



ЗЕЛЕНЬИ И ЦИФРОВОЙ
ЖАШЫЛ ЖАНА САНАРИП
GREEN AND DIGITAL

CAREC



24-МИНИСТЕРСКАЯ КОНФЕРЕНЦИЯ

20 ноября 2025 года | Бишкек

24-МИНИСТРЛЕР КОНФЕРЕНЦИЯСЫ

2025-жылдын 20-ноябры | Бишкек

24-MINISTERIAL CONFERENCE

20 November 2025 | Bishkek





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Inaugural Session

Setting the Stage: CAREC Program Progress and Impact

Moderator:
Ms. Lyaziza Sabyrova
Regional Head
Regional Cooperation and Integration, CWRD
Asian Development Bank



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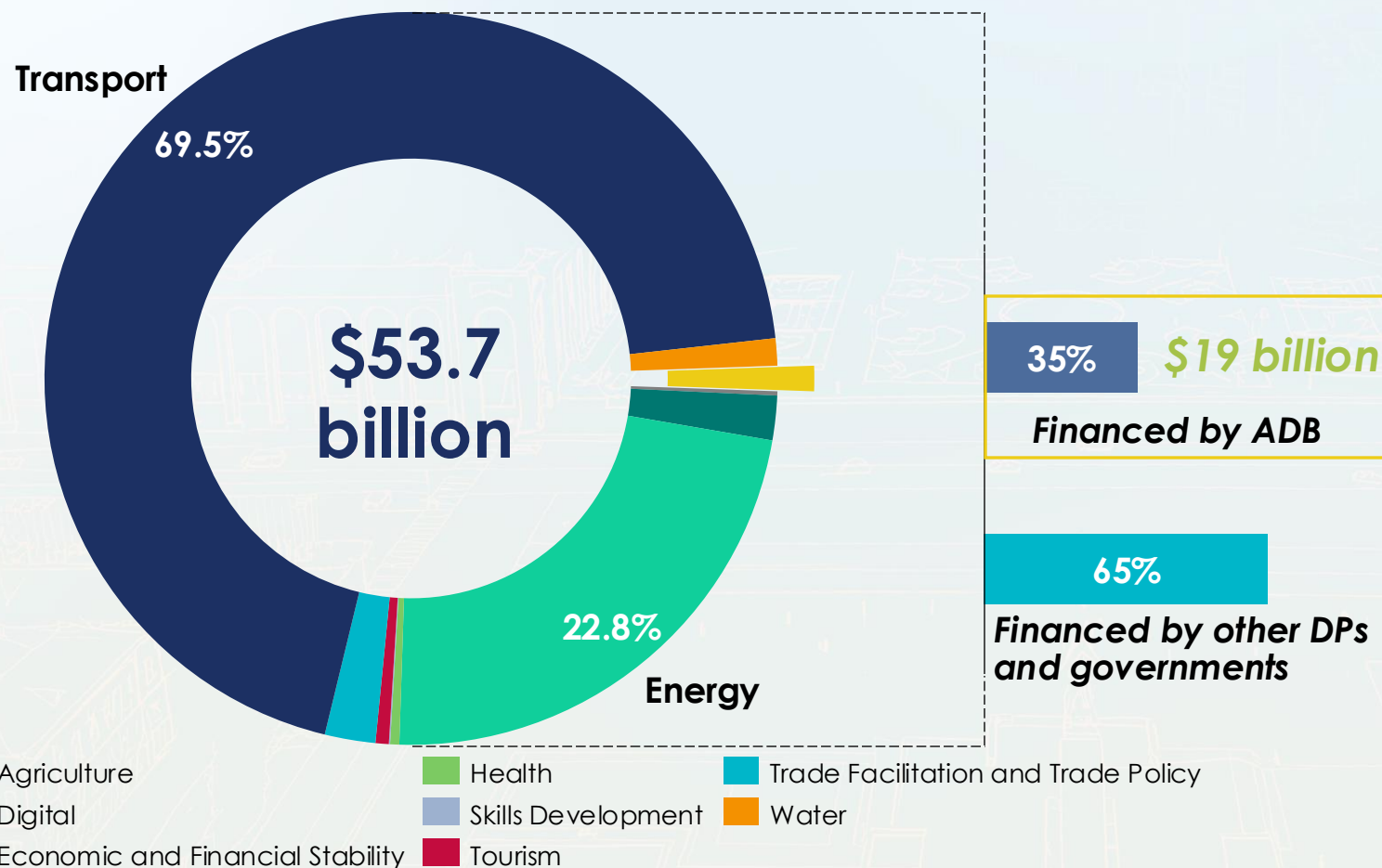
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1. Progress of the CAREC Program



