**Regional Workshop**

**9630: Assessing Economic Corridor Development Potential Among**

**Kazakhstan, Uzbekistan, and Tajikistan**

CONCEPT NOTE

**Background**

The recent years have seen an increasing trend of economic corridor development (ECD) being pursued by countries around the world as an effective tool for promoting growth and development. The Central Asia Regional Economic Cooperation (CAREC) Program’s long-term strategy—CAREC 2030—gives great importance to ECD. Economic recovery and favorable regional dynamics in the CAREC region particularly in Central Asia provide improved environment and further momentum for economic cooperation among the countries including pursuing cross-border ECD. One preceding example is the Almaty–Bishkek Economic Corridor (ABEC)—a pilot ECD under CAREC, which is yielding tangible results of investment in the areas of transport, agriculture, tourism, and health along the corridor.

Under the new circumstances, Central Asian countries particularly Uzbekistan and neighboring Kazakhstan and Tajikistan are keen to harness the potential of regional cooperation and integration to promote growth, create jobs, and improve the quality of life of their citizens. One approach is the pursuit of an envisaged ECD among the three major cities of Shymkent (in Kazakhstan), Tashkent (in Uzbekistan), and Khujand (in Tajikistan) and surrounding oblasts of Turkestan, Tashkent, and Sughd given their geographical contiguity, social and cultural bonds, and increasing economic interactions.

To support the governments’ efforts in exploring cross-border ECD among the three countries, the Asian Development Bank (ADB) launched a technical assistance (TA) in October 2018 to assess the ECD potential among Kazakhstan, Uzbekistan, and Tajikistan, with focus on Shymkent–Tashkent–Khujand cities and surrounding Turkestan–Tashkent–Sughd oblasts—referred to STKEC.[[1]](#footnote-1) The TA is designed to support scoping and prefeasibility studies to explore the potentials of the ECD among the designated area. In May 2019, a TA inception mission was undertaken in the three countries to introduce the TA and seek initial feedback on the TA study. The mission observed the corridor area and obtained first-hand information from government agencies, business representatives, and other stakeholders at the central, oblast and city level on the opportunities and challenges in the development of the STKEC. Further field studies were undertaken by ADB consultants in the three countries in July-August 2019 for additional data collection and information gathering.

During the TA inception mission and further field studies, stakeholders all considered the selected economic corridor section with high development potentials. The envisaged STKEC has a high population concentration of around 11 million people, representing 15 percent of the total population of Central Asia. The three cities—Shymkent, Tashkent and Khujand—are within easy access to each other: 130 kilometers between Shymkent and Tashkent, and 160 kilometers between Tashkent and Khujand. The corridor is strategically connected to international markets through CAREC Corridors 1 and 2, with high tourism development potentials.[[2]](#footnote-2) Moreover, the three cities and surrounding oblasts stand out for a certain level of economic complementarity, especially in agriculture and food processing industries. They also enjoy easy cross-border labor mobility facilitated by the close historical, cultural, ethnic and linguistic ties.

Trade has been identified as a driving force for the STKEC development, and there is untapped trade potential along the envisaged STKEC. The three cities and oblasts have strong interdependence in trading among themselves and with other countries. Shymkent city and Turkestan oblast play important roles as gateways for Tajik and Uzbek exports of fresh and dry fruits and vegetables to Kazakhstan and Russia—members of the Eurasian Economic Union. Due to better connectivity and railway tariff structure, Sughd oblast plays a similar gateway role for Tajikistan: more than half of the country’s imports coming through Sughd oblast. Tashkent oblast plays a transit role for Tajikistan, and Turkestan oblast plays similar role for Tajikistan and Uzbekistan. There is also potential in services trade, particularly in regional tourism among other key areas including logistics services.

During the inception mission in May, stakeholders expressed converged interest in potential areas which are deemed important for the development of STKEC. These include:

1. improvement of transport connectivity;
2. modernization and harmonization of border crossing infrastructure and procedures;
3. development of cross-border agricultural value chains;
4. modernization of sanitary and phyto-sanitary (SPS) measures and enhancement of quality infrastructure for exports of agricultural and food products;
5. development of regional tourism; and,
6. development of special/free economic zones and industrial zones/parks.

Challenges and constraints were also initially identified in developing the STKEC, including among others, the need for quality infrastructure development and harmonization along the border areas and improved policy environment to meet the increasing flow of people and goods across the borders, as well as to reduce non-tariff barriers to facilitate cross-border trade, including regional tourism development.

**Objectives**

The main objective of the regional workshop is to gather together key stakeholders in the three countries, after the national workshops and consultations, to exchange views on the following topics to enhance the rationale and sharpen the focus areas of the TA study:

1. Vision for STKEC;
2. Existing issues in the focus areas and actions needed to address them;
3. Initial projects to address the constraints and challenges and tap potentials in the priority areas; and
4. Possible institutional setup for STKEC development.

