



Senior Officials' Meeting

13 –14 June 2023

CAREC 2030: Trade, Tourism and Economic Corridors

July 2022 to June 2023

Central Asia Regional Economic
Cooperation (CAREC) Program



CAREC TRADE SECTOR PROGRESS REPORT AND WORK PLAN JULY 2022 - JUNE 2023¹

Reference Document
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¹ As of 11 May 2023

I. EXECUTIVE SUMMARY

1. This report provides the (i) progress of implementation between July 2022 and June 2023 of the trade sector work under the *CAREC Integrated Trade Agenda (CITA) 2030* and the Rolling Strategic Action Plan (RSAP); (ii) trade sector deliverables for the 22nd CAREC Ministerial Conference in 2023; and (iii) monitoring of results indicators in the CITA 2030. The report includes the outcomes of the 5th Meeting of the Regional Trade Group (RTG) and 21st Meeting of the Customs Cooperation Committee (CCC) held in October 2022 and the 3rd Meeting of the Sanitary and Phytosanitary (SPS) Measures Regional Working Group (RWG) in January 2023.

2. There is sustained momentum in keeping trade open, acceding to and implementing international agreements, aligning with international standards, and accelerating digital trade among CAREC member countries. Substantial progress was achieved through collaborative projects and knowledge exchange during the report period. Remaining CAREC members that are acceding to the World Trade Organization (WTO) are intensifying their efforts towards WTO membership. In March 2023, Uzbekistan accelerated its pace of accession at the Sixth Working Party on Accession meeting, while Azerbaijan is preparing for the resumption of its Working Party discussions in 2023. In May 2023, the Government of Turkmenistan is finalizing its institutional arrangement for WTO negotiations and with support from the Asian Development Bank (ADB) and the WTO Secretariat initiated preparation for its Memorandum on Foreign Trade Regime. Implementation of commitments under the *WTO Trade Facilitation Agreement (TFA)* is complete for 3 WTO members: the People's Republic of China (PRC), Georgia, and Kazakhstan. WTO TFA implementation rate is at average of 85% for the rest of four CAREC countries. In 2021, Turkmenistan and the Kyrgyz Republic acceded to the World Customs Organization's Revised Kyoto Convention. In 2022, Mongolia, Tajikistan and Turkmenistan joined Azerbaijan and the PRC as parties to the *UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific*. Azerbaijan, Mongolia and the PRC are now contracting parties to the *UN Convention on the Use of Electronic Communications in International Contracts*, while efforts are underway to support the PRC and Georgia in adopting the Model Law on Electronic Transferable Records.

3. Countries continued to make significant strides in facilitating trade and modernizing their sanitary and phytosanitary (SPS) systems to improve market access and promote safe trade. Numerous CAREC initiatives and pilot projects contributed to building capacity, implementing reforms, or business process improvements. These include establishing pest-free areas in Azerbaijan, phytosanitary capacity evaluation in Uzbekistan, and integrating SPS functions at the border with customs control in Mongolia. Dialogues and knowledge-sharing contribute to adopting, replicating or upscaling digital tools and innovative solutions at regional level. Georgia and Pakistan initiated expert-level discussions to join the PRC and Uzbekistan in exchanging phytosanitary certificates via the IPPC's ePhyto hub. Customs authorities are examining the challenges to existing transit operations and discussing ways to facilitate transit through a single transit portal for information exchange.

4. Digitalization is a priority at both national and regional levels in order to reap the benefits of a digital economy. Launched in November 2022, the CAREC Digital Trade Forum, serves as a platform for cross-learning among policy makers, regulators, trade promotion agencies, private sector, development partners, research institutions, and other stakeholders. Countries are exploring emerging technologies, such as artificial intelligence for Georgia's import procedures, and blockchain technology for Mongolia's electronic certificates of origin. ADB is supporting various initiatives to promote SMEs' participation in cross-border e-commerce in Kyrgyz Republic,

Mongolia, and Pakistan. A series of study tours and public-private sector dialogues (in May 2023 in Malaysia and Singapore; and in Q3 2023 in the PRC) will promote knowledge sharing on best practices and experience in e-commerce for Central Asian economies.

5. In-person/On-site trade activities resumed in 2022, with the Forum on Developing Sustainable Economic Zones (SEZs) in CAREC Countries held in September 2022 in Ulaanbaatar, Mongolia. This was followed by a CAREC Roundtable on Supply Chain Connectivity and Resilient Border Operations, also hosted by the Government of Mongolia. CAREC trade-related officials participated in series of subregional and national workshops in designing, negotiating, and implementing free trade agreements (FTAs) and explore potential CAREC-wide FTAs between 2022 to 2023.

6. The CAREC trade sector delivered at least 15 regional and subregional policy dialogues and training events, and 15 national capacity building activities from July 2022 to May 2023. The Regional Trade Group met virtually for its 5th Meeting in October 2022 and discussed progress in implementing CITA's Rolling Strategic Action Plan 2021-2023. In October 2022, the Customs Cooperation Committee marked 20 years of its establishment with a Joint Statement reaffirming commitment to trade facilitation through regional cooperation. In January 2023, the 3rd Meeting of the Regional Working Group on Sanitary and Phytosanitary Measures, Strategic Directions Planning and TA 9500 Closing Workshop was held in Tbilisi, Georgia.

7. Flagship knowledge products on trade continue to support evidence-based policy making and discussions. The *Progress in Trade Facilitation: A 10-Year Corridor Performance Measurement and Monitoring (CPMM) Perspective* marked a milestone for the CPMM as a tool for informing dialogue, collaboration, and decision-making among member countries. The *CAREC Trade Information Portal* provides the latest trade statistics at country level, while the CPMM online database offers trade facilitation indicators at country and corridor level. The *CAREC Trade Insights and News* was launched in 2022 to provide quarterly update on CAREC trade activities.

II. KEY DEVELOPMENTS AND RESULTS

8. The expansion of world gross domestic product (GDP) remains positive, albeit at slower rate—from 6.1% in 2021 and 3.4% in 2022, to 2.7% in 2023. Inflation, tighter financial conditions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic weigh down on prospects.² In terms of global trade, trade in goods made a strong recovery in 2021, exceeding pre-pandemic levels, while services trade remained well below its 2019 value. Trade in goods has recovered by 27% (from 2021 to 2022) faster than services trade (at 16%, for the same period) due to strong consumer demand for products, especially in advanced economies, sustained by governments' fiscal stimulus measures. By contrast, the unequal distribution of vaccines, the emergence of new COVID-19 variants and border restrictions continued to weigh on the recovery of tourism and passenger transport in the services sector.³ Global merchandise trade volumes are predicted to grow by 3.5% in 2022 and 1.0% in 2023.⁴

² IMF. 2023. Inflation Peaking Amid Low Growth, World Economic Outlook Update, January 2023.

<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>.

³ WTO. 2022. World Trade Statistical Review 2022. https://www.wto.org/english/res_e/booksp_e/wtsr_2022_c2_e.pdf

⁴ WTO. 2022. Trade growth to slow sharply in 2023 as global economy faces strong headwinds. 5 October 2022. https://www.wto.org/english/news_e/pres22_e/pr909_e.pdf

9. In the Asia-Pacific region, brighter economic prospects—with growth forecasts at 4.8% in 2023 and 2024, from 4.2% in 2022—are foreseen amid ongoing challenges. The reopening of the People’s Republic of China (PRC) will boost regional economic growth through supply chain linkages and demand for goods and services. This has particularly supported the revival of the Mongolian economy, notably through export and tourism recovery and lessened risk of trade disruption. Growth was remarkably strong in the Caucasus and Central Asia, where growth is much higher than forecasted, especially for energy importers. Merchandise trade in the Caucasus and Central Asia grew sharply in 2022 – partly to the spike in oil and gas prices because of the Russian invasion of Ukraine and sanctions against Russia. There is significant increase in exports to Russia from Kazakhstan (minerals, including uranium, and machinery and equipment) and Uzbekistan (textiles, fruit, copper pipes, and electrical appliances), notably substituting Russia’s imports from economies that impose sanctions. Russian migrants also boosted the region’s trade in services, including air travel, accommodation, catering, and banking.⁵

A. Sector/Pillar Implementation

10. In terms of the results framework under the *CAREC Integrated Trade Agenda 2030*, there is improvement in most trade indicators from 2020 to 2021, except the GDP share of trade in services (Table 1). The share of trade in non-fuels to gross domestic product (GDP) surpassed pre-pandemic levels. The share of top 5 exports in total exports has declined, which could potentially indicate variation or diversification in export basket.

