



Policy Dialogue

Fostering Regional Cooperation: Addressing Challenges via Capacity Development under CAREC Program

Proceedings Summary



**Almaty, Kazakhstan
29 November 2019**

The Central Asia Regional Economic Cooperation (CAREC) Institute held a policy dialogue involving its Governing Council members on the topic of fostering regional cooperation in capacity development on 29 November 2019 in Almaty, Kazakhstan.

The dialogue aimed to highlight the importance of capacity building in the context of the CAREC Program. The CAREC Institute sought guidance on critical areas of regional cooperation. This included advice on engaging national capacity building institutions of CAREC members and other relevant partners in capacity building efforts.

The policy dialogue followed in the footsteps of two recent knowledge sharing activities: 1) the Silk Road Knowledge Dialogue; and 2) the Knowledge Sharing in Trade Facilitation and Custom Modernization held in Tbilisi, Georgia, in October 2019, where CAREC high-level representatives expressed demand from member countries to increase CAREC-wide human development efforts.

The CAREC Institute's Governing Council is the highest decision-making body for the Institute to shape its efforts on the capacity development front. This dialogue enabled identifying priority interventions that the Institute can undertake. The agenda focused on innovations, new trends, and current strategies in capacity building at the global, regional, and national levels; emerging good practices in capacity development across national borders: examples from other regions and countries; capacity building approaches in the context of the CAREC region; analysis of the challenges that CAREC countries face when pursuing regional cooperation and the role of the CAREC Institute in addressing such challenges and leveraging the national capacity building institutions.

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1. Background

The CAREC Institute's topical workshop archives go back to 2012 when the Institute existed as a virtual entity. The initial capacity building efforts focused on public-private partnership (PPP) models and infrastructure contract management. As the CAREC Program infrastructure projects approached completion, the Institute's focus shifted to World Trade Organization (WTO) trade facilitation agreements (TFA), system of national accounts (SNA), corridor performance measurement and monitoring (CPMM), and border management. These workshop topics became regular in every following year.

After the establishment of the Institute's physical base in Urumqi in 2015, the Institute's capacity to conduct workshops grew from four (in 2015) to 12 (in 2019). The workshop topics got diversified to include small and medium enterprise (SME) development, agricultural value chains, sanitary phyto-sanitary (SPS) controls, road safety, e-commerce, special economic zones, etc.

All these years, the CAREC Institute's Capacity Building Division benefited from close cooperation with the Asian Development Bank (ADB) sector committees, CAREC Secretariat, and ADB Institute (ADBI) in terms of knowledge and resource person provision.

Throughout these years, the workshops pursued the following objectives: (i) deepen awareness and understanding in CAREC priority areas; (ii) share country experiences, lessons learned and best practices; (iii) discuss key challenges and needs for research and capacity building in relevant fields; and (iv) facilitate space and expertise for thematic knowledge sharing. In four years, some 45 workshops have been conducted where over 900 government officials participated (nominated by member countries through the offices of respective National Focal Points). Workshops followed the lecture-discussion format with experts delivering lectures and participants listening and asking questions.

In 2019, the CAREC Institute realized the need to gauge the capacity development interventions more precisely, extract lessons from their implementation, provide recommendations for improvement including introduction of new approaches to achieve capacity building objectives, process improvements, introduce tools for follow-up and impact assessment, etc. For this purpose, the CAREC Institute sought support from the ADB technical assistance (TA) to recruit the Training Consultant Mr. Nils Boesen who facilitated the policy dialogue on fostering regional cooperation and addressing challenges via capacity development under the CAREC Program on 29 November 2019 in Almaty, Kazakhstan.

2. How to Mainstream Capacity Building in Development Projects

The dialogue participants noted that development impacts of capacity building efforts are the most difficult to quantify. After four years of workshops, a strategic review is necessary. Capacity building programs necessitate careful tailoring, good structure, avoidance of one-off activities, more sequenced approach to make capacity building a continuous process of refinement and improvement.

Trainings shall be linked with CAREC member development priorities. For example, it would be pertinent if CAREC Institute took the lead in delivering capacity development solutions for two new strategies 2030 (transport and energy) adopted at the 18th CAREC Ministerial:

<https://www.carecprogram.org/?event=carec-ministerial-conference-nov-2019>

The ADB, PRC, and Pakistan representative noted that trainings shall add value to ongoing efforts. Needs are immense and one Institute with its limited resources cannot cover them all. CAREC member government apparatus consist of hundreds of governmental entities with hundreds of thousands of employees. It is necessary to identify regional cooperation gaps and address those.

