



# INTERNATIONAL MONETARY FUND

Caucasus, Central Asia, and Mongolia  
Regional Capacity Development Center



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## CCAMTAC, Asian Development Bank (ADB), and CAREC Institute

### Joint Regional Webinar on

### “Regional Integration”

Thursday, February 24, 2022

#### Introduction:

**Norbert Funke**, Director, CCAMTAC

**Syed Shakeel Shah**, Director, CAREC Institute

**Cyn-Young Park**, Director, Regional Cooperation and Integration Division, Economic Research and Regional Cooperation Department, ADB

#### Moderator:

**Lyaziza Sabyrova**, Director, Regional Cooperation and Operations Coordination Division, Central and West Regional Department, ADB

#### Presenters:

**Rolando Avendano**, Economist, Economic Research and Cooperation Department, ADB

**Hans Holzacker**, Chief Economist, CAREC Institute

In introductory remarks, the directors of three organizing institutions focused on the importance of unlocking synergies in the CCAM region, by promoting integration in various economically significant areas. Regional integration can help in raising market efficiencies and enabling reforms while allowing countries to become building blocks of global integration. To allow policymakers and practitioners understanding the dynamics and progress in regional integration, ADB and CAREC Institute developed composite indices, which can measure the degree of regional integration in different countries and various dimensions.

ADB'S Rolando Avendano gave a comprehensive overview of the Asia-Pacific Regional Cooperation and Integration Index (ARCII). ARCII is an index that is designed to capture dimensions (trade and investment, regional supply chain, infrastructure connectivity, monetary and financial integration, social and institutional integration, and people's movement) that lay the foundations of regional cooperation and integration. ARCII estimates showed regional integration trends in Asia have remained positive, with a gradual uptrend increase from 2006 to 2019. However, the results across sectors and subregions tend to reflect diversity in integration. Focusing on a subregion, Rolando Avendano analyzed the results of customized ARCII for Eurasia, which uncovered major trends in integration among countries.



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Hans Holzacker followed by presenting key findings of the CAREC Regional Integration Index (CRII). He noted that the strongest and increasing integration is observed in the regional value chain dimension due to forward linkages of commodity exports. Overall, CRII revealed that the CAREC integration had only expanded marginally from 2006 to 2019 or remained unchanged when excluding China. This observation was partially explained by weak regional integration in institutions, trade, finance, and infrastructure. In concluding, Hans Holzacker reasoned that CAREC is not so much about the internal regional market, but rather about increasing the global (continental) weight of the CAREC region through cooperation, and this dimension should perhaps be reflected in the CRII in future.

During the general discussion webinar participants asked questions regarding (i) conditions allowing for greater regional integration; (ii) COVID-19 pandemic impact on regional integration; (iii) impact of EAEU on the CAREC integration; and iv) factors, hampering integration in money and finance.

Aliya Kistaubayeva,  
Economic Analyst, CCAMTAC