



CAREC Institute Progress Report/ Work Plan for 2010 – 2011

**Senior Officials' Meeting on
Central Asia Regional Economic Cooperation
16 – 17 April 2010
Manila, Philippines**

SUMMARY HIGHLIGHTS

- Key progresses since the 8th Ministerial Conference in Ulaanbaatar, Mongolia, in October 2009 include:
 - On professional development and training, the second Executive Leadership Development Program (ELDP) was held in Singapore on 29 March–3 April 2010 for CAREC senior executive officials and the Public Sector Management Courses (PSMC) was held in November 2009 in Kazakhstan and Kyrgyz Republic for middle-level government officials. ELDP covered executive leadership practice, public sector management and finance, strategic planning, and negotiation and communication skills and PSMC exposed participants to modern tools and best practices in the use of public resources. A public-private partnership (PPP) workshop "Lessons from Asian Experience" held in Chengdu, PRC in November 2009 promoted understanding of the PPP concept and practices;
 - On research, a "CAREC Institute Research Workshop" was held in October 2009 in Almaty, Kazakhstan participated in by leading international researchers. Preparatory work for the CAREC Program Results Framework has progressed to enable performance monitoring with relevant indicators; and
 - On outreach, the CAREC Institute web site at www.carecinstitute.org, serves as a hub for knowledge and information on regional economic cooperation. The Russian mirror site for major web pages has also been developed. The Institute supports events to raise awareness and stimulate discussion on regional issues. A conference in Dushanbe, Tajikistan on 11-12 November 2009 entitled "Renewable Energy in Central Asia: Creating Economic Sustainability to solve Socio-Economic Challenges" is an example of such.
- New initiatives for discussion at the SOM in April 2010 are:
 - A concept of the study on "CAREC: 10 Years of Cooperation and Moving Forward" has been prepared for discussion at the Senior Officials' Meeting in April 2010. This study will examine CAREC's evolution and achievements in the past ten years.
 - An assessment of the CAREC Institute activities will be conducted to review the outcomes of CAREC Institute activities and to determine an appropriate approach for the next phase of development. An outline of CAREC Institute Performance Assessment Report (CIPAR) will be presented at the SOM in April 2010.

I. OVERVIEW OF PROGRESS

1. Since the 8th Ministerial Conference in Ulaanbaatar, Mongolia, in October 2009, progress was seen in all the areas of CAREC Institute activities defined in the work plan for 2009-2011, i.e., professional development and training, research, and outreach. Key achievements¹ include:

- On **professional development and training**, the second Executive Leadership Development Program (ELDP) was held in Singapore on 29 March–3 April 2010 with participation of approximately 30 CAREC senior executive officials. ELDP covers executive leadership practice, public sector management and finance, strategic planning, and negotiation and communication skills. The Public Sector Management Courses Program (PSMC) were held in November 2009 in Kazakhstan and Kyrgyz Republic for middle-level government officials. PSMC exposes participants to modern tools and best practices in order to strengthen their work within government institutions and enhance accountability, transparency, and efficiency in the use of public resources. With participation of approximately 30 CAREC officials, a public-private partnership (PPP) workshop entitled "Lessons from Asian Experience" was held in Chengdu, PRC in November 2009. The workshop strengthened the participants' understanding of the PPP concept and practices.
- On **research**, a "CAREC Institute Research Workshop" under the Flagship Research Programs was held in October 2009 in Almaty, Kazakhstan participated in by leading international researchers. Since the endorsement of the concept paper at the 8th Ministerial Conference in Ulaanbatar, preparation work for a CAREC Program Results Framework has progressed to enable performance monitoring with relevant indicators. The indicator sets have been prepared for endorsement at the Senior Officials' Meeting in April 2010.
- Concepts of **new research initiatives** have been prepared for discussion at the Senior Officials' Meeting in April 2010. Such initiatives include: a study on "CAREC: 10 Years of Cooperation and Moving Forward", which will examine CAREC's achievements and future directions, and a CAREC Institute Performance Assessment Report (CIPAR), which will assess CAREC Institute activities. These new initiatives will lead to recommendations on the next phase of CAREC development.
- On **outreach**, the CAREC Institute web site at www.carecinstitute.org, serves as a hub for knowledge and information on regional economic cooperation in the region. The Russian mirror site for major web pages has been developed and will regularly be updated. The Institute supports events at the national and regional level to raise awareness and stimulate discussion and debate on regional issues. A conference in Dushanbe, Tajikistan on 11-12 November 2009 entitled "Renewable Energy in Central Asia: Creating Economic Sustainability to solve Socio-Economic Challenges" was an example of such supports by the Institute.

¹ Appendix 1 presents an overview of the status of implementation of the 2009-2011 work plan.

II. KEY DEVELOPMENTS

A. Professional Development and Training

2. The Institute's professional development and training program seeks better knowledge and skills in areas related to regional cooperation. A CAREC training needs assessment² recommended the work through two streams:

