d. Expected results and deliverables:** Reports, workshops, and seminars

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agencies:** The State Customs Administrations in the respective countries in the East and Central Asian Region will be the implementing agencies. ADB will execute the overall TA.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 2005

c. Period and duration of assistance

Lending:

Nonlending: To be determined

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds: To be determined

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, ECGF = Governance, Finance and Trade, Division, ECRD = East and Central Asia Department, SCSP = subregional cooperation strategy and program, TA = technical assistance, WTO = World Trade Organization.