CAREC investments since 2001



Indicative pipeline for 2026 – 2030



ADB's indicative
investments in CAREC
\$10 billion



ADB's indicative
30 projects



15 CAREC Sectoral meetings were held in 2025

8 across sectors



Strategic Planning Meeting – National Focal Points

ADB Headquarters, Manila •
March 2025



Midterm Review of the CAREC 2030 Strategy, approved at the 23rd CAREC Ministerial Conference, provide strategic direction

Recommendations

CAREC Senior Officials' Meeting

Issyk-Kul, Kyrgyz Republic •
June 2025



Rolling Implementation Plan of the Midterm Review of the CAREC 2030 Strategy discussed among members and development partners

Consultation

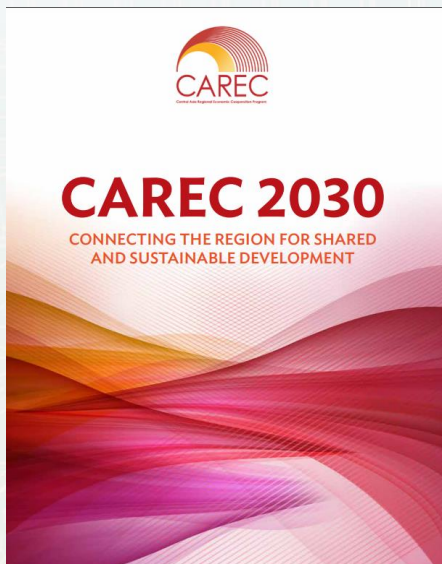
National Focal Points Meeting

Virtual Session •
October 2025



Rolling Implementation Plan endorsed for Ministers' information

Operationalization





2001 - 2024

2024 - 2025

2026 - 2030

2001 - 2024

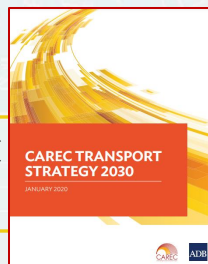
\$37 bn

**CAREC Investments in the
transport sector**

**Approved transport sector projects
advancing regional connectivity:**

10 projects approved in
June 2024
– Sept 2025 for **\$2 bn**

MIDTERM REVIEW OF CAREC
TRANSPORT STRATEGY



**New Regional Project
Preparation Facility: BUILD**

New Transport subcommittees

2026- 2030

CAREC CORRIDOR 2 Development

\$3.7 billion

18 multi-sector projects

**6 CAREC CORRIDORS
TO TRANSFORM INTO
ECONOMIC CORRIDORS**

**Almaty - Bishkek
Economic Corridor**
is a regional model for
Economic Corridor
Development.



Regional projects

Regional hydropower projects

Rogun and **Kambarata-1** are advancing in Tajikistan and the Kyrgyz Republic with multi-partner support, strengthening clean energy capacity.

Regional power trade

Tajikistan Reconnection to the Central Asia Power System (RCAPS) is currently under implementation.

Transformative initiatives

Caspian Sea Green Energy Corridor

ADB is supporting the preparation of a groundbreaking electricity transmission and fiber optic cable project across the Caspian Sea.



MOU signed in April 2025, demonstrating strong regional collaboration.

Northeast Asia Power System Interconnection

NAPSI is an ADB-led regional initiative aimed at integrating power systems across Mongolia, PRC, and beyond.



