



**CAREC DIGITAL INITIATIVES
PROGRESS REPORT
(June 30, 2021)**

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

30 June 2021

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The rapid development of disruptive technologies, coupled with the challenges of the Covid-19 crisis, require stronger regional cooperation and trust to accelerate digital transformation. The CAREC Program is working on the following three initiatives to support this process.¹

1. ‘Virtual CAREC’ to improve conduct of regional virtual meetings, seminars, and workshops

a. Objective:

The restrictions in travel and movement put in place due to the COVID-19 pandemic significantly affected the activities and events of the CAREC Program. Offices were forced to rapidly adopt virtual collaboration tools to continue operations. As this new workstyle utilized the pre-existing infrastructure, issues such as weak connectivity, outdated equipment, and inadequate meeting spaces began affecting productivity and quality of outcomes.

The move from in-person to virtual events has necessitated CAREC related entities and agencies to update their infrastructure, so they can achieve the objectives of regional cooperation. It is also widely accepted that even with situation getting back to normal, virtual interactions will continue to be an important part of CAREC activities. This change in work environment has created the need to comprehensively assess the factors that are affecting the success and failure of activities in the virtual mode, and provide recommendations to establish an effective and collaborative virtual environment.

b. Approach:

This exercise will evaluate the capacity and limitations of relevant CAREC related government agencies and entities. Data regarding the virtual connectivity at these agencies and entities has been collected via a survey. Specific recommendations will be provided to create a stable and predictable virtual structure that will enable these agencies and entities to host and participate in regional level virtual events (such as meetings, seminars, and workshops). The size of events considered will range from simple web meetings to large multiday seminars.

Adopting a research-based approach, the relevant government agencies and entities are being analysed based on an evaluation framework which will identify and document the areas of improvement. The survey has also collected the needs and expectations of agencies and entities, and will provide recommendations based on the established minimum requirements and best practices. Apart from focusing on infrastructure, this exercise will also provide recommendations on transforming traditional meeting spaces to virtual meeting-friendly rooms with better user experience and effective delivery of audio-video content.

Lastly, virtual trainings will be conducted for offices to provide them with the practical skill and knowledge to arrange and conduct virtual events. Please see Annex 1 for the timeline of activities and the outline of the proposed report.

c. Status:

The survey to collect information from relevant agencies and entities has been conducted. The responses received from this survey have been summarized and analysed, and the TA project team is following up to gather additional data in areas where sufficient information was not provided. After concluding the follow up, recommendations will be formulated to address the detailed issues gathered from this survey.

¹ These initiatives are supported by ADB TA [54341-001: Supporting Startup Ecosystem in the Central Asia Regional Economic Cooperation Region to Mitigate Impact of COVID-19 and Support Economic Revival](#).

2. CAREC Digital Strategy 2030

a. Objective:

The CAREC Digital Strategy 2030 is intended as a vision, roadmap, and catalyst for digital transformation through regional cooperation. It aims to be a mechanism for promoting policy dialogue and design, capacity-building, knowledge sharing, and implementing projects and programs to address social and economic challenges in the region using and promoting digital technologies.

b. Approach:

The CAREC Digital Strategy 2030 will be based on a combination of primary and secondary research, as well as on-going review and consultations. Representatives of the CAREC digital ecosystem, including the public sector, the private sector, the expert and academic community, NGOs, regional development partners and citizen representatives will be engaged in the strategy development process.

Detailed questionnaires have been shared with CAREC members to gain immediate input on their digital development priorities, as well as on the obstacles they face to digital cooperation at the regional level. Consultation sessions, virtual and physical (when possible) will also be held with CAREC stakeholders from member countries. These consultations will provide an update on the progress being made on the CAREC Digital Strategy 2030 development, seek input on key areas of focus, and ensure inclusion of guidance and feedback of member countries into the strategy. These efforts will also benefit the strategy's future implementation.

