

YEARS OF

THE ALMATY-BISHKEK ECONOMIC CORRIDOR



WHAT IS ABEC?

Almaty-Bishkek Economic Corridor (ABEC) is the pilot economic corridor under the Central Asia Regional Economic Cooperation (CAREC) program. The motivation for ABEC is that Almaty and Bishkek can achieve far more together than either can achieve alone. The two cities are only 240 kilometers apart with high economic density in the cities and agriculture in their hinterlands.

Since 2014, the governments of Kazakhstan and the Kyrgyz Republic have been implementing the economic corridor between Almaty and Bishkek and the adjacent four regions: Chui and Issyk-Kul in the Kyrgyz Republic, Almaty and Zhambyl in Kazakhstan. The start of the ABEC activities was marked by the signing a Memorandum of Understanding between the Almaty City Akimat and the Mayor's Office of Bishkek during the CAREC Ministerial Conference on 6 November 2014 in Bishkek. ABEC adheres to the multi-sectoral approach to creating a common economic space without barriers. In 2017, the ABEC Subcommittee under the Intergovernmental Council between the Republic of Kazakhstan and the Kyrgyz Republic was established. The ABEC Subcommittee is co-chaired by the Deputy Minister of Economy and Commerce of the Kyrgyz Republic and the Vice Minister of National Economy of the Republic of Kazakhstan.

ABEC aims to shorten the economic distance between the two cities. This means reducing travel times, creating one competitive market for trade, health, education, and tourism services, and aggregating agricultural produce in wholesale markets to exploit the sector's export potential—following the slogan: act local and think global.

Over 10 years of operation, the ABEC initiative has become an example of regional cooperation. It has launched several studies and projects in transport and infrastructure, tourism, air quality, health, agribusiness, and disaster risk management in both cities and surrounding regions. ABEC conducted several sectoral working group meetings in its ten years and eight ABEC Subcommittee Meetings. Its agreements are stated in protocols signed by the co-chairs.

WHAT HAS BEEN ACHIEVED SO FAR UNDER ABEC?

Sector Analysis and policy dialog to develop an innovative concept. Under the guidance of joint working groups representing the governments of Kazakhstan and the Kyrgyz Republic, ADB has produced analytical reports identifying potential investments and reforms to i) increase the scale of the agribusiness sector through cross-border value chains, ii) coordinate and specialize tertiary health, and education services, iii) address common urban challenges, iv) jointly mitigate risks of disasters both countries are exposed to, v) improve the transport connections across the border, and vi) develop regional tourism products along the historic silk road.

One key achievement is developing a concept and business case for an alternative road between Almaty and Issyk-Kul Lake, reducing the distance from 460 to 260 kilometers and promoting regional tourism and cross-border trade. ABEC has also developed the ABEC Tourism Master Plan to foster tourism clusters and joint accommodation standards, enhancing the region's appeal to international visitors. In agriculture, ABEC has supported the creation of master plans for wholesale markets and distribution centers to improve food trade between the two countries. The health sector has benefited from ABEC's initiatives to develop reference laboratories and improve medical infrastructure, including establishing a joint action plan for health sector development. ABEC has also improved air quality in Almaty and Bishkek by installing mobile air quality monitoring sensors, helping both cities manage pollution. Additionally, ABEC has made strides in disaster risk management by conducting risk assessments and proposing an early warning system to mitigate climate-related hazards in the region.

Key Achievements of ABEC

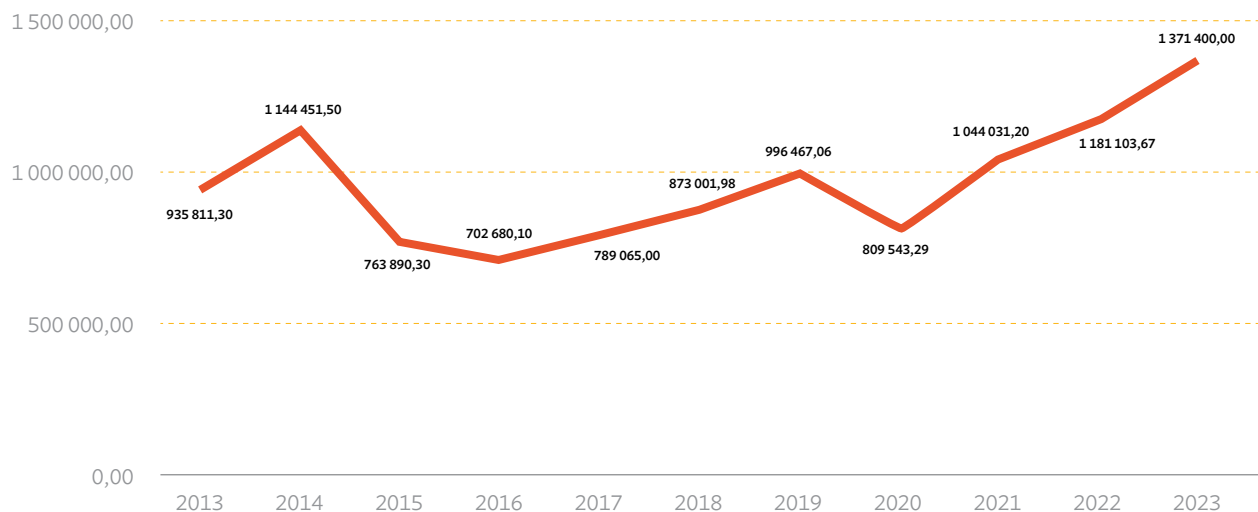
- **Connectivity Improvements:** ABEC, with ADB support, developed a Master Plan to enhance cross-border connectivity between Kazakhstan and the Kyrgyz Republic, focusing on modernizing border crossing points, improving infrastructure, and streamlining procedures to reduce delays and enhancing trade and mobility.
- **Alternative Road Development:** Assistance in planning an alternative Almaty-Issyk-Kul toll road, enhancing connectivity and cross-border trade between Kazakhstan and the Kyrgyz Republic.
- **Tourism Development:** Creating the ABEC Tourism Master Plan to establish international tourism clusters and a unified accommodation classification system for both countries.
- **Agribusiness Growth:** Support for developing wholesale markets and distribution centers, improving regional food trade and agro-logistics.
- **Health Sector Improvements:** Facilitating the ABEC Action Plan for Reference Laboratories and technical support for health infrastructure, including a feasibility study for regional reference laboratory development in both countries.
- **Air Quality Monitoring:** 100 air quality sensors were installed in Almaty and Bishkek to track pollution and improve urban environmental health. Almaty and Bishkek cities' Clean Air Action Plans were published in October 2023.
- **Disaster Risk Management:** Initiating climate risk assessments and conceptualizing a joint early warning system for disaster preparedness in the ABEC region.
- **Institutional framework:** Regular meetings of the ABEC Subcommittee and signing key agreements to strengthen bilateral cooperation between both countries.

IDENTIFICATION OF INVESTMENT PRIORITIES

In recent years, ABEC has conceptualized and financed transformative regional investment projects. These include the Strengthening Regional Health Security Project of \$30 million (approved in 2022), the Issyk-Kul Lake Environmental Management and Sustainable Tourism Project for \$56 million (approved in 2024), and the ABEC Regional Improvement of Border Services Project (for approval in 2025). ABEC is also supporting the cities of Almaty and Bishkek in improving air quality by piloting 100 air quality sensors in both cities. ADB supported the preparation of the Almaty and Bishkek Clean Air Action Plans in 2023.

Foreign trade turnover between the two countries increased by 46.5%, from \$935.8 million in 2013 to \$1,371.4 million in 2023. In the joint statement of the Presidents of the Kyrgyz Republic and the Republic of Kazakhstan, they confirmed their interest in increasing mutual trade turnover up to 2 billion dollars.

The Volume of Mutual Trade Between the Kyrgyz Republic and the Republic of Kazakhstan



Source: Publications of the National Statistical Committee of the Kyrgyz Republic: Foreign and Mutual Trade of the Kyrgyz Republic (annual publication). [Stat.gov.kg](https://www.stat.gov.kg/ru/publications/sbornik-vneshnyaya-torgovlya-kyrgyzskoj-respubliki/)



WAY FORWARD

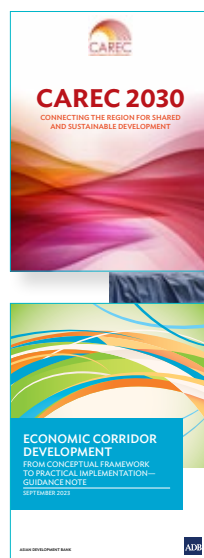
Over the last ten years, ABEC has experienced three significant leaps. Firstly, the ABEC Subcommittee created high-level leadership to implement the corridor. Secondly, ABEC evolved from a knowledge-creating corridor to a project-creating corridor. Thirdly, climate change has become a significant priority area, along with air pollution and disaster risk management initiatives. Scaling ABEC will be a substantial task in the coming years. More partners and funds are required to implement the more complex and ambitious development agenda. The team will also explore the establishment of a fund to facilitate ABEC project development and initiatives.



ECONOMIC CORRIDOR DEVELOPMENT IN CAREC 2030 AND ADB

The *CAREC 2030 Strategy* has identified economic corridor development as one of its operational clusters supporting trade and tourism. Economic corridors can boost regional competitiveness through improved logistics infrastructure, lowered production costs of goods and services, and enabling policies and investments for agglomeration effects. Learning from ABEC and other economic corridors, ADB has published the *Guidance Note on Economic Corridor Development* in 2023. The guidance note presents a new framework and operational guidelines for facilitating complex multisector economic corridor programs.

Sources: ADB. 2017. *CAREC 2030 Connecting the Region for Shared and Sustainable Development*. Manila. and ADB. 2023. *Economic Corridor Development: From Conceptual Framework to Practical Implementation—Guidance Note*. Manila.



THE ABEC TIMELINE

- The Memorandum of Understanding between Almaty and Bishkek signed
- The First ABEC Joint Working Group Meeting in Bangkok, Thailand, identified urban planning, agriculture and food security, health services, education, tourism, trade, and logistics infrastructure as priority areas
- The first publication was released:



Operationalizing Economic Corridors in Central Asia: A Case Study of the Almaty-Bishkek Corridor



- Investment Framework for ABEC is finalized at the 4th Joint Working Group Meeting and endorsed at the First Almaty Bishkek Economic Initiative Steering Committee Meeting
- Almaty-Bishkek Agro-food Value Chains Cluster and e-Agriculture Development Report was prepared



- The second ABEC Subcommittee Meeting in Almaty discussed and agreed on establishing modern agricultural wholesale markets, developing tourism **clusters, and facilitating efficient border crossings in the economic corridor**
- The recommendation for the Modernization of Border Crossing Points is developed



2014

2015

2016

2017

2018

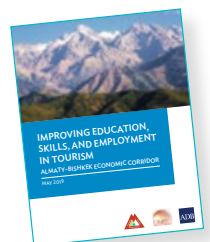
2019

- Second ABEC Joint Working Group meeting on ICT applications on Economic Corridor Development explored
- Third ABEC Joint Working Group study tour on urban planning and management partnership with UNWTO (Madrid, Spain)

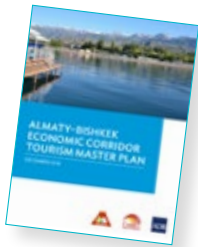


- The Kazakh-Kyrgyz Intergovernmental Council at the Prime Ministers' level agreed to form the ABEC Subcommittee Meeting, with the first ABEC Subcommittee Meeting held
- ABEC Strategic Planning Meeting formulated the ABEC Implementation Plan

- The **National Master Plan for Wholesale Markets and the Strategy for developing Wholesale Distribution Centers** were developed.
- the **Almaty-Bishkek Economic Corridor Tourism Master Plan** was developed
- **Improving Education, Skills, and Employment in Tourism: Almaty-Bishkek Economic Corridor** publication was released



- The **Almaty Tourism Skillng Center Concept and Business Plan** was developed with the Tourism Industry Committee and the National Tourism and Hospitality University
- The ABEC website was launched and is regularly maintained
- The **Almaty-Issyk-Kul Alternative Road Economic Impact Assessment** was launched



- Installation, calibration, and operation of 50 air quality sensors in Almaty
- The **joint accommodation classification system** was developed for the Kyrgyz Republic and Kazakhstan
- **Strengthening Regional Health Security** project for the Kyrgyz Republic for \$35 million was committed
- Preparation of a feasibility study for the Turgen Ski Resort Project in Kazakhstan



- The ADB project “**Development of the Climate-Resilient Agricultural Value Chain**” was approved for the Kyrgyz Republic, which evolved from the support under ABEC towards improving the agribusiness sector.
- The Master Plan for modernizing border crossing points was finalized to improve connectivity between Kazakhstan and the Kyrgyz Republic (publication forthcoming)
- ADB is assisting the city of Almaty to develop the concept for the Almaty Low Emission Zone
- ADB supported disaster risk management and prevention in the ABEC region



2020

2022

2024

2021

2023

2025



- Installation, calibration, and operation of 50 air quality sensors in Bishkek

- Bishkek real-time air quality data is available on the **KyrgyzHydroMet** and the **Almaty Bishkek Economic Corridor** websites
- Mobile passport readers were granted to both countries to expedite border clearance of passengers



- The **Clean Air Action Plan** for Bishkek and Almaty cities were published

- The Regional Improvement of Border Services ABEC project under the Small Expenditure Financing Facility (SEFF) became effective
- Preparation of a potential PPP project to launch electric buses between Almaty and Bishkek cities
- The medical reference laboratory in Almaty under the Ministry of Health was assessed to inform a decision on its modernization



- The ABEC project to improve border services at the regional level for \$30 million stands for approval in 2025





For more information visit
www.carecprogram.org



WHAT IS CAREC?

The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of 11 countries and development partners working together to promote development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of “**Good Neighbors, Good Partners, and Good Prospects.**”

The program is a proactive facilitator of practical, results-based regional projects and policy initiatives critical to sustainable economic growth and shared prosperity in the region. Since its inception in 2001 and as of December 2023, **CAREC has mobilized \$51 billion in investments** that have helped establish multimodal transportation networks, increased energy trade and security, facilitated the free movement of people and freight, and laid the groundwork for economic corridor development.