- (i) The **Leadership Development Initiative (LDI)** is currently being implemented in collaboration with the Lee Kuan Yew School of Public Policy, National University of Singapore. It comprises:
- **Executive Leadership Development Program (ELDP).** ELDP aims to provide senior executives with the analytic tools and skills set that they need to proactively deal with the challenges they encounter in leading change and achieving results. It targets executive leadership practice; public sector management and finance; strategic planning; and negotiation and communication skills. The first delivery of the ELDP in August 2009 received very satisfactory ratings from the 29 CAREC officials who participated. One Afghanistan official has been nominated and, if selected, will be given a full scholarship in LKY School's Masters in Public Policy Program. Based on the evaluations received from the 1st ELDP, efforts have been made to improve the 2nd ELDP (scheduled for 29 March/3 April 2010) in terms of tailoring the content more to the situation and challenges faced by CAREC officials.
 - **Public Sector Management Courses Program (PSMC).** PSMC aims to provide middle-level government officials with updated practical knowledge and skills in public sector management and finance. The course exposes the participants to modern tools and best practices in order to strengthen their work within government institutions and enhance accountability, transparency, and efficiency in the use of public resources. More than 80 government officials participated in the 1st and 2nd deliveries of PSMC held in November 2009 in Astana, Kazakhstan and Bishkek, Kyrgyz Republic. Feedback from the participants in Astana and Bishkek demonstrated an overall satisfaction with the PSMC, but they also provided useful suggestions for enhancing the course. Possible improvements under consideration include extending the PSMC from two days to four days; incorporating more content specific to each country's public sector issues; and collaborating with CAREC region-based institutions to co-deliver the course.
- (ii) **Sector and committee-led training and workshop assistance to CAREC sector committees on issues relevant to their business areas.**³
- **Public-Private Partnership (PPP) Workshop.** "Lessons from Asian Experience" held in Chengdu, PRC in November 2009, was an opportunity for the participants to deepen understanding about PPP concept and practices by sharing the PPP cases in Lao PDR, Philippines and PRC. This workshop was in line with the **CAREC**

² In mid-2007, the CAREC Secretariat conducted an assessment of participating countries' training needs in relation to regional cooperation. A survey of government officials involved in the CAREC Program and a series of in-country workshops were held to identify priority areas for training and professional development. The assessment established a positive demand for quality training activities among both senior and mid-level officials.

³ Appendix 2 presents a list of CAREC training and knowledge-sharing activities in 2009-2010.

Program-Private Sector Development Initiative endorsed at the 7th Ministerial Conference.

- Currently, the Institute, in coordination with Transport Sector Coordinating Committee and Trade Facilitation Coordinating Committee, is formulating a capacity building framework for transport and trade facilitation aimed at maximizing synergy between the two sectors

B. Research Program

3. The Institute aims to generate new knowledge, innovation, and recommendations to support regional cooperation. The research program will provide intellectual content on transport, energy, and trade. It will also raise the capacity of research institutes in CAREC countries. The Institute pursues such research program objectives through four streams:

- (i) creation of a shared knowledge and information base for each of the CAREC priority areas;
- (ii) flagship research programs to examine broad and fundamental questions affecting regional cooperation and its contribution to economic development in the CAREC countries;
- (iii) a small research grants program to encourage research by researchers and institutes in the CAREC countries that will advance regional cooperation; and
- (iv) issue-specific papers or studies responding to requests for information or analysis from Senior Officials' Meetings, Ministerial Conferences, or sector committees. The research program activities may also include papers or studies to address issues related to institutional arrangements for the CAREC Program, impact evaluation, or second-tier activities.

4. Key achievements on the research program area since the 8th Ministerial Conference in Ulaanbaatar in October 2009 include:

- (i) **Flagship Research Programs:** The program is being implemented with world-renowned academic institutions in collaboration with highly regarded research centers in the CAREC countries. Research with leading academic institutions is ongoing in five areas⁴: (i) The Influence of Space and the Impact of Regional Cooperation on the Growth of the CAREC Countries; (ii) Management of Resource Revenues in the CAREC Region; (iii) Macroeconomic Policy Issues in the CAREC Countries; (iv) Structural Change in the CAREC Region; and (v) Impact Evaluation of ADB Projects in the CAREC Region. A "CAREC Institute Research Workshop" was held in October 2009. It brought together leading international researchers and grant recipients from the CAREC region. Researchers presented drafts of their papers⁵, and during the workshop options for collaboration were reviewed. Summary of the research will be published in *CAREC Notes* in 2010.

⁴ Appendix 3 presents brief overviews of each research area.

⁵ Appendix 4 presents the selected Research Program proposals.

- (ii) **The Impact Evaluation Pilot Studies:** As part of the flagship research programs, rigorous impact evaluation exercises are pilot-tested for two CAREC transport projects. The objective of the work is to assess the CAREC transport projects by precisely measuring their impacts controlling for other possible factors. Baseline surveys were conducted on two CAREC road sections: (a) CAREC Corridor 1b, Taraz to Korday, Kazakhstan; and (b) CAREC Corridor 1c, Bishkek to Torugart, Kyrgyz Republic.
- (iii) **The Small Research Grants Program⁶:** The Small Research Grants Program encourages research by local researchers and institutes on regional cooperation in the CAREC countries relevant to CAREC priority areas. Under the second round of the program initiated in December 2008, six researches in trade policies, and trade and economic cooperation areas are now ongoing. The first draft research papers have been submitted to the secretariat and final papers will be produced in the second quarter of 2010.
- (iv) **CAREC Program Results Framework:** Since a request was made by the Senior Officials' Meeting in May 2009, the work on a CAREC Program Results Framework has progressed. The draft results framework concept paper was endorsed by the Senior Officials' Meeting in October 2009. Indicator sets corresponding to CAREC Program goals and objectives have been prepared for endorsement of the Senior Officials' Meeting in April 2010, which will enable tracking progress and achievements of the CAREC programs.
- (v) **Support for Cross-Border Transport Agreement (CBTA):** Based on a request from Tajikistan and Kyrgyz Republic to continue facilitating the negotiation of Cross Border Transport Agreement between and among Tajikistan, Kyrgyz Republic and the People's Republic of China, which would then be open for participation by other CAREC participating countries at a later stage, the CAREC Institute has provided technical and legal expertise to draft the agreement and provide explanatory notes on specific issues that require further understanding by the contracting parties. The agreement is targeted to be signed at the 9th CAREC Ministerial Meeting in October/November 2010.

5. Concepts of new research initiatives have been developed for discussion at the Senior Officials' Meeting in April 2010. Such initiatives include:

- (i) A Study on "CAREC: 10 Years of Cooperation and Moving Forward", which will examine CAREC's achievements, and formulate recommendations for CAREC in moving forward to enhance its cooperation.
- (ii) A CAREC Institute Performance Assessment Report (CIPAR),⁷ which will assess the CAREC Institute activities to generate recommendations and suggestions for 2nd phase CAREC Institute activities.