The strategy will be developed by the CAREC Secretariat in partnership with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the CAREC Institute. The contributions from UNESCAP and the CAREC Institute will include the SWOT analyses on driving digital adoption in key areas of CAREC regional and sectoral development that will inform the overall strategy development.² Consultations will also be held with other development partners engaged in the region, such as the World Bank and others, in order to achieve a better understanding of their work and priorities in the digital development of the CAREC region and secure their support for the CAREC Digital Strategy 2030. Consultations will also be held with representatives of the private sector and the innovation ecosystem across the region, such as global technology companies, regional and local ICT players, start-ups, and investors. These sessions will aim to understand private sector areas of focus and investment priorities in the region, digital solutions and products, and the potential for public-private sector partnerships in driving digital transformation across the region.

The secondary research that is being conducted includes review of existing research and analysis, such as global development organizations' reports on digital development, global digital development indices, scientific papers, notes, and articles etc. These will allow an understanding of the key issues in digital development at a global level, and of the current state of the digital environment in CAREC member countries. Information relevant to the CAREC member countries will be extracted from global indices and be analysed to reflect the current state of digital adoption across the CAREC region. A study of the CAREC 2030 Strategy and the strategy documents of CAREC's key operational clusters will be conducted to align the CAREC Digital Strategy 2030 with the development priorities identified in these documents. A study of other regional organizations' experience, such as the European Union (EU), Association of Southeast Asian Nations (ASEAN), and the Eurasian Economic Union (EAU) will be conducted to understand international best practice in formulating digital development strategies and driving digital adoption at the regional level, and thereby inform the CAREC Digital Strategy 2030.

Please refer to Annex 2 for the timeline of activities and the strategy outline.

c. Current Status:

The initial strategy outline has been drafted (see Annex 2). Questionnaire 1 was prepared and sent out to member countries, and subsequently inputs have been received. Secondary research has been on going with the needed

² SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

inputs being collected and analysed. The first drafts of inputs from UNESCAP and CAREC Institute have been received.

Going ahead, the CAREC Secretariat requests CAREC member governments who have not responded to the questionnaire, to share their views at the earliest, and participate in the planned consultations to express their views further.

3. CAREC Start-up Ecosystem Development Hub

a. Objective:

Startups attract talent and funding, catalyse local innovation, improve productivity, and create jobs in an economy. They present an opportunity for supporting CAREC members recover from the downturn caused by the COVID-19 pandemic. To support development of startups in the CAREC region, the CAREC Program is establishing a CAREC startup ecosystem development hub.

b. Approach:

The CAREC startup ecosystem development hub will be a virtual platform that will harness innovative ideas and digital solutions to address problems posed by the COVID-19 pandemic and contribute to the economic recovery of the CAREC region. The hub will provide capacity building to key stakeholders including government officials, financial institutions, start-ups, incubators, accelerators, and universities. The hub will also act as a broker in establishing effective partnerships through investor meetups and pitch sessions, among others, and will facilitate dialogue and networking between start-ups from different countries, and between start-ups and additional funds and investors.

The process of establishing the hub will begin with mapping of relevant stakeholders in various startup ecosystems in the region. This process will reveal the gaps and requirements in the region. Based on this, the ecosystem hub's operational design and plan will be developed. The hub will host open innovation challenges to provide platform to ideas that can solve challenges faced by the COVID-19 pandemic.

Two national level studies (for Georgia and Uzbekistan) are also being conducted. These will serve as case studies and provide context and understanding of national level ecosystems.

c. Current Status:

Preparatory work is underway to establish the startup ecosystem development hub. The lead international consultant to advise on the hub has been recruited and supporting national consultants have also been hired. Key government and private agencies, startups enterprises, venture funds, and other domain experts have been identified, and they will be contacted in the coming months. For the studies in Georgia and Uzbekistan, consultants have conducted interviews and are currently at the review and analyses stage.

Going ahead, the CAREC Secretariat requests support from the CAREC members for establishing connections with the various relevant agencies in their respective startup ecosystems.