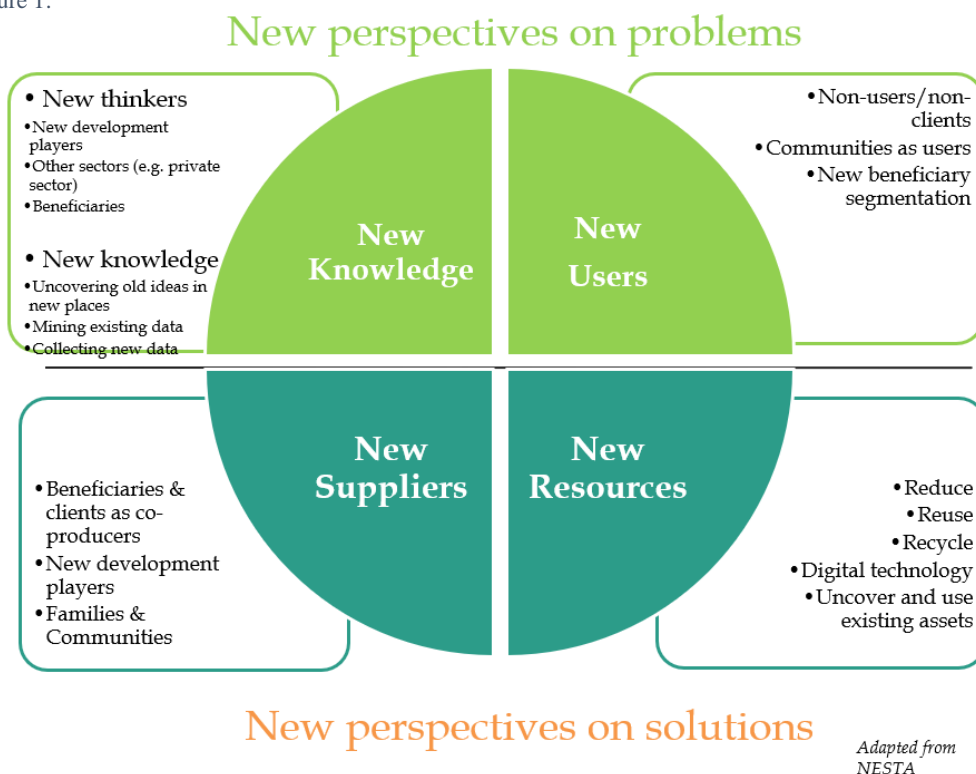
It is advisable for the CAREC Institute to link up with national member facilities, and resource persons to multiply results of capacity building activities.

The Training Consultant Mr. Nils Boesen noted that capacity building is about performance. “It is impossible to buy capacity,” he said. It is important to coordinate across different specialist areas and avoid silos to make capacity building efforts work. When it comes to capacity building, money, silos, preaching, and force have not worked well historically.

Organizations tend to get lost in cycles of trainings which have little impact, which are supply driven, have little rigor, are haphazard, and do not necessarily respond to the changing world. Supply driven trainings do not generate strong ownership among recipients. At the same time, training subjects themselves cannot always name good training topics, cannot identify their own development needs. Overall, training topic selection is often haphazard. When trying to assess if knowledge was used, follow-up questionnaires often render low response rate.

In return, Mr. Nils Boesen suggested new perspectives on problems and solutions as depicted in figure 1 below. Discussions continued to define capacity development as such: did it qualify as activity, output, outcome, impact, or a mindset which looks at change processes from activity to impact and back again. It was expressed that appealing vision, enabling situation, and credible change process where change readiness is the starting point - not “what needs to be done” - constitute key elements of successful capacity development.

Figure 1:



3. Change Theory

Mr. Nils Boesen continued that organizations have capacity to do wrong things. What serves as a supply driven education for kids (e.g. when parents take kids to school), will not work for adults.

He went on to define outputs, outcomes, capabilities, and impact.

The program is understood as coordination, direction, and oversight of a set of interrelated projects to achieve a transformational change. The program aims at achieving outcomes and impacts. Outcome applies to the use of outputs by the intended user which leads to development of a capability, and impact is understood as a change which will be achieved through the use of the outputs and through established capability.