Advancing Regional Trade Through CAREC Integrated Trade Agenda

Policy, knowledge and capacity building

- Accession to WTO and implementation
- CAREC Trade and Investment Facilitation (CARTIF) Partnership
- 10 trade-related forums and training sessions in 2025 and knowledge products

Trade solutions and innovations

- CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE)
- Pilot electronic exchange and mutual recognition of conformity certificates



Informed policies and investments

Corridor Performance Measurement and Monitoring (CPMM)



Climate Change

CAREC Climate Change Action Plan
Climate and Sustainability Project Preparatory Fund (CSPPF)

Agriculture and Food Security

CAREC Working Group on
Agricultural Development and
Food Security

Water Resources

Pre-feasibility study of 5 regional water
projects and Working Group meetings

Digital and ICT

Scoping Study of the CAREC Digital Corridor is
ongoing

Health

Two documents for MC endorsement
and regular Working Group meetings

Tourism

Tourism Strategy 2030; Kyrgyz
Republic-Uzbekistan Cross-Border
Tourism Cluster Development

Education

Launch of the CAREC Agriculture
Universities Accelerator Program

Disaster Risk Management

Risk-Layered Disaster Relief Finance Sector
Development Program; **Pilot disaster relief bonds**
to be issued by the ADB for the **Kyrgyz Republic**
and **Tajikistan**;





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2. Key Documents for the 24th Ministerial Conference



Key documents for endorsement of the **CAREC 24th MC**

3 **Midterm Reviews** of CAREC strategies to align emerging needs and priorities of CAREC

6 **Strategic Planning Documents**
Strategies, master plans, Modeling analysis, Facility design concept and reports

7 **Declaration and MOUs** to document progress and milestones

For endorsement

- Midterm review CAREC **Transport Strategy** 2030
- Midterm review CAREC **Digital Strategy** 2030
- Midterm review **CAREC Integrated Trade Agenda** 2030
- Regional Decarbonization Strategy for Health
- **Regionally-Agreed Minimum Requirements for Climate-Resilient Health Facilities**
- **24th MC Joint Ministerial Statement**

For signing

- Declaration: **CARTIF**
- MOUs on **digital corridor and regional tourism**
- MOUs to launch new initiatives on the **harmonization of standards and digital trade**
- **MOU** to support **private sector** and startup development through **Venture Capital facility**

For information

- CAREC 2030 Strategy MTR Review: **Rolling Implementation Action Plan** 2025-2030
- **CAREC Corridor 2** Development Approach
- CAREC **Water-Energy Nexus Modelling** results
- CAREC **Implementation Progress Report** (Nov 2024 – Oct 2025)
- **Borders Upgrades for Integration Logistics and Development (BUILD) Facility concept**
- **Almaty-Bishkek Cross-Border Transport Master Plan**



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3. Forward-Looking Priorities



CAREC Program 25th Anniversary in 2026

CAREC Session at ADB
Annual Meeting (May 2026,
Samarkand)



Continuing and new
Sectoral Working Group
meetings and **Regional**
Initiatives in 2026.

High-level Meeting in Mongolia

- September 2026, Ulaanbaatar
- Signing of the "Ulaanbaatar Declaration" renewing commitment to CAREC
- Bilateral/subregional agreement, launch of new projects or project facilities



CAREC Energy Investment/Business Forum in Ulaanbaatar

Cooperation with Chambers of Commerce and other Development Partners

Silk Road Cultural Event Press Tour

Awareness and Communications Products featuring CAREC Projects



What is next for CAREC?





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Session 1

Physical Infrastructure and Regional Connectivity

Moderator:

Mr. Hiroaki Yamaguchi

Senior Director, Transport Sector Office
Sector Department I
Asian Development Bank



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Transport and Economic Corridor Development

Midterm Review of the CAREC Transport Strategy 2030

Presenter:

Mr. Masahiro Nishimura

Unit Head, Project Administration
Transport Sector Office, Sectors Department 1
Asian Development Bank

1. Endorsed by CAREC Ministerial Conference in November 2019
2. Aligned with **CAREC mission** to: establish a **regional cooperation platform** to connect people, policies and projects for shared and sustainable development
2. Two **objectives**: Connectivity and Sustainability
3. Five **pillars**: (i) Cross-border Transport and Logistics, (ii) Roads and Road Asset Management, (iii) Road Safety, (iv) Railways, (v) Aviation

Overall Assessment of the MTR

- CTS successfully delivered improvements in **connectivity** and **sustainability** and largely continues to be relevant.
- However, it needs to reflect **rapidly changing** regional landscape and incorporate **emerging** and **innovative** technologies.
- Transport corridors can unlock higher potential by transforming into **economic corridors**.
- Synergies with **CITA** and **Digital strategies**.