Virtual CAREC

Timeline and Milestones

ICT recommended practices inception report drafted: 15th March 2021

Survey Questionnaire prepared and sent out: 23rd April 2021

Survey Questionnaire reply received: 7th May 2021

Analyze and summarize response: 10th June 2021

ICT Recommended practices First Draft report: 22nd June 2021

Training and Capacity Building plan: 30th June 2021

Workshops and training material developed: 15th July 2021

ICT recommended practices Final Draft report 30th July 2021

Provision of Equipment & Services: 02nd August 2021 to 30th September 2021

Virtual Training, Troubleshooting & Consultancy sessions: Ongoing Support throughout 2021 & 2022

A draft outline of CAREC Virtual Assessment Report

Objective & Purpose

Evaluation Framework

Connectivity & Bandwidth

Infrastructure & Applications

Content Distribution and Delivery

Collaboration Impact

Recommendation Scope

Capacity Evaluation & Adjustment

Ideal Equipment by event type

Optimizing Event space

Effective Collaboration

Contingency & Plan B

On-demand scalable infrastructure

Data Security & Risks

Conclusion, FAQs & Summary

CAREC Digital Strategy 2030

Timeline and Milestones

Initial Report Outline drafted: May 6, 2021
Questionnaire 1 prepared and sent out: May 10, 2021
Inputs received to Questionnaire May - June, 2021
Secondary research started: May 6, 2021
Secondary research inputs collected: June 15, 2021
Agreement with UNESCAP and CAREC Institute on inputs: May 25, 2021
Consultation Session with CAREC countries: end of June 2021
First Draft of all UNESCAP and CAREC Institute inputs received: June 15, 2021
Senior Officials Meeting – June 30, 2021
Consultation Session with private sector stakeholders: early July 2021
Final Drafts of all UNESCAP inputs received: July 15, 2021
First Draft of the CAREC Digital Strategy shared August 30, 2021
Comments on the First Draft received: September 15, 2021
Final Draft of the CAREC Digital Strategy shared: October 15, 2021
CAREC Digital Strategy Finalized: November 1, 2021
Editing, Layout Design and Printing completed: November 30, 2021

Draft outline of the CAREC Digital Strategy 2030

Introduction

Rationale and Purpose

- The Role of Digital Technologies in fighting COVID-19
- The Role of Digital Technologies for other Regional Organizations

STRATEGY VISION

STRATEGY MISSION

STRATEGY OBJECTIVES

CAREC Digital Strategy 2030 PILLARS

Digital Transformation in the CAREC region: current state overview

- CAREC Regional Diagnosis
- SWOT Analysis

The Digital Strategy Framework for CAREC

- Adopting a holistic digital transformation framework
- Aligning the non-digital foundations for digital development
- Building the CAREC digital foundations
- Connecting Digital Infrastructure
- Bridging the Digital Divide
- Harmonizing legislation and regulations across CAREC countries
- Creating Incentives for Regional Cooperation in the CAREC Digital Space
- Enhancing the cybersecurity of the CAREC region
- Strengthening Regional Institutions for Digital Leadership
- Nurturing the Digital Innovation Ecosystem
- Building Digital Resilience Capacity
- Attracting Investment in the Digital Economy
- Developing Digital Skills
- Promoting regional content
- Promoting regional ICT services industries
- Promoting the adoption and effective use of ICT by SMEs
- Promoting an inclusive regional digital economy
- Pursuing cross-cutting goals

Leveraging new disruptive technologies to achieve digital dividends across CAREC

- Developing a Regional Data Strategy for CAREC
- Developing an Artificial Intelligence Strategy for CAREC

- Connecting Smart Cities Across CAREC
- Leveraging Digital Technologies to Accelerate CAREC operational cluster transformation**
- e-Finance/Fintech
 - e-Logistics
 - Digital Innovation and Digital Entrepreneurship
 - CAREC Cross-Border Services
 - CAREC e-Customs 2.0 – A Paperless Customs Union
 - CAREC Cross-Border E-Commerce Platforms
 - CAREC Job Seekers Platform and Mobility Portal
 - CAREC Blockchain Platform
 - CAREC Digital Integration Platform
 - e-Administration, Government as a Platform
 - Digital Agriculture
 - Digital Tourism

Implementing the CAREC Digital Strategy 2030

- Leadership and Governance:
- Developing institutions and processes for implementation
- Establish monitoring system for DE progress and impact measures
- Setting Digital Transformation Targets for Digital CAREC 2030 Implementation
- Developing a strategic communication plan

Conclusion