The CAREC Program, through partnership of 11 countries and development partners, aims at promoting development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of “Good Neighbors, Good Partners, and Good Prospects.” In its strategic framework, the CAREC Institute aims to enhance government capacity for regional cooperation.

“Can we say that after participation of government officials in CAREC Institute trainings, performance of their organizations in regional cooperation area improves?” – asked Mr. Boesen.

Mr. Boesen took note of vague lines among CAREC Institute’s research, capacity building, and knowledge management organizational divisions, and suggested shift from products to services. It is advisable if CAREC Institute facilitates connections and helps clients find right knowledge. It is important to know how clients learn and broker knowledge which is out there.

Some service approaches include:

- a) Get more evidence into policymaking
- b) Foster copy-paste of good practice across borders
- c) Foster innovation and sharing across borders
- d) Broker solutions to complex cross-border problems
- e) Lower risks of conflicts
- f) Conduct applied research
- g) Conduct flagship conferences/workshops
- h) Facilitate peer learning events
- i) Facilitate hackatons/Inno-camps
- j) Facilitate staff secondments/exchanges
- k) Facilitate Master/PhD programs
- l) Enable the alumni network
- m) Do twinning projects

Strong capacity for complexity requires three elements:

- i. Adapt proactively which implies identifying and responding to change as it occurs, and co-opting stakeholders in the monitoring and evaluation process.

- ii. Make sense of diverse ideas and priorities from a variety of sources (sectors, organizations, committees, etc.) to achieve a common understanding and (where possible) develop a set of shared priorities.
- iii. Push through the reform amidst competing agendas and transform an idea into action by building and maintaining necessary support to implement reform policies and change programs successfully.

Picture 1: Mr. Nils Boesen facilitating the policy dialogue in Almaty



4. Different Approaches

Mr. Nils Boesen provided an example of the World Bank Institute which closed as there were no clients. Instead, the World Bank Institute transformed into an open knowledge repository.

Another example was that of TACIS - Technical Assistance to the Commonwealth of Independent States and Georgia, which transformed into TAIEX - Technical Assistance and Information Exchange which provides workshops, expert missions, and study visits.

The ADBI has been functioning since 1997, and the OSCE Academy has been in place since 2002. The latter has a regional center in the Central Asia for post-graduate education, capacity building, research and regional dialogue, and it targets scholars and researchers, civil society activists, policy makers, and development institutions.

The EU's approach was also defined, and twinning projects were explained where a partner and a member state institution with similar structure and mandate team up. In a twinning project, the partner country must demonstrate enduring commitment and ownership. This is not a one-way technical assistance instrument but a shared commitment. Such projects usually include workshops, training sessions, expert missions, study visits, internships, and counselling. Twinning relies on learning by doing principle and sharing of best practices.

The type of problem that needs to be solved determines the instrument and the approach. Training is only one of the instruments in the toolbox. The structure shall be defined by themes and by substance. The toolbox itself is big.

The CAREC Institute needs to look at regional integration challenges, find where there is energy, clogged issues, consider being more of a broker rather than a doer, foster coalitions and collaborations, unclog regional cooperation issues. It does not matter how many people attend trainings or workshops. What matters is how the Institute supports and maintains the momentum.

The CAREC Institute was recommended to explore different ways of working, defining a new business model which might include:

- ✓ Look in from outside the box
- ✓ Start where partners and issues are
- ✓ Explore many boxes
- ✓ Consider being a broker more than a doer
- ✓ Foster coalitions and collaborations
- ✓ Cross all sorts of boundaries
- ✓ Explore the energy

5. Example of the Greater Mekong Subregion

Picture 2: Mr. Saad Paracha of ADB along with Mr. Safaev and Mr. Abdukadirov of Uzbekistan



Mr. Saad Paracha of ADB presented an example of Greater Mekong Subregion (GMS) and lessons from the capacity building interventions by ADBI for the last 10 years.

He noted that such program design shall consider the issues of ownership, clarity of objectives, capacity building framework, sustainability, content, and context.

The CAREC Institute has an opportunity to institutionalize approach to capacity building. The gap assessment must be conducted carefully. There is a better mechanism needed for workshop participant selection and targeting. It is important to have distinction between generic trainings (negotiations, management, leadership) and subject-specific trainings. Better instructional design is necessary, and there must be post-course performance tracking, and networking mechanism.

