

Almaty-Bishkek Corridor Initiative: Framework, Approach and Status

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The ABC

- Agglomeration: productivity, diversification, growth
- Connectivity – product versus platform; economic and physical
- Investments and policies to catalyze expanded role for private investments; PPPs
- Political support from governments and cities
 - MOU; ABCI Joint Working Group (JWG)

JWG1

- Develop an appropriate conceptual framework and analytical approach
- Identifying policy, institutional and infrastructure requirements for the corridor development, and
- Initial focus in the areas of: long-term city planning, logistics and infrastructure development for the region, agriculture and agri-business, education, health services and tourism; Other areas (IT/ITES, targeted SEZs, climate change and disaster risk reduction, mitigation)

Framework

- Urbanization: driver of economic growth through (1) agglomeration effects; and (2) specialization
 - Concentration of knowledge, skills, and technology
 - Economies of scale in production; Specialization
- Harnessing market forces: Eurasian integration, increased flows of labor; greater cross-border and within corridor investments; expanded agribusiness and some manufacturing; more inter-industry and intra-industry trade
- Other policies to maximize prospects for efficient growth: land, city connectivity, social services, and taxation

Approach (1): Economic Space

- ABC approach based on greatly strengthening existing linkages and building new ones
 - physical, knowledge and technology, private sector investments, exchanges of services, public and private
- Spatial approach to exploiting economic space: city poles, connectivity networks (hinterland), network connectivity
- Using spatial tools (city planning, policies and infrastructure, public services, clusters in manufacturing services, agribusiness corridor, coordinated approach to tourism, SEZs, IT parks, industrial incubators)

Approach (2): Sequencing

- Sequencing the use of spatial tools:
 - Identifying the benefits from inter-city cooperation
 - Identifying promising clusters of private sector activities; value chains
 - Addressing constraints to growth, including skills development and policies on technology absorption
 - Identifying public institutional changes
 - Pull together the elements, public and private, and reforms sequence to create comprehensive, actionable program of investment projects, policy reforms, institutional innovations + resource mobilization

Status and Timelines

- Consultants recruited or fielded for: team leader, health, education, agriculture; under recruitment tourism and urban
- Second meeting of JWG (JWG2): 4-6 August 2015, Bengaluru (Bangalore), India; JWG3: October 2015; JWG4: February 2016
- Phase 1 report and ABC Prospectus: March 2016
- More detailed policy studies and exploring possible ABC Fund: Apr-August 2016
- Final ABCI report: September 2016