Table 1: CITA 2030/Trade Sector Monitoring Indicators

Trade Outcomes and Outputs (CAREC 2030)	Indicator	2017 baseline	2019 progress ¹	2020 progress ¹	2021 progress ¹	2023 target ²
Outcome: CAREC countries are more integrated into the global economy	Trade in fuels and non-fuels within CAREC and with rest of the world as % of GDP	<i>Fuels:</i>				
		Within CAREC: 0.45	0.67	0.47	0.67	0.84
		With rest of world: 10.22	12.30	8.13	9.69	14.87
		<i>Non-fuels:</i>				
		Within CAREC: 1.55	2.36	2.05	2.46	4.17
		With rest of world: 23.64	27.40	25.14	32.81	31.52
Output 1: Greater diversification in products and sectors achieved	Trade in services as % of GDP	9.96	10.33	7.67	7.78	13.72
	Share of top 5 exports in total exports	61.66	64.85	60.40	54.71	54.04
Output 2: Capacity of institutions for	% of respondents report improved	93.0 (2018)	90.5 ³	90.5 ³		95.0

⁵ ADB. 2023. Asian Development Outlook (ADO) April 2023. <https://www.adb.org/publications/asian-development-outlook-april-2023>; ADB. 2023. Special Chapter – the The Economic Impact of the Russian Invasion of Ukraine on the Caucasus and Central Asia: Short-Term Benefits and Long-Term Challenges. <https://www.adb.org/sites/default/files/publication/863591/ado-april-2023-special-topic.pdf>

trade strengthened	knowledge for trade				
Others			2020-2021/ ⁴	2021-2022/ ⁴	2022-2023/ ⁴
Output 3: Trade sector institutions functional	RTG, CCC, other committees are functional (1=yes or 0=no)	Trade sector institutions meet annually, update RSAP for SOM/MC annually: 1	RTG and CCC met and updated RSAP for SOM/MC: 1	RTG and CCC met and updated RSAP for SOM/MC: 1	RTG and CCC met and updated RSAP for SOM/MC: 1
Output 4: Regional policy dialogue and reforms supported	Number of knowledge products delivered	Key policy reports published: 0 Regional/su regional activities conducted: 7	Key policy reports published: (4 forthcoming) Regional/su regional activities conducted: 11	Key policy reports published: 5 Regional/su regional activities conducted: 16	Key policy reports published: 3 Regional/su regional activities conducted: 14

Notes: These are weighted averages for CAREC excluding the PRC. Source data for Outcome and Output 1 are regularly revised using the most recently available information, thus the slight differences in estimates from previous Trade Sector Reports.

¹ 2022 data are not yet available; ² to be updated to consider impact of pandemic and Russian invasion of Ukraine; ³ 100% in 2020 but response rate was poor. ⁴ covers reporting period (July to June).

CCC = customs cooperation committee, GDP = gross domestic product, MC = ministerial conference, RTG = regional trade group, RSAP = rolling strategic action plan, SOM = senior officials meeting

Sources: United Nations COMTRADE <https://comtrade.un.org/>; World Bank World Development Indicators <https://databank.worldbank.org/source/world-development-indicators>; ADB post-activity surveys.

11. Merchandise exports for CAREC countries (excluding the PRC) expanded by 32.3% in 2021 and 24.8% in 2022, while merchandise imports grew by 24.4% in 2021 and 21.4% in 2022. The recurrent lockdowns in the PRC affected the country's trade performance in 2022 (Table 2).

Table 2: Merchandise trade, annual growth rate, 2019–2022

Country	Merchandise exports (% per year)				Merchandise imports (% per year)			
	2019	2020	2021	2022	2019	2020	2021	2022
Azerbaijan	-4.5	-36.6	72.3	41.6	3.5	-11.1	3.4	-8.5
PRC	-1.3	5.2	28.1	4.6	-2.1	0.3	32.7	1.0
Georgia	12.2	-12.4	27.4	32.3	1.8	-13.5	24.2	31.6
Kazakhstan	-2.8	-18.7	27.5	40.7	17.5	-7.5	9.2	19.6
Kyrgyz Republic	6.6	-1.3	37.9	...	-5.7	-26.0	50.4	...
Mongolia	9.6	-2.7	16.4	20.4	2.4	-13.1	29.2	27.6
Pakistan	-2.1	-7.1	13.8	26.6	-6.8	-15.9	24.4	32.8
Tajikistan	9.3	19.8	52.8	-0.4	6.3	-5.9	33.6	22.8
Turkmenistan	8.1	1.6
Uzbekistan	22.1	-7.7	10.2	12.4	16.1	-10.1	21.0	24.1

Notes: PRC = People's Republic of China. ADB placed on hold its assistance in Afghanistan effective 15 August 2021. Source: ADB 2023. Asian Development Outlook April 2023. Manila.

B. Implementation Progress by Priority Area

Pillar 1: Trade Expansion from Increased Market Access

12. CAREC countries continue to support the realization of the CITA 2030 objectives: to expand trade through enhanced market access, diversify economies, and strengthen institutions for trade. In-person meetings, policy dialogues, and capacity building activities resumed, to maximize engagement and participation and collaboration among CAREC countries, development partners, and other stakeholders.

13. ***Remaining CAREC members advance their accession process to the World Trade Organization (WTO).*** Azerbaijan, Turkmenistan and Uzbekistan remain committed and intensified their efforts to accede to the WTO. In March 2023, Uzbekistan accelerated its pace of accession at the Sixth Working Party on Accession meeting, while Azerbaijan is preparing for the resumption of its Working Party discussions in 2023. In May 2023, Turkmenistan is finalizing its institutional arrangement for WTO negotiations. ADB, in collaboration with the Accession Division of the WTO Secretariat, is working closely with the Government of Turkmenistan in drafting the Memorandum of Foreign Trade Regime in preparation for its negotiations with WTO members, with a joint mission in May 2023 in Ashgabat.

14. ***CAREC members accelerate trade facilitation efforts.*** Implementation of commitments under the *WTO Trade Facilitation Agreement* is complete for 3 WTO members: the People's Republic of China (PRC), Georgia, and Kazakhstan. Implementation rate is at average of 85% for the rest of four CAREC countries that are WTO members. In 2021, Turkmenistan and the Kyrgyz Republic acceded to the World Customs Organization's Revised Kyoto Convention. At the sidelines of CCC meeting, a Webinar on Digital Technologies and Green Customs was held in October 2022, which discussed the opportunities and challenges afforded by digital technologies in enhancing customs' efficiency and expediting trade transactions.⁶

15. ***Countries discuss transit potential and role of a regional transit system.*** A Transit Facilitation for CAREC Economic Integration Workshop was held at the sidelines of the 10th Asia Pacific Trade Facilitation Forum in September 2022.⁷ The workshop encouraged CAREC members' participation in the CAREC Advanced Transit System (CATS) and its Information Common Exchange (ICE) platform, which aims to modernize customs transit operations and establish a harmonized electronic system for goods in transit. A CAREC Customs Transit Survey assessed customs authorities' best practices in transit regimes and determined the challenges posed by existing transit operations. Country missions and virtual consultations were conducted in Kazakhstan, Kyrgyz Republic, Turkmenistan, and Uzbekistan to assess the readiness of countries to participate in the pilot phase of CATS/ICE implementation.

16. Azerbaijan organized a two-day experts' and high-level meeting on Simplified Transit Customs Procedures along the Trans-Caspian International East-West Middle Corridor using the Single Window Principle in March 2023. Heads of Customs from Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan discussed the development of a single transit portal and other international mechanisms—such as CATS and ICE—to facilitate transit procedures. A special session in a workshop for Transport Corridor Europe-Caucasus-Asia (TRACECA) in December 2022 featured the CATS and ICE initiative.

⁶ <https://www.carecprogram.org/?event=webinar-on-digital-technologies-and-green-customs>

⁷ <https://www.carecprogram.org/?event=central-asia-regional-economic-cooperation-program-side-event-at-the-10th-asia-pacific-trade-facilitation-forum-transit-facilitation-for-carec-economic-integration>

17. **Countries commit to accelerating paperless trade.** High-level CAREC officials joined the 10th Asia Pacific Trade Facilitation Forum, organized by ADB and the UN Economic and Social Commission for Asia and the Pacific (ESCAP) in September 2022. Held in Singapore, the forum gathered participants from 30 countries, where they shared experiences and perspectives on paperless trade, transit, and innovative application of emerging technologies. In 2022, Mongolia, Tajikistan and Turkmenistan joined Azerbaijan and the PRC as parties to the *UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific*. Azerbaijan, Mongolia and the PRC are now contracting parties to the *UN Convention on the Use of Electronic Communications in International Contracts*.

18. **CAREC members move towards electronic certificates.** CAREC members expressed interest in participating in and exchanging electronic phytosanitary certificates (ePhyto) via the ePhyto solutions hosted by the International Plant Protection Convention (IPPC). Uzbekistan has been exchanging ePhytos since 2020 and PRC is testing the system. In collaboration with the IPPC, a stakeholders' dialogue for Pakistan on the adoption of ePhyto and its integration into the national single window system was organized in December 2022. The Pakistan Single Window under Customs, Department of Plant Protection of the Ministry of National Food Security and Research, and private sector participated in the dialogue.

19. In January 2023, countries including Azerbaijan, Georgia, and Mongolia expressed interest in exchanging ePhytos. A regional conference to share experience and discuss CAREC countries' proposals for resource mobilization, capacity building, and engagement with the private sector is planned in Uzbekistan in September 2023.

20. **National SPS working groups lead initiatives to modernize SPS measures for improved market access.** Initiatives under the Common Agenda for modernization of SPS measures for trade (CAST) remains focused on improving phytosanitary measures, animal health and food safety. At the 3rd Meeting of the CAREC SPS Regional Working Group (RWG), countries underscored the importance of modernizing SPS measures to expand trade while, at the same time, protecting agri-food supply chains through enhanced regional cooperation and coordination among agriculture, health, environment and trade agencies under a One-Health approach.⁸

21. A tailored training in July 2022 enhanced capacity of Azerbaijan in establishing pest free areas (PFAs) for plants and plant products. The training was a key initiative of the national SPS working group of Azerbaijan, chaired by the Azerbaijan Food Safety Agency and Ministry of Agriculture.⁹ In Uzbekistan, a series of phytosanitary capacity evaluation workshops from July 2022 to January 2023 supported Uzbekistan's continuing plant health reforms.¹⁰ The initiative was spearheaded by Uzbekistan's Agency of Plant Protection and Quarantine and supported by ADB and U.S. Agency for International Development Trade Central Asia activity. In December 2022, the SPS national working group of Tajikistan, led by the Ministry of Economic Development and Trade, and with support from the ADB and the World Organization for Animal Health (WOAH), organized a dialogue to improve veterinary services and align legislation with international standards.¹¹ Turkmenistan's pilot project to implement simplified and cost-effective food safety

⁹ <https://www.carecprogram.org/?event=azerbaijan-training-on-establishing-pest-free-areas-for-market-access>

¹⁰ <https://www.carecprogram.org/?event=1st-phytosanitary-capacity-evaluation-pce-workshop>

¹¹ <https://www.carecprogram.org/?event=stakeholders-dialogue-on-improving-veterinary-services-to-facilitate-trade-in-tajikistan>

management and inspection systems, led by the Ministry of Health of Turkmenistan, produced online modules on hazard analysis critical control points (HACCP) for the meat industry for the benefit of small and medium meat business operators. The HACCP modules are available on the e-learning platform of the CAREC Institute.¹² The SPS National Working Group of Kyrgyz Republic led a series of seminars on SPS border controls for food products based on the import guidelines developed as part of the initiative. The State Customs Service, State Veterinary and Phytosanitary Security, Ministry of Economy and Commerce, Department of Chemicalization of Plant Protection and Quarantine, Department of Disease Prevention and State Sanitary and Epidemiological Surveillance benefited from the seminar series held in November to December 2022.

