



## Digital CAREC Virtual Policy Dialogue: Digital FDI Ecosystem

Central Asia Regional Economic Cooperation (CAREC) Institute  
Islamic Development Bank (IsDB)  
Asian Development Bank Institute (ADBI)

Webinar

15 March 2023

14:50 – 17:30 (Beijing time, GMT + 8)

### 1. Background

The world economies are transforming fast due to the rapid spread of resource-efficient products, technical inclusion, new green inventions, and digital technologies, stimulating global progress toward accomplishing Sustainable Development Goals (SDGs) 2030. Digital development has implications for all the SDGs and affects all countries, sectors, and stakeholders<sup>1</sup>. According to the World Economic Forum's report,<sup>2</sup> the digitalization has generated trillions of dollars in economic activity in recent years and continues to accelerate globally. The COVID-19 crisis has seriously changed the future outlook of international trade in traditional goods and services. It has also demonstrated the soundness of the digital economy and reaffirmed that the digital transformation of the global economy is unavoidable.

However, the CAREC region—with the notable exception of the People's Republic of China (PRC)—has not fully benefited from the digital economy transformation yet. There is still a lack of connectivity infrastructure in the CAREC region, especially in Central Asia, as it is a landlocked region of Asia and there are no fiber-optic routes under the ocean or under the sea in this region. It is estimated that almost 50% of Central Asians are not digitally connected (Uzbekistan 55%, Kyrgyzstan 38%, Tajikistan 22%), and that less than 20% of the Afghan (13.5%) and Pakistani (15.51%) populations use the internet. The majority of disconnected individuals live in rural and remote areas (UNDESA, 2020). Moreover, the CAREC region's average score also shows a low score for digital infrastructure, followed by new digital activities and digital adoption, and a high score for digital promotion tools. The main areas that need improvement are those related to digital security and privacy, data regulations, intellectual property rights, the validity of electronic agreements, higher tariffs and taxes, limitations on the acquisition of land for commercial use, a lack of regional integration and agreements on mutual investment and technology, ineffective consumer laws, poor governance, a lack of digital skills, lower

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<sup>1</sup> Digital Economy Report, 2019. UNCTAD

<sup>2</sup> World Economic Forum's report: <http://reports.weforum.org/digital-transformation/introducing-the-digital-transformation-initiative/>

connectivity of national and international infrastructure, a longer approval turnaround time, and a lack of venture capital. By addressing these weaknesses, the CAREC region would attract more FDI.

As a result, since 2019, the CAREC Institute, in collaboration with the Asian Development Bank (ADB) and IsDB, has launched a series of research projects on digitalization in the CAREC region and based on these findings, has held a series of webinars to engage CAREC policymakers and interested stakeholders in policy dialogues. All materials and recordings are available at the CAREC institute's e-learning platform ([elearning.carecinstitute.org](http://elearning.carecinstitute.org)).

Therefore, the CAREC Institute, jointly with IsDB and other respected development partners, is continuing a series of webinars and will conduct the following virtual expert roundtable for policymakers from the CAREC member countries and interested audiences to exchange views with leading experts on digital FDI and discuss how to implement the most important policies, measures, and regulations that governments of CAREC countries can adopt to attract investment in the digital economy.

## **2. Key objectives**

The overall aims of this virtual policy workshop are: 1) to present and discuss policy options raised from the CAREC Institute-IsDB research projects; and 2) to analyze lessons learned and identify areas for future research to further promote capacity building interventions and governance related to digital FDI in the CAREC region.

## **3. Expected Outcomes**

This virtual workshop intends to achieve the following set of specific objectives.

- to offer knowledge support to all stakeholders, with the primary target participants being middle- to senior-level government officials/experts from relevant ministries or agencies of the CAREC member countries; and e-learning users and stakeholders who are interested in and registered on the CAREC Institute e-learning platform. They can access all recorded modules, along with expert presentations, discussions, and associated learning materials, from anywhere at any time.
- to facilitate policy dialogue on digital FDI promotion in the CAREC region, with a focus on legal and enabling factors of digital investment aspects.
- to strengthen regional cooperation among leading experts and policymakers in the CAREC region on digital FDI.

## **4. Target participants**

Officials from member countries who are directly involved in policymaking, providing guidance and planning for the development, promotion, and utilization of the digital economy and trade at the national and regional levels are affiliated with the CAREC countries' ministries of commerce, trade, economy, and information technology, or any other relevant bodies. All participants are required to have access to the internet and webinar software like Zoom. They are also required to have either English or Russian proficiency.

## **5. Workshop Methodology**

The workshop will be based on a blended learning program consisting of three phases: attendance of pre-recorded expert presentations and learning materials, virtual policy dialogue, and follow up activities. To ensure a common level of skilled knowledge on Digital CAREC, participants should go

through learning materials and pre-recordings. Materials will be available on the CAREC Institute E-Learning platform (<https://elearning.carecinstitute.org>). The workshop will be conducted in an online format in a dialogue mode with maximum participant engagement in detailed discussions. In the first session, experts from the CAREC Institute will inform the audience about the research findings and policy recommendations on the digital FDI development in the CAREC Region. The second session will be provided in an open panel discussion format. The dialogue facilitation methods will be effectively applied. At the end of the event, participants will be encouraged to visit an e-learning platform for post-workshop activities such as accessing workshop recordings and attending a forum to ask questions.

The workshop will be delivered in English, with simultaneous interpreters available for English-Russian and vice versa to keep the virtual dialogue effective and engaging for multilingual participants. The material presented will be in English as well, and the Russian version of the written material will be uploaded later on the website. All participants are required to have access to the internet and webinar software like Zoom. They are also required to have either English or Russian proficiency.

## 6. Time, date and venue

Beijing time (GMT+8), 15 March 2023, online

## 7. Agenda

**14:50-15:00** Virtual Connection to the Dialogue and Webinar Rules  
**Steven Liu**, Capacity Building Specialist, CAREC Institute

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### Opening Remarks

**15:00-15:04** **Kabir Jurazoda**, Director, CAREC Institute

**15:04-15:08** **Syed Hassan Alsagoff**, Manager of the Science, Technology and Innovation Division, IsDB

**15:08-15:10** **Group Photo**

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### Session 1: Keynote Presentations

**15:10-15:20** **Tofiq Babayev**, Consultant, Director of R.I.T.A., Legal and Financial NCP Horizon 2020, Azerbaijan

**Introduction and Country Profiles of Digital FDI Development in the CAREC Region**

**15:20-15:30** **Asif Razzaq**, Senior Research Specialist, CAREC Institute

**Methodologies and Outcomes of Gap Analysis**

**15:30-15:45** **Imed Drine**, Lead Economist, Cooperation and Capacity Development Department, IsDB

## Policy Recommendations and Future Directions

**15:45-16:25** **Representatives of the CAREC member countries (Azerbaijan, PRC, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan)**

Feedback from the CAREC member countries on the joint project of the CAREC Institute and the Islamic Development Bank on Digital Gap Analysis and Digital FDI, expectations from future projects, as well as recommendations on regional cooperation in the field of digitalization (3-5 minutes for a representative of each CAREC country, in alphabetical order)

**Moderator:** **Kadir Basboga**, Senior Regional Integration Economist, IsDB

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## Session 2: Panel discussion

**16:25-17:25** This is an open dialogue session with leading international experts from key implementing partner organizations. Each expert will be given 5-7 minutes to address the following guiding questions and engage in open dialogue with other experts, and participants.