⁶ Appendix 5 presents the selected Small Research Grants Program proposals.

⁷ Appendix 6 presents a concept note of the Study on CAREC Institute Performance Assessment Report (CIPAR)

C. Outreach and Dialogue Program

6. The Institute's outreach and dialogue program extends the impact of the training and research programs more broadly, and inform a wider audience of the goals, work, and achievements of the CAREC Program. The Institute is pursuing activities in the following areas:

- **Web site development:** A CAREC Institute web site⁸ (www.carecinstitute.org) was launched as a new hub for knowledge and information on regional economic cooperation in the region. The site, in English and Russian, provides easy access to a wide range of documents related to the CAREC Program, the CAREC Institute, and the priority areas of transport, trade facilitation, trade policy, and energy, as well as country information, and projects and research databases. Since its launch in October 2009, the Institute has started to monitor actual usage and access to the site. During the period of December 2009 to February 2010, the increased number of visitors and website traffic from search engines and referring sites indicate that the website has steadily moved forward to be a key source of knowledge and information. Monitoring the usage and access to the site will be continued and the results will be reported in this Progress Report regularly.
- **Seminars, conferences, and events:** The Institute supports events at the national and regional levels to raise awareness and stimulate discussion and debate on regional issues. The Institute supported a conference in Dushanbe, Tajikistan on 11-12 November 2009 entitled "Renewable Energy in Central Asia: Creating Economic Sustainability to solve Socio-Economic Challenges." The conference was organized by Carnegie Endowment for International Peace, the Joint Stock Company SystemAvtomatika, with support from the Government of Tajikistan and the Ministry of Energy and Industry of Tajikistan. The conference brought together participants and speakers from Central Asia and Afghanistan, as well as the United States and Europe and included academic and scientific experts on renewable energy, business leaders involved in practical applications of renewable energy resources, and representatives of international organizations and financial institutions.

III. WORK PLAN IN 2010-2011

7. Priorities for 2010-2011⁹ include:

1. Professional Development and Training

- Third delivery of the ELDP in Singapore
- Succeeding PSMC deliveries in Azerbaijan, Tajikistan and Uzbekistan in mid-2010, followed by Afghanistan, People's Republic of China, and Mongolia in 2011.
- Awareness Workshop on PPPs in Tajikistan and Uzbekistan in June 2010
- Capacity development activities of sector committees including CAREC Electricity Regulators Forum

⁸ Appendix 7 presents an overview of CAREC Institute website.

⁹ Appendix 1 presents further details on the work plan.

2. Research

- CAREC Institute Foundation Study on Energy "CAREC Diagnostic Study on Energy Demand/Supply Balance and Infrastructure"
- Research Programs – publication of outputs and related seminars
- Impact Evaluation workshop in Kazakhstan and Kyrgyz Republic
- Study on "CAREC: 10 Years of Cooperation and Moving Forward"
- CAREC Program Results Framework
- Study on CAREC Institute Performance Assessment
- Study on Trade and the Institutional Environment in CAREC countries.

3. Outreach

- Web site development and maintenance
- Specific events in the region on regional cooperation and integration topics.

IV. KEY ISSUES

8. **Study on CAREC Institute Performance Assessment**¹⁰: An assessment of the CAREC Institute activities will be conducted to review the outcomes of CAREC Institute activities and to determine an appropriate approach for the next phase of development. The assessment of the Institute activities will examine the Institute's early accomplishments, the current needs of the CAREC Program as compared to those in 2007, the capacities of other institutions and networks in the region, and the sustainability of financing. The findings of the assessment will generate recommendations for a revised and updated CAREC Institute Prospectus, if necessary, and a work plan for 2012-2014. An outline of CAREC Institute Performance Assessment Report (CIPAR), including (i) objectives, (ii) coverage of assessment, (iii) methodology, (iv) assessment criteria, and (v) implementation plan, will be presented for the consideration of the Senior Officials' Meeting in April 2010.

¹⁰ The CAREC Institute is funded by Asian Development Bank regional technical assistant (RETA) 6488: Central Asia Regional Economic Cooperation Institute, 2009–2012. The RETA states that "A performance review of the institute is planned for 2010. The review will assess the institute's achievements, challenges and constraints. It will examine approaches to building on areas of success and to identifying practical responses to challenges and constraints that will contribute to improved efficiency of and stronger support for the broader work of the CAREC Program."

**Appendix 1: Status of CAREC Institute Work Plan 2009-2011:
As of March 2010**

Training Program					
Activity	Goal	Approach and Timing	Coverage	Completed Activities	Work Plan for 2010-2011
Executive Leadership Development Program (ELDP)	Provide senior executives with the analytic tools and skills set they need to proactively deal with the challenges they encounter in leading change and achieving results.	One-week residential course. Approx. 32 participants per course. Annual delivery (2009-2011).	(i) leadership – styles, approaches, practice and communication; (ii) negotiation, persuasion and influence; (iii) strategic thinking and planning; (iv) public sector management; and (v) public sector finance.	- ELDP developed with Lee Kuan Yew School of Public Policy (engaged as Partner Institute for Leadership Development Initiative) - 1 st ELDP delivered on 16-22 August 2009 in Singapore for 29 government officials	- 2 nd ELDP will be delivered from 28 March-3 April 2010 in Singapore for 32 government officials
Public Sector Management Courses Program (PSMC)	Provide middle-level government officials with updated practical knowledge and skills in public sector management and finance. The course will expose participants to modern tools and best practices that will strengthen their work within government institutions and enhance accountability, transparency, and efficiency in the use of public resources.	Two-day non-residential course delivered in CAREC countries. Approx. 40 participants per course. Delivered once in each CAREC country in 2009-2011.	(i) public sector management; (ii) public sector finance. Material will constitute relevant modules from ELDP extended to include workshop exercises.	- 1 st deliveries were conducted from 2-6 November 2009 in Kazakhstan and Kyrgyz Republic	-2 nd batch of deliveries are planned for Azerbaijan, Tajikistan and Uzbekistan by July 2010. - 3 rd batch for Afghanistan, PRC and Mongolia will be scheduled by 2011
Leadership Development Fellowship Program	Provide exceptional individuals with leadership potential an opportunity to participate in open-enrollment	Program funding options and development will be studied in 2010.	(i) general management; (ii) public policy, and leadership; (iii) public sector reform and foreign policy;		For consideration in 2010