22. **CAREC explores potential for CAREC-wide free trade agreements.** CAREC countries expressed interest in pursuing regional and bilateral FTAs as a catalyst for inclusive and sustained economic growth through regional integration. ADB organized a series of regional and capacity building events: Regional Dissemination Workshop on FTA Research Report in August 2022, Regional Workshop on Sharing PRC's Experience in FTAs in November 2022, Training of Trainers on How to Design, Negotiate and Implement FTAs in January 2023, as well as national workshops for Georgia in January 2023, for Pakistan in March 2023, for Uzbekistan in May 2023, and subregional training for Kazakhstan, Kyrgyz Republic, and Tajikistan in May 2023.

Pillar 2: Greater Economic Diversification

23. **CAREC prioritizes digital trade and e-commerce expansion.** CITA 2030 aims to strengthen the enabling environment for digitalization and e-commerce to support countries' diversification and SME's participation in regional value chains. The CAREC Digital Trade Forum was launched in November 2022 as a cross-learning network of policy makers, regulators, trade agencies, private sector, development partners, and think tanks to share experiences, good practices and innovative ideas to accelerate digital trade.¹³ The inaugural forum with the theme: *Advancing Digital Solutions and Deepening Regional Cooperation for Trade*, focused on: (i) enabling legislation and policies; (ii) digital technologies for trade; and (iii) cooperation arrangements in reviving supply chains and cross-border trade, accelerating post-pandemic recovery and rebuilding momentum for sustainable economic growth. The 2nd Digital Trade Forum will be held in September 2023 in Georgia. ADB is supporting Azerbaijan's Ministry of Economy to improve the legal framework for e-commerce and align domestic legislation with international conventions and modern international practices.

24. In May 2023, select Central Asian governments and private sector representatives participated at an E-Commerce Study Tour in Malaysia and Singapore. The week-long program is jointly organized by the ADB, the United States Department of Commerce Commercial Law Development Program (CLDP), the United States Agency for International Development (USAID) Future Growth Initiative, and USAID Trade Central Asia Activity. This activity is a follow-up to the CAREC-USAID webinar series on *Toward a Central Asian E-Commerce Market* held in May 2022.¹⁴ The activity seeks to immerse CAREC policymakers and private sector in best practices in the e-commerce ecosystem, covering digital trade promotion, investments in digitalization, and e-commerce logistics.

¹² <https://elearning.carecinstitute.org/online-course/1494.html>

¹³ <https://www.carecprogram.org/?event=carec-digital-trade-forum-2022-advancing-digital-solutions-and-deepening-regional-cooperation-for-trade>

¹⁴ <https://www.carecprogram.org/?event=carec-program-usaid-future-growth-initiative-webinar-series-toward-a-central-asian-e-commerce-market>

25. **CAREC pilots initiative to adopt legislation recognizing electronic trade documents.** ADB (through the Office of the General Counsel and the Trade and Supply Chain Finance Program), the United Nations Commission on International Trade Law (UNCITRAL) and International Chamber of Commerce are collaborating to promote the adoption of the Model Law on Electronic Transferable Records (MLETR) in CAREC countries. The PRC and Georgia are identified as pilot countries, where a series of capacity building and policy advisory activities will be organized. A seminar led by the Ministry of Commerce of the PRC was held in December 2022, will be followed by technical sessions on MLETR legislation for the central government in Q2 2023. In April 2023, the Georgia Revenue Service hosted more than 40 government officials and representatives from private sector to discuss ways to enhance Georgia's legislative framework for digital trade. Other countries may participate in the pilot initiative.

26. **CAREC countries experiment on emerging technologies to facilitate trade.** A pilot project for innovative solutions using artificial intelligence is under preparation for Georgia Revenue Service, to digitize procedures related to declaration of goods, proofs of origin and assessment of tax liabilities. ADB, through its Digital Learning Hub, is supporting the Mongolian National Chamber of Commerce and Industry and Mongolian Customs through development of a minimum viable product to digitalizing certificate of origin (COO) using blockchain and distributed ledger technology. It will create an online system for importers and producers to efficiently request and check COOs from suppliers, for suppliers to easily enter origin details in the system once for review and issuances by the authorities, and to transfer COOs in the same format. Both initiatives once successful could be scaled up and replicated in other CAREC countries.

27. **CAREC embraces sustainable practices and innovative solutions in economic zones.** CAREC countries engaged in a dialogue to adopt sustainable development goals (SDGs) and innovative solutions in the operation of economic zones, including public-private partnerships, cooperation, and greening investments at the Forum on Developing Sustainable Economic Zones (SEZs) in CAREC Countries organized in partnership with the World Free Zone Organization and Mongolia's Ministry of Economy and Development in September 2022. The forum provided new perspectives on SEZs' crucial role to contribute to more inclusive, resilient and sustainable economies. A *Roundtable on Free Zones and Smart Border Operations for Mongolia* was held in November 2022 in Mongolia as a follow-up to the regional event.

Pillar 3: Stronger Institutions for Trade

28. The CAREC Program continues to support capacity-building, regional policy dialogues, and institutional meetings to bring together trade agencies to share best practices and agree on priorities, as part of CITA 2030's rolling strategic action plan.

29. The CAREC trade sector delivered at least 15 regional and subregional policy dialogues and training events, and 15 national capacity building activities from July 2022 to May 2023. The Regional Trade Group met virtually for its 5th Meeting in October 2022 and discussed progress in implementing CITA's Rolling Strategic Action Plan. In September 2023, the Customs Cooperation Committee marked 20 years of its establishment with a Joint Statement reaffirming commitment to trade facilitation through regional cooperation. In January 2023, the 3rd Meeting of the Regional Working Group on Sanitary and Phytosanitary Measures, Strategic Directions Planning and TA 9500 Closing Workshop was held in Tbilisi, Georgia

30. The CAREC [Trade Information Portal \(TIP\)](#) is routinely updated to support evidence-based policymaking and decisions. A *Training on International Trade in Services and Digital Economy Statistics for Mongolia* was organized in March 2023 to strengthen the collection, processing, and reporting of these statistics. Senior officials and technical personnel from the Ministry of Economy and Development, Ministry of Foreign Affairs, National Statistics Office, Ministry of Digital Development and Communications, Central Bank of Mongolia, Communications Regulatory Commission, and Mongolia Customs General Administration participated in the 4-day course. Specialists from the Regional Cooperation and Integration Division of ADB also presented estimates of digital services trade and the Asia-Pacific Regional Cooperation and Integration Index (ARCII).

31. Using the results of the CAREC Corridor Performance Measurement and Monitoring (CPMM), the Progress in Trade Facilitation in CAREC Countries: A 10-Year Corridor Performance Measurement and Monitoring Perspective identified outstanding challenges and opportunities in trade facilitation and prescribed possible actions to remove important structural barriers to enable the efficient flow of goods and unlock growth for the region.¹⁵ In August 2022, ADB held a conference to present preliminary findings and launch the report.¹⁶ Following a call for proposals in February 2022, the conference also presented selected studies that employ CPMM data and demonstrate how it can be used for policy formulation in the region and for deepening academic research in relevant areas.¹⁷

III. CHALLENGES AND KEY ISSUES

IV. WORK PROGRAM FOR COMING YEAR/PERIOD

32. Implementation of CITA 2030 will continue to be aligned with the CAREC members' priorities and responsiveness to the changing global and regional trading paradigm, and emerging challenges and opportunities in the CAREC region. The RSAP 2022-2024 will be considered jointly by the Regional Trade Group and the Customs Cooperation Committee in June 2023 (Appendix 2), to confirm the priority interventions, such as:

- Initiatives for continued modernization of customs services and SPS measures, including new investment projects to support border crossing points and economic corridor development,
- Implementation of CAREC members commitments under the WTO and other international agreements, including FTAs,
- Efforts to accelerate digital trade and promote SME participation in cross-border e-commerce, and
- Regional cooperation mechanisms to address the challenges of climate change and achieve sustainable post-pandemic recovery.

¹⁵ ADB. 2022. [Progress in Trade Facilitation in CAREC Countries: A 10-Year Corridor Performance Measurement and Monitoring Perspective](#). Manila. In addition to the main report, blog articles were published to focus on selected topics: (i) [How Trade via Rail in Central Asia Can Mitigate the Energy and Climate Crises](#) and (ii) [Facilitating Cross-Border Trade in Yallama](#).

¹⁶ CAREC Program. [Conference: Trade Facilitation in CAREC: A 10-year CPMM Perspective](#).