The workshop will also provide a platform for dialogue and interaction between government agencies, business communities, development partners, and other stakeholders in the three countries at central, oblast and city level, on economic corridor development in general, and on STKEC development in particular.

**Participants**

Central, oblast and city level government officials from Kazakhstan, Uzbekistan and Tajikistan in charge of economic and industry development, and the sectors identified as the focus areas for STKEC development; representatives of the business communities of the three countries; and development partners.

**Organization**

The workshop will be jointly organized by ADB (CAREC Secretariat) and the Tashkent oblast administration of Uzbekistan.

**Regional Workshop**

**9630: Assessing Economic Corridor Development Potential Among**

**Kazakhstan, Uzbekistan, and Tajikistan**

5-6 December 2019

Hyatt Regency, Tashkent, Uzbekistan

AGENDA

|  |  |
| --- | --- |
| **Day 1: 5 December 2019 (Thursday)** | |
| 08:00–09:00 | Registration |
| 09:00–09:05 | Welcome Remarks   * Ulugbek Asadullaev, Head of Investment Projects Formulation and Monitoring Department, Tashkent oblast |
| 09:05–09:10 | Opening Remarks   * Ms. Cindy Malvicini, Country Director, Uzbekistan Resident Mission, ADB |
| 09:10–09:15 | Introduction of the Agenda   * Mr. Safdar Parvez, Director, Regional Cooperation and Operations Coordination Division, Central and West Asia Department (CWRC), ADB |
| 09:15–09:30 | **Special Session: Video Presentation of Tashkent oblast**   * Ulugbek Asadullaev, Head of Investment Projects Formulation and Monitoring Department, Tashkent oblast |
| 09:30–10:45 | **Session 1: Shymkent–Tashkent–Khujand Economic Corridor (STKEC) Development: Rationale and Vision**  *This session will present and discuss an overview of the rationale and potential benefits of STKEC development; vision for STKEC; proposed focus areas; initial assessment of existing issues in focus areas and potential plans and projects to address these issues; and possible institutional set-up for STKEC development.*  Moderator   * Mr. Safdar Parvez, Director, CWRC, ADB   Presentation (20 min.)   * Mr. Bahodir Ganiev, ADB consultant   Discussants (10 min. each):   * Mr. Anvar Yaqubi, Deputy Chairman of Sughd oblast administration, Tajikistan * Ms. Gulzhan Arginbayeva, Advisor to the First Vice Minister, Ministry of National Economy, Kazakhstan * Ulugbek Sadullaev, Head of department for investments and export development, Tashkent oblast administration   *Open discussion* |
| 10:45–11:15 | Coffee/Tea break and group photo |
| 11:15–12:30 | **Session 2: Expanding Cross-Border Trade along STKEC: Recent Trends, Opportunities and Challenges**  *This session will present and discuss recent trends in trade flows, opportunities for expanding trade, and barriers to cross-border movement of goods and transport along the STKEC.*  Moderator   * Mr. Bobur Rasulov, Deputy Head of Department for Development of Transport Corridors and Logistics, Ministry of Investment and Foreign Trade, Uzbekistan   Presentation (15 min.)   * Mr. Roman Mogilevskii, ADB consultant   Discussants (10 min each):   * Mr. Zuhriddin Kenjaev, Head of Main Department of the Trade Policy and Consumer, Ministry of Economic Development and Trade, Tajikistan * Mr. Mukhambet Sabetov, General Director, Association of National Freight Forwarders, Kazakhstan * Mr. Alisher Gulyamov, Deputy General Director, Transport Logistics Association, Uzbekistan * Mr. Dilshod Akarov, Project Aid, Trade in Central Asia, UNDP     *Open discussion* |
| 12:30–14:00 | Lunch at Regency Ball Room I |
| 14:00–15:30 | **Session 3: Development of Agricultural Value Chains along STKEC**  *This session will present and discuss opportunities for the development of agricultural value chains along the STKEC and opportunities for cross-border collaboration in this area,*  Moderator   * Mr. Bahodir Ganiev, ADB consultant   Presentations (15 min. each):   * Shymkent Agro-Industrial Zone and Opportunities for Cross Border Collaboration in Developing Agricultural Value Chains along STKEC –by Sungat Abdullayev, Deputy Chairman of the Management Board, Shymkent Social-Entrepreneural Corporation * Expanding exports of horticulture products through establishment of a cross-border network of agro-logistics centers –by Mr. Bakhtiyor Kamalov, First Deputy Director General, Agency for Implementation of Projects in the Field of Agro-industry and Food Security, Tashkent, Uzbekistan   Discussants (10 min. each):   * Mr. Sharifjon Akhmedov, Head of Department for Investment and State Property Management of the Sughd oblast administration, Tajikistan * Mr. Sergiy Zorya, Lead Agricultural Economist, Resident Mission in Uzbekistan, World Bank   *Open discussion* |