- 1. What activities and measures are your organization planning in digitalization and other relevant areas in the region over the next two years? Please highlight the expected outputs from your projects.*
- 2. How do you assess the CAREC digital research project presented by the CAREC Institute and the Islamic Development Bank for the region?*
- 3. What measures should be taken by international institutions to ensure the effective coordination of joint, mutually beneficial activities in the field of digitalization and how to promote effective partnership between international institutions in the region?*

### Distinguished Discussants:

- **Norbert Funke**, Director, IMF, CCAMTAC
- **Soo Hyun Kim**, Economic Affairs Officer, UNESCAP
- **Mikhail Bunchuk**, Senior Digital Development Specialist, the World Bank, Central Asia Regional Office
- **John Beirne**, Vice-Chair of Research and Senior Research Fellow, ADBI
- **Ivan Rossignol**, Senior Advisor, Strategy, Policy and Budget Department, AIIB
- **Anatoly Motkin**, Founder and President of StratEast Center (pre-recorded video)

**Moderator:** **Ayoob Ayoobi**, Chief of Capacity Building Division, CAREC Institute

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## 17:25-17:30 Closing remarks

**Kabir Jurazoda**, Director, CAREC Institute

## 8. Useful links

CAREC Institute. February 2023. Report on CAREC Digital FDI Ecosystem in the CAREC Region, <https://www.carecinstitute.org/publications/report-on-carec-digital-fdi-ecosystem-in-the-carec-region/>

CAREC Institute. 2020. Regulatory Framework for e-Commerce Development in CAREC (Policy Brief). Urumqi, Xinjiang: CAREC Institute, <https://www.carecinstitute.org/wp-content/uploads/2020/04/2-CI-Policy-Brief-e-Commerce-Framework-in-CAREC-25-Apr-2020.pdf>

CAREC Digital Trade Forum 2022: <https://www.carecinstitute.org/events/carec-digital-trade-forum-2022/>

Chinese Best Practice in Cross-border E-commerce: <https://elearning.carecinstitute.org/learning-modules/workshops>

Digital Economy Report, 2019. UNCTAD

Digital CAREC Virtual Policy Dialogue: Analysis of the Regional Digital Gap: <https://elearning.carecinstitute.org/learning-modules/workshops/637.html>

Digital FDI: Policies, Regulations and Measures to Attract FDI in the Digital Economy. World Economic Forum, <https://www.weforum.org/whitepapers/digital-fdi-policies-regulations-and-measures-to-attract-fdi-in-the-digital-economy/>

Effective Public Service Delivery and E-Governance: The Case of Azerbaijan: <https://elearning.carecinstitute.org/learning-modules/workshops/459.html>

Optimizing Trade and Electronic Commerce to Bridge the Needs in CAREC Region: <https://elearning.carecinstitute.org/learning-modules/workshops/272.html>

Report on Digital and Sustainable Trade Facilitation in Asia and the Pacific 2021: <https://www.unescap.org/kp/2021/untf-survey-2021-regional?ref=untfsurvey.org>

Study on Digital and Sustainable Trade Facilitation in CAREC: [https://www.carecinstitute.org/publications/Matthew Stephenson,](https://www.carecinstitute.org/publications/Matthew%20Stephenson)

World Economic Forum's report: <http://reports.weforum.org/digital-transformation/introducing-the-digital-transformation-initiative/>

## 7. Notes: (evaluation survey from participants)

### Time limits

Presentations of research findings (10-15 minutes each)

Interventions by the panelists: 5 minutes each

Questions and answers: 15 minutes. The chair/moderator will pick up some questions from the floor for the panelists from 'Q&A' box or from 'raised hands'.

Panel open discussion: 55 minutes.

### Questions

Questions will be welcomed during the workshop. After presentations, there will be a live discussion. Attendees may use 'Q&A' at the bottom of your screen to type their questions. Speakers, please type answers to the questions in 'Q&A' after your presentation.

### Evaluation of webinar

The interactive survey will be provided via Zoom software, and participants will be asked to complete it. This survey will be designed to measure the participants' level of understanding and engagement, as well as to gain feedback on their experience with the webinar. Additionally, open-ended questions will be included to allow participants to provide additional comments and suggestions.

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**Simultaneous interpretation by Zoom will be available. Please select from the bottom panel which language for interpretation you would like: English or Russian.**