



## Regional: Assessing Economic Corridor Development Potential Among Kazakhstan, Uzbekistan, and Tajikistan

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| Project Name                          | Assessing Economic Corridor Development Potential Among Kazakhstan, Uzbekistan, and Tajikistan   |                 |
| Project Number                        | 52188-001  |                 |
| Country                               | RegionalKazakhstanTajikistanUzbekistan   |                 |
| Project Status                        | Proposed   |                 |
| Project Type / Modality of Assistance | Technical Assistance   |                 |
| Source of Funding / Amount            | <b>TA: Assessing Economic Corridor Development Potential Among Kazakhstan, Uzbekistan and Tajikistan</b>   |                 |
|                                       | People's Republic of China Poverty Reduction and Regional Cooperation Fund   | US\$ 800,000.00 |
| Strategic Agendas                     | Inclusive economic growth<br>Regional integration  |                 |
| Drivers of Change                     | Governance and capacity development<br>Knowledge solutions<br>Partnerships<br>Private sector development   |                 |
| Sector / Subsector                    | <b>Agriculture, natural resources and rural development</b> - Agricultural policy, institutional and capacity development - Agro-industry, marketing, and trade<br><b>Health</b> - Health sector development and reform<br><b>Industry and trade</b> - Small and medium enterprise development - Trade and services<br><b>Information and communication technology</b> - ICT industries and ICT-enabled services<br><b>Transport</b> - Multimodal logistics  |                 |
| Gender Equity and Mainstreaming       | Some gender elements   |                 |
| Description                           | The proposed knowledge and support technical assistance (TA) will support the assessment of economic corridor development (ECD) potential among Kazakhstan, Uzbekistan, and Tajikistan, with focus on geographically connected major cities and oblasts. The TA is designed in response to demand of developing member countries (DMCs) under the Central Asia Regional Economic Cooperation Program (CAREC) to explore the development of new economic corridors to create business development opportunities and generate employment and entrepreneurship, as ECD is an important element in the implementation of the CAREC 2030 strategy. The TA builds on ongoing work of the Almaty-Bishkek Economic Corridor (ABEC) program supported by the Asian Development Bank (ADB). The TA participating countries are also covered by the Belt and Road Initiative geography. |                 |

