

ASIAN DEVELOPMENT BANK

TAR:REG 36064

TECHNICAL ASSISTANCE

FOR THE

GREATER SILK ROAD INITIATIVE

October 2002

ABBREVIATIONS

ADB	–	Asian Development Bank
CAR	–	Central Asian republic
CAREC	–	Central Asia Regional Economic Cooperation
CARECU	–	Central Asia Regional Economic Cooperation Unit
NFP	–	national focal point
PRC	–	People's Republic of China
SCC	–	sectoral coordinating committee
TA	–	technical assistance

NOTES

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. In 1997, the Asian Development Bank (ADB) initiated the Central Asia Regional Economic Cooperation Program (the CAREC Program) among its member countries in Central Asia.¹ Seven countries have participated in the CAREC Program: Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, People's Republic of China (PRC), Tajikistan, and Uzbekistan. Over the past few years, modest progress has been made with ADB's support in fostering mutual trust and understanding; identifying, preparing, and implementing key regional projects; and improving policy environments in priority sectors of transport, energy, and trade facilitation. At the Ministerial Conference on Central Asia Economic Cooperation held during 25–26 March 2002, the participating countries reiterated their strong commitment to regional economic cooperation and requested ADB to continue its support for addressing long-term regional development challenges. In this connection, the governments indicated their support for the Greater Silk Road Initiative (formerly phase III, regional economic cooperation in Central Asia). The technical assistance (TA) framework is at Appendix 1.²

II. ISSUES

2. Since independence in early 1990s, the Central Asian republics (CARs) have been confronted with the twin tasks of nation building and transition to a market-based economy. These tasks are rendered particularly formidable by a number of regional development constraints including (i) the region's landlocked geographical location with only remote access to major world markets, (ii) limited size of domestic markets, and (iii) mutually dependent endowments of vital resources of water and energy across the countries. Together these constraints suggest a high degree of economic interdependence in the region, and highlight the importance of market integration through reduced transaction costs, including transport and transit costs, economies of scale and scope, and the rational use of energy and water.

3. Central Asia has close historical and ethnic ties, and vital present and potential economic linkages to Afghanistan. Since the mid 1990s, the threat of instability in Afghanistan had been a major reason for border closings, tightening of control over transit and traffic, and intermittent and unpredictable disruption of road and rail transport. Developments since the events of 11 September 2001 have set the stage for stability and peace to return to the region. The removal of a major source of instability would enable governments in the region to focus their limited resources on longer term development issues. These developments have also opened up new opportunities for cooperation with other subregions, especially South Asia.

4. The common development challenges and recent regional developments highlight economic cooperation as a key to achieving stability and prosperity and reducing poverty in the region. In this regard, cooperative efforts among the countries and support from development partners have continued. Notwithstanding progress made, a number of constraints remain that hinder cooperation. In addition to the need for stronger political will, the tendency of seeking

¹ The regional economic cooperation program in Central Asia has been supported by ADB. 1996. *Technical Assistance for Regional Economic Cooperation in Central Asia* (TA 5707 for \$1,150,000 approved on 8 November 1996). Manila; ADB. 1997. *Technical Assistance for Workshops on Economic Cooperation in Central Asia* (TA 5760 for \$344,000 approved on 14 November 1997). Manila; ADB. 1998. *Technical Assistance for Regional Economic Cooperation in Central Asia, Phase II* (TA 5818 for \$1,350,000 approved on 11 December 1998). Manila; ADB. 2000. *Technical Assistance for Regional Economic Cooperation in Central Asia, Phase II-Year Two* (TA 5942 for \$420,000 approved on 2 October 2000). Manila; and ADB. 2001. *Technical Assistance for Regional Economic Cooperation in Central Asia, Phase II-Year Three* (TA 5998 for \$950,000 approved on 12 July 2001). Manila.

² The TA first appeared in *ADB Business Opportunities* (internet version) on 15 June 2002.

self-sufficiency rather than exploiting mutually beneficial gains persists. Given the weak fiscal and budgetary positions of the governments in the region, financing regional projects continues to be challenging. Moreover, limited institutional capacity of the countries for regional cooperation remains a constraining factor. In addition, barriers, especially nontariff and nonphysical barriers to trade, continue to hamper market integration in the region.