¹⁷ The call for papers and conference resulted in publication of four working papers: (i) [The Impact of COVID-19 Mobility Restrictions on Trade Facilitation at Borders in the Central Asia Regional Economic Cooperation Region](#), (ii) [Trade Facilitation, Infrastructure, and International Trade in Central Asian Countries](#), (iii) [Impact of High Trade Costs and Uncertain Time to Trade on Exports from Five Central Asian Countries](#), and (iv) [Geographical Proximity and Trade Impacts in the Central Asia Regional Economic Cooperation Program Region](#).

V. DELIVERABLES FOR THE MINISTERIAL CONFERENCE

33. For the 22nd CAREC Ministerial Conference, key trade deliverables include:
- CAREC Digital Trade Forum 2023 in Tbilisi/Batumi, Georgia in Q4 2023
 - Concept Note for the mandated review of CITA 2030. CITA 2030 is expected to be updated after a midterm review in 2024.
34. *Key Issues for Guidance by the Senior Officials' Meeting*
- Endorsement of key deliverables for the 22nd CAREC Ministerial Conference.
 - Guidance on the Terms of Reference for the Mandated Midterm Review of CITA 2030 in line with the findings and recommendations of the Independent Thematic Evaluation of ADB Support for the CAREC Program (2011-2021) and other reports.

APPENDIX 1

1a. CAREC Trade in Goods, 2021

	Trade in Goods (\$ million)	Trade in Goods with CAREC (%)
Azerbaijan	34,513	7.9
PRC	6,201,071	1.4
Georgia	14,803	23.1
Kazakhstan	71,997	46.2
Kyrgyz Republic	7,175	... ^b
Mongolia	16,158	62.1
Pakistan	101,930	28.1
Tajikistan	3,767	93.8
Turkmenistan	10,525	78.2
Uzbekistan	38,272	37.8
CAREC-10	304,256	8.9 ^a
CAREC	6,505,327	3.2

Notes: ^aCAREC-10 excludes the People's Republic of China (PRC). ^bEstimates of imports from CAREC exceed total imports. Sources: ADB. Asia Regional Integration Center (ARIC) database, <https://aric.adb.org/integrationindicators>; (accessed July 2022).

1b. CAREC Foreign Direct Investment Inflows (cumulative, 2001–2021)

	Total Investment Inflows (\$million)	Intra-CAREC Investments (%)
Azerbaijan	47, 972	0.5
People's Republic of China	2,010,437	0.04
Georgia	21,865	17.2
Kazakhstan	343,084	6.3
Kyrgyz Republic	12,316	37.4
Mongolia	30,829	23.2
Pakistan	49,660	20.2

	Total Investment Inflows (\$million)	Intra-CAREC Investments (%)
Tajikistan	3,277	23.9
Turkmenistan	3,967	3.2
Uzbekistan	5,097	8.9
CAREC-10	518,734	1.1/ ^a
CAREC	2,529,171	2.0

Note: 1/^a CAREC-10 excludes the PRC. Source: ADB. Asia Regional Integration Center (ARIC) database <https://aric.adb.org/integrationindicators> (accessed July 2022).

1c. Gross Domestic Product (% growth)

Country	2021 (%)	2022 (%)	2023 (%)	2024 (%)
Azerbaijan	5.6	4.6	3.5	3.8
PRC	8.4	3.0	5.0	4.5
Georgia	10.5	10.2	4.5	5.0
Kazakhstan	4.3	3.2	3.7	4.1
Kyrgyz Republic	6.2	7.0	4.5	4.0
Mongolia	1.6	4.8	5.4	6.1
Pakistan	5.7	6.0	0.6	2.0
Tajikistan	9.2	8.0	5.5	6.5
Turkmenistan	5.0	6.2	6.5	6.0
Uzbekistan	7.4	5.7	5.0	5.0

Note: 2023 and 2024 are projections. Source: ADB 2022. Asian Development Outlook April 2023. Manila

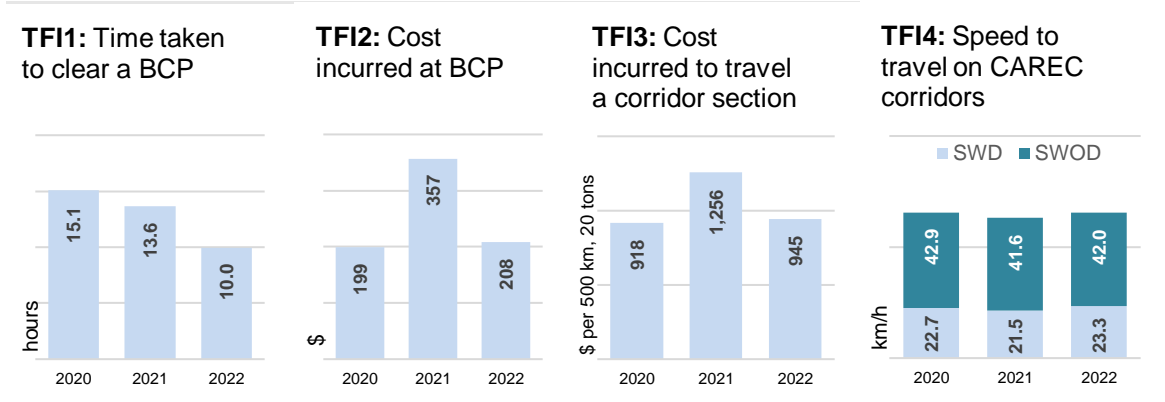
1d. Commercial services, exports and imports, 2020–2022

	Exports (\$ million)			Imports (\$ million)		
	2020	2021	2022	2020	2021	2022
Azerbaijan	2,594	3,763	6,583	5,386	5,839	7,618
PRC	278,084	392,688	422,333	377,528	423,762	461,450
Georgia	1,498	2,464	5,645	1,401	1,764	3,015
Kazakhstan	4,855	5,609	7,695	8,034	7,490	8,851
Kyrgyz Republic	427	519	1,112	588	723	1,413
Mongolia	651	811	1,158	2,083	2,465	3,376
Pakistan	4,415	5,467	6,043	7,640	9,339	10,332
Tajikistan	136	143	126	404	524	682
Uzbekistan	1,693	2,246	3,264	3,483	4,697	6,583
CAREC excl. PRC	16,269	21,022	31,626	29,019	32,841	41,870
% change		29.2	50.4		13.2	27.5

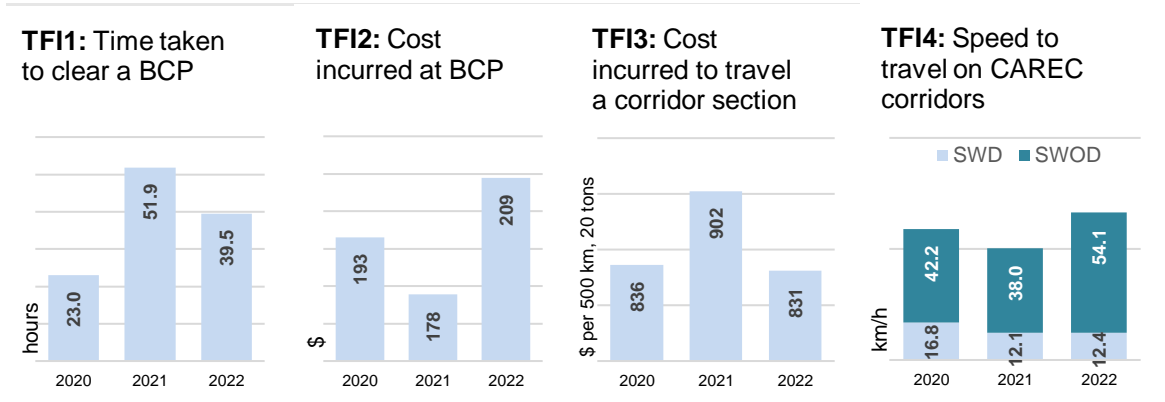
Note: Turkmenistan has no data. Source: WTO. <https://stats.wto.org/> (accessed 12 April 2023)

1e. CPMM Trade Facilitation Indicators (2020–2022)

Road Transport



Rail Transport



BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWD = speed with delay, SWOD = speed without delay, TFI = trade facilitation indicator.
 Source: Asian Development Bank.



CAREC TOURISM SECTOR PROGRESS REPORT AND WORK PLAN

JULY 2022 - JUNE 2023

Reference Document
Senior Officials' Meeting
Central Asia Regional Economic Cooperation
13-14 June 2023

ABBREVIATIONS

ABEC	Almaty – Bishkek Economic Corridor
ADB	Asian Development Bank
CAREC	Central Asia Regional Economic Cooperation
CTCO	CAREC Tourism Coordinating Office
CTS	CAREC Tourism Strategy
KNSC	Kyrgyz National Statistics Committee
MC	Ministerial Conference
NTO	National Tourism Organizations
PRC	People’s Republic of China
TA	Technical Assistance
TFPG	Tourism Focal Points Group
TTDI	Travel and Tourism Development Index
UNWTO	United Nations World Tourism Organization
WEF	World Economic Forum

I. KEY DEVELOPMENTS AND RESULTS

1. The CAREC Tourism Strategy 2030 and its accompanying regional tourism investment framework 2021–2025 were endorsed at the 19th CAREC Ministerial Conference (MC) on 7 December 2020. In the 2nd half of 2021, a strong effort was made to approve the concept approval of the CAREC Tourism Virtual Portal, the provision of content by the countries, and the report on Tourism Infrastructure, services, and prioritization. Since early 2022, the TA 9776-REG: Sustainable Tourism Development in the Central Asia Regional Economic Cooperation has stagnated, and minimal progress has been achieved. Currently, there is a need to speed up the finalization of the TA and address the issue of governance and sustainability of the CAREC Tourism endeavor.