Date	Activities
11–14 Feb	Mongolia country consultation
5–7 March	Discussions with the CAREC National Focal Points (ADB HQ)
11–13 March	Kazakhstan country consultation and ITF workshop
17–20 March	PRC country consultation and CPS workshop
4–8 April	Azerbaijan country consultation
10–11 April	Kyrgyz Republic country consultation
21–25 April	Uzbekistan country consultation
28–29 April	Tajikistan country consultation
6–7 May	Georgia country consultation—online
16 May	Turkmenistan country consultation—online
2–3 June	Pakistan country consultation and CI annual conferece

- **Q1-Q2 2025:** Country consultation
- **21 May 2025:** Side event at ITF 2025 Summit in Leipzig, Germany
- **16–17 June 2025:** Presentation of the draft MTR at the CAREC **Transport Sector Coordinating Committee Meeting**
- **18–19 June 2025:** Endorsement in the CAREC **Senior Officials Meeting (SOM)** in KYZ
- **November 2025: Endorsement in the CAREC Ministerial Conference**
- Q4 2025: Final publication



1. Strengthen Cross-Border and Corridor Efficiency

- Establish **financing facility for BCP** improvements addressing infrastructure and soft-side needs and promote joint BCPs—BUILD
- Promote **economic corridor approach** to comprehensively address transport connectivity, accessibility, and mobility; remove bottlenecks; and enhance economic activities along corridors
- Enhance capacity and connectivity of **Corridor 2** through infrastructure upgrades, multimodal logistics hubs, harmonized regulations, and digital processes;
- Address bottlenecks in **Caspian Sea** transport and **Black Sea** ports by expanding port capacity and multimodal connection

2. Promote Modal Diversification and Smart Mobility

- Strengthen **intermodal connectivity**, especially among ports, railways, and roads to boost efficiency and lower logistics costs
- Encourage **policy frameworks** supporting modal shift to **low-carbon** transport options such as railway and waterborne transport
- Assist with logistics process **harmonization** and propose **regional standards** for multimodal documentation
- Create **Smart Mobility Working Group** to promote intelligent transport systems, transport digitalization, e-mobility, comprehensive public transport development, and sustainable urban planning



3. Scale up Green, Resilient, Inclusive, and Digitalized Transport

- Include **resilience** as one of the strategic objectives of the CAREC Transport Strategy alongside connectivity and sustainability
- Support **greening** and **electrification** of transport (e.g., Green Roads Toolkit) and creating low emission zones in urban areas to support the nationally determined contribution targets
- Broaden **road safety** efforts by adopting the safe system approach and enhancing digital solutions
- Promote **sustainable logistics** practices and integrate trade-related digital platforms for international freight operators

4. Deepen Institutional Collaboration and Planning

- Enhance **CAREC Institute**'s functions on transport and economic corridor planning, policy advice, and capacity building scaling up the CPMM function
- Regularly organize **Smart Mobility, Road, and Railway working** groups under the TSCC and strengthen the link with trade facilitation bodies on the CITA and CAREC Digital Strategy
- Prepare annual transport **sector profile** and **flagship reports** utilizing Asian Transport Observatory and CPMM
- Plan for **post-2030** needs: trade shifts, climate risks, tech disruptions