| 15:30–16:00 | Coffee/Tea break |
| 16:00–17:30 | **Session 4: Modernization of SPS Measures and Development of Quality Infrastructure for Exports of Agricultural and Food Products**  *This session will discuss the importance of SPS measures and quality infrastructure for promoting exports of agricultural and agri-processing products and gaining access to new markets for exports.*  Moderator   * Ms. Rosalind Mckenzie, Senior Regional Cooperation Specialist, East Asia Department, ADB   Presentations (15 min. each)   * Key features of good quality infrastructure for exports of agricultural and food products – by Mr. Lenur Eredjepov, Technical Expert on International Standards, Global Research and Consulting LLC, Uzbekistan * SPS measures applied by the People’s Republic of China and their Implications for Central Asian countries – by Mr. Xu Jun, Director of Urumqi Customs, PRC   Discussants (10 min. each)   * Ms. Raushan Kozhanova, Chief Expert, Committee for Veterinary Control and Supervision, Ministry of Agriculture, Kazakhstan * Mr Sultanmahmud Sultanov, Head of Department of International Affairs and Investments, State Inspection on Plant Quarantine, Uzbekistan * Mr. Jamshed Nosirov, Head of Department of Phyto-sanitary, Plant Quarantine and Seeds, Food Safety Committee of Tajikistan   *Open discussion* |
| 17:30–17:45 | **Wrap-up**   * Mr. Safdar Parvez, Director, CWRC, ADB |
| **Day 2: 6 December 2019 (Friday)** | |
| 09:00–10:30 | **Session 5: Development of Regional Tourism along STKEC**  *This session will present and discuss opportunities and challenges in developing tourism along STKEC, including barriers to cross-border movement of people.*  Moderator   * Ms. Zulfia Khamitovna Karimova, Principal Regional Cooperation Specialist, East Asia Department, ADB   Presentations (15 min. each)   * Opportunities and challenges of developing regional tourism in CAREC: implications for the STKEC development – by Ms. Carmen Maria Garcia Perez, Regional Cooperation Specialist, ADB * Development of regional tourism along the STKEC: opportunities and challenges – by Ms. Gulmira Akhberdiyeva, President, Tourism Industry Association of Central Asia   Discussants (10 min each):   * Mr. Urken Bissakayev, Vice-Minister of Culture and Sport, Kazakhstan * Mr. Shukhrat Isakulov, Chief, Division of Statistics and Analysis, State Committee of the Republic of Uzbekistan for Tourism Development * Mr. Davlat Khabibov, Chairman, Tajikistan Tourism Development Council   *Open discussion* |
| 10:30–11:00 | Coffee/Tea break |
| 11:00–12:30 | **Session 6: Modernization and Harmonization of Border-Crossing Infrastructure and Procedures along STKEC**  *This session will present and discuss best practices in integrated border management and lessons for improving trade facilitation along STKEC, particularly in modernizing and harmonizing border-crossing procedures and infrastructure.*  Moderator   * Ms. Xinglan Hu, Senior Regional Cooperation Specialist, CWRC, ADB   Presentation (20 min.)   * Best international practices in integrated border management and lessons for STKEC development: PRC-Mongolia Joint Customs Control Pilot Project – by Ms. Rosalind Mckenzie, Senior Regional Cooperation Specialist, East Asia Department, ADB   Discussants: (10 min. each)   * Mr. Rustam Issayev, Managing Director, JSC National Company “KazAutoZhol”, Kazakhstan (TBC) * Mr Hurshid Halbaev, Chief Inspector, State Customs Committee, Uzbekistan * Mr. Siyovush Rakhmatov, Chief Inspector, Department of Customs Control, Senior Lieutenant, Customs Service under the Government of Tajikistan * Mr. Gennadijs Maskovs, Head of Component, GIZ Program on Trade Facilitation in Central Asia   *Open discussion* |
| 12:30–12:40 | **Wrap-up and Next Steps** (10 min.)   * Ms. Xinglan Hu, Senior Regional Cooperation Specialist, ADB |
| 12:40–14:00 | Lunch at Tashkent Room |

1. ADB. 2018. *Technical Assistance for Assessing Economic Corridor Development Potential Among Kazakhstan, Uzbekistan, and Tajikistan*. Manila. [↑](#footnote-ref-1)
2. CAREC Corridor 1 refers to Europe-East Asia corridor; CAREC Corridor 2 refers to Russian Federation-Middle East and South Asia corridor. [↑](#footnote-ref-2)