2. **The Global Travel and tourism industry** was reshaped with medium to long-term implications due to some **critical factors** that took place in the second half of 2021 and during 2022, most of them simultaneously with different time horizons and climate change issues:

- Phasing out of the covid pandemic in most developed countries in the second half of 2021
- The Russian Invasion of Ukraine
- The zero covid policy in PRC and its opening up since early 2023
- The emergence of latent geopolitical clashes, de-globalization, and disruption of supply chains
- Climate change impacts and Risks for Tourism

3. **Phasing out of the covid pandemic.** The covid pandemic entered a controlled momentum where the healthcare systems could again cope with outbreaks of infections after mass vaccinations in the most developed countries. The travel restrictions were abandoned by the end of 2021 and the first quarter of 2022. Travel was resumed in an environment of enormous demand, with high occupancy rates in most consolidated tourist destinations. However, the combination of high demand, with increases in fuel prices in 2021-2022, and reductions in airline capacity supply have caused massive increases in air and land road transport prices.

4. **Russian invasion of Ukraine.** Considering the economic structure of Russia and Ukraine, the immediate consequences of the war were severe imbalances in the agricultural and energy supply chains: Russia and Ukraine are leading global suppliers of farm products, Russia and Belarus in fertilizers, and Russia in oil and gas. In tandem with no oil production increase by major international producers, the weaponization of these commodities has resulted in massive price hikes. The result was a rapid inflation increase resulting in increased interest rates. Furthermore, western financial and economic support to Ukraine in its war efforts has resulted in a significant rise in public spending in the short and long term, right after the unprecedented public expenditure to mitigate the covid pandemic effects.

5. **The zero covid policy in PRC.** The US and Europe marshalled scientific capacities to produce highly effective vaccines allowing the world to transition to endemic Covid¹⁸. In almost every country except PRC, people were increasingly leading relatively normal lives. PRC's vaunted biotechnology industry failed to produce an effective vaccine, whilst non-Chinese vaccines and therapeutics were not allowed to enter the home market. The zero-Covid policy imposed costs that went well beyond public health. IMF and World Bank estimated that strict Covid restrictions would likely shave a full

¹⁸ Financial Times, 07.09.2022, by Ezekiel Emanuel

point off PRC's 2022 growth target. And with the country accounting for a full fifth of global growth, a slump there would heap significant economic pain on the rest of the world, which, linked to an inward turn, amplified the effects¹⁹. Foreign investors are diverting manufacturing and redesigning the supply chains reducing PRC's dependencies. Tourism was focused within PRC in a limited manner, whilst Chinese inbound and outbound tourism suffered dramatically. The PRC opening-up in early 2023 resulted in rapid business travel growth to/ from PRC, with flights resuming. For the second half of 2023, the rapid growth of Chinese leisure tourists is expected to mainly be geared to the Pacific area and less to South and Central Asia or European destinations²⁰.

6. **The emergence of latent geopolitical clashes, de-globalization, and disruption of supply chains.** Geopolitically, PRC's turn inward means it will endeavor to showcase its accomplishments and belittle the west, and rising tensions over Taiwan, multiple tiny islands claimed by Japan, Taiwan and PRC, and other fault lines²¹. Regionally around the globe, there is an increasing divide between democracies and autocracies, as well as regional reconfigurations of power²². Such divide and regional power re-configurations will lead to conflicts among nations and blocks²³. The expected results are associated with; weaponization of value chains; constraints to international commerce; profound disruptions related to transport; logistics and transport infrastructure and equipment; generalized price increases of manufactured goods; restrictions on foreign investment and capital flows; and restrictions on migration flows.

7. **Climate change impacts and risks for tourism.** Climate change poses significant threats to the tourism sector, such as extreme weather events, deadly storms, wildfires, sea-level rise, temperature changes, dry gorges, rivers and canals, and potential conflicts over natural resources, particularly fresh water. No country is immune to climate change. The attractiveness of many tourist destinations depends on their climate; however, tourism is among the first sectors affected by climate change, but tourist activity, at the same time, is a significant source of greenhouse gas emissions. Research can contribute to the transition of the tourism sector toward greater sustainability²⁴. To mitigate the impacts of climate change, countries need to address this as a cross-cutting issue to develop adaptation and resilience of destinations, to develop new tourism practices and mindsets, and to develop institutional and territorial responses in tourist areas.

8. **Impacts and trends in the travel and tourism industry.** Tourism is expected to respond to the critical factors described above with emerging trends, which countries need to be aware of to produce effective responses that benefit their industries:

- **Inward turn.** Following the pandemic, most countries discovered the need to welcome domestic tourism and foreigners with longer periods of stay²⁵. Regional tourism has become highly important due to lower travel costs.
- **Higher costs of travel.** Airfares have increased significantly due to reductions in capacity and higher jet fuel prices. This results in higher airfares with impacts on the

¹⁹ Idem 1

²⁰ Conferences in ITB Berlin, March 6-9, 2023

²¹ Idem 1

²² Power perceived by regional influence upon neighboring states: Brazil in South America, Saudi-Arabia in the Middle East, PRC in Asia and the Pacific

²³ Source: JCF Strategy Consulting report on "Geopolitics, conflictuality, value chain disruptions, de-globalization, and the emergence of a new social-economic trend of meta regionalism", May 2016.

²⁴ Thoros "Revue en Recherche du Tourisme", April 3, 2023

²⁵ The denominated digital nomads, for whom some countries (e.g. Spain) have started to regulate, that are not considered as tourists according to the UNWTO definition. This type of nomadism can also be related to higher income non-asylum seekers, who develop their professional activities based in different countries, either because of wars or simply because of personal preferences.

volume of travelers. Furthermore, all other travel-related costs are expected to increase.

- **Reduced income and expenditure from traditional issuing countries.** The rise in cost of living and of interest rates have important impacts on the disposable incomes of the major and traditional issuing countries, as well as developing countries.
- **Competition between destinations** tends to become more centered around: safety and security issues; total cost of the trip; diversity and attractiveness of the available attractions meeting the expected experiences; welcomeness and openness of the local communities; quality of service.
- **Increased consciousness of environmental sustainability and resilience** puts pressure on destinations and countries to **actually reduce** their Green House Gas emissions already in the short-term rather than reduce their pace of growth in the long-term. Tourism environmental activism is expected to grow²⁶, particularly by the younger and well-educated generations, in avoiding destinations that need to improve their environmental sustainability performances.

9. **Perceived social value.** Brand image and brand value of a destination are highly related to the perceptions in the digital space and the importance of the social networks²⁷ of the individual. Tourism marketing has become fundamentally digital, and traditional printed media and influencers have become mostly digital.

A. CAREC Tourism Virtual Portal

10. The CAREC tourism virtual portal – one of the initiatives under the marketing and branding strategic pillar of the tourism strategy 2030 – is expected to be launched during the CAREC Senior Officials’ Meeting to be held on 13-14 June in Tbilisi, Georgia.

11. During the 2nd half of 2021, the countries have provided the requested content by the TA 9776-REG team. Unfortunately, there was a great inconsistency and quality discrepancy of the content provided by the countries, preventing the launching of the portal with a minimum quality level that would not create serious reputational damage for ADB, CAREC, and member countries. As a result, a plan was submitted in early 2022 to endorse professional content production of each CAREC country, the regions within each country, and each country’s top 10 tourist attractions, aiming to provide a consistent image and appealing content for the portal launch, including a style guide for the “Visit Silk Road” common brand.

12. If the portal launch can be made with the content envisaged in the submitted plan in time for the CAREC Senior Officials’ Meeting to be held on 13-14 June in Tbilisi, Georgia, taking in consideration that the countries have to approve the content through a no objection formal letter, then it can be done successfully. If the described minimum level of quality content cannot be ready in time for the event, then the risks of reputation damage for ADB, CAREC, the member countries, and the TA team will be very high. Under such a circumstance, the launch should be only done when the minimum content has been produced and approved by the countries.

13. The CAREC tourism portal will target two different audiences: institutional and travelers. The institutional part will link regional partners and promote information sharing, including tourism projects

²⁶ A review of tourism and climate change mitigation: The scales, scopes, stakeholders, and strategies of carbon management, Stefan Gössling a e, Martin Balas b, Marius Mayer c f, Ya-Yen Sun d, Elsevier, Tourism Management Volume 95, April 2023.

²⁷ Social value derives from the social media and networking experiences and the perceived value added within such communities when visiting certain destinations, vis-à-vis other.

and investment-related information, tourism data and statistics, events, and educational and training resources. The sections of the portal targeting potential and actual travelers will focus on providing information about the countries, regions, and tourism attractions, whilst promoting the services of private sector tourism providers in the region, thus constituting a true B2B portal capable of supporting the private sector in generating business and attracting tourists in a cost-effective manner. Furthermore, the portal will promote the common brand and generate traffic that can flow to each country's national institutional web portals.

14. The CAREC Tourism Portal has the potential to strengthen the "Visit Silk Road" common brand shared by CAREC countries as an umbrella of the national tourism brands, as well as to generate substantial revenue-generating initiatives, which can provide financial and managerial sustainability not only the portal but also the entire CAREC tourism endeavors if the member countries choose accordingly.

B. Tourism Infrastructure, Services, and Prioritization. Speeding up the finalization of the TA 9776-REG

15. The "Assessment of Tourism Infrastructure, Services, and Project Prioritization" report, a component of the TA 9776-REG, was approved at the end of 2022 upon due provision of the comments of relevant stakeholders between August 2021 and the end of October 2022. The approval of this report was essential to enter the final phase of the TA 9776-REG, consisting of conceptualizing four projects included in the regional tourism investment framework 2021–2025. Project concepts will include the project's description, rationale, and scope; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, timeline, and potential financing options.