	international public administration and management programs.		(iv) strategic planning and financial management.		
Sector committee training and knowledge-sharing activities	Assist in addressing training and knowledge-sharing needs of sector committees.	The Institute will seek to develop a multi-year agenda comprising two to three activities per committee.	To be determined with sector committees. Among others, potential areas would include: (i) customs harmonization/modernization; data exchange, integrated border management, etc. (ii) corridor monitoring methodologies (iii) trade logistics (iv) WTO-accession related issues (v) energy trade and security, energy efficiency	- Training needs assessments conducted for trade facilitation (with CCC) and transport (with TSCC) - Awareness Raising Workshops on Public-Private Partnerships were held in June 2009 in Kazakhstan, Kyrgyz Republic and Mongolia - A workshop on "Public-Private Partnership Workshop: Lessons from Asian Experience" was held in Chengdu, People's Republic of China, on 3–5 November 2009	-Succeeding activities that covers the following will be determined with Sector Committee: • WTO-accession related issues with TPCC; • Energy trade and security, energy efficiency with ESCC CAREC electricity regulators forum • Transport issues with TSCC. • Trade facilitation issues with TFCC • PPP Awareness Workshops being planned to be conducted in Tajikistan and Uzbekistan in June 2010.
Support for second tier areas	Assist in addressing training and knowledge-sharing needs in selected second tier areas.	As second-tier areas enter the Program the Institute will seek to develop an appropriate schedule of activities in coordination with the respective lead funding institutions.	To be determined.	- Support for Table Top Exercise on Human Avian Influenza in Urumqi, PRC, August 2009 - Preparation of Contingency Plans for Emerging/Re-emerging Zoonotic Diseases, November 2009 - Support for a planned Central Asia Countries Disaster Risk Mitigation Initiative: Technical Workshop on Hydro Meteorological Issues in Tashkent, November 2009	Specific activities to be determined.

Research Program					
Activity	Goal	Approach and Timing	Coverage	Completed Activities	Work Plan for 2010-2011
Creation of a shared knowledge and information base	Present a full picture of what has been achieved in a sector; ongoing and planned investments/activities; overlaps or gaps CAREC should seek to address.	The Institute will undertake "foundation studies" in the priority areas and update these studies at appropriate intervals. Studies on transport and trade facilitation started in 2008.	(i) transport; (ii) trade facilitation; and (iii) energy.	- CAREC Institute <i>Foundation Study: Transport and Trade Facilitation</i> completed and discussed at the first CAREC Partnership Forum in May 2009	- Development of CAREC Institute Foundation Study on Energy "CAREC Diagnostic Study on Energy Demand/Supply Balance and Infrastructure" for consideration by 2010
Research program	Provide intellectual support to CAREC's work in the priority areas of transport, energy, and trade.	The program will be developed and implemented in collaboration with leading international academic institutions and highly regarded research centers in the CAREC countries. The program is implemented in 2009-2011.	(i) the Influence of Space and the Impact of Regional Cooperation on the Growth of the CAREC Countries (ii) management of Resource Revenues in the CAREC Region (iii) macroeconomic Policy Issues in the CAREC Countries (iv) structural Change in the CAREC Region (v) impact Evaluation of ADB Projects in the CAREC Region	- Work by leading international researchers ongoing - Inaugural Meeting of CAREC Research Institutes held in Astana in March 2009 - Proposals selected and research grants for CAREC institutes issued in May/June 2009 - CAREC Institute Research Workshop held in Almaty in October 2009.	Research seminars and dissemination of findings will take place as individual papers are finalized.
Small research grants program	Encourage and fund research by local researchers and institutes that will advance regional cooperation among CAREC countries.	Beginning in 2009, the program will finance one research project each year in each participating CAREC country. The research grant would be for an amount up to a maximum of \$25,000.	Research topics would be aligned with or support the research focus of the flagship research program.	- Research proposals for second round of Small Research Grants Program selected and grants issued - Workshop on CAREC Institute Small Research Grants Program held in June 2009	Final papers will be produced in the second quarter of 2010. Activities to disseminate the research papers have been scheduled by June 2010.
Issue-specific papers or studies	Provide timely response to requests for information or analysis from Senior Officials' Meetings, Ministerial	Additional activities by request from Senior Officials' Meetings or Ministerial Conference	Potential issues could include: (i) sector specific issues; (ii) issues related to institutional	Results Framework: - At the May 2009 Senior Officials' Meeting, a request for preparation of a CAREC Program Results Framework was	Results Framework: Complete Indicator Sets to be endorsed by the Senior Officials' Meeting in April 2010. A first CAREC Results Framework and