CAREC Corridor 2: Development Opportunities

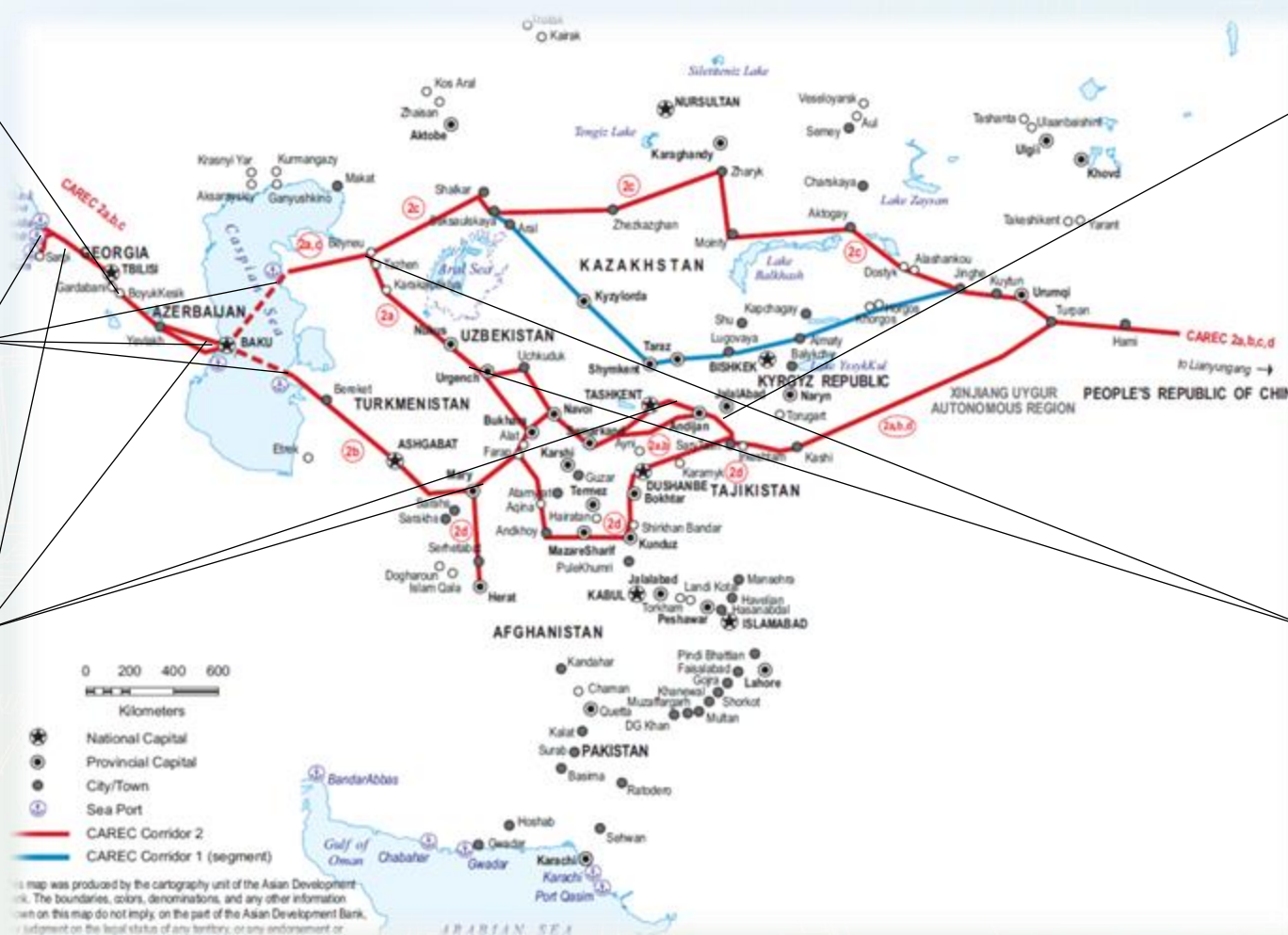
Setting up Joint Border Crossing Points (Azerbaijan-Georgia)

Port Capacity Development and Multimodal Connection (Azerbaijan, Georgia, Kazakhstan, Turkmenistan)

Railway Sector Reforms and Upgrade (Azerbaijan, Georgia, Turkmenistan, Uzbekistan)

Digital Solutions in Queue Management (Kyrgyz Republic-Uzbekistan)

Road Rehabilitation and Modernization (Kazakhstan, Uzbekistan)