16. 4 Projects have been identified for conceptualization to include: the project's description, rationale, and scope; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, timeline, and potential financing options. These projects are:

- a. Improvement of the infrastructure and services, including water supply and sanitation, sewage, and solid waste management, environmentally sustainable concepts, including building units based on renewable energy sources in pilot areas and a network of public eco-toilets in remote areas suitable to demanding visitors.
- b. Upgrading and rehabilitating historical and culturally relevant tourist attractions in integration with urban planning and development, Institutional improvements, improved access to disabled, and capacity-building programs for stakeholders in major historical cities
- c. Development of a common registry of tourism assets and data collection, their content, and their management to allow effective and cost-efficient use by public entities, government officials, travelers, guides, and tour operators for intelligence gathering.
- d. Branding, strategy, planning, budgeting, and funding sources for implementing the common brand "Visit Silk Road", integrating additional features for the CAREC tourism portal, and developing a "CAREC tourism service quality label innovative system".

17. During the CAREC Senior Officials' Meeting to be held on 13-14 June in Tbilisi, Georgia, the geographical scope of each of the first two projects needs to be determined, as well as the country(ies) to run a pilot on a "CAREC tourism service quality label innovative system".

C. Governance of CAREC Tourism

18. The CAREC Tourism Strategy 2030 provides a framework for the Institutional Structure of CAREC Tourism. At the top, the CAREC Ministerial Conference functions as the main high-level policy and decision-making body, responsible for providing strategic guidance on issues of regional relevance and accountable for the overall results of the CAREC Program. The Senior Officials' Meeting monitors progress, recommends operational improvements, and ensures that the high-level decisions made at the CAREC Ministerial Conferences are effectively implemented. A Tourism Focal Points Group (TFPG) at the Tourism Sector level will lead the overall CAREC tourism work. This group comprises the tourism focal points appointed by each CAREC country since 2018. The CAREC Secretariat will provide technical, administrative, and organizational support during the implementation of the CAREC Tourism Strategy 2030. It also advocates adopting an incremental approach to effectively build countries' ownership and devise the most appropriate institutional structure based on progress made.

19. Improving operationality and building countries' ownership of CAREC Tourism requires the Senior Officials' Meeting to decide on two critical areas: Governance and Funding to achieve sustainability.

20. Improving governance entails greater engagement and responsibility from the TFPG in managing, organizing, coordinating, and prioritizing defined and proposed common initiatives in delivering the CAREC Tourism Strategy outcomes. TFPG could convene twice a year with senior-level representatives of the CAREC National Tourism Organizations (NTO) in attendance. Three countries could lead the TFPG on a half-yearly rotative basis, starting in alphabetic order. The first with the presidency, the second with the "first chair" position, and the third with the "second chair" position. The objective of TFPG should be to provide guidance and professional support for implementing subregional tourism projects. The Meeting's venue could be hosted by the country having the presidency. Creating a CAREC Tourism Coordinating Office (CTCO) should be considered to serve as the TFPG secretariat.

21. The CTCO activities could receive support from the Asian Development Bank (ADB), with its role evolving continuously depending on progress made, fostering, and facilitating effective collaboration among the CAREC governments, development partners, public enterprises, NGOs, private sector, academic institutions, and the media on the implementation of the CAREC Tourism Strategy (CTS). Its initial role could be serving as the secretariat for the TFPG to lead the development and promotion of the CAREC Region as a single tourism destination in collaboration with the public and private sectors. It could also coordinate project development and implementation under the CTS and facilitate tourism knowledge production, centralization, and dissemination. The CTCO's office should be staffed and overseen by an Executive Director and supported by an Operations Manager, a Financial Manager, a Brand Manager, and operational staff, also allowing interns to gain valuable international tourism experience based on qualifications and need. The setting-up, including the CTCO charter, might require support from ADB.

D. Sustainability of CAREC Tourism

22. The sustainability of CAREC tourism is highly linked with its funding, on which a decision regarding the model to be followed needs a decision from CAREC Senior Officials' Meeting to be held on 13-14 June in Tbilisi, Georgia. There are fundamentally two distinct options to consider: (i) countries' budgets; and (ii) the development of own revenues supported by the countries' actions.

23. The **countries' budgets model** consists of contributions from the member countries to the budget of the CTCO activities and TFPG venues. The own revenues model defines revenues (ex., fees, advertising, etc.) originating from activities on which all member countries collaborate through enforcement (ex., common TVET certificate's annual fee; common quality of service label annual fee, etc.). The estimated TFPG meeting costs can reach \$150,000 a year. The operating costs of CTCO could reach US\$350,000 per year (staff of 7, web portal maintenance, content development, marketing, and other expenses). A total envisaged cost of US\$500,000 per year could be expected. The annual monetary contribution and the associated criteria should be decided during the Senior Officials Meeting of June 2023, including if the own revenues model shall be adopted, as it could be possible to have the difference between the revenues and costs be covered by the countries' budgets or returned in case of higher revenues than costs.

E. Projects being Implemented

- **Development and Implementation of Common Health and Safety Protocols and Standards under the Almaty-Bishkek Economic Corridor (ABEC)**

24. The pilot project, included under the quality and standards strategic pillar in the regional tourism investment framework, supports the development of the *Almaty-Issyk Kul tourism cluster*. It aims at reviewing existing COVID-19 health and safety protocols and measures prepared by Kazakhstan and the Kyrgyz Republic in the tourism sector. It provides recommendations integrated into the countries' regulations based on international best practices. It will also support the capacity building of public and private tourism stakeholders to adopt and implement adequate health and safety measures in a coordinated manner. The pilot project was implemented by the United Nations World Tourism Organization (UNWTO) and completed in Q2 2022.

- **Development of Accommodation Classification System for ABEC**

25. This project also contributes to implementing the quality and standards strategic pillar of the tourism strategy 2030 and will support the development of the *Almaty-Issyk Kul tourism cluster*. It aims to develop a regionally harmonized Accommodation Classification System that will indicate the standards found at individual establishments to consumers and intermediaries. As the hospitality sector represents a fundamental tourism component, quality standards must be monitored and enforced effectively by applying a regionally harmonized system to help Kazakhstan and the Kyrgyz Republic develop and market regional tourism. The UNWTO has implemented the project, which was completed in Q1 2023.

- **Development of Accommodation Quality Evaluation System, Quality Label, and price Benchmarking in Pakistan**

26. This pilot project is an alternative pilot to the ABEC Voluntary Classification System and contributes to implementing the quality and standards strategic pillar of the tourism strategy 2030 and will support the development of the *Karakorum-Wakhan and Golden Coast Clusters*. It aimed to develop a highly cost-effective harmonized quality assurance system for visitors regarding accommodation establishments, extendible to other activities of the value chain, and a monthly tourism price benchmarking to allow more effective pricing practices and improved private sector

investment. This quality assurance system is fully based on Artificial Intelligence algorithms. It has no intervention of the service provider, only the customers. PTDC's National Tourism Competitiveness Index at the federal and Provincial levels project, aligned with correspondences with the World Economic Forum's (WEF) International Travel and Tourism Development Index (TTDI) included the necessary quality and price sub-indexes data. The next stage is to use the concept and data towards implementing a National Quality Label, thus requiring funding from IFIs to support the capacity building and promotional efforts.

- **Sustainable Tourism Development Project in Mongolia**

27. The [project](#) has been designed in alignment with the CAREC Tourism Strategy 2030 and responds to the need for improved visitor sanitation facilities in the *Altai tourism cluster*. It comprises a loan of \$30.0 million and a grant of \$2.0 million, with implementation in 2022-2026. The project will support tourism development in three *aimags* (provinces) of western Mongolia, focusing on inclusive benefits for communities, nature-based solutions to protect wilderness and heritage values and post-COVID-19 recovery and resilience. The project has four outputs: (i) inclusive planning and capacity for community-based tourism enhanced, (ii) enabling infrastructure constructed, (iii) sanitation and waste management improved, and (iv) management of cultural heritage sites and protected areas strengthened. It will build the capacity of residents and the private sector for community-based tourism, create jobs by establishing tourist streets and visitor complexes, and strengthen the management of five protected areas and heritage sites through improved visitor and sanitation facilities.

- **Tourism Satellite Account in Tajikistan**

28. This ADB-supported project, implemented by UNWTO, contributes to implementing the Strategic Pillar 5 - Market Intelligence of the tourism strategy 2030 and will support the Heart of Central Asia cluster. It aims to develop a Tourism Satellite Account (TSA) as an international best practice in tourism statistical economic impacts measurement, following UNWTO's guidelines. This project consisted of the proposal of a TSA concept adapted to Tajikistan and implementation roadmap, the performance of a relativity-based Inbound Tourism spending assessment for 1-day visitors and tourists, and the development of a Domestic Tourism Survey for marketing purposes only. The entire TSA is expected to be subject to the first experimental TSA exerciser to be done by 2024/ 2025 upon completion of the Household Survey for Domestic and Outbound Tourism and the supply side surveys.

- **Tourism Satellite Account in Kyrgyz Republic at National and sub-national levels**

29. This project, implemented by the Kyrgyz National Statistics Committee (KNSC), also contributes to implementing the Strategic Pillar 5 - Market Intelligence of the tourism strategy 2030 and will support the Heart of Central Asia cluster with an alternative implementation process than used by Tajikistan. This project comprises the design and implementation of the TSA methodology following UNWTO's guidelines, design, and performance of demand (Inbound, domestic and outbound tourism) and supply side (tourism business registry, tourism activities) surveys, training and capacity building to the KNSC key staff, the use of an innovative digital platform to collect hard tourism data suitable for TSA and comparability of the results with the traditional methods, use of the collected data in performing the first national and sub-national TSA experimental compilation. The project started in December 2022 and is to be completed in December 2023.