5. ADB's CAREC Program, which was initiated in 1997, has focused on addressing regional long-term development challenges (para.2) by financing infrastructure needs and improving policy environments in the priority sectors of transport, energy, and trade facilitation. The CAREC Program has followed a results-oriented approach, which advocates tangible benefits from concrete projects as building blocks toward achieving longer term strategic objectives. With strong country support, ADB has developed a partnership with participating countries. The CAREC Program has achieved some degree of success. It has (i) increased the number of core members from four in 1997 to seven in 2002; (ii) enhanced mutual understanding and consensus on economic cooperation through workshops, publications, and consultations; (iii) identified in the priority sectors regional projects, which are at various stages of preparation and implementation; and (iv) complemented ADB's country operation in the region, particularly in transport and energy.

6. With the CAREC Program growing in breadth and depth, an overall institutional framework³ was established in January 2002 in order to ensure continued firm country ownership, strengthen the overall planning and implementation, and enhance coordination of funding. The first Ministerial Conference under the framework was held during 25–26 March 2002. Significantly, the conference reconfirmed transport, energy, and trade facilitation as the priority areas of cooperation and reaffirmed ADB's results-oriented approach and its continued major role in mobilizing financing for the region's infrastructure needs.

7. Given the long-term development obstacles of the region and weak capacity of the countries for cooperation, the overall objective and strategic focus of the CAREC Program will remain valid (paras. 2-4). However, ADB's regional program faces new challenges, especially in the wake of the events of 11 September.

8. First, while the events of 11 September underscored the strategic importance of regional economic cooperation, support needs to be concrete and tangible to keep the momentum of cooperation. Therefore, greater efforts are needed to ensure the effective implementation of the existing regional projects, and to develop new ones, as these projects are the key to fostering trust and building mutual understanding. The resources for such regional projects are likely to go far beyond the combined capabilities of the governments and ADB. Accordingly, it is crucial to create an environment to attract private investors, including foreign direct investment.

9. Second, the CAREC Program has an urgent need to broaden its geographical scope. Given recent developments relating to Afghanistan and the joining of new members, concrete ways of cooperation need to be explored and developed to assist the countries in Central Asia to seize this historic window of opportunities. CARs could make significant contributions to the reconstruction and development of Afghanistan by using available human and natural resources. In turn, Afghanistan could provide a route for exporting natural resources of CARs to South Asia. The CARs and Afghanistan have expressed their strong interests in close cooperation in the reconstruction of Afghanistan. In addition, efforts are needed to prepare

³ The overall institutional framework has an annual ministerial conference as its decision-making body, sectoral coordinating committees and working groups at the operational level, national focal points and a secretariat.

Turkmenistan for formally joining the CAREC Program.⁴ To the east, the PRC's accession to the World Trade Organization in 2001 and the acceleration of the development of its western regions will create more opportunities for mutually beneficial cooperation with the CARs.

10. Third, the building of trust, mutual understanding, and consensus has been a key to past progress of the CAREC Program and continues to be critical for its future success. Experience demonstrates that effective institutional support could contribute much to this end, and, in this regard, the overall institutional framework established in 2002 between ADB and the participating countries will play a crucial role. ADB, as CAREC Program's secretariat, is committed to ensuring the effective functioning of the framework. At the same time, closer coordination with development partners will be sought as other agencies are also increasing their assistance to address regional challenges. This will bring about complementarity and synergy to the CAREC Program.

11. Against this background, the Greater Silk Road Initiative will be launched in support of regional economic cooperation, aimed at achieving concrete progress toward stability and prosperity in Central Asia.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

12. The overall goal of the TA is to promote economic growth and raise living standards of the countries in Central Asia through economic cooperation. Toward this end, the TA has three specific purposes: (i) to elevate efforts to identify, prepare, and implement key regional projects in priority sectors; (ii) to explore new cooperation opportunities in line with the widening of geographical scope; and (iii) to strengthen the partnership between ADB and the participating countries through the overall institutional framework.

13. The expected outputs will be (i) preparation of existing key regional projects and identification of new ones in the priority sectors of transport, energy, and trade facilitation; (ii) identification of new regional projects and programs; and (iii) strengthened institutional framework for fostering mutual trust and understanding.

B. Methodology and Key Activities

14. As an umbrella TA, the TA will be guided by the Ministerial Conference under the overall institutional framework. Close consultation will be conducted with the national focal points (NFPs), sectoral coordinating committees (SCCs) and senior officials meeting under the framework throughout the TA implementation. Specifically, the TA will support the following activities.

15. First, the TA will support efforts to identify, prepare, and implement key regional projects in the priority sectors of transport, energy, and trade. These include (i) assisting the implementation of the existing multiphased priority projects through working-level meetings, (ii) assisting in preparing road maps in each priority sector based on regional sector studies, and (iii) identifying and developing new regional projects. In addition, the TA will support preparing a capacity building plan including regional training programs, which will assist the countries in better managing the CAREC Program and improving effectiveness in implementing regional

⁴ Turkmenistan attended the Ministerial Conference held in March 2002 as an observer.

projects. These activities will be closely coordinated through SCCs in each sector under the guidance of the overall institutional framework.

16. Second, the TA will support expanding the geographical scope of the CAREC Program including Afghanistan. It will assist in facilitating this cooperation between CARs and Afghanistan, and through it, South Asian subregions, especially in transport and energy.⁵ In this process, close cooperation with the other departments of ADB will be strengthened. Another important effort will be to launch a study on identifying cooperation opportunities among Xinjiang, PRC; Mongolia; and CARs. The study is expected to provide a diagnostic analysis of cooperation among the countries concerned, and recommend project concepts to promote cooperation, especially in view of the Western Development Strategy unveiled by the PRC government in 2000.

17. Third, to strengthen the partnership between ADB and participating countries, the TA will support enhancing the institutional capacity for effective regional economic cooperation, and providing technical, administrative, and coordinating assistance to the overall institutional framework. As the Secretariat, ADB will support the regular holding of high-level policy dialogue and consensus building, strengthening of the regional programming mechanism, and improving of coordination with other development partners in Central Asia. In particular, these include (i) preparing regular conferences/meetings, such as the Ministerial Conference on Central Asia Economic Cooperation to be held in Tashkent, Uzbekistan in 2003, senior officials meeting(s), and other preparatory and working level meetings under the overall institutional framework; (ii) facilitating coordination with development partners actively working on regional issues in Central Asia; (iii) strengthening national capacity on regional economic cooperation within the framework by holding workshop(s) for relevant government officials including NFPs; and (iv) providing other support as the secretariat to the framework.

C. Cost and Financing

18. The estimated TA cost is \$1 million equivalent. ADB will finance \$950,000 on a grant basis from ADB's TA funding program. The participating governments will provide the remaining \$50,000 equivalent, largely in kind. Detailed cost estimates are given in Appendix 2.

D. Implementation Arrangements

19. ADB will be the Executing Agency for the TA. A steering committee, to be chaired by the director general of ADB's East and Central Asia Department, will guide and coordinate the TA activities. A project secretariat will be headed by the head of the Central Asian Regional Economic Cooperation Unit (CARECU), and will include consultants and support staff. Activities under the TA will be coordinated closely with ADB resident missions in the region to ensure effective implementation. Close coordination and cooperation will also be sought with other multilateral and bilateral agencies and regional institutions concerned with economic cooperation.

20. Consulting services comprising 15 person-months of international and 72 person-months of domestic consultants will be needed for implementing the TA. Three groups of consultants will be engaged: (i) a core group that will serve as resource persons to assist the steering committee and project secretariat in the implementation of the TA; (ii) sector specialists, who will

⁵ While the possibility is already being explored, the security situation in Afghanistan will continue to constrain such cooperation.

help prepare and implement regional projects, studies, and cooperation with Afghanistan; and (iii) regional cooperation specialists, who will conduct the special study on cooperation among CARs, Mongolia, and Xinjiang, PRC, and serve as local coordinators in ADB resident missions. All consultants will be selected as individuals in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. The outline terms of reference of consultants are shown in Appendix 3. The procurement of equipments and materials will follow ADB's *Guidelines for Procurement*.

21. The proposed TA will be implemented over a period of 14 months starting from 1 November 2002 and will end by 31 December 2003. Conference and meeting proceedings, and the studies and reports will be published and posted on the CAREC website as appropriate.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$950,000 on a grant basis for the Greater Silk Road Initiative, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Improved economic growth and rising incomes through enhanced regional economic cooperation</p>	<ul style="list-style-type: none"> ▪ Rising per capita incomes ▪ Increased regional economic activities 	<ul style="list-style-type: none"> ▪ Regional, national, and sectoral statistics and reports/surveys 	<ul style="list-style-type: none"> ▪ Macroeconomic and political stability in the region ▪ Continued governments' commitment to regional economic cooperation ▪ Adverse political changes
<p>Purpose</p> <ol style="list-style-type: none"> 1. Elevate efforts to identify, prepare, and implement regional projects in priority sectors 2. Explore new cooperation opportunities in line with broadening geographical scope 3. Strengthen the partnership between ADB and the participating countries 	<ul style="list-style-type: none"> ▪ Preparation of existing key regional projects and identification of new ones in the priority sectors of transport, energy and trade facilitation ▪ Identification of new regional projects and programs ▪ Strengthened institutional framework for fostering mutual trust and understanding 	<ul style="list-style-type: none"> ▪ Progress reports in each sector, including consultants and Asian Development Bank (ADB) mission reports ▪ ADB reports ▪ Actions taken by the government concerned ▪ ADB reports on conference/meetings ▪ Ministerial statement 	<ul style="list-style-type: none"> ▪ Continued government support and commitment to regional projects ▪ ADB's resource constraints in processing new initiatives ▪ Governments' strong commitment to explore new initiatives ▪ Governments' strong willingness to cooperate to ensure functioning of the framework
<p>Output</p> <ol style="list-style-type: none"> 1. Preparation of existing key regional projects and identification of new ones in the priority sectors of transport, energy and trade facilitation 	<ul style="list-style-type: none"> ▪ Effective implementation of existing regional projects ▪ New regional projects identified ▪ Sector road maps ▪ Formulation of the capacity building plan 	<ul style="list-style-type: none"> ▪ Progress report on projects ▪ Fact-finding and technical assistance reports ▪ ADB missions and resident missions reports ▪ Sectoral coordinating committee (SCC) documents, proceedings, and reports 	<ul style="list-style-type: none"> ▪ Continued governments' commitment to the regional projects ▪ Government capacity to ensure the functioning of the SCCs ▪ Timely preparation of reports

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>2. Identification of new regional projects and programs</p> <p>3. Strengthened institutional framework for fostering mutual trust and understanding</p>	<ul style="list-style-type: none"> ▪ Identified projects and investment opportunities ▪ Identified projects and investment opportunities among Xinjiang, the People's Republic of China, Mongolia, and Central Asia ▪ Holding regular high level conferences/meetings ▪ Well-functioning institutional framework as regional programming mechanism ▪ Increased capacity of national focal points (NFPs) for regional economic cooperation ▪ Improved coordination with development partners 	<ul style="list-style-type: none"> ▪ Consultant reports ▪ ADB missions and resident mission reports ▪ Progress report ▪ Conference/meetings documents ▪ Evaluation reports by the participants in workshop 	<ul style="list-style-type: none"> ▪ Timely preparation of reports ▪ Continued government support and commitment ▪ Continued government support and commitment
<p>Activities</p> <p>1. Assist the development and implementation of key regional projects through SCCs</p> <p>2. Strengthen capacity of countries for the implementation of regional projects</p> <p>3. Facilitate cooperation with Afghanistan</p> <p>4. Conduct a study on cooperation among Central Asia; Mongolia; and Xinjiang, PRC</p>	<ul style="list-style-type: none"> ▪ Sector road maps ▪ Effective implementation of existing multiphased projects ▪ Development of new regional projects ▪ Well functioning SCCs under the framework ▪ A capacity building plan ▪ Identified cooperation opportunities between Central Asia and Afghanistan ▪ Analysis, identification and recommendation on project concepts on cooperation among Central Asia; Mongolia; and Xinjiang, PRC 	<ul style="list-style-type: none"> ▪ Progress report on the project implementation ▪ Consultant report on project proposals ▪ Consultant reports ▪ Consultant reports ▪ ADB reports ▪ Consultant's report ▪ ADB reports 	<ul style="list-style-type: none"> ▪ Governments' commitment to regional projects ▪ Governments' willingness to participate in SCC ▪ Timely preparation of reports ▪ Timely preparation of reports ▪ Governments' willingness to cooperate ▪ Timely preparation of reports ▪ Governments' willingness to cooperate ▪ Timely preparation of reports

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
5. Provide secretariat service to the institutional framework 6. Conduct workshops for NFPs	<ul style="list-style-type: none"> ▪ Ministerial conference '03 ▪ Senior officials meeting(s) ▪ Other meetings including donor coordination ▪ Enhanced institutional capacity of NFPs for regional cooperation 	<ul style="list-style-type: none"> ▪ Conference/meeting preparation reports ▪ Ministerial statement ▪ Conference/meetings proceedings and reports ▪ Workshop preparation documents ▪ Evaluation report 	<ul style="list-style-type: none"> ▪ Continued strong commitments of the governments ▪ Governments' willingness to participate
Input 1. Consulting services: 15 person-months of international and 72 person-months of domestic 2. ADB staff time	<ul style="list-style-type: none"> ▪ ADB will finance \$950,000 equivalent, and the Government will finance \$50,000 equivalent. 	<ul style="list-style-type: none"> ▪ Conference/meeting preparation reports ▪ Consultants' reports 	<ul style="list-style-type: none"> ▪ Recruitment of qualified consultants ▪ ADB's timely supervision ▪ Good cooperation with governments and other development partners

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants	579.0	0.0	579.0
a. Remuneration/Honorarium and Per Diem	504.0	0.0	504.0
i. International Consultants	360.0	0.0	360.0
ii. Domestic Consultants	144.0	0.0	144.0
b. International and Local Travel	75.0	0.0	75.0
2. Conferences/Meetings ^b	180.0	0.0	180.0
3. Travel of ADB Staff Acting as Resource Persons for Conference/Meetings	40.0	0.0	40.0
4. Administrative Support	21.0	0.0	21.0
a. Support Staff for Project Specialist	5.0	0.0	5.0
b. Publications	6.0	0.0	6.0
c. Administrative Expenses ^c	10.0	0.0	10.0
5. Equipment ^d	10.0	0.0	10.0
6. Contingencies	120.0	0.0	120.0
Subtotal (A)	950.0	0.0	950.0
B. Government Financing			
1. Counterpart Staff	0.0	24.0	24.0
2. Conferences/Meetings	0.0	16.0	16.0
3. Reports, Local Communication, and Other Support Services	0.0	10.0	10.0
Subtotal (B)	0.0	50.0	50.0
Total	950.0	50.0	1,000.0

^a ADB-funded TA program

^b Involves one ministerial conference and three sectoral coordinating committee meetings planned to be held in the region. This includes airfare, hotel, and subsistence allowances of participants from participating governments.

^c Includes office supplies, communications, translation, and other miscellaneous expenses.

^d includes computer, printer, projector, and software.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Introduction

1. A total of 15 person-months of international and 72 person-months of domestic consulting services will be required under the proposed technical assistance (TA). Three groups of consultants will be engaged (main text, para. 20).
2. Given that the TA will support a range of activities of the Greater Silk Road Initiative, some of which are being planned, detailed terms of reference for specific tasks may be revised and supplemented at a later stage.

B. Core Group Consultants

1. **Adviser** (3 person-months)
 3. An internationally recruited consultant will be engaged as adviser to
 - (i) help coordinate, integrate, and monitor the various activities under the TA;
 - (ii) provide advice on the Greater Silk Road Initiative's overall strategy and related operational issues and the implications of Asian Development Bank (ADB) policies on poverty reduction and private sector development for the initiative;
 - (iii) assist the head of Central Asia Regional Economic Cooperation Unit (CARECU) in planning, preparing for, and implementing conferences and meetings for the initiative, including a ministerial conference, senior officials meeting, and meetings for sector coordinating committees and working groups;
 - (iv) provide technical, administrative, and coordinating support to the overall institutional framework;
 - (v) help conduct institutional capacity building workshops for government officials (including national focal points) including preparation of workshop materials;
 - (vi) consult with/advise participating governments, as required, on particular issues related to the CAREC Program;
 - (vii) help identify and assess possible areas of focus in the CAREC Program, taking into consideration technical and economic feasibility, government acceptability, commercial viability, potential private sector interest, and the role of ADB.
2. **Development Economist** (12 person-months)
 4. A domestically recruited consultant will be engaged as a development economist and will
 - (i) assist the secretariat to the overall institutional framework; help organize ministerial conferences, senior officials meetings, conferences/meetings and workshops; prepare resource papers; and perform other follow-up activities;
 - (ii) prepare quarterly monitoring reports on the implementation of Greater Silk Road Initiative, component projects, and related activities; and identify outstanding issues and slippages for the attention of the head of CARECU;
 - (iii) maintain and upgrade a database of relevant indicators for the Greater Silk Road Region;
 - (iv) help prepare project profiles for regional projects;

- (v) update the CAREC homepage regularly, and recommend improvements in the design, content, and linkages of the CAREC homepage; and
- (vi) help implement the proposed TA, including (a) the monitoring of budget disbursements, consultant recruitment, and contract variations; and (b) the procurement of other inputs.

