



## 2021 CAMCA COUNTRY UPDATES

*This collection features submissions from CAMCA Network representatives providing readers with the latest updates from the CAMCA countries since last year's e-CAMCA Week held in June 2020. Each country update synopsis includes notable economic, political and social developments, insights on key industry and sector innovations that arose in response to the pandemic, top examples of recent intraregional cooperation and more.*

### AFGHANISTAN

- **Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:**

**Economic:** The “2020 Afghanistan Conference” was a pledging conference, co-hosted by the Governments of Afghanistan and Finland with the United Nations, that took place from November 23–24, 2020 and was a strong expression of the international community’s enduring commitment to Afghanistan. Donors pledged at least \$3.3 billion USD for the first year of the upcoming quadrennial, with annual commitments expected to stay at the same level year-on-year.

This level of commitment, although lower than before, sent a strong signal to the Taliban and the region about the international community’s belief in the continuation of a constitutional political order in Afghanistan and was considered a very important vote of confidence.

**Political:** The start of the Afghanistan Peace Negotiations on September 12, 2020 in Doha, Qatar marked a historic event where negotiating teams from the Islamic Republic of Afghanistan and the Taliban started formal negotiations for the first time. Sadly, after weeks of deadlock and delays, the desired outcome of achieving a permanent ceasefire and a political settlement was not achieved. The talks are ongoing, but the enthusiasm has waned significantly.

President Biden’s speech on the unilateral withdrawal of U.S. forces (hence NATO) from Afghanistan by September 11, 2021 took everyone by surprise and has completely shifted the dynamics of the country and the region. We are entering a new chapter for the country regarding its internal stability as well as regional engagement.

**Social:** Although reliable statistics are hard to come by, the general sentiment is such that Afghanistan fortunately did not suffer high casualties in the first wave of COVID-19. Afghanistan received the Astrazenca and Cinovec vaccines from India and China and has started the vaccination process. The second wave is now claiming more lives and the country’s public health sector is severely underequipped and undermanned to deal with these numbers.

Migration numbers are on the rise due to the increasing insecurity and the withdrawal of NATO forces from the country.

- **Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

Due to the unilateral withdrawal of U.S. and NATO forces, the internal military dynamic between the government and the Taliban will change. If the government is able to push back Taliban forces and prevent the capture of provincial capital and major urban centers, space could be created for genuine negotiations and a potential political settlement. Otherwise, we are looking at a bleak outlook within the country over the next few years.

That said, there have been major infrastructure projects that have begun to take place over the past few months.

“Regional connectivity clusters and large-scale projects such as the **TAPI** [Turkmenistan-Afghanistan-Pakistan-India] gas pipeline, **TAP** [Turkmenistan-Afghanistan-Pakistan] power transmission line and **fiber optics network** can link South Asia to Europe by land and to the rest of the world, and will transform the living conditions of the Afghan people for the better as well as improve the situation in the entire region,” said President Ashraf Ghani.

The 500kv Karki-Andkhoy-Pul-e Khomri **power transmission project** will help over 300,000 families in Afghanistan get connected to the power grid. The 153-kilometer-long (95 miles) power transmission line is part of the power transmission line project along the Turkmenistan-Afghanistan-Pakistan route aimed at creating infrastructure for the export and import of electric power between the three countries.

Additionally, the construction of a 30 km (18.6 mi) **railway link** between Afghanistan and Turkmenistan – 24 km (15 mi) main railroad and 6 km (3.6 mi) branch line – in the Andkhoy station, alongside the construction of small bridges, level crossings and a road parallel to the railroad, will enable trade opportunities.

Major national projects, such as the Salma Irrigation Dam, were also inaugurated in the southwest region of Afghanistan.

A new regional role for Afghanistan is underway, and those interested in the country’s future are closely following its re-alignment of regional interests in the country.

- **For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

1. Trade Route: Afghanistan is uniquely positioned to connect South and Central Asia, so any investment in regional transportation will have significant returns. To achieve returns, there will of course have to be alignment with an improving security situation allowing for uninterrupted routes.
2. Mining sector: A major investment by an Australian company, Fortescue Metals Group Ltd., is under negotiation to tap into the mining sector. Massive reserves of Copper, Lithium, Gold as well as Oil are yet to be explored at an industrial scale.
3. Agriculture: Investing in this sector is competitive since it is the backbone of Afghanistan’s economy – ensuring products reach the designated markets in time is the primary challenge.

- **Top examples of my country’s recent involvement in intraregional cooperation among the CAMCA countries include:**

- Afghanistan and Turkmenistan have started major infrastructure projects and continued work on TAPI and TAP energy projects.
- Trade between Afghanistan and Uzbekistan is exponentially rising, with greater investment and trade taking place among both countries.
- Consistent direct flights from Kabul to Central Asian capitals e.g., Almaty, Dushanbe, Tashkent.

- **As a representative of your nation’s rising generation of leaders, what are 3 words that describe your country’s CAMCA Network members?**

1. Ambitious
  2. Courageous
  3. Wise
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# AZERBAIJAN

- **Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:**

**Economic:** The launch of the Southern Gas Corridor (SGC) route of interconnected pipelines running through Georgia and Turkey to Europe was a significant economic development.

The oil price shock alongside the COVID-19 pandemic and the war with Armenia slowed down Azerbaijan's GDP to 5% in 2020.

The World Bank estimates that Azerbaijan's GDP will grow 2.8% in 2021 as oil prices stabilize and the economy benefits from investment and spending on the reconstruction of Karabakh territories.