F. CAREC 2030 Results Framework: Tourism Sector

30. The CAREC 2030 Results Framework was endorsed at the 19th CAREC Ministerial Conference (MC) on 7 December 2020. It includes outcome and output indicators across the five

operational clusters of the CAREC 2030 Strategy. Under operational cluster 2 (trade, tourism and economic corridors), the following progress has been achieved in the outcome and output tourism indicators from 2020 to 2021:

Table 1. CAREC 2030 Results Framework: Tourism

Outcome	Indicator	2017	2019	2021
Tourism competitiveness and positioning of the CAREC region as a globally attractive tourism destination enhanced	CAREC countries' TTDI rank increased. (base 100 index in 2019: 3.84)	2 CAREC countries within the top 70 ranks (PRC 15, Georgia 70)	4 CAREC countries within the top 70 ranks (AZE 59, PRC 15, GEO 47, KAZ 66). Index = 100	4 CAREC countries within the top 70 ranks (AZE 63, PRC 12, GEO 44, KAZ 66). Index = 100.80
Output	Indicator	2017		2021
Regional tourism projects approved	Regional tourism projects conceptualized and approved	N/A		1 CAREC regional tourism TA project approved in 2018; and 2 projects approved and initiated under the ABEC area
Institutional mechanism for implementing joint regional tourism initiatives established	Expert groups and regional tourism agency established and operationalized	N/A		CAREC TFPG was established in 2018. Since then, three meetings of the tourism focal points group have been held (Oct 2018; Dec 2019; Jan 2021).

II. CHALLENGES AND KEY ISSUES

31. At the time of its formulation, the CAREC Tourism Strategy 2030 took into full consideration not only the challenges that countries' tourism sectors were facing pre-COVID²⁸ but also the expected new patterns and trends derived from the pandemic. These include: (i) increased importance of domestic and regional tourism; (ii) emergence of safe travel corridors or travel bubbles; (iii) greater focus on sustainability and responsible travel; (iv) growing importance of developing unique and personalized local travel experience; and (v) increased use of digital technologies, online platforms, and social media. By gradually implementing regional projects and initiatives across its five strategic pillars, the CAREC Tourism Strategy 2030 will help countries' tourism sectors bounce back stronger and faster and restore travelers' confidence and trust by promoting the region as a safe and resilient tourism destination.

32. The geopolitical, economic, social, climate change and financial challenges derived from the Ukrainian invasion by Russia, in tandem with increased conflictuality in the Pacific, will shape the

²⁸ These include limited access to and between CAREC countries, complex and nonuniform visa requirements and border arrangements, inconsistent quality of tourism infrastructure and services, skills shortages, lack of reliable tourism data and statistics, and low awareness and knowledge about the tourist attractions in CAREC countries.

tourism sector in the CAREC region for the coming decades. Despite increased capital costs for investment, the region shall be able to provide interesting investment opportunities for the private sector if the countries collaborate more effectively in jointly promoting their common tourism brand as an umbrella internationally.

33. Air travel is responsible for 30%²⁹ of the total GHG emissions in the travel and tourism industry, which responds to 8% of the global GHG emissions. Currently the low regional air connectivity between CAREC countries, impose a larger than reasonable GHG footprint as the amount of passenger seat kilometers is exacerbated by passengers needing to fly many more hours through main Middle East and Turkey hubs, compared to direct flights. Improved collaboration and coordination would result in improved connectivity, lower prices, and increased profitability for CAREC airlines, while simultaneously increase the number of regional tourists.

III. WORK PROGRAM FOR JULY 2022–JUNE 2024

34. The implementation of the CAREC Tourism Strategy 2030 will continue over the next 12 months. Regional projects and initiatives, as well as analytical and knowledge products to be completed and/or initiated from July 2023–June 2024 include the following:

- CAREC Tourism Virtual Portal launch (paragraph 9)
- Implementation of Common Health and Safety Protocols and Standards under ABEC (paragraph 23)
- Promotion of Accommodation Classification System for ABEC (paragraph 24)
- Approval of the geographical scope of the 4 projects identified for conceptualization during the CAREC Senior Officials’ Meeting to be held on 13-14 June in Tbilisi, Georgia (paragraph 15), and delivery thereof.
- Approval of the governance and sustainability model for CAREC Tourism during the CAREC Senior Officials’ Meeting to be held on 13-14 June in Tbilisi, Georgia (paragraph 17), and technical assessment for its set-up.

35. The next CAREC tourism focal point meeting will be face-to-face in Q4 2023. The objective of the meeting will be to (i) Present the statistics and comparability of the CAREC Tourism Portal with those of competing tourism regions; (ii) present the conceptualization of the 4 identified projects; (iii) review and update the CAREC regional tourism investment framework 2021–2025, including discussion on priority regional projects to be conceptualized over the next 12 months, the assessment of the climate change impacts, and its monitoring scheme³⁰.

IV. DELIVERABLES FOR 2023 MINISTERIAL CONFERENCE

36. The following list provides an overview of deliverables to be achieved by the end of 2023.

Deliverables	Timing (2023)	Description	SOM/MC action
CAREC Tourism Portal launched	Q3	CAREC tourism portal (www.visitsilkroad.org and	For information

²⁹ 9. above

³⁰ A possibility could be the development of a “climate change mitigation index”, that could have correspondence with the WEF TTDI, for national and subnational levels of the CAREC Countries, in line with the Pakistan NTCI developed in 2022-3 and being implemented.

		www.visitsilkroad.com) containing information on tourism regions and attractions in CAREC countries and promoting services of local tourism businesses.	
Assessment on the Improvement of the infrastructure and services, including water supply and sanitation, sewage, and solid waste management, environmentally sustainable concepts, including building units based on renewable energy sources in pilot areas and a network of public eco-toilets in remote areas suitable to demanding visitors.	Q3	<ul style="list-style-type: none"> • Report on the project's description, rationale, and scope; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, timeline, and potential financing options. • Presentation materials 	For information
Assessment on the Upgrading and rehabilitating historical and culturally relevant tourist attractions in integration with urban planning and development, Institutional improvements, improved access to disabled, and capacity-building programs for stakeholders in major historical cities	Q3	<ul style="list-style-type: none"> • Report on the project's description, rationale, and scope; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, timeline, and potential financing options. • Presentation materials 	For information
Assessment on the development of a common registry of tourism assets and data collection, their content, and their management to allow effective and cost-efficient use by public entities, government officials, travelers, guides, and tour operators/agents for intelligence gathering	Q3	<ul style="list-style-type: none"> • Report on the project's description, rationale, and scope; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, timeline, and potential financing options. • Presentation materials 	For information
Assessment on the branding, strategy, planning, budgeting, and funding sources for implementing the common brand “Visit Silk Road”, integrating additional features for the CAREC tourism portal, and developing a “CAREC tourism service quality label innovative system”	Q3	<ul style="list-style-type: none"> • Report on the project's description, rationale, and scope; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, 	For information

		<p>timeline, and potential financing options.</p> <ul style="list-style-type: none"> • Presentation materials 	
Project on “Development and Implementation of Common Health and Safety Protocols and Standards under ABEC” completed	Q1	Report on existing COVID-19 health and safety protocols and measures in Kazakhstan and the Kyrgyz Republic, and recommendations to be integrated in the countries’ regulations based on international best practices.	For information
Project on “Development of Accommodation Classification System for ABEC” completed	Q1	Report on unified Accommodation Classification System for Kazakhstan and the Kyrgyz Republic, including regulations, and recommendations for its implementation and enforcement.	For information



CAREC ECONOMIC CORRIDORS SECTOR PROGRESS REPORT AND WORK PLAN

JULY 2022 - JUNE 2023

Central Asia Regional Economic Cooperation
13-14 June 2023

ABBREVIATIONS

ADB	Asian Development Bank
ABEC	Almaty – Bishkek Economic Corridor
CAREC	Central Asia Regional Economic Cooperation
COVID-19	coronavirus disease
DMC	developing member country
ECD	economic corridor development
MC	Ministerial Conference
PRC	People’s Republic of China
STKEC	Shymkent-Tashkent-Khujand Economic Corridor
TA	technical assistance

I. KEY DEVELOPMENTS AND RESULTS

1. The CAREC Economic Corridors sector achieved good progress during the reporting period (July 2022–June 2023). The reporting period saw gradual reopening from the COVID-19-inflicted restrictions and reviving economic activities in the CAREC region. Physical activities were in strong swing from mid-2022, while virtual and hybrid activities continued. However, the Russian invasion of Ukraine started in February 2022 impacted the region resulting in rising prices and disruption of trade and supply chains, which also affected economic corridor development (ECD) in the region. In addition, climate-change-related shocks (floods, draughts, etc.) and domestic and international conflicts involving some of the CAREC economies also added to the challenges. Overall, the momentum for ECD in the region is high. CAREC countries continuously promote ECD as a national development strategy to strengthen economic links and drive trade through cross-border cooperation to achieve wider economic benefits. Key achievements and progress on the outcome and output indicators included in the CAREC results framework for ECD are described below.

A. Key Achievements

The Almaty-Bishkek Economic Corridor (ABEC)

2. During the seventh ABEC Subcommittee on 16–17 February 2023, both governments of Kazakhstan and Kyrgyz Republic proposed new ABEC projects and reviewed ongoing reforms in connectivity, climate change and environment, disaster risk management, and tourism. Specific achievements are outlined below.