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| Project Rationale and Linkage to Country/Regional Strategy | Central Asia is undergoing an economic recovery and benefiting from positive regional dynamics with the opening of Uzbekistan. 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 (RCI) to promote growth, create jobs, and improve the quality of life of their citizens. Trade has been identified in these countries as an enabling driver in diversifying economies from a narrow-base (overreliance on natural resources) into a more broad-based and sustainable growth model, for enhanced export competitiveness. Further, the growing trend of regional and global production networks, value chains, and new technologies, coupled with improved information and communication technology, create necessary conditions for Central Asia and CAREC member countries to increase participation in regional and global trade. A CAREC Integrated Trade Agenda 2030 is being formulated to facilitate this process. All these provide favorable conditions for Kazakhstan, Uzbekistan, and Tajikistan to pursue cross-border ECD cooperation to increase trade integration. ECD works by exploiting the strong growth effects of spatial economic development featured by scale economies, agglomeration, diversification, and specialization of economic activities. ECD requires necessary physical conditions and seamless policy coordination to achieve desired effects. Showcased by successful ECDs in Asia e.g., Malaysia's five-ECD national development strategy and India's Delhi-Mumbai Industrial Corridor for manufacturing and exports as well as the ABEC pilot under CAREC, and considering the geographic contiguity for spatial planning and development, the Shymkent-Tashkent-Khujand cities and surrounding Turkestan-Tashkent-Sughd oblasts were identified as another possible ECD to be explored under CAREC. This TA is designed to support scoping and prefeasibility studies to explore the ECD potentials of Shymkent-Tashkent-Khujand cities and surrounding Turkestan-Tashkent-Sughd oblasts. The TA will support spatial economic development including trade analysis among the three cities and oblasts to identify possible economic complementarities, including (i) agglomeration of certain economic activities, (ii) scale economies in focus sectors and/or areas and products, (iii) integration of manufacturing value chains, and (iv) economic and industrial cluster development for specialized products. It will identify major constraints, gaps, and weak links in terms of physical infrastructure connectivity (e.g., information and communication technology constraints) and policy environment (e.g., for private sector investment), including investment needed in fully exploiting economic complementarities through an envisaged ECD. The TA will also support workshops and seminars that promote ECD-related knowledge sharing and awareness raising to enhance understanding and knowledge of ECD in the CAREC region. As ECD has great potential in creating job opportunities for women by participating in cross-border activities (e.g., tourism and trade), the above-mentioned studies will attend to gender equality as a crosscutting issue in the ECD analysis. |
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| Impact                | Regional cooperation and integration in the CAREC region strengthened   |
| Outcome               | ECD prospects among Shymkent-Tashkent-Khujand cities and surrounding oblasts better informed  |
| Outputs               | Prospects and potentials of increased trade integration among Shymkent-Tashkent-Khujand cities and surrounding Turkestan-Tashkent-Sughd oblasts analyzed<br>Prospects and potentials of an envisaged Shymkent-Tashkent-Khujand tripartite ECD with possible expansion to surrounding Turkestan-Tashkent-Sughd oblasts analyzed<br>ECD related knowledge sharing strengthened and awareness raised |
| Geographical Location | Kazakhstan - Shymkent, Turkestan; Tajikistan - Khujand, Viloyati Sughd; Uzbekistan - Tashkent   |

**Summary of Environmental and Social Aspects**

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| Environmental Aspects    |
| Involuntary Resettlement |
| Indigenous Peoples       |

**Stakeholder Communication, Participation, and Consultation**

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| During Project Design         |
| During Project Implementation |

**Business Opportunities**

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| Consulting Services | The TA will be implemented over 26 months from October 2018 to December 2020. ADB will engage about 29 person-months of international and 66 person-months of national consulting services during the TA implementation period. International consultants will include (i) ECD experts (including a team leader) to provide technical advice and analytical support on ECD potentials among Shymkent-Tashkent-Khujand cities surrounding Turkestan-Tashkent-Sughd oblasts and provide policy recommendations, and (ii) trade expert to analyze trade links among the three cities and surrounding oblasts and provide policy recommendations for increased trade integration through possible ECD. National consultants based at ADB headquarters and in the three CAREC member countries will include (i) 4 research assistants to provide technical support and inputs to the international consultants, and the CAREC Unit within the Regional Cooperation and Operations Coordination Division of CWRD, including field and local support; and (ii) a project coordinator to provide operations and administrative support to the resource persons to provide inputs, review reports and participate as presenters, facilitators and/or discussants in related meetings and workshops. |
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| Responsible ADB Officer | Hu, Xinglan |
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| Responsible ADB Department | Central and West Asia Department   |
| Responsible ADB Division   | Regional Cooperation and Operations Coordination Div, CWRD                             |
| Executing Agencies         | <i>Asian Development Bank<br/>6 ADB Avenue,<br/>Mandaluyong City 1550, Philippines</i> |

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| <b>Timetable</b> |
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| Concept Clearance   | 25 Jul 2018 |
| Fact Finding        | -           |
| MRM                 | -           |
| Approval            | -           |
| Last Review Mission | -           |
| Last PDS Update     | 05 Oct 2018 |

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| Project Page            | <a href="https://www.adb.org/projects/52188-001/main">https://www.adb.org/projects/52188-001/main</a>   |
| Request for Information | <a href="http://www.adb.org/forms/request-information-form?subject=52188-001">http://www.adb.org/forms/request-information-form?subject=52188-001</a> |
| Date Generated          | 09 November 2018  |

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