	Conferences, or sector committees.		arrangements and progress (i.e. mainstreaming regional cooperation; potential second tier activities); and (iii) impact evaluation.	made. - At the October 2009 MC, CAREC Results Framework Concept Paper was endorsed CBTA: CAREC Institute supported the CBTA. Draft text of the agreement and explanatory papers on specific issues such as Most Favored Nation and National Treatments, and options of quota systems have been developed to facilitate the decision making process of the contracting parties of CBTA.	DEfR will be presented at MC 2010. Study on " <i>Trade and the Institutional Environment in CAREC countries.</i> " Study on "CAREC: Cooperation and Moving Forward" Study on CAREC Institute Performance Assessment
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Outreach and Dialogue Program					
Activity	Goal	Approach and Timing	Coverage	Completed Activities	Work Plan for 2010-2011
Development and maintenance of knowledge dissemination platform	Provide easy access to a wide range of documents related to the CAREC priority areas and activities. Over time, the Institute will seek to develop this platform into a recognized knowledge hub on regional cooperation issues for the CAREC region.	The Institute will collect and present reports, papers, articles, assessments, strategies, project information, and other documents from the CAREC multilateral partners, other multilateral and bilateral partners active in the CAREC region, academia, and other sources. Ongoing development	Regional cooperation in CAREC countries, with a focus on: (i) transport; (ii) trade facilitation; (iii) energy; and (iv) trade policy. All aspects of CAREC Program and CAREC Institute work. Plan to upload as much Russian translation and	- CAREC Institute web site developed and launched at www.carecinstitute.org	- Russian version of the web site will mirror the English web site. - Plan to further develop the CAREC corridor pages which would include interactive maps as well as the country pages.

		and maintenance of the web site in English and Russian.	materials as possible. Plan to further develop the CAREC corridor pages which would include interactive maps as well as the country pages.		
CAREC seminars, conferences, and other events	Raise awareness and stimulate discussion and debate on regional issues related to the CAREC Program, and share international perspectives and best practice with the CAREC community.	The Institute will seek inputs from countries and sector committees on appropriate topics and approaches to event development, as well as opportunities for cooperation and co-hosting of activities.	Issues related to regional cooperation in CAREC countries, from broad areas to sector-specific topics are possible. In the initial phase, the Institute will seek to focus available resources on the CAREC priority areas and issues aligned with the research program.	For attention in 2010	The Institute will seek to arrange 3-4 events in 2010, in coordination with interested participating countries. A Distinguished Speakers Series that will seek to bring experience practitioners to the CAREC region for public seminars on selected topics of relevance to the work of the CAREC Program.
External events	Expand awareness of the goals, work, and achievements of the CAREC Program among appropriate audiences outside the CAREC region.	The Institute will identify a small number of high-profile external events each year that it will seek to co-sponsor or participate in.	Regional cooperation issues, with a focus on the CAREC priority areas.	- Support for conference " <i>Promoting Regional Cooperation and Development in Central Asia</i> " in Brussels in March 2009; and " <i>Renewable Energy in Central Asia: Creating Economic Sustainability to solve Socio-Economic Challenges</i> " in Dushanbe in November 2009	
Dissemination Activities	Introduce selected CAREC Program outputs and publications to a broad audience in the region.	Short seminars or press conferences in selected countries.	Potential items include: • CAREC Trade Logistics Studies • Central Asia Atlas • Research Program studies	CAREC Trade Logistics Studies launched in October 2009 in Ulaanbaatar, Mongolia	Central Asia Atlas for launching at the Annual Meeting in May 2010 Research Program Studies

Appendix 2: List of CAREC Training and Knowledge-sharing Activities 2009-2010

2009

Date/ Schedule	Events	Location	Number of Participants	Total Training Days
17-19 February	CAREC Seminar on Joint Customs Control	Guangzhou, PRC	27	81
20-21 February	Workshop on Training Needs Assessment (Trade Facilitation)	Guangzhou, PRC	45	90
23-24 February	CAREC Workshop on Corridor Performance Monitoring and Measurement	Guangzhou, PRC	29	58
2-3 March	Promoting Regional Cooperation and Development in Central Asia (outreach event)	Brussels, Belgium	90	180
12 March	Inaugural Meeting of CAREC Research Institutes	Astana, Kazakhstan	16	16
26 May	CAREC Workshop on National and Regional Joint Transport and Trade Facilitation Committees	Ulaanbaatar, Mongolia	45	45
15 June	Awareness Workshop on Public-Private Partnerships	Bishkek, Kyrgyz Republic	78	78
17 June	Awareness Workshop on Public-Private Partnerships	Astana, Kazakhstan	51	51
22 June	Awareness Workshop on Public-Private Partnerships	Ulaanbaatar, Mongolia	69	69
25-26 June	Inception Workshop on CAREC Small Research Grants Program for 2009	Bishkek, Kyrgyz Republic	19	38
14-17 July	Workshop on Single Window Development	Singapore	37	148
16-22 August	First Executive Leadership Development Program	Singapore	29	203
24-27 August	Table Top Exercise on Human Avian Influenza	Yili, Xinjiang, PRC	13	52
21-24 October	Meeting of CAREC Research Institutes	Almaty, Kazakhstan	18	72
2-3 November	1 st (In-Country) Public Sector Management Course	Kazakhstan	50	100
3-5 November	Public-Private Partnership Case Study Workshop	Chengdu, PRC	33	99
5-6 November	2nd (In-Country) Public Sector Management Course	Kyrgyz Republic	39	78
11-12 November	Renewable Energy in Central Asia: Creating Economic Sustainability to solve Socio- Economic Challenges	Tajikistan	60	120

Total

748

1578

2010

Date/ Schedule	Events	Location	Number of Participants	Total Training Days
12 January	In-Country Consultation Workshop: CAREC Transport and Trade Facilitation	Tajikistan	16	16
25 February	CAREC Workshop on Joint Transport and Trade Facilitation Capacity Building Framework	Uzbekistan	26	26
28 March- 3 April	2 nd Executive Leadership Development Program	Singapore	32	224

Planned activities (2nd Quarter of 2010)*

Date/ Schedule	Events	Location
May	ADB Annual Meeting: Seminar on CAREC Trade Facilitation "Building Seamless Connections for New Prosperity – the CAREC Vision"	Uzbekistan
May/June	Public-Private Partnership Awareness Workshop	Uzbekistan
May/June	Public-Private Partnership Awareness Workshop	Tajikistan
June	Shanghai Customs College Training	People's Republic of China
June	Workshop on safe packets/regional transit/ and Joint Customs Control	Kazakhstan
June	Outreach seminar on CAREC update for government officials	Uzbekistan
To be determined	CAREC Institute Small Research Grants Program Dissemination Seminars	To be determined

* Indicative and subject to change

Appendix 3: Overview of CAREC Institute Research Program, 2009-2011

The CAREC Institute research program for 2009-2011 covers five areas.

1. The Influence of Space and the Impact of Regional Cooperation on the Growth of the CAREC Countries

This research area will examine how greater regional cooperation and a greater cognizance of economic factors at the spatial level can facilitate growth in the CAREC countries. It will identify possible future avenues for empirical work in this area.

Specific questions to be studied under this program are:

- The most widely used economic policy tool for regional cooperation is the reduction of trade barriers, which is supposed to lead to greater integration of economies. The analysis will assess the degree of cooperation achieved so far within CAREC and the scope for further trade integration.
- Geography and economic space are major constraints on the economic development of the CAREC countries. Research will consider the insights that regional growth theory can give on the possible development of the CAREC countries, especially in the light of recent developments in spatial econometric modeling.
- Review analytical work on regional integration and outline how this needs to be reformulated and applied to the particular circumstances of CAREC. It will outline the methods and findings of empirical work on integration, and discuss application of these methods to CAREC.

2. Management of Resource Revenues in the CAREC Region

CAREC countries are experiencing resource booms. This research area will focus on three issues:

- It will outline best practice for managing resource revenues; this could include the upstream issues of fiscal regimes and contractual relationships with resource companies, and will address the choices that have to be made between spending or saving resource revenues.
- It will review country experiences. The objective is to identify key decision points faced by policy makers, as well as to understand when these decisions have been right or wrong, and the forces that led to these outcomes.
- It will identify key areas where the CAREC region differs from others, and will outline how policy may need to be adjusted to take into account these circumstances.

3. Macroeconomic Policy Issues in the CAREC Countries

Evidence-based guidance to the appropriate policy structures that will support enhanced regional cooperation to address the major policy challenges facing CAREC countries. Some of the areas that this project will address are as follows:

- Define the key economic challenges facing CAREC economies.
- Develop a macroeconomic risk assessment framework in the context of the global financial crisis. Integral to this aim is the examination of the modern monetary macroeconomic framework on full employment and price and currency stability.
- Outline strategies to develop public infrastructure to enhance energy cooperation, water provision, climate change responses, and human capital development and integrating this into the fiscal and monetary policy framework.
- Design a national skills development framework to build long-term productive capacity in the CAREC population.
- Design regional employment strategies that can address poverty and income insecurity and provide pathways to skill development to underpin more consistent and higher productivity economic growth that benefits the population of the CAREC region.
- Discuss recent developments in macroeconomic theory and policy in the context of the “new consensus macroeconomics”. One key policy implication is what has come to be known as “inflation targeting”.

4. Structural Change in the CAREC Region

Structural transformation is the process by which countries change what they produce and move from low-productivity, low-wage activities to high-productivity, high-wage activities. The purpose of this research area is to use emerging methodologies to analyze CAREC countries' opportunities for structural transformation, in an effort to better understand past economic performance and accelerate future economic growth.

5. Impact Evaluation of ADB Projects in the CAREC Region

This research program analyzes impacts of ADB projects in the CAREC countries. The central impact evaluation question is what would have happened to those receiving the intervention if they had not in fact received the program. Likewise, an impact evaluation assesses a program's performance in attaining well defined objectives against an explicit counterfactual, such as the absence of the program. “Impact” is the change that can be casually attributed to the program.

Appendix 4: CAREC Institute Research Program Grants

Country / Team Leader	Research Title
<i>Research Area 1: Influence of Space and the Impact of Regional Cooperation on the Growth of the CAREC Countries</i>	
Afghanistan / Kevin King	Foreign Direct Investment in Afghanistan: Current Status and Policies
People's Republic of China / Wu Hongwei	The Prospects and the Impact of CAREC on the Growth of PRC
Kyrgyz Republic / Rafkat Hasanov	Regional Integration in Central Asia: Benefits for Kyrgyz Republic from Removing Trade, Transport, and Transit Barriers
<i>Research Area 2: Management of Resource Revenues in the CAREC Countries</i>	
Azerbaijan / Vugar Bayramov	Managing Resource Revenues in Oil-Rich CAREC Countries
Kazakhstan / Meruert Makhmutova	Impact of Energy Sector on Macroeconomic Performance: Case of Kazakhstan
Mongolia / Rentsen Batmend	Energy Security of Mongolia in the Context of Central Asia
Tajikistan / Nuriddin Kayumov	Management of Resource Revenues in the CAREC Region
<i>Research Area 3: Macroeconomic Policy Issues in the CAREC Countries</i>	
Kazakhstan / Sara Alpysbaeva	Macroeconomic Policy Issues in the CAREC Countries
Kyrgyz Republic / Nurbek Jenish	Is there a Case for Inflation Targeting in the Kyrgyz Republic?
Tajikistan / Nuriddin Kayumov	Influence of Regional Cooperation on the Efficiency of Macroeconomic Policy
Uzbekistan / Janna Fattakhova	Finance Development, Inequality and Poverty Reduction
<i>Research Area 4: Structural Change in the CAREC Region</i>	
Kazakhstan / Aigul Toxanova, Kyrgyz Republic / Rafkat Hasanov	Structural Change in the CAREC Region Evaluation of the Effectiveness of Economic Policy Aimed at Structural Reforms in the Kyrgyz Republic
Mongolia / Dulbaa Byambaa	Possible Structural Transformation of Mongolian Exports and Imports in the Context of Cooperation with PRC and Kazakhstan
Uzbekistan / Nishanbay Sirajiddinov	Structural Changes in the Uzbek Economy: Achievements, Problems and Prospects
<i>Research Area 5: Impact Evaluation of ADB Projects in the CAREC Region</i>	
Kazakhstan / Zhamila Bopiyeva	Impact Evaluation of ADB Projects in the CAREC Region
Kyrgyz Republic / Zarylbek Kudabaev	Impact Evaluation of ADB's Road Rehabilitation Project

Appendix 5: CAREC Institute Small Research Grants Program

Country* / Team Leader	Research Title
Kazakhstan / Bulat D. Khusainov	Development of Proposals on Improvement of Trade Policies of Kazakhstan and Kyrgyz Republic in post-crisis period
Kyrgyz Republic / Rafkat Hasanov	Tariff and Non-Tariff Barriers as Obstacles to Trade Between PRC and Kyrgyz Republic
Mongolia / Lamjav Zolbaatar	Research on Trade Barriers between Mongolia and Kazakhstan
People's Republic of China / Gao Zhigang	Economic and Trade Cooperation Pattern Between Silk Road Fort Kashgar in Xinjiang, PRC, and Border Countries
Tajikistan / Nazarov Abdushkur Abdurakhimovich	Research of Perspective Strategy of Development of Trade in Tajikistan and Kyrgyz Republic and Trade-Economic Cooperation of Tajikistan with Kyrgyz Republic
Uzbekistan / Akram Anvarovich Mukhidov	Studying the Possibility of Adopting Single Convention of CAREC Member Countries on Freight Transit

* Afghanistan team was unable to start the research due to turnover of the member. Azerbaijan grant was cancelled at the request of the research team.

Appendix 6: Concept Note: Study on CAREC Institute Performance Assessment Report (CIPAR)

I. BACKGROUND

1. The CAREC Institute Prospectus, endorsed at the 6th CAREC Ministerial Conference in November 2007, calls for an assessment of the Institute following its initial three years of operations.¹¹ Although the CAREC Institute has been fully operational for only a little over one year, an assessment of the Institute will be conducted to determine an appropriate approach to the next phase development of CAREC Institute programs. The assessment of the CAREC Institute will focus on examining the Institute's completed and on-going activities and the current needs of the CAREC Institute programs.

2. This concept note of the study on "CAREC Institute Performance Assessment Report (CIPAR)" presents the objective, scope, methodology, and implementation arrangement and their timelines of the performance assessment exercise to be conducted through 2010.

II. OBJECTIVE

3. The ultimate objective of CIPAR is to generate recommendations for a revised and updated CAREC Institute Prospectus and a work plan for 2012-2014. The draft CIPAR with recommendations will be presented for the consideration of the 9th Ministerial Conference.

4. The CAREC Institute was established as a virtual entity with a unique objective of becoming a region-based institution covering CAREC's specific needs for research, training, and knowledge solutions to common problems and more effective regional cooperation. The mission of the CAREC Institute is to enhance the quality of regional cooperation by generating world-class knowledge resources in the priority areas of transportation, trade, and energy, which will lead to greater capacities for regional cooperation and accelerated economic growth in Central Asia. The assessment will be conducted from the perspectives of relevance to the Institute's objective and mission of each of the CAREC Institute activities, and efficacy, efficiency and sustainability of each activity and an aggregation of activities of the CAREC Institute.

III. SCOPE and METHODOLOGY¹²

5. Assessment in this CIPAR will primarily focus on the CAREC Institute's activities and their "aggregations", i.e., assessment on each area of activities (professional development and training, research and outreach). Generally performance assessment is conducted on completed activities or programs and focuses primarily on outcomes from the activities or programs. But considering the fact that the CAREC Institute is still at an early stage of its development, the performance

¹¹ The CAREC Institute Prospectus says that "an assessment of the Institute will be conducted to determine an appropriate approach to the next phase of development." The CIPAR will examine the Institute's early accomplishments, the current needs of the CAREC program as compared to 2007, the capacities of other institutions and networks in the region, and the sustainability of financing.

¹² Professor Lindsay Falvey contributed, as an international performance assessment expert for this CIPAR, to the production of this proposed methodology.

assessment under the CIPAR exercise will also cover on-going activities to serve an interim assessment of impact for refinement of program design.¹³

6. In order to maintain the maximum possible objectivity in the process, aspects of conventional approaches as indicated in Table 1 will be used, though the actual approaches taken in the CIPAR exercise will be in a mixed form:

Table 1: Methodology of Assessment: Some conventional approaches

Methods of Approaches	Contents
• Stakeholder Analysis	Stakeholders would normally include concerned CAREC Institute staff, training participants, government nomination officers, trainers/educators, users of CAREC Institute information, and donors including ADB staff and consultants.
• Community-Based Participatory Appraisal	This would usually be conducted through focus group discussions (FGDs) or related vehicles that facilitate information sharing and examination of alternative viewpoints.
• Beneficiary Assessment	Systematic and/or ad hoc listening for encouraged feedback about training, research and outreach by field-based staff.
• Semi-Structured Interviews	An accepted approach that is useful in combinations of approaches and may be applicable for individual CAREC Institute participants and in focus group discussions – an interviewer-guidance checklist makes the technique more comparable across locations.
• Secondary Data Review	Of such resources as those in ADB including its regional and country offices, the web and the prospectus.
• Cross-Checking Questions	A standard approach for designed questionnaires/surveys that especially suits cross-cultural environments for unclear, evasive or politically-correct responses and caters for language limitations.
• Participant Observation	While this usually requires anthropological observation, it is essentially a tool for qualitative assessments based on observations and note-taking, and as such may be encouraged for use by CAREC Institute representatives in all meetings.
• Random Content Analysis	An approach to cover diverse and voluminous materials that otherwise might not be examined.

Source: Contributed by Prof. Lindsay Falvey

7. A "Two-Tiered Contribution Analysis" will be considered in the CIPAR. This analysis is based on the wide and diverse collection of data, information and informed opinion about individual activities, its distillation and consideration 'on balance' to form an assessment for each activity (Tier 1). The assessment results will be expressed of "outstanding", "high", "medium", "low" or "negligible" impact in terms of relevance and efficiency (negative impacts are mentioned as such but not ranked). Tier 2 is an aggregation of activity assessments and consideration of their interactions on the overall program's relevance and efficiency. Outputs of each tier provide options for enhancing relevance and efficiency at both activity and overall program levels.

8. Assessments of CAREC Institute activities will be undertaken using the suite of approaches with available participants and concerned persons from relevant agencies, training and research partners, MIs and regional institutions. Specifically, the instruments to be used in the CIPAR will include the following¹⁴ and the corresponding instruments to assessing each activity is in Table 2:

¹³ The revised or updated CAREC Institute Prospectus will need to be considered by broader perspectives than those to be drawn from results of assessment on the CAREC Institute activities. Therefore, discussions on the capacities of other institutions and networks in the region, pros and cons of "virtuality" of the Institute, possibility of diversification of funding will be also invited to include such aspects as part of the CIPAR exercise.

¹⁴ Supporting documentation to be prepared by the international performance assessment expert will include: (i) FGD checklists, (ii) Faceless Forum sheets, (iii) Questionnaires for training participants who cannot attend FGDs, researchers, supervisors of trainees and researchers, ADB concerned staff, donors/partners, (iv) interview checklists.

- Focus Group Discussions (FGDs) with available past and present participants;
- 'Faceless Forums';
- One-to-one interviews; and
- Review of documents for trainings, research, outreach meetings and related information.

Table 2: Instruments to be Employed to Gather Information by Activity Area and Each Activity

Area	Activity	Instruments
Training:	a) Executive Leadership	- Interviews
	b) Mid-level officials & sector committees training	- Focus Group Discussions - 'Faceless Forums'
	c) Workshops	- Questionnaires
Research:	a) Large projects/knowledge platform	- Interviews
	b) Competitive research grants	- Focus Group Discussions - 'Faceless Forums'
	c) Small grants program	- Questionnaires
Outreach:	a) Information portal - www	- Review www
	b) Publications and visual media	- Review publications
	c) Conferences and seminars	- Focus Group Discussions;
	d) External promotion of CAREC	- Questionnaires

9. As the objective of the CIPAR is to generate recommendations for a revised and updated CAREC Institute Prospectus and a Work Plan 2012-2014, assessments of activity areas will focus on their future relevance. Assessing quality is difficult for short-term training activities and in other circumstances relies on examination of materials, delivery staff and mechanisms and career-impacts on participants. For research, the utility of research results and random informed assessments of research papers and outreach materials will be instructive. The overall performance of the CAREC Institute will be assessed in a manner that can enhance its continued development by offering suggestions for each activity and activity area and for program management. The analysis will be based on three tasks:

- assessments of each activity by consideration of the 'weight of evidence' to make an informed judgment;
- use of same information to consider means of enhancing relevance and efficiency; and
- consideration of activity area outcomes on a whole-of-program basis in keeping with the collaborative ethos of the CAREC Institute.

IV. Implementation Arrangements and Timelines

10. Implementation of CIPAR exercise comprises three phases; (i) assessment preparatory phase, (ii) assessment conduction phase, and (iii) analysis and recommendation production phase. In the preparatory phase, the outline of CIPAR with scope, methodology, criteria and implementation arrangements are defined, and assessment tools such as questionnaires, focus group discussion checklists are prepared. In assessment conduction phase, extensive interviews, review of documents are conducted using the above-mentioned approaches and instruments. Broader discussion on the capacities of other institutions and networks in the region, pros and cons of "virtuality" of the Institute, possibility of diversification of funding will be conducted. In the

analysis and recommendation phase, collected assessment activities will be synthesized and summary of "broader discussion" will be prepared. A CIPAR with recommendations will be drafted by CAREC secretariat for the consideration of the 9th Ministerial Conference tentatively scheduled in October 2010.

11. The detailed time schedule for the CIPAR is as follow.

- Preparatory Phase: until 30 April 2010
- Assessment Conduction Phase: from 1 May to 31 August 2010
- Analysis/recommendation Production Phase: from 1 September to 30 September 2010
- Presentation at Ministerial Conference: tentatively October 2010

Appendix 7: Overview of CAREC Institute Website

CAREC Institute website: www.carecinstitute.org
 Russian language site: www.carecinstitute.org/ru

Overview

The CAREC Institute website (CIWS) supports the Central Asia Regional Economic Cooperation (CAREC) program to enhance the quality of regional cooperation in Central Asia by generating world-class knowledge resources in the priority sectors of transport, trade facilitation, energy, and trade policy. It is a one-stop information platform that

- provides complete data about CAREC, the Comprehensive Action Plan, and the institutional framework;
- contains the strategies, action plans, and other main documents related to the priority sectors;

The Homepage



What's in CIWS

- I. **CAREC PROGRAM**
 - A. **Comprehensive Action Plan**
 - B. **Institutional Framework**
 - C. **Priority Areas**—Transport, Trade Facilitation, Trade Policy, Energy)
 - D. **Additional Initiatives**—Private Sector Development, Disaster Risk Management, Land Management, Communicable Disease Control)
 - E. **Participating Countries**—Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan
 - F. **Development Partners**
 - G. **Contact Information**
- II. **Professional Development**
- III. **Research**
- IV. **Dialogue**
- V. **Resource Center**
 - A. **CAREC Key Documents**
 - B. **Country Information**
 - C. **Projects**
 - D. **Studies and Research**
- VI. **About the Institute**
- VII. **Events**

- serves as a database of main CAREC documents such as ministerial statements, Senior Officials' Meeting reports, and sector progress reports;
- supports dissemination of the Institute's major outputs (professional development, applied research, and outreach);
- contains a comprehensive database on completed and ongoing projects in the CAREC region since 2000;
- compiles a wide range of knowledge products, such as reports, working papers, and other publications on regional cooperation, energy, transport, and trade in Central Asia;
- provides country economic information and key government strategies, along with links to other development institutions' work in each country.

For suggestions, contributions, or more information, contact the CAREC Secretariat at tel: + 63 2 632 6470, or e-mail: webmaster@carecinstitute.org