CAREC Corridor 2: Strategic Projects

Indicative **\$3.7 billion** for **18** projects 2025-2028

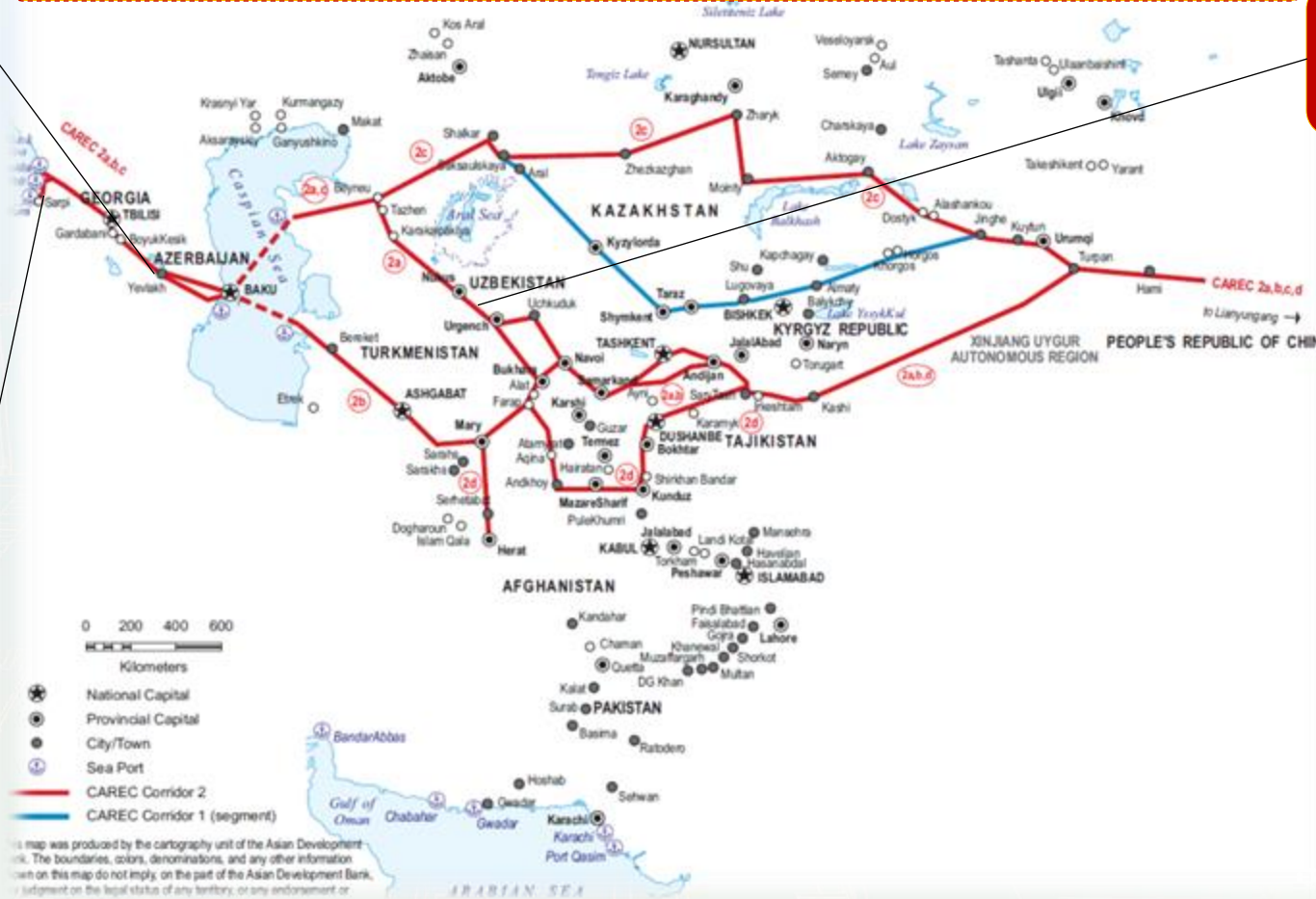
Azerbaijan Railways Digital Transformation Project
(\$47 million, 2025)



Batumi-Sarpi Road Project
(Georgia, \$360 million, 2025)



CAREC Corridor 2 Resilience and Modernization Project (Uzbekistan, \$233 million, 2025)



Proposed TSCC and Working Group Structure

Transport Sector Coordinating Committee

(Meetings held annually in CAREC host country
—22nd TSCC: 16–17 June 2025)

Railway Working Group
(10th WG in 2026)

Road Working Group
(Proposed for establishment
in 2026)

Smart Mobility Working Group
(Proposed for 2026)





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Transport and Economic Corridor Development

Border Upgrades for Integration, Logistics and Development (BUILD) Facility and CAREC Corridor 2 Strategic Projects

Presenter:

Mr. Ari J. Kalliokoski

Principal Transport Specialist

Transport Sector Office, Sectors Department 1

Asian Development Bank

BUILD aims to improve BCPs by:



Establishing a **strategic financing facility for border crossing point (BCP) improvements** addressing infrastructure and soft-side needs and promote joint BCPs.



Expanding **corridor-based coordinated border management, harmonized digital customs systems, mutual recognition of inspection and certification procedures** to more BCPs.



