



## **Background Note: Economic Corridor Development**

### **FOR REFERENCE**

Senior Officials' Meeting  
Central Asia Regional Economic Cooperation Program  
18-19 June 2025, Bishkek

## **CAREC Senior Officials Meeting 17–19 June 2025**

### **Background Note on Economic Corridor Development**

Economic corridors are integrated networks of infrastructure within a geographical area designed to stimulate economic development. They connect different economic agents in a particular geographic area. Corridors may be developed within a country or between countries. In the CAREC region, due to its relatively low population density and economic activity, economic corridors typically have a cross-border focus. Economic corridor development has evolved from focusing on linear infrastructure like roads to (cross-border) spatial development with a focus on integration in different sectors. In 2023, ADB formulated this in the [Economic Corridor Development Guidance Note](#), which provides a comprehensive framework for designing and implementing economic corridors as a strategic tool for regional cooperation and integration. It emphasizes an area-based, multisectoral approach that goes beyond infrastructure to include institutional coordination, policy harmonization, and private-sector engagement. The guidance note outlines how economic corridor development can help stimulate investment, create jobs, and reduce poverty by linking lagging regions with dynamic centers.

The pilot economic corridor in the CAREC region is the **Almaty–Bishkek Economic Corridor (ABEC)**, jointly developed by Kazakhstan and the Kyrgyz Republic. It aims to transform the area between Almaty and Bishkek into a single, integrated economic space that facilitates the seamless movement of goods, services, people, and ideas. Since its inception in 2014, with a memorandum of understanding between the two city mayors, ABEC has evolved into a structured platform for cross-border collaboration. In 2017, the Intergovernmental Council established the ABEC Subcommittee, which provides a robust institutional structure for corridor governance. Co-chaired by the CAREC NFPs of both countries, the Subcommittee has convened annually, ensuring high-level coordination and political commitment.

To support the operationalization of the corridor, sectoral working groups have been established across key areas. These groups function as a mechanism for regular information exchange, technical dialogue, and monitoring of project implementation. Their work has resulted in the development of master plans, harmonized regulations, the commissioning of pre-feasibility studies, and the conceptualization of regional investment projects. Approved ABEC-supported investment projects are in the [health](#), [agriculture](#), and [tourism](#) sectors. Prospective projects are planned for [border-crossing points](#), an [alternative road between Almaty and Issyk-Kul](#), an electric bus service between Almaty and Bishkek, and integrated management of the Chui River basin. Notably, the [ABEC Accommodation Classification System](#), which provides a harmonized approach to tourism accommodations, has led to [regulatory changes](#). ABEC master plans on [tourism](#) and [agricultural wholesale markets](#) are guiding the development of regional projects.

Under the framework of ABEC, both governments are piloting [air quality sensors](#) in Almaty and Bishkek, aiming to promote a cleaner, healthier urban environment through evidence-based policies. The devices measure particulate matter and help design measures, such as low-emission zones and [clean heating systems](#). Notably, both Governments continue to support ABEC as a platform for border cooperation, with the potential for expansion into sectors such as education, disaster risk management, and green infrastructure. The corridor is increasingly seen not only as a bilateral initiative but also as a regional model of success—drawing growing interest from other CAREC countries as a pilot that demonstrates the value of cross-border planning, institutional ownership, and sustained coordination.

To mark the 10th anniversary of ABEC, ADB was invited to participate in the 12th Kyrgyz-Kazakh Intergovernmental Council Meeting on 4 December 2024 in Bishkek. The Chair of the Cabinet of

Ministers and Head of the Administration of the President of the Kyrgyz Republic, Akylbek Japarov, and Kazakhstan's Prime Minister, Olzhas Bektenov, co-chaired the meeting. The meeting agreed to move the Almaty-Issyk-Kul Alternative Road project to the feasibility stage, and a memorandum of understanding on the implementation of the joint Accommodation Classification System was also signed. ABEC exemplifies how regional cooperation, backed by strong governance and technical mechanisms, can drive inclusive and sustainable development through integrated planning, shared investments, and mutual trust.

<b>ABEC-Supported Project</b>	<b>Budget</b>	<b>Status</b>
Kyrgyz Republic: Strengthening Regional Health Security Project	\$30 million	Approved in 2022
Kyrgyz Republic: Climate-Resilient Agricultural Value Chain Development Project	\$40 million	Approved in 2023
Kyrgyz Republic: Issyk-Kul Environmental Management and Sustainable Tourism Development Project	\$31 million	Approved in 2024
Kyrgyz Republic: Almaty–Bishkek Economic Corridor Regional Improvement of Border Services Project Readiness	\$30 million	Planned ADB approval in September 2025
Kyrgyz Republic: Bishkek Energy Efficiency and Clean Heating (BEECH) Project	TBD	Approval of SEFF activity planned in 2025
Almaty-Issyk-Kul Alternative Road Public-Private Partnership Project	TBD	Feasibility study completion by end-2025
Almaty-Bishkek Electric Bus Project	TBD	Project Screening
Integrated River Basin Management for Chu River	TBD	Planned for 2027 for the Kyrgyz Republic

The second pilot economic corridor in the CAREC region is the **Shymkent–Tashkent–Khujand Economic Corridor** (STKEC). It is a strategic tri-national initiative linking southern Kazakhstan, eastern Uzbekistan, and northern Tajikistan. It aims to transform this densely populated and economically active region into a dynamic growth zone by improving connectivity, facilitating trade, and fostering cross-border cooperation. The corridor focuses on upgrading transport infrastructure, harmonizing customs procedures, and promoting industrial clusters and tourism development. ADB's 2021 publication, [A Road Map for Shymkent–Tashkent–Khujand Economic Corridor Development](#), outlines a phased approach to corridor planning, emphasizing institutional coordination and private sector engagement.

Given the momentum of economic corridor development in the CAREC region, more potential cross-border regional development projects are currently being explored. The CAREC Corridor 2, which largely coincides with what is called the Middle Corridor, has seen a surge in freight volumes and investment interest, particularly in logistics and digital trade. For the further development of CAREC Corridor 2, spatial development approaches can be applied to maximize the benefits of the transport corridor for the local economies. Another interesting initiative is the economic cooperation between Bishkek and Tashkent, with a focus on developing a cross-border tourism cluster. Similarly, as a continuation of the STKEC work, economic corridor development efforts in the border regions between Kazakhstan and Uzbekistan, as well as Uzbekistan and Tajikistan, can be explored. These economic corridor candidates can become vital opportunities to deepen regional integration, diversify economies, and attract sustainable investment.