



Regional: Supporting Industrial Park Development in the Central Asia Regional Economic Cooperation Region

Project Name	Supporting Industrial Park Development in the Central Asia Regional Economic Cooperation Region	
Project Number	48370-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8782-REG: Supporting Industrial Park Development in the CAREC Region	
	Technical Assistance Special Fund	US\$ 750,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Industry and trade - Industry and trade sector development	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>The MTR of Strategy 2020 underscores that with the radically difference of regional and global economic contexts now, ADB will complement its cross-border infrastructure connectivity investments with measures to promote the drivers of second-generation RCI. The CAREC 2020 envisions that developing economic corridors can help diversify the region's industries and make them more competitive through technology, logistics and other business support services. The RCI sections in the relevant country CPSs also include support to the CAREC Program with the flagship initiative of regional economic corridor development as strategic development priority.</p> <p>This proposed technical assistance (TA) plans to improve the policy framework for SITP planning, developing and upgrading in CAREC countries to improve the region's industrial productivity and competitiveness. Thus, it is consistent with the MTR of Strategy 2020, RCI pillar of the ADB's Strategy 2020, ADB's RCI Strategy 2006, CAREC 2020 and relevant country CPSs.</p>	

Project Rationale and Linkage to Country/Regional Strategy

In the refined CAREC Transport and Trade Facilitation Strategy 2020 (TTFS 2020) , developing multimodal corridor network, improving trade and border crossing services, and improving operational and institutional effectiveness are identified as the operational priorities. It also aims to establish and operationalize five regional multimodal logistics centers by 2020. Industrial park development will bolster these goals from the downstream and promote corridor development driven by the industrial demand.

Sound economic policy supporting the development of transport and business infrastructure can boost trade, promote economic diversification and competitiveness, and in turn promote productivity. Effective business infrastructure may include building of science, industrial and technology parks (SITPs), which are often located at transport nodes. Effective business infrastructure is crucial for the development of industrial and economic corridors, resulting ultimately in deeper regional integration, economic growth and better life for all. In this regard, industrial parks support start-ups, new enterprise incubation, and development of knowledge-based businesses. Many countries in the CAREC region, however, lack strategic planning in promoting the development of these SITPs and business incubators for pursuing inclusive and sustainable industrial development. Appropriate regulatory framework, vital for gaining investors' confidence, is also missing.

CAREC countries are at different stages of business infrastructure development. Kazakhstan is at a relatively advanced stage, the Kyrgyz Republic is at a nascent stage in planning and developing various types of industrial parks. Kazakhstan has established a number of SITPs, while legislation relating to establishment of parks and regulation of their activities are still under development. Existing legislation does not fully address these aspects, undermining cohesive and strategic development of industrial parks at the national and local levels. In the Kyrgyz Republic, there has been little strategic planning in promoting the development of industrial zones, industrial parks, business incubators and clusters. Currently, the Kyrgyz Republic has four free economic zones but no operating SITPs. This TA proposes to focus on these two pilot countries which are more representative among CAREC countries in terms of its different development levels of industrial parks, which will provide useful lessons and experiences for other CAREC countries.

Impact More inclusive and sustainable industrial development in the CAREC region

Project Outcome

Description of Outcome Improved policy for industrial park development in Kazakhstan and the Kyrgyz Republic

Progress Toward Outcome Consultants have been engaged and an inception mission fielded to identify issues and discuss implementation steps and government support. An inception workshop was also conducted.

Implementation Progress

Description of Project Outputs

1. Background studies on industrial park development in Kazakhstan and the Kyrgyz Republic prepared
2. Strategic frameworks for industrial park development in Kazakhstan and the Kyrgyz Republic developed

Status of Implementation Progress (Outputs, Activities, and Issues)

2 international consultants - Strategy Formulation and Policy Planning Expert and Industrial Park Development Expert; and 2 national consultants - Industrial Park Development Specialists, were engaged to support the implementation of the project.

An inception mission was fielded on 21-26 July 2015 in Kazakhstan and on 27-30 July 2015 in the Kyrgyz Republic to clarify necessary governmental support; discuss with other key stakeholders the main thrusts and approach for the TA implementation and ways to enhance the functioning of the industrial parks; and coordinate and seek synergy with other development partners on similar activities under other existing initiatives. An inception workshop was conducted to exchange views with key government agencies about the objectives and scope of activities regarding the technical assistance.

A review mission was fielded in October/November 2015 to conduct a comprehensive overview of the nature, function, and effectiveness of the various types of industrial clusters concerning their legislative, institutional framework, and administrative procedures in both countries, taking into account not just the WTO and other international rules, but also international best practices. In addition, the mission team sought feedback on the outlines of the diagnostic studies of Kazakhstan and Kyrgyz Free Economic Zones (FEZ) and visited several FEZs and Special Economic Zones (SEZ). The project team is preparing the preliminary draft of the diagnostic studies of both countries. The draft was sent out in June 2016 for comments.

A Country consultation mission was fielded in June 2016 to solicit feedback from key government agencies and other stakeholders on the draft Diagnostic Studies on SEZ and industrial zone (IZ) development and to seek inputs and insights on the envisaged Strategic Frameworks for SEZ/IZ development in both countries. A Forum was conducted in each country to exchange views on SEZ/IZ development issues with participation of government agencies, think tanks, all SEZ management companies, representatives of the IZs and development partners.

The country diagnostic studies for both Kazakhstan and the Kyrgyz Republic will be launched in the 2nd quarter of 2017.

Geographical Location Kazakhstan, Kyrgyz republic

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	A consultation mission with United Nations Industrial Development Organization (UNIDO) was conducted in September 2014 in Urumqi, XUAR, PRC at the margin of the China-Eurasia Expo. The Mission exchanged thoughts on the intended R-PATA and discussed the possible cooperation with UNIDO in supporting industrial park development in the CAREC region.
During Project Implementation	The United Nations Industrial Development Organization will work closely with ADB to promote industrial park development in the CAREC region and provide necessary technical support to this TA during its implementation. Consultations were made with the Ministry of National Economy of Kazakhstan and Ministry of Economy of the Kyrgyz Republic in 2015. Interviews with government officials and key stakeholders are facilitated from 2015 to 2016. The TA has engaged the services of international and national consultants with appropriate skills and expertise. The governments of Kazakhstan and the Kyrgyz Republic has provided counterpart support in the form of logistical arrangements, meeting packages, office supplies, secretarial assistance, domestic transport and other in-kind contributions.

Business Opportunities

Consulting Services	The TA will finance about 43 person-months of consultant services, 19 person-months of international and 24 person-months of national consultant inputs. One international consultant will be engaged as Team Leader, develop the Strategic Framework for Industrial Park Development in Kazakhstan and the Kyrgyz Republic. The other international consultant will be tasked to conduct the background studies, and assist in developing Strategic Framework for Industrial Park Development in Kazakhstan and the Kyrgyz Republic. The 2 country-based national consultants will be hired to assist in conducting the background studies, developing national Strategic Framework for Industrial Park Development, and organizing the meetings in the field. Consultants will be hired as individuals to ensure various perspectives of the key experts whose skills, qualifications, knowledge and experience can be mutually reinforced and supplemented. The consultants will be engaged according to ADB's Guidelines on the Use of Consultants by ADB and its Borrowers (2013, as amended from time to time). The TA will be implemented over a period of about 33 months, from January 2015 to September 2017.
---------------------	---

Responsible Staff

Responsible ADB Officer	Wu, Guoliang
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Regional Cooperation and Operations Coordination Div, CWRD
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

Timetable

Concept Clearance	06 Nov 2014
Fact Finding	-
MRM	-
Approval	04 Dec 2014
Last Review Mission	-
Last PDS Update	31 Mar 2017

TA 8782-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Dec 2014	-	04 Dec 2014	30 Sep 2017	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
750,000.00	0.00	0.00	0.00	0.00	0.00	750,000.00	04 Dec 2014	465,305.70

Project Page <https://www.adb.org/projects/48370-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48370-001>

Date Generated 06 July 2017

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.