Major post-war reconstruction plans in these territories, as well as an agreement to reopen borders and transport links across the region as part of the January 2021 trilateral agreement (signed by the heads of Azerbaijan, Armenia and Russia), will likely make a significant contribution to growth and employment in the country.

**Political:** The liberation of occupied territories in and around Nagorno-Karabakh has significantly strengthened the popularity of the government under the leadership of President Ilham Aliyev. The results are considered a major military and diplomatic success and opposition groups, journalists and NGOs were unified in their support of the President and his administration.

The 44-day war has drastically changed the geopolitical landscape in the region. As part of the Russia-brokered trilateral agreement of November 2020, a Russian peacekeeping mission of 1,960 service members was deployed to the region for an initial five years, with the possibility of renewal. In addition, an agreement was established between Russia and Turkey to create a Joint Monitoring Centre (Russian-Turkish JMC) in Marzili and Aghdam within the Karabakh region.

**Social:** As a result of the 44-day war over Nagorno-Karabakh, there are thousands of veterans – as well as families of fallen soldiers – and consequently there is a significant need to strengthen the existing social services responsible for supporting post-war social groups, as outlined in the establishment of the “YASHAT” Foundation. The YASHAT Foundation will manage loans and debt obligations of the families of martyrs as well as veterans.

- **Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

Azerbaijan will continue to strengthen its political and economic reforms. Young and educated professionals will drive necessary change across the country's key economic and political realms. The war over Nagorno-Karabakh resulted in the opening of transport corridors and routes, which has significantly strengthened Azerbaijan's potential as a regional economic hub.

Azerbaijan will continue developing initiatives across non-oil business sectors. The recent UNECE's Innovation Policy Outlook shows Azerbaijan's strong commitment to innovate its economy, including the initiation of high-technology parks to move towards a knowledge-based economy.

- **For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

1. Tourism
2. Transportation/Logistics
3. Agriculture
4. New Technologies (clean tech, smart city solutions, etc.)
5. E-commerce

**- Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

- Azerbaijan's signature "Digital Silk Road" project has resulted in the inauguration of two fiber-optic cable lines between Kazakhstan and Turkmenistan that run through the bottom of the Caspian Sea. With high data-transmission capacity, the new undersea fiber-optic cables will enable the transmission of web traffic between Europe to Turkmenistan, Uzbekistan, Afghanistan, Pakistan and India via Azerbaijani territory.
- Strategic partnerships with Georgia have been fostered through various regional projects such as the Southern Gas Corridor that contribute to the energy security in the EU.
- Azerbaijan and Turkmenistan signed a landmark agreement to jointly develop a long-disputed Caspian Sea Energy Field, newly named 'Dostluq' (friendship in Azerbaijani and Turkmen languages), that could pave the way for the transit of Turkmenistan's massive gas reserves to Europe.
- Azerbaijan cooperated successfully with Uzbekistan across the military, tourism and public services sectors. Officials anticipate further expansion of cooperation in industry, agriculture, tourism, trade, investment and more.

**- As a representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?**

1. United
  2. Innovative
  3. Strong
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## GEORGIA

- Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:

**Economic:** According to Galt & Taggart Georgia Research, the reopening of the economy and continuously robust increase of exports and remittances fueled strong growth in Georgia. In April 2021, the real GDP growth was 44.8% y/y based on Geostat's flash estimates, which beat market expectations (monthly growth estimates are subject to revisions and quarterly growth figures are more precise). Notably, a portion of this growth is explained by last year's low base (the economy contracted by 16.6% y/y in April 2020), though growth is higher by 20.8% as compared to the April 2019 level. Overall, in 4M21, real GDP growth was 8.1% y/y after a 4.2% y/y contraction in 1Q21 (with January-February in red and positive growth in March). The growth rebound is in line with ongoing economic recovery in Georgia's trading partners, which we expect to continue and now project growth at 7% in 2021, up from our previous forecast of 5% (which was our baseline forecast) and the pessimistic forecast which expected growth at 3.6%.

**Political:** On October 31, 2020, Georgia held parliamentary elections. After months of enduring a political crisis, an agreement was negotiated to end the boycott with the assistance and involvement of the EU Council President.

**Social:** On May 17, 2020, all pro-western political groups signed a historical memorandum on LGBTIQI rights.

- Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?

The pandemic's impact on the tourism sector imparted significant negative consequences on the country's economy. As the situation affected a plethora of citizens and companies, the Government of Georgia developed an anti-crisis package targeting such challenges, with relevant measures implemented in two stages: the first stage involved emergency assistance and began in March and the second stage began in April to involve broader activities.

Prior to the pandemic, tourism had been a rapidly growing industry, with its GDP share of 11.5% and employing over 150,000 workers. The tourism sector suffered the most during the pandemic. In order to help the tourism sector overcome the crisis and restart operations, the Government developed special target measures, including: a postponed release from the income tax; the Government subsidized 80% of loan interest of hotels of less than 20 M GEL turnover (a large part of the hotel industry) for 6 months; 3,000 hotels are eligible for the 60 M GEL budget program; For 6 months, the Government subsidized the bank guarantee interest of travel agencies and tour operators. This 3-stage tourism restoration plan involved preparing the industry for operating in these new conditions.

Another notable creative project is Hackathon – implemented in partnership with the Ministry of Economy and Sustainable Development of Georgia with the Innovations and Technologies Agency – and within the framework of the "Eastern Partnership Civil Society Institute Regional Activity" project. The goal of the Eastern Partnership Civil Society Hackathon is to provide digital engagement to the civil society of the Eastern Partnership countries, improve transparency of public institutions and ensure increased citizen involvement in decision-making. Hackathon also encourages the exchange of practical experiences of local e-democracy among civil society activists and IT experts, facilitating the establishment of professional links between civil activists and IT experts as well as strengthening cross-border cooperation.

The goal of the hackathon is to create a prototype of a digital product that addresses issues caused by the virus in response to new challenges. Participating teams will be able to work with mentors for 72 hours on challenges such as online medicine, catering, distance education, disease monitoring and more. The significance of this project has become increasingly apparent in light of increased digitalization and the surge in remote work.

- For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?

1. Tourism
2. Manufacturing
3. Construction
4. Trade
5. Transportation/Storage

## 6. Hospitality

- **Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

- Georgia and the United States brokered a new deal between Azerbaijan and Armenia that involved Baku's release of 15 Armenian prisoners of war in exchange for receiving a map of landmines in the Agdam district, previously controlled by Armenian forces. The captives were returned to Armenia on the Azerbaijani-Georgian border with Georgian authorities in attendance.

- **As a representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?**

1. Dynamic
  2. Dedicated
  3. Resourceful
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## KAZAKHSTAN

- **Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:**

**Economic:** On October 7, 2020, Kazakhstan Fintech Firm, Kaspi, successfully landed a place IPO on the London Stock Exchange. The stock opened at \$38 per share and traded as high as \$46.90, with a volume of 4.4 million+ shares. The IPO gave Kaspi a market cap of \$6.5 billion and was the second largest IPO of the year and the fourth largest in all of Europe.

Starting on January 23, 2021, Kazakh citizens were able to withdraw part of their pension savings to improve their housing conditions on an online platform run by the state-owned Otbasay Housing Construction and Saving Bank. Citizens can also use their pension savings for health needs, house repair and to refinance mortgage loans.

**Political:** Kazakhstan had Parliamentary Elections on January 10, 2021. This was the 8<sup>th</sup> legislative election in Kazakhstan's history since its independence and marked the first to be held under Kassym-Jomart Tokayev's presidency (and the first since 2004 to be held on the originally scheduled date). The ruling Nur Otan party maintained its dominant status in the Mazhilis by winning 71.1% of the vote and sweeping 76 seats. The Ak Zhol Democratic Party gained 11% (12 seats) and the People's Party gained 9.1% (10 seats). Two additional small parties also got a few seats in the Lower Chamber of the Parliament.

On January 28, 2021, the new version of the Latin-based Kazakh alphabet was presented. Despite gaining independence from the Soviet Union in 1991, Kazakhstan had continued to use the Cyrillic alphabet alongside other former Soviet countries but decided to switch to the Latin alphabet in 2017 upon instructions of then-President Nursultan Nazarbayev.

**Social:** On February 1, 2021, Kazakhstan began its COVID-19 vaccination rollout. The first vaccine was Russian Sputnik V produced by Karaganda pharmaceutical complex. Mass vaccination began in March 2021 and citizens could apply for a free-of-charge vaccination within the statutory free-of-charge medical assistance. Vaccine availability included Kazakhstani vaccines called QazCovid-in, and later Sinovac (Chinese), as well as Moderna, Pfizer and AstraZeneca.

Kazakh music composer Imanbek Zeikenov was awarded a Grammy for his remix of Roses on March 15, 2021, becoming the first person from Kazakhstan to win a Grammy, as well as the first person to win a Grammy in a category other than classical music from the broader former Soviet Union and Commonwealth of Independent States.

- **Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

The first half of 2021 projected growth in the following sectors: the automotive industry, mechanical engineering, pharmaceuticals, processed metal products, food production, agriculture, water and electricity supply, mechanical engineering, as well as in the light industry. Industries in the service sector that demonstrated growth included construction and construction material production as well as information and communications, trade, furniture production, chemicals and the IT sector.

In 2021 we saw substantial growth in residential construction due to the allowance to use a large portion of pension savings for purchasing and repairing apartments and houses. The delivery business continued to grow rapidly as more and more businesses were using delivery as an additional sales channel.

- **For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

1. IT
2. Green Energy
3. Agriculture
4. Transportation
5. Mining and Natural Resources

**- Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

- President Tokayev discussed how Kazakh-Uzbek relations have enhanced and developed greatly across the entire range of the bilateral agenda with President Shavkat Mirziyoyev of Uzbekistan. The two also discussed their mutual desire to further strengthen their strategic partnership and addressed the various practicalities and logistics of expanding cooperation, stressing the importance of effective implementation of agreements reached at the highest level across areas of industry, engineering, agriculture and transportation, noting the need for close cooperation between the two governments. Additionally, the two presidents exchanged views on pressing issues on the regional agenda and reaffirmed their mutual desire for cooperation in strengthening security and stability in Central Asia within the context of the current political situation in Afghanistan.
- President Tokayev held a meeting with Armenian President Armen Sarkissian, who visited Nur-Sultan on a working visit. The two discussed the development of the Kazakh-Armenian cooperation, with emphasis on strengthening political dialogue, trade, economic, cultural and humanitarian ties. They also touched upon the prospects of cooperation within the Eurasian Economic Union, the Collective Security Treaty Organization and other multilateral structures, as well as exchanged views on the international and regional agenda.
- President Tokayev also visited Tajikistan, meeting with President Emomali Rahmon and other senior officials.

**- As a representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?**

1. Professionals
  2. Leaders
  3. Diverse
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## KYRGYZSTAN

- **Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:**

**Economic:** The Kyrgyz economy took a double hit with the pandemic and the political crisis (described below). To further complicate the economic situation, there is a looming energy crisis, water shortages and rising prices. The government initiated a major anti-corruption campaign and is continuing to move forward with digital transformation efforts to increase budget revenue collections, optimize expenses and improve e-government services.

**Political:** The Kyrgyz Republic has gone through major political changes. The disputed Parliamentary Elections in October 2020 led to a popular uprising and a subsequent annulment of election results as well as the resignation of the president.

Mr. Sadyr Japarov was elected as the new president. A referendum on constitutional change took place and Kyrgyz citizens voted in favor of the presidential form of government instead of the parliamentary system. The election cycle is continuing with upcoming municipal and parliamentary elections in the second half of 2021.

**Social:** The COVID-19 pandemic negatively affected the country's social sector, and the World Bank estimates that the poverty rates will substantially increase. The education system had to endure the unprecedented challenge of providing remote education services to children during the 1.5 years since the pandemic started.

- **Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

COVID-19 accelerated the digitalization of government and private sector services. The government has put a lot of effort towards the integration of internet connectivity throughout the country, most notably in the majority of schools. Government aims also focused on transitioning government services into a digital format: the Tunduk Government Interoperability Platform is an example of a successful digitalization project. Alongside the government, the private sector has adapted and grown in developing e-commerce, shared platforms and delivery services.

- **For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

1. Small and Medium Hydropower Projects
2. Mining
3. Organic Farming
4. Creative Industries

- **Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

CAMCA Network members from the Kyrgyz Republic are actively involved in intraregional cooperation activities. For example, one member is providing advice and insight to Kazakhstan's IT ecosystem. Another is involved with advisory and business development activities of ICT services in Uzbekistan (IXPs, CDNs, data centers).

On the national level, the Kyrgyz Government is actively conducting international relations efforts. The newly elected President Sadyr Japarov made several visits to countries in Europe and the Central Asia region.

- **As a representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?**

1. Free
2. Green
3. Creative

# MONGOLIA

- Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:

**Economic:** According to the Asian Development Bank (ADB), as pandemic risks subside, Mongolia's economic growth is expected to recover gradually in 2021 and accelerate in 2022, largely driven by favorable terms of trade and higher export demand. ADB further estimates that Mongolia's economic growth will recover to 4.8% in 2021 compared to the 5.3% contraction seen in 2020. The economy will be primarily boosted by domestic demand, investment and increased private credit. However, the growth prospects in 2021-2022 will largely depend on the course of the COVID-19 pandemic, the pace of economic recovery in the neighboring People's Republic of China, the rebounding of commodity exports, the overall investment climate and private sector credit growth.

**Political:** Two significant political events have happened in Mongolia since June 2020. The parliamentary election that took place on June 24, 2020 resulted in a landslide victory for the ruling Mongolian People's Party (MPP), which won 62 of the 76 seats. This solidified MPP's power grip and provided a rare opportunity to implement their agenda and reforms. Although many citizens have been disgruntled by the government's ability to manage the pandemic, an argument could also be made that the situation could have been much worse had there been a partisan fight.

Mongolia is unique in the sense that, although it is a parliamentary democracy, the president is elected by popular vote. This affords significant power to the president and an ability to exert pressure on the prime minister's cabinet and parliament as an opposition force. The presidential election took place on June 9, 2021 and the winning candidate, former Mongolian Prime Minister Ukhnaa Khurelsukh, will serve for a single six-year term.

**Social:** Mongolia had zero COVID-19 community transmission until November 2020, which made it one of the few countries to manage such low exposure. However, the sudden surge of cases since that point has not been able to be contained. During the last six months, the capital city, Ulaanbaatar, went through three lengthy lockdowns. Although the cases are still not going down, the high vaccination rate has been promising. Currently 89.6% of the eligible population have received their first shot and 56.8% have received their second shot.

- Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?

Although remote working and digital transformation has been on the public and private sector agenda for many years, the sense of urgency to adapt has pushed these initiatives to a new level of implementation. As traffic congestion and social distancing became an urgent issue, the government rolled out the "e-Mongolia" electronic platform that provides 181 government services online. The trend is expected to continue.

- For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?

ADB notes that Mongolia's growth prospects in 2021-2022 will largely depend on the course of the COVID-19 pandemic, the pace of economic recovery in neighboring China, the rebounding of commodity exports, the overall investment climate and private sector credit growth. However, the estimate is that the business sentiment and economic prospects will be better in 2022 as COVID-19 concerns ease. The following sectors will still be considered the top investment sectors in Mongolia:

1. Mining (Coal, Copper, Iron Ore, Gold)
2. Finance (Retail and SME finance backed by consumption growth)
3. Construction (Urban developments, real estate, municipal infrastructure developments such as water treatment, waste management projects)
4. Infrastructure (Renewable energy projects, road and railway network development)
5. Agriculture (Meat and dairy processing, cashmere and wool industry)

**- Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

As the U.S. and NATO troops are pulling out of Afghanistan, it is expected that the Mongolian Contingent in Afghanistan will follow suit. Over the last 18 years, Mongolia has actively contributed thousands of troops to the ISAF and Resolute Missions. Mongolia's peace support commitment in Afghanistan has been one of the hallmarks of Mongolia's involvement and contribution within the Central Asian region. Mongolian troops have played a significant role in training the artillery specialists of the Afghan National Army and provided reliable force protection to the civilians and NATO advisors in the country.

**- As a representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?**

1. Dynamic
  2. Concerned
  3. Freedom-loving
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# TAJIKISTAN

- **Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:**

**Economic:** While Tajikistan has been one of the few countries in the world (and one of two countries in the CAMCA region, alongside Uzbekistan) to experience positive economic growth in 2020 (according to government data), the COVID-19 pandemic has nevertheless slowed down the dynamism of economic activity. Real GDP growth slowed to 4.5% in 2020 as compared to 7.5% one year earlier. Restrictions on travel and labor mobility, as well as slower economic activity at home and abroad, resulted in lower migrant remittances, weaker consumer demand and reduced investments. Growth is estimated to climb back to 5% and 5.7% in 2021 and 2022, respectively. Inflation accelerated to 9.4% in 2020 from 8% in 2019 due to supply chain disruptions, higher food prices and the exchange-rate pass-through effects from currency depreciation.

**Political:** Tajikistan is one of the few countries in the CAMCA region that has not been subjected to major political changes and is characterized by its relative political stability. Presidential elections took place on October 11, 2020 and President Rahmon secured another seven-year term with more than 92% of the votes.

**Social:** Tajik society has demonstrated the ability to quickly mobilize and address complex social challenges despite limited resources and weak coordination during this challenging time. Poverty reduction paused for the first time in two decades as the poverty rate has remained very close to 26.3% throughout 2019. The COVID-19 crisis most severely increased the country's food insecurity, impacting vulnerable households. Inflation accelerated to 9.4% in 2020 from 8% in 2019 due to supply chain disruptions, higher food prices and the exchange-rate pass-through effects from currency depreciation. In May 2020, 42% of households reported a reduction in their food consumption.

- **Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

At the start of the pandemic, Tajikistan was able to rebuild its economy and respond to the newly posed challenges. For example, in a very short period of time the textile sector began to produce protective suits and masks for domestic consumption and export. There has also been explosive growth in the shipping and transportation businesses. In turn, the government took an unprecedented step and, unlike all neighboring countries, did not introduce a full lockdown, which left a chance for small and medium-sized businesses to remain open and continue their activities in smaller volumes. Thus, herd immunity came to us earlier. COVID-19 sparked the development of ICT and new business models. The country was able to absorb the economic, social and political shock through a combination of measures taken by the government, notable assistance by development partners, the Tajik society and diaspora.

- **For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

1. Renewable Energy (Hydropower, solar, green hydrogen)
2. Tourism
3. Agribusiness and Processing
4. IT and Fintech
5. Education and Healthcare

- **Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

Tajikistan has strengthened its interactions with many of its neighbors in the region. Most notably, relations with Uzbekistan have begun to further develop and strengthen. The governments of both countries have agreed to bring the trade turnover between the two countries to \$1 billion. Relations between Tajikistan and Uzbekistan are developing across cultural, technical, scientific, business and trade sectors. The growth of foreign trade turnover is also observed between Kazakhstan, Turkmenistan, Azerbaijan, Armenia, Georgia and Afghanistan. However, relations with its northern neighbor, Kyrgyzstan, have deteriorated due to the territorial conflict that occurred in April 2021.

- As representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?

1. Innovative
  2. Progressive
  3. Patriotic
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## TURKMENISTAN

- **Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:**

**Economic:** Economic growth within Turkmenistan is based on the national and state programs over short and long-term periods. Today, Turkmenistan has a diversified, multifunctional economy represented by enterprises across the power industry, oil and gas production, oil-processing, chemical and petrochemical field, mechanical engineering and metal-processing, objects for producing building materials, light and food industry.

Traditional sectors such as oil and gas complex, power engineering, agriculture, construction, transport and communications have grown considerably over recent years. Simultaneously, a lot of work is being carried out to develop new sectors within the economy such as chemical, textile and building materials industries, tele-communication and other high-tech spheres. Additional developments include the adoption of important development and reform programs including: Program of Social and Economic Development of the country from 2019-2025, the Program of Development of Foreign Economic Activity of Turkmenistan from 2020-2025 as well as the realization of the Concept of Transit to Digital Economy from 2019-2025.

**Political:** Turkmenistan is a democratic, law-based, secular State and was recognized as a permanently neutral state by the resolution of the UN General Assembly with the unanimous support of 185 member states. The country's form of government is a Presidential republic. The political structure of the Turkmen state is formed in accordance with the Constitution of Turkmenistan, adopted on May 18, 1992 (revised on September 14, 2016). The Constitution of Turkmenistan is the basic law of the State. According to that law, Turkmenistan's state structure is based on the principle of separation of powers into legislative, executive and judicial branches which act independently and balance each other out. Constitutionally fixed norms and provisions are directly applicable. Laws and other legal acts that contradict the Constitution have no legal force.

**Social:** All wages, pensions, welfare payments and students' stipends were financed in a timely manner. According to the President's Decree, the salaries of self-sustained enterprises and non-governmental organizations as well as pensions, state allowances and student scholarships are to be increased by 10% every year. Special programs such as the National Program for Socio-economic Development of the country for 2018-2024 are underway and making progress, targeted to further enhance the economic and social branches in the medium-term prospect.

- **Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

On May 15, 2020 at a meeting of the Cabinet of Ministers, the President of Turkmenistan signed a Resolution "on Turkmenistan's accession to the World Trade Organization as an observer," approving the proposal of the Government Commission for the study of issues related to Turkmenistan's joining the WTO as an observer. This Decree was signed in order to implement the "Program for the Development of Foreign Economic Activity of Turkmenistan for 2020-2025." In other words: the effective integration of our state into the world economic system and the development of market relations in the country. In accordance with the document, an application for Turkmenistan's accession to the World Trade Organization as an observer was sent to the WTO Director General that same day. According to the WTO accession procedures, this issue will be considered at the next meeting of the General Council of the WTO.

- **For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

1. Construction
2. Textile Industry
3. Oil & Gas Sector
4. Digitalization of Infrastructure
5. Chemical Industry

- **Top examples of my country's recent involvement in intraregional cooperation among the CAMCA countries include:**

The international transport corridor of the Caspian Sea. Currently, the Black Sea is under serious discussion as Turkmen specialists have drafted proposals related to the implementation of this project, as well as the creation of a working commission at the expert level to discuss economic, logistical and other relevant issues. Foreign experts have underlined the important role of the Caspian basin as the largest transport and logistics hub. It has been emphasized that the connection between the Caspian Sea and the Black Sea regions in a single transport corridor could create enormous potential for the development of economic partnerships, industrial and energy cooperation, as well as trade and investment opportunities.

- **As representative of your nation's rising generation of leaders, what are 3 words that describe your country's CAMCA Network members?**

1. Outstanding
  2. Courageous
  3. Bright
-

## UZBEKISTAN

- Please share what you consider to be one of the most notable developments in your country since e-CAMCA Week 2020 (June 2020) in each of the following sectors:

**Economic:** The Islamic Development Bank plans to hold [the 46th Annual Meeting of the Board of Governors in 2021 in Uzbekistan](#), which will include delegations from 57 of the Bank's member-countries, heads of international organizations, foreign companies, financial structures and public associations.

President of Uzbekistan Shavkat Mirziyoyev pledged to create a legal basis for the [introduction of Islamic financial mechanisms](#) in order to foster alternative financing opportunities, expand the range of banking financial services and to open the doors for Islamic investors.

On March 2<sup>nd</sup>, President Mirziyoyev [received Suma Chakrabarti](#), Advisor to the President of Uzbekistan, and discussed proposals and recommendations on the preparation of a long-term strategy for economic reforms in Uzbekistan, the improvement of public administration and the expansion of mutually beneficial relations of the country with foreign partners. Particular attention was paid to the issues of further improving the investment climate and business environment, transforming enterprises with state shares and training highly qualified personnel.

Later on March 23<sup>rd</sup>, the President of Uzbekistan received [a group of international consultants](#) – Alfred Gusenbauer (founder of the consulting company Gusenbauer Projektentwicklung & Beteiligung, ex-Federal Chancellor of Austria in the 2000s), Alexander Kwasniewski (head of the Amicus Europae Foundation, ex-President of Poland) and Stefan Füle (advisor to CITIC Europe Holdings and ex-EU Commissioner for Enlargement and Neighborhood Policy) to assist in the development and expansion of multifaceted cooperation of Uzbekistan with EU countries. Additionally, the group is to study the implementation of advanced foreign experience in promoting the reform program, improving the investment climate and business environment, attracting direct investment and advanced technologies in the economy of Uzbekistan, to form effective mechanisms and instruments of partnership with European business circles.

In 2020, the [U.S. International Development Finance Corporation \(DFC\)](#) and Uzbek representatives had a meeting on cooperation over infrastructure development and other investments in support of economic growth and stability. Both sides confirmed their interest in implementing special programs to support private entrepreneurship, focused on creating new jobs, providing the population with access to infrastructure, education and healthcare, and promoting the widespread introduction of alternative energy. Both reaffirmed their mutual desire to maintain peace and stability, as well as mutual efforts for economic recovery in Afghanistan, by expanding trade, economic, transport and energy ties between Afghanistan and Central Asia. They also emphasized the importance of joining efforts to implement important infrastructure projects in the Central Asian region that ensure long-term economic sustainability, food and environmental security.

**Political:** [On October 30, 2020](#), the Office of the United States Trade Representative (USTR) announced the closure of the Generalized System of Preferences (GSP) eligibility reviews with no loss of benefits for Uzbekistan based on improvements in the protection of workers' rights.

On November 30, 2020, [the EU accepted](#) Uzbekistan as the 9<sup>th</sup> beneficiary country of the special incentive arrangement for sustainable development and good governance (GSP+) under the unilateral Generalised Scheme of Preferences (GSP). The EU started applying preferential tariffs for products imported from Uzbekistan under this arrangement beginning April 10, 2021. When joining the GSP+ arrangement, low and lower-middle income countries commit to effective implementation of the 27 core international conventions on human and labor rights, environmental and climate protection and good governance. The GSP Regulation provides for continuous monitoring of GSP+ beneficiaries' obligations. [This scheme](#) will allow Uzbekistan to bring more than 6,000 domestic products to the European market duty-free. For example, in the textile industry, this will make it possible to increase the export of products by almost \$300 million a year.

[The observer status](#) of the Eurasian Economic Union (EAEU) was granted to Uzbekistan in December 2020. This move comes into play as Russia wants to bring more Central Asian countries into its sphere of economic interests, where Kazakhstan and Kyrgyzstan have learned their lessons already.

On December 2, 2020, in accordance with the International Religious Freedom Act of 1998, as amended, the U.S. Secretary of State [removed Uzbekistan from the Special Watch List](#), determining that it no longer engaged in or tolerated “severe violations of religious freedom.” Uzbekistan had previously been designated as a Country of Particular Concern from 2006-2017 and was moved to a Special Watch List in 2018 and 2019.

For the first time in its history, [Uzbekistan](#) put forward its candidacy for the UN and took part in the elections. Based on the results of a secret ballot and in a difficult competition, Uzbekistan received the largest number of votes from member states in its group and was elected to the HRC for the next three-year period, which begins on January 1, 2021.

It is also worth noting that over the past four years, [the volume of trade](#) between Uzbekistan and the EAEU countries has grown by 75%, and today the EAEU states account for more than 30% of Uzbekistan's foreign trade turnover.

On April 30, 2021, President of Uzbekistan [Shavkat Mirziyoyev](#) received a delegation from the OSCE Office for Democratic Institutions and Human Rights, headed by its Director Matteo Mecacci.

[Fiscal transparency](#) is yet to be fully implemented. Starting in 2020, all government agencies, state trust funds and the Reconstruction and Development Fund of Uzbekistan (FRDU) are to publish quarterly reports on: distribution of budget funds by subordinate budget organizations; financial statements; implementation of budget funded projects; and all major public procurements. In addition, the government planned to use this tool: <https://openbudget.uz/> to ensure transparency of state budget funds directed to the Investment Program of Uzbekistan, tax and customs benefits provided to the taxpayers, measures to control and combat financial violations and spending of above-forecasted budget incomes. Despite this progress, the government is still not releasing complete information on its off-budget accounts or on its oversight of those accounts, publishing only some generalized parameters at <https://www.mf.uz/en/deyatelnost/deyatelnost-ii/mestnyj-byudzheth.html>.

### **Social:**

[Land Privatization](#) currently operates as an experiment and has yet to be implemented completely. The new Law on Privatization of Non-Agricultural Land Plots that became effective on March 1, 2020 allows private land ownership for plots that do not fall under the definition of agricultural land by the Land Code of Uzbekistan. Land ownership is granted only to entities and individuals who are residents of Uzbekistan. Foreign citizens and entities do not have land property rights in Uzbekistan.

The [UN General Assembly](#) unanimously adopted a special resolution on the Aral Sea as proposed by the President of Uzbekistan on May 18, 2021 that declared the Aral Sea region a zone of environmental innovations and technologies as well as a zone of ecological innovations and technologies. In this context, the Aral Sea region calls upon the Member States, funds, programs and agencies of the United Nations system, international financial institutions and other relevant stakeholders to develop and implement environmentally sound technologies, inclusive and sustainable economic growth and energy and water-saving technologies within the Aral Sea region.

### **- Amidst the challenges posed by COVID-19, what were some notable industry/sector innovations or improvements that arose as a result in your country?**

The [Privatization of State Banks](#) is highlighted in a decree to reform the banking sector by 2025, including the privatization of Ipoteka Bank, Uzpromstroybank, Asaka Bank, Alokabank, Qishloq Qurilish Bank and Turonbank. The initiative should mark an increase in the asset share of non-state banks from 15% to 60% and of non-bank credit organizations from 0.35% to 4% over five years.

[Uzbekistan unveiled details of a huge privatization program](#) in 2020-2021. Uzbekistan will fully or partially privatize over 620 state-owned companies and properties to accelerate the nation's transition to a market economy. The Presidential Decree included 32 of the largest state companies, including the energy firm Uzbekneftegaz, gold and uranium miner Navoi Mining and Metallurgy Combine, Almalyk Mining and Metallurgy Combine, Uzbekistan Airways and Uzbekistan Railways companies, as well as the Uzautosanoat car maker.

### **- For those considering investing in your country, what are the top sectors they should be watching as the region emerges from the COVID-19 pandemic?**

#### **[Agriculture](#)**

Agriculture is an important sector of Uzbekistan's economy, accounting for approximately 25.5% of GDP and employing about 27% of the labor force. Cotton and grain are the country's principal crops, but the elimination of quotas and price controls in 2020-2021 will facilitate a shift to higher-value fruit and vegetable cultivation. Exports of agricultural products contributed approximately 9.8% to Uzbekistan's external earnings in 2019. The government hopes to increase agricultural productivity through the adoption of new technologies, and to further develop processing and packaging capabilities to add value to domestic and export products. The government plans to develop the country's textile sector, improve the value-added chain, and thus process more of its own raw cotton into intermediary or consumer goods for export.

## Energy

Uzbekistan approved the initiative to supply energy for 2020–2030. The concept aims to increase generation capacities from 12.9 GW to 29.3 GW, and electricity production from 63.6 billion kWh to 120.8 kWh by 2030.

Uzbekistan deferred the signing of the contract with Russia's nuclear agency [Rosatom](#) regarding the construction of its nuclear power plant. Negotiations, which started in 2018, led parties to agree to start in 2022, with a loan from the Russian government. This was incorporated in the 2019-2029 national nuclear development plan. Now Uzbekistan is attempting to negotiate better financial and technical terms.

Uzbekistan intends to establish a designated [Centre for Scientific and Practical Research and Development of hydrogen energy](#) and join the international market, thus creating competition for Russia. With the assistance of the regional framework "Power the Future" of the USAID, it is expected to expand collaboration with foreign specialists.

In 2020, [construction](#) of six new power plants began on the basis of public-private partnerships with foreign investors. Their total cost is \$2 billion and the total capacity is 2,700 megawatts.

## Construction Materials

Uzbekistan shared plans to attract \$1bn investments into the production of cement in 2020 and 2021, as part of the national program for the facilitation of cement importation for domestic consumption. The funds will be intended for the construction of 18 new production plants and to increase the current capacities. The target capacity for the end of this year is set at 9,06m tons, which is a 66% increase from the 1H20 production volume.

### **- Top examples of my country's involvement in intraregional cooperation among the CAMCA countries include:**

- The U.S. International Development Finance Corporation and the Governments of Kazakhstan and Uzbekistan announced the new Central Asia Investment Partnership to promote regional economic partnership and prosperity in Central Asia. Through this initiative, partners will make all possible efforts to raise at least \$1 billion over five years to support projects that advance private sector led growth and increase economic connectivity within Central Asia and the broader region.
- [Uzbekistan and Kyrgyzstan](#) will create a joint investment fund with an authorized capital of \$50 million and a potential to increase up to \$200 million. The countries also recently signed trade deals worth almost \$1 billion at the [Uzbek-Kyrgyz Business Forum](#).
- [Kazakhstan, Uzbekistan to Provide Economic, Humanitarian Assistance to Kyrgyzstan](#): Kazakhstan and Uzbekistan will assist Kyrgyzstan in stabilizing its economy. Additionally, the UN is lending a helping hand, adopting a Joint Statement of Intent with the government to reaffirm the organization's support in light of current challenges. In parallel, the parties are finalizing a joint roadmap which will provide a \$25m support package to alleviate the impact of the pandemic.
- Catching a whiff of Uzbekistan's growing agro-sector, Kazakhstan's largest retail chain, [Magnum Cash & Carry](#), intends to expand into Uzbekistan and open up to six supermarkets in 2021, investing \$5m in each. Earlier this year, Carrefour was the first foreign grocery retailer to enter the Uzbek food market, which is estimated to grow to \$5bn by 2023.
- The Presidents of Uzbekistan and Afghanistan decided to align their energy interests to accelerate the construction of the [Trans-Afghan railway corridor](#) and the Surkhan-Puli-Khumri power transmission line, expected to increase electricity supplies from Uzbekistan to Afghanistan by almost 70%. To do so, they will jointly apply for increased foreign funding in addition to the \$110m package issued by the ADB.
- [In August, 2020](#) the National Electricity Grids of Uzbekistan and the Afghan company Da Afghanistan Breshna Sherkat (DABS) signed an agreement on the supply of electricity for a period of 10 years.
- On December 29, 2020, [leaders of Uzbekistan, Afghanistan and Pakistan](#) sent a joint message to international financial institutions with a proposal to support the project for construction of the Mazar-i-Sharif-Kabul-Peshawar railway. The railway project is [estimated at \\$5 billion](#). It involves the construction of a highway with a length of 573 km and a transit potential of up to 20 million tons of cargo per year. The new transport corridor should connect the European Union, Russia, Uzbekistan, Afghanistan, Pakistan, India and further the states of Southeast Asia. The World Bank has already agreed to allocate \$35 million for design work.
- On February 2, 2021, the President of Uzbekistan received delegations from [Afghanistan](#) and [Pakistan](#). During the meeting, it was stressed that the trilateral working group highly appreciates and supports the initiative to advance the project on construction of a railway through the territory of Afghanistan, which will connect Central and South Asia by the shortest route and will allow access to and effectively use the infrastructure of Pakistani seaports. Its implementation will ensure stability and sustainable economic development throughout the region.

- President of Uzbekistan Mirziyoyev proposed to establish a [Regional Center for the Development of Transport and Communications Connectivity](#) under the auspices of the United Nations at his speech at the 75<sup>th</sup> session of the United Nations General Assembly. According to experts, the full use of the trade, economic, investment, transport and logistics potential of the countries of Central Asia and Afghanistan will at least [double their GDP within 10 years](#), which justifies the urgency of the Center’s creation as an effective mechanism for sustainable development.
  - On March 11, 2021, the President of Uzbekistan and President of Kyrgyzstan agreed [to take coordinated measures](#) to promote the development of reliable and efficient transport corridors for the economies of both countries, namely Uzbekistan-Kyrgyzstan-China railway, as well as the Tashkent-Andijan-Osh-Irkeshtam-Kashgar multimodal corridor.
  - On March 4, 2021, the President of Uzbekistan took part in the [14<sup>th</sup> Summit of the Economic Cooperation Organization](#) (Member States: Turkey, Azerbaijan, Afghanistan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Pakistan, heads of regional structures) in the format of a video conference. Uzbekistan highlighted the importance of the development of transport corridors between Uzbekistan-Turkmenistan-Iran-Oman and Uzbekistan-Kyrgyzstan-China, routes in the direction of Turkey and European countries.
  - The President of Uzbekistan proposed to establish an [Investment Fund and Development Bank of the Turkic Council](#) at the informal virtual summit of the Turkic Council (Kazakhstan, Azerbaijan, Kyrgyzstan, Turkey, Turkmenistan, Hungary).
  - In April 2021 during the [visit of the President of Uzbekistan to Turkmenistan](#), both sides agreed to further jointly promote the [Ashgabat Agreement](#) on the creation of an international transport and transit corridor, as well as to ensure efficient loading of the multimodal route China-Central Asia-South Caucasus-Turkey and to continue interaction on the development of transport and logistics infrastructure.
  - Tashkent will host a [high-level international conference](#): “Central and South Asia: Regional Connectivity. Challenges and Opportunities” in [July 15-16, 2021](#). On July 16<sup>th</sup>, it is expected that the Secretary-General of the United Nations, Mr. António Guterres, and the President of Uzbekistan, Mr. Shavkat Mirziyoyev, as well as the heads of foreign states and governments, ministers of foreign affairs and international financial organizations, will make addresses.
- **As representative of your nation’s rising generation of leaders, what are 3 words that describe your country’s CAMCA Network members?**
1. Busy
  2. Visible
  3. Influential