Explicitly **linking the BCP improvements to faster customs clearance, reduced trade costs, and standardized data exchange** (e.g., Single Window systems, paperless trade initiatives).



Promoting an economic corridor approach to comprehensively address transport connectivity, accessibility, and mobility; remove bottlenecks; and enhance economic activities along corridors



Financing Plan

- Tentatively 8–10 BCPs with a **total amount of \$400 million** could be financed through the facility during the 8–10 years
- Financing will be sourced/explored from (i) country allocations, (ii) ADB Thematic pools, and (iii) other regional sources



Preparation Timeline





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Energy

Caspian Green Energy Corridor

Presenter:
Ms. Altynay Arapova
Senior Regional Cooperation Specialist
Asian Development Bank



Political
Commitment

MOU Signed

Azerbaijan, Kazakhstan, and Uzbekistan's partnership was formalized in May 2024.

SPV/JV established

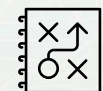
Shareholder's agreement signed on 27 December 2024.



Planning and
cooperation

Collaboration Opportunities

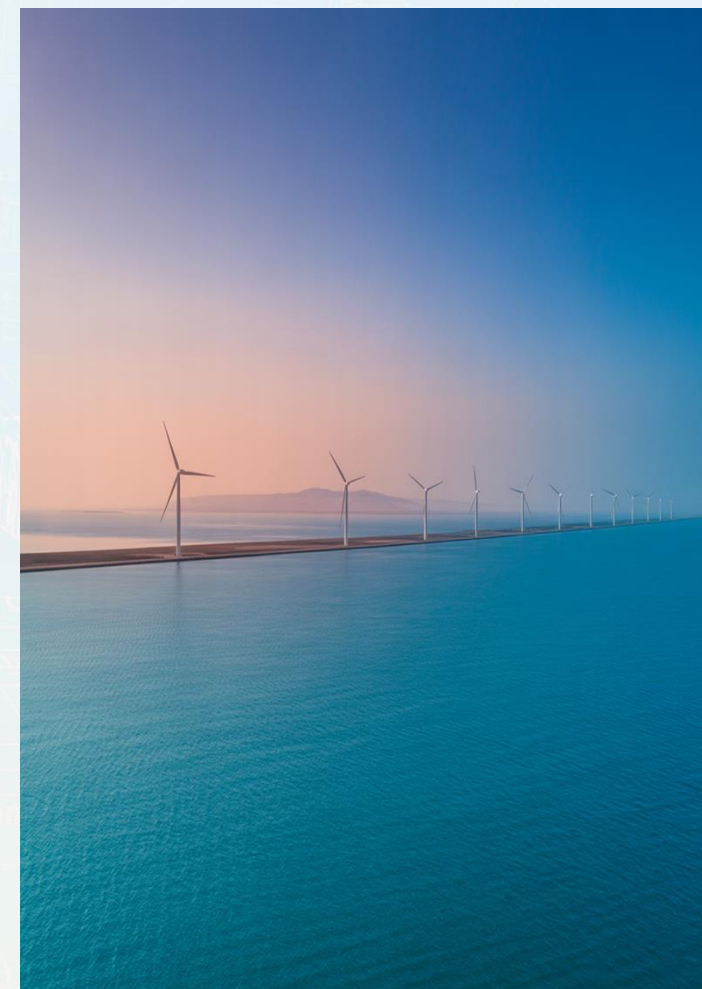
Exploring synergies with Black Sea Submarine Cable Project among other alternative routes



Structuring &
Assessment

The MOU for ADBs support was signed in April 2025. \$ 1 225 000
TA preparatory stage and 1st phase feasibility.
Total \$ 2 000 000 ADB and **AIIB** for 1st stage feasibility

Consultant selection is ongoing—targeted contract signing in December 2025. The Feasibility Study results in 16 months.



Phase 1 – Feasibility Study

Alternative routing options

The feasibility study will analyze alternative routing options for the Caspian Green Energy Corridor.

Assessment of pathways

Assessment will cover both onshore pathways and offshore (subsea) routes, not limited to subsea solutions.

Identify viable options

Objective: identify the most practical and viable option(s) for future interconnection with European markets.

Early Risk Identification –
Determine
infrastructure gaps and routing
constraints.

Technology Validation –
Identify suitