



**Expert group meeting
on structural economic transformation in North and Central Asia
and financial integration among SPECA countries**

**Grand Hotel Tien Shan
Almaty, Kazakhstan**

09:00 - 17:30, 29 April 2019

PROGRAMME

Economic growth in North and Central Asia¹ has slowed in recent years owing in part to falling commodity prices and their narrowly-based and relatively small domestic economies. Further growth will require broadening and diversifying of their economy through continued structural economic transformation, identified as Priority 5 of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024.

In 2018, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) facilitated discussion on structural economic transformation during the Economic Forum of the United Nations Special Programme for the Economies of Central Asia (SPECA). As a result, the Economic Forum recognized that “acceleration of structural economic transformation is a fundamental condition to implement the 2030 Agenda for Sustainable Development and increasing shared prosperity” and called upon ESCAP to provide support to the efforts of the SPECA participating countries in accelerating structural economic transformation.

ESCAP, in response, is developing a holistic framework in line with Sustainable Development Goals to support further structural economic transformation so that countries of North and Central Asia are able to benefit from better access to consumer markets through improved connectivity, spurred by ongoing regional integration processes such as the Eurasian Economic Union.

¹North and Central Asia consists of Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan.

Experts will review a draft publication on structural economic transformation. The publication will develop the holistic framework on, assess the current state of, and propose policy recommendations for enhancing structural economic transformation in this subregion. In the proposed framework, three groups of SDGs are identified as crucial: (a) infrastructure development and trade facilitation; (b) human capital accumulation and development; and (c) private sector development (under preparation).

Consolidating experts' comments and suggestion, ESCAP will launch the publication in the 2019 SPECA Economic Forum, scheduled in Ashgabat on 21 and 22 November 2019.

Programme

Time	Session
08:30 – 09:00	Registration
09:00 – 09:30	<p>Welcome remarks by:</p> <ul style="list-style-type: none"> - Mr. Nikolay Pomoshchnikov, Officer-in-charge of Subregional Office for North and Central Asia, ESCAP ESCAP - Tour de table - Video presentation by Dr. Naoyuki Yoshino, Dean, Asian Development Bank Institute -
09:30 – 11:00	<p>Session 1: Structural economic transformation in Asia and the Pacific</p> <p>Moderator: Mr. Nikolay Pomoshchnikov</p> <ul style="list-style-type: none"> - “Structural economic transformation in Asia and the Pacific: findings and perspectives from ESCAP Countries with Special Needs Development Report 2019” by Mr. Hamza Ali Malik, Director of Macroeconomic Policy and Financing for Development Division, ESCAP - Discussant: Mr. Hans Holzhacker, Associate Director and Regional Lead Economist, European Bank for Reconstruction and Development - Floor discussion
11:00 – 11:15	<i>Coffee break</i>

11:15 – 12:15	Session 2: Structural economic transformation in North and Central Asia (chapter I) Moderator: Mr. Hans Holzhacker , EBRD <ul style="list-style-type: none"> – “Trend and current state of structural economic transformation” by Mr. Hiroaki Ogawa, Associate Economic Affairs Officer, ESCAP – Discussant: Mr. Bakhodur Eshonov, Independent consultant – Discussant: Mr. Nadeem Naqvi, Professor, KIMEP University – Floor discussion
12:15 – 13:30	Lunch
13:30 – 15:00	Session 3: Infrastructure development and trade facilitation (chapter II) Moderator: Mr. Nadeem Naqvi <ul style="list-style-type: none"> – “Infrastructure development and trade facilitation toward structural economic transformation” by Mr. Hiroaki Ogawa – Discussant: Ms. Aradhna Aggarwal, Professor, Copenhagen Business School Denmark – Discussant: Mr. Rustem Kurmanguzhin, Associate Professor, Almaty Management University – Floor discussion
15:00 – 15:15	<i>Coffee break</i>
15:15 – 16:45	Session 4: Human capital accumulation and development (chapter III) Moderator: Ms. Aradhna Aggarwal <ul style="list-style-type: none"> – “Human capital accumulation and development toward structural economic transformation” by Mr. Osama Rajkhan, Social Affairs Officer, ESCAP – “Gender Balance in the System of Higher Education and transition to Work” by Ms. Gaukar Kenzhegulova, Narxoz University – Presentation on education systems in Central Asia by Ms. Lina Benete, Education Programme Officer, UNESCO – Floor discussion
16:45 – 17:00	Closing session Closing remark by Mr. Nikolay Pomoshchnikov , ESCAP

09:00 - 16:30, 30 April 2019

PROGRAMME

Regional financial integration among SPECA² countries can enhance financial development and bring benefits for home and host countries. Financial integration is the process through which the financial markets of two or more countries become more connected to each other. The process have the following forms and benefits: (a) cross-border capital flows and financial activity both follows and can be followed by cross-border trade, and thus can help foster wider regional economic integration; (b) foreign participation in domestic markets; (c) at the regional level, capital market integration creates scope for economies of scale, especially when individual markets are relatively small; (d) countries which face the need to improve their physical infrastructure, will need sizeable investments, consequently, deep and well-developed financial markets; (e) sharing of information and practices among financial institutions across countries, and (f) unification of market infrastructures, and risk-sharing among participating countries in integration processes.

The mandate of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is to promote regional cooperation for inclusive economic and social development and support regional cooperation and integration in the Asian and Pacific region. ESCAP's role as a regional development arm of the United Nations Secretariat is to support its membership, through analytical, normative and technical cooperation, to respond to the development priorities and changing needs of the Asian and Pacific region.

In September 2018, the Governing Council of SPECA adopted the recommendations of the 2018 SPECA Economic Forum, calling for the 2019 SPECA Economic Forum to review weak regional financial interlinkages among SPECA countries.

Programme

Time	Session
08:30 – 09:00	Registration
09:00 – 09:10	Welcome remarks by: <ul style="list-style-type: none">- Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP

² SPECA includes Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan

09:10 – 10:00	<p>Session 1: Introduction and the Economic and Financial Landscape in SPECA countries</p> <p>Moderator: Mr. Ulukbek Usubaliev, Economic Affairs Officer, ESCAP</p> <ul style="list-style-type: none"> – Presentation by the authors (Mr. Roger Kronenberg and Mr. Ulukbek Usubaliev) – Plenary discussion
10:00 – 10:30	<i>Coffee break</i>
10:30 – 12:00	<p>Session 2: The challenges, costs and opportunities of deeper regional financial integration</p> <p>Moderators: Mr. Ulukbek Usubaliev, Economic Affairs Officer, ESCAP and Mr. Roger Kronenberg, ESCAP consultant</p> <ul style="list-style-type: none"> – Presentation by the authors (Mr. Roger Kronenberg and Mr. Ulukbek Usubaliev) – Presentation by Mr. Aidar Kazybaev, Managing Director, Astana International Financial Centre – Presentation by Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP – Discussant: Mr. Junkyu Lee, Principal Financial Sector Specialist, Economic Research and Regional Cooperation Department, Asian Development Bank – Discussant: Mr. Tigran Poghosyan, Resident Representative in the Kyrgyz Republic, International Monetary Fund – Plenary discussion
12:00 – 13:30	Lunch
13:30 – 14:45	<p>Session 3: Best relevant international experience and practices on financial integration issues</p> <p>Moderators: Mr. Ulukbek Usubaliev, Economic Affairs Officer, ESCAP and Mr. Roger Kronenberg, ESCAP consultant</p> <ul style="list-style-type: none"> – Presentation by Ms. Tientip Subhanij, Head of Section, Macroeconomic Policy and Financing for Development Division, ESCAP – Presentation by Mr. Junkyu Lee, Principal Financial Sector Specialist, Economic Research and Regional Cooperation Department, Asian Development Bank – Discussant: Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP – Discussant: Mr. Junkyu Lee, Principal Financial Sector Specialist, Economic Research and Regional Cooperation Department, Asian Development Bank

	<ul style="list-style-type: none"> - Discussant: Mr. Tigran Poghosyan, Resident Representative in the Kyrgyz Republic, International Monetary Fund - Plenary discussion
14:45 – 15:00	<i>Coffee break</i>
15:00 – 16:20	<p>Session 4: Conclusions and policy recommendations</p> <p>Moderators: Mr. Ulukbek Usubaliev, Economic Affairs Officer, ESCAP and Mr. Roger Kronenberg, ESCAP consultant</p> <ul style="list-style-type: none"> - Presentation by the authors (Mr. Roger Kronenberg and Mr. Ulukbek Usubaliev) - Discussant: Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP - Discussant: Mr. Junkyu Lee, Principal Financial Sector Specialist, Economic Research and Regional Cooperation Department, Asian Development Bank - Discussant: Mr. Tigran Poghosyan, Resident Representative in the Kyrgyz Republic, IMF - Plenary discussion
16:20 – 16:30	<p>Closing remarks by:</p> <ul style="list-style-type: none"> - Mr. Hamza Ali Malik, Macroeconomic Policy and Financing for Development Division, ESCAP - Mr. Nikolay Pomoshchnikov, Subregional Office for North and Central Asia, ESCAP