- During the reporting period, ABEC supported the implementation of the ABEC Action Plan for developing medical reference laboratories 2022–2024. On the Kazakh side, a team of consultants is working on measures to improve the laboratory system, and on the Kyrgyz side, the [KGZ: Strengthening Regional Health Security Project](#), which ADB's Board of Directors approved in September 2022, will support agreed measures for stronger cooperation between reference laboratories within ABEC.
- For the proposed Alternate Almaty-Issyk-Kul toll road PPP project, financial and technical screening has been completed after the initial legal analysis. Both countries constituted working groups to prepare this transnational project further.
- In the tourism sector, the ABEC Subcommittee proposed a joint classification system for ABEC accommodation facilities, developed by a team of consultants, and common health and safety protocols and measures for ABEC tourism.
- The Issyk-Kul Environmental Management and Sustainable Tourism Project is scheduled for approval in 2023 and was supported with conceptual inputs of tourism infrastructure development plans following the ABEC Tourism Master Plan.
- The ABEC Regional Improvement of Border Services project, planned for approval in 2023, has been supported to improve the regulatory framework and advanced procurement readiness.
- Clean Air Action Plans for Almaty and Bishkek were prepared and finalized based on the data of the 50 air quality measuring devices deployed in Bishkek and Almaty, respectively.

The Shymkent-Tashkent-Khujand Economic Corridor (STKEC)

3. ADB mobilized an additional \$1 million in TA resources in November 2020, to help advance work in the identified thematic focus areas for the STKEC development. Specific activities and achievements during the reporting period are summarized below:

- **Preparation of prefeasibility studies.** An inception report on the two prefeasibility studies—the establishment of (i) an International Center for Industrial Cooperation between Kazakhstan and Uzbekistan (ICIC), and (ii) a Trade and Logistics Center in Sughd Oblast of Tajikistan (TLC)—was completed and shared with Kazakhstan, Uzbekistan, and Tajikistan (STKEC countries) in August 2022. On 17 October-1 November 2022, the consulting team conducted a physical mission to the STKEC countries, to collect missing data and information for the studies, and discuss/validate preliminary concept and design of the ICIC and TLC, and undertake field research in the project area, including the possible location of ICIC and TLC. The draft final study of ICIC and TLC are being finalized incorporating ADB comments and latest development on ICIC between the governments of Kazakhstan and Uzbekistan.
- **ECD related capacity building.** A Joint Training Program on Promoting Cross-Border Regional Cooperation and Integration for Shymkent-Tashkent-Khujand Economic Corridor Development was conducted in Batumi, Georgia on 15-19 May 2023. The joint training program (composed of targeted in-door training and site visits) aims to facilitate government officials from the STKEC countries to learn from Georgia's best practices of RCI, particularly cross-border RCI, in support of their own reform efforts in facilitating cross-border trade and investment, contributing to STKEC development. 20 senior government officials from transport, customs, trade, tourism and other ECD-related sectors in Kazakhstan, Tajikistan, and Uzbekistan at central, oblast and city levels participated in and benefited from this intense and content-rich training program.

Small-Scale TA on a New Operational Economic Corridor Development Framework for Central Asia and Beyond

4. The ADB TA aims to enhance the existing economic corridor development (ECD) concept and definition in light of recent research advances in areas of regional public goods, cross-border regional development, and spatial approaches to ECD, to further increase the relevance and effectiveness of ECD in ADB developing member countries. Progress during the reporting period is summarized below:

- The ECD framework and operational guidelines (A Guidance Note on Economic Corridor Development) has been finalized and is being published after ADB interdepartmental review and consultation with development member countries (DMCs) from the Central Asia Regional Economic Cooperation (CAREC), Greater Mekong Subregion (GMS), and South Asia Subregional Economic Cooperation (SASEC) countries, and development partners in a webinar on 7 March 2023. An ECD communication strategy is also being prepared to effectively communicate and raise awareness on the ECD framework and operational guidelines in developing member countries (DMCs).
- A regional ECD model that reflects wider economic benefits with pertinence to the diversity of regions in Asia in a sub-corridor under the GMS Southern Economic Corridor region, is also finalized which complements the ECD study, with good results from testing the model in the GMS subregion. It also provided policy recommendations on investment opportunities in ECD in the GMS subregion.

B. CAREC 2030 Results Framework: Economic Corridors Sector

5. The CAREC 2030 Results Framework was endorsed at the 19th CAREC Ministerial Conference (MC) on 7 December 2020. It includes outcome and output indicators across the five operational clusters of the CAREC 2030 Strategy. Under operational cluster 2 (trade, tourism and economic corridors), the following progress has been achieved in the Economic Corridors outcome and output indicators from 2017 to 2022:

Table 1. CAREC 2030 Results Framework: Economic Corridors

Outcome	Indicator	2017	2022
Economic corridors applied by CAREC countries to strengthen economic links and drive trade and development of cross-border regions	Cross-border economic corridor concepts included in national development strategies of CAREC countries	4 countries (PRC, KAZ, KGZ, PAK)	8 CAREC countries (PRC, GEO, KAZ, KGZ, MON, PAK, TAJ, UZB)
Output	Indicator	2017	2022
ECD related projects developed and implemented	ECD related sector development concepts included in national development strategies of CAREC countries	4 countries (PRC, KAZ, KGZ, PAK)	8 CAREC countries (PRC, GEO, KAZ, KGZ, MON, PAK, TAJ, UZB), sectors such tourism, cross-border transport, agriculture value chain, health
ECD related projects developed and implemented	Projects supporting priority sectors for ECD developed and implemented	1 TA (\$1.75 million) (ABEC Support)	1 additional financing (\$0.725 million) for ABECTA; 1 TRTA (\$2 million) supporting the preparation of modern agriculture wholesale market development project for ABEC; 1 KSTA for \$1.9 million for ABEC Phase 2; 1 KSTA TA and 1 additional financing (\$2.1 million) on assessing potential of STKEC.

II. CHALLENGES AND KEY ISSUES

6. ECD involves multi-sector development and multidisciplinary approaches and is, by nature, a complex process. A cross-border economic corridor aims to connect different sectors and industries in several countries by applying a coherent spatial economic development approach as if they were in one country. This process involves even more complex and difficult challenges including long development process; addressing hard infrastructure gaps and soft infrastructure bottlenecks; cross-border policy coordination; private sector participation; and measuring the impacts of economic corridors.

7. The CAREC region has been affected by multiple shocks in the reporting period including prolonged COVID-19 pandemic, climate-change-related shocks (floods, draughts etc.), the Russian invasion of Ukraine, and domestic and inter-country conflicts involving some of the CAREC economies. This sequence of shocks led to upwards reassessment of the probability of such shocks in the future, affecting implementation of ECD activities.

8. Related to the above, another key challenge for successful cross-border ECD is strong political commitment among participating countries, for aligning/coordinating complex policies

(e.g., rules and regulations) at both borders, to achieve intended results, including at the national, provincial and city level.

III. WORK PROGRAM FOR JULY 2023–JUNE 2024

9. The implementation of the CAREC Economic Corridors related activities will continue over the next 12 months. Regional projects and initiatives as well as analytical and knowledge products to be completed and/or initiated from July 2023–June 2024 include the following:

The Almaty-Bishkek Economic Corridor

10. Support for the ABEC activities will include the following:

- Approval of the ABEC Regional Improvement of Border Services Project
- Approval of the Issyk-Kul Lake Environmental Management for Sustainable Tourism Development Project
- Approval of the Climate-Resilient Agricultural Value Chain Development Sector Project (formerly ABEC Modern Agriculture Wholesale Market Development Project)
- Further support to the Alternate Almaty-Issyk-Kul toll road PPP project
- Support to the implementation of the joint ABEC Accommodation Classification System
- Support to the implementation of the Clean Air Action Plans for Almaty and Bishkek
- Support to the design of regional disaster risk management activities

The Shymkent-Tashkent-Khujand Economic Corridor

11. Support for the STKEC development will include following:

- Complete two prefeasibility studies on the establishment of (i) an International Center for Industrial Cooperation between Kazakhstan and Uzbekistan (ICIC), and (ii) a Trade and Logistics Center in Sughd Oblast of Tajikistan (TLC).
- Support the institutionalization of the STKEC by facilitating the establishment of a Technical Working Group on Transport Connectivity and Trade Facilitation among the STKEC countries during the first regional workshop discussing the draft report of the two prefeasibility studies.
- Organize a regional workshop to disseminate the final report of the two prefeasibility studies and reach out to private investors for investment of the ICIC and TLC.

Small-Scale TA on a New Operational Economic Corridor Development Framework for Central Asia and Beyond

12. The ADB TA team will work closely with the RCI Thematic Group in the Sustainable Development and Climate Change Department, and the other relevant regional departments (East Asia Department, and South Asia Department) by demonstrating a “One ADB” approach in completing the implementation of the TA.

- Publish the ECD study and ECD communication strategy by 2023.
- Complete and publish the study on the ECD modeling study by 2023.
- Support RCI-TG in organizing the ADB RCI Conference 2023 on Economic Corridor Development, by hosting 1-2 sessions disseminating the ECD concept and operational guidelines, as well as the ECD modeling study.

IV. DELIVERABLES FOR 2023 MINISTERIAL CONFERENCE

13. The following list provides an overview of deliverables to be achieved by end 2023.

Deliverables	Timing (2023)	Description	SOM/MC action
ABEC Trade Facilitation Report	Q4	A report analyzing border crossing point procedures and infrastructure and recommending reforms and investments to improve both.	For information
ABEC joint accommodation classification system	Q2	The United Nation World Tourism Organization will develop joint standards for the tourism accommodation system in Kazakhstan and the Kyrgyz Republic to support regional tourism development.	For information
First STKEC Technical Working Group on Transport Connectivity and Trade Facilitation	Q3	The technical working group will provide guidance to transport and trade sector cooperation for the STKEC development.	For information
Guidance Note on Economic Corridor Development	Q2	The Guidance Note including a refined ECD framework and operational guidelines aims to clarify the ECD concepts reflecting wider economic benefits and pertinence to the changing development context and diversity of regions in Asia, and to mainstream ADB's ECD operations.	For information