C. Sector Specialists (9 person-months)

5. Internationally recruited consultants in transport, energy, and trade facilitation will be engaged to serve as specialists in regional cooperation in the sectors and will be responsible to

- (i) support the implementation of regional projects and develop new ones in each sector by
 - (a) examining previously identified regional projects, including preliminary economic analysis of investment projects;
 - (b) identifying bottlenecks to effective implementation of the projects and recommending how to solve them;
 - (c) helping to identify sector-specific issues, recommending feasible approaches for addressing such issues, and developing sector road maps;
 - (d) identifying potential regional projects and preparing brief project concepts;
 - (e) providing technical advice to sectoral coordinating committees (SCCs) and working groups;
 - (f) assisting in organizing the SCC meetings;
 - (g) preparing resource papers and related background documents for SCC meetings, preparing sector progress paper for the ministerial conference, and conducting follow-up activities such as the publication of meeting documents;
 - (h) assisting the national representatives to prepare SCCs meeting; and
 - (i) formulating a detailed framework for the identification of new regional projects and initiatives through SCCs;
- (ii) prepare a capacity building plan to assist the countries in better managing the regional program and implementing regional projects by
 - (a) reviewing succinctly the current capacity status for regional cooperation, focusing on the capacity for implementing regional projects;
 - (b) identifying areas of improvement including capacity needs assessment; and
 - (c) recommending a concrete action plan;
- (iii) explore cooperation opportunities with Afghanistan and beyond in each sector by
 - (a) examining the existing project proposals and concepts on cooperation with Afghanistan, including those made by other development partners;
 - (b) conducting preliminary evaluation in terms of their viability and regional implications;
 - (c) identifying specific cooperation areas and develop project concepts focusing on Central Asia's natural and human resources;

- (d) assisting each government to identify and propose new cooperation projects; and
- (e) preparing a synthesis report that will be submitted to each SCC, and possibly a ministerial conference.

D. Regional Cooperation Specialists

1. International Regional Cooperation Specialist (3 person-months)

6. The specialist will be engaged as a regional cooperation specialist and will study cooperation among Central Asia; Xinjiang, PRC; and Mongolia. The consultant will

- (i) review and assess current regional economic cooperation activities covering the countries concerned in terms of the following areas:
 - (a) the regional implication of major sectoral and general initiatives by other development partners to date; and
 - (b) critical constraints on advancing regional projects, and how these can be addressed;
- (ii) review and assess the need and potential benefits for regional and cross-border cooperation across sectors and countries, with due attention to the Western Development Strategy of the PRC;
- (iii) formulate a strategy as the basis for ADB's involvement in facilitating cooperation among them;
- (iv) identify sectors for cooperation that will be appropriate for ADB assistance in line with the current sectoral focus of the initiative;
- (v) based on the sector analysis, recommend a list of and describe possible concrete projects and policy programs; and
- (vi) provide a detailed plan for implementing identified projects at a next stage.

2. In-Country Regional Cooperation Specialists (60 person-months)

7. One domestically recruited specialist in each participating country will be engaged to serve as an expert who will have as his or her primary responsibilities:

- (i) be the "national focal point" on regional economic cooperation, coordinating with other national focal points, ADB secretariat in headquarters, and the resident mission;
- (ii) establish and maintain, through regular, day-to-day contact and consultation, long-term working relationships with key government agencies responsible for regional economic cooperation;
- (iii) help identify the government's needs and implementing capacity building for regional economic cooperation;
- (iv) ensure the implementation of the regional work program in the country;
- (v) help identify and develop potential new areas of the initiative;
- (vi) monitor programs and initiatives of the government and regional organizations on regional economic cooperation; identify, evaluate, and recommend potential areas for ADB assistance;

- (vii) monitor programs of other stakeholders, especially of external funding agencies operating in the country; identify, evaluate, and recommend potential areas of cooperation;
- (viii) participate in relevant ADB missions;
- (ix) report on all activities, monthly; and
- (x) perform other ADB-related tasks as assigned by the resident representative, when time allows, and provided work relating to regional economic cooperation is given the priority.