Success comes after adequate interaction and satisfaction of customers - CAREC members.

6. Member Presentations

The **Kazakhstan** representative noted that open knowledge repository in the web is indeed vast. Members shall be able to articulate better their needs or gaps. Members also need to have a better dialogue. Ms. Bibigul Maserbayeva shared her recent experience in studying how other governmental entities work with international organizations. There are joint programs, and joint funds. She elaborated on internship programs of Turkey, and expert exchange programs of the Republic of Korea.

The representative of **Georgia** narrated that Georgia has a lot of twinning projects and provided an example of the Academy of the Ministry of Finance. Mr. Tariel Chulukhadze noted that there is no ready-made recipe for capacity building. External experts (who reside in the organization) are best in assessing the gaps and identifying shortcomings in a governmental entity. In their Academy, external experts cost \$900,000 EUR for two years. The result was that the Academy, based on recommendations, changed job descriptions, budget allocations, structure, staffing, etc. He said that capacity building necessitates vision, purpose, flexibility to accommodate change. Change resistance is also noteworthy. Such capacity building interventions require planning several years in advance.

Picture 3: Ms. Bibigul Maserbayeva and Mr. Diyar Tassym at the policy dialogue in Almaty



The **Pakistan** representative Mr. Ahmed Hanif Orakzai noted that the CAREC Institute might not have sufficient resources to cover CAREC member needs. The civil service apparatus is significant in each of the countries. Rather, the Institute shall focus on sector specific trainings, and improve cross-regional learning. It would be beneficial to organize and mediate working groups among member countries. CAREC members can benefit from cross-learning. Although CAREC members are geographically close, in majority of cases, there is no connectivity, and there is significant language barrier. Such topics as connectivity, umbrella CAREC visa regime, and similar can form a ground for policy research and policy recommendations.

The representative of **the People's Republic of China (PRC)** Mr. Liu Weihua articulated that the role of organizer and facilitator would be the most appropriate for the CAREC Institute. It is beyond the Institute's capacity to respond to every challenge in every sector. He said that it is very important to select right experts and determine the most effective type of training program. The current workshop model was assessed as not very productive and too costly. This workshop format might not be achieving the intended results. Its quantity can decrease but quality must improve. He gave an example of a tourism sector where he would expect a clear analysis of advantages and shortcomings in CAREC countries and clear policy recommendations to address gaps.

Picture 4: Mr. Liu Weihua of the PRC at the policy dialogue in Almaty



The CAREC Institute representatives confirmed that interventions shall be based on CAREC strategies, and the Institute's internal systems need to be receptive of partnerships and new modes of cooperation. The roles of a broker and facilitator are the roles where the Institute can add value. The Institute shall enhance its assessment of regional cooperation bottlenecks, and engagement with national institutions. The previous rolling operational plans (ROPs) were supply driven, based on quantity. The Institute sees the necessity to introduce improvements. The special economic zones (SEZ), accounting, and UNIDO workshops were designed independently by the Institute in cooperation with partners, ADBI helped with SME and state-owned enterprise (SOE) workshops. There are more research-based workshops planned for

2020, including the ones on the topics of CAREC regional integration index and corridor performance measurement and monitoring.

The **Mongolia** representative Mr. Batkhoo Idesh listed country priorities as follows: people to people collaboration, tourism cooperation, facilitation of exchange programs, exchange of academics and students.

The **Tajikistan** representative Ms. Gulru Jabborzoda noted that it is important to define strategic objectives carefully which subsequently influences the demand. The regional priorities are as follows: bottlenecks in infrastructure connectivity, unification and harmonization of rules and procedures (especially customs and border crossing), and development of a functional regional energy market. Transport, trade, energy, agriculture, water, and tourism are priority sectors. Tajikistan would appreciate a demand-driven research and policy recommendations in addressing high transport and transit costs in landlocked countries and finding a correct specialized niche for member countries in regional and global value chains.

Ms. Jabborzoda continued that Tajikistan had three expectations from the CAREC Institute from the very beginning: 1) to exchange relevant knowledge, 2) produce demand-driven research, and 3) provide a repository of region-specific research. Thus far, these expectations have not been met, she noted. For the last four years, the Institute spent significant resources handling internal organizational issues. She provided several recommendations:

- 1) Resume the Executive Leadership Development Program which was delivered by the Singapore National University when the CAREC Institute was a virtual entity. That executive program had a lot of added value.
- 2) Focus on programmatic issues and demand driven research.
- 3) Include regional academic institutions in research and other work to enhance perspective and benefits.
- 4) All government officials want to know options for solutions. They need to know what works well in other or similar contexts, what is practical. Trainings need to show these solutions, not narrate about them. Trainings/workshops shall be practice focused.
- 5) Workshop target group selection is important. When knowledge of English is a requirement, it proves problematic to locate relevant personnel in Tajikistan. Due to language barriers, Tajikistan often has to nominate a candidate who knows the language but is not the field specialist. Workshops must have good translation to improve their effectiveness.
- 6) In 2020, mark the 20th anniversary of the CAREC Program with significant substantive events, like research conferences, flagship publications, and the like.
- 7) Ensure equal participation of all CAREC nationalities in the Institute's work. The Tajikistan representative has not worked in the Institute yet despite repetitive nominations of seconded personnel.

The **Turkmenistan** representative Mr. Begmyrat Miriyev spoke about importance of trade for regional development. The CAREC share (minus the PRC) in the global trade volume is only 1%. The CAREC Program and the Institute can help members address issues of connectivity and trade facilitation, and support integration of CAREC members in the global economy through trade expansion, access to markets, economic diversification, and introduction of new technologies and standards in trade.

The **Kyrgyzstan** representative Mr. Mirlan Baigonchokov commented that the CAREC Institute is a platform where members exchange experience and views. It would be advantageous if the Institute diversifies its engagement with national institutions, conducts joint research, and provides analysis of strengths of members who have advanced in certain areas. It would facilitate positive spillover in the region.

Picture 5: The Pakistan and Tajikistan representatives at the policy dialogue in Almaty



7. Way Forward

To conclude, the following five sets of challenges were highlighted as important to overcome to become effective in capacity building:

- 1) Establish a robust monitoring and evaluation system. The Institute shall know exactly what kind of capacity it tries to enhance and how it measures the impact.
- 2) There is a need to achieve some kind of scale. The CAREC member government apparatus are big. The current workshop approach cannot reach all. The cascade training might not be a solution as quality might deteriorate significantly. It needs to be determined how many people need to be reached, why, and what needs to be achieved.
- 3) How to maintain focus and continuity in a few selected areas to have required impact.
- 4) How to upscale and maintain quality, and how to be useful to clients/members.
- 5) How to involve local institutions effectively in topics of regional integration, and in knowledge promulgation.

Expectations were articulated towards the Governing Council as well. The Council is expected to play an important role in gap identification, facilitation of knowledge application, provision of in-kind and technical support to implement the CAREC Institute activities. The Institute, on the other hand, was encouraged to enhance workshop reporting and coverage, stakeholder ownership, thorough analysis of relevant topics, and provision of timely policy notes.

Specific recommendations for improvement of capacity building efforts included:

- 1) Base all interventions on CAREC strategy, and sector strategies (e.g. recently adopted transport and energy strategies at the 18th Ministerial), and country development priorities.
- 2) CAREC needs are immense. It would be a futile exercise to conduct a needs assessment. Focus more on regional cooperation bottleneck analysis, and gap identification. Address gaps.
- 3) CAREC Institute needs to refocus its business model from products to services. Facilitate connections and help clients find right knowledge. It is important to know how clients learn and broker knowledge which is out there. Foster copy-paste of good practice across borders.
- 4) The CAREC Institute needs to look at regional integration challenges, find where there is energy, clogged issues, broker solutions to complex regional issues, consider being more of a broker rather than a doer, foster coalitions and collaborations, unplug regional cooperation issues.
- 5) Improve the workshop participant selection and targeting mechanism. Consider significant language barrier.
- 6) Pay close attention at high quality instruction design and quality of resource persons.
- 7) Enable the workshop alumni network.
- 8) Establish a post-course performance tracking mechanism.
- 9) Cooperate more closely with national institutions, engage their resource persons, their perspective, their facilities, and their content. Also, utilize their bases for knowledge promulgation.
- 10) Provide a repository of region-specific research. Conduct demand-driven research.
- 11) Improve cross-regional learning. It would be beneficial to organize and mediate sector and topic specific working groups among member countries. Provide options for solutions. Provide analysis of strengths of members who have advanced in certain areas.
- 12) Resume the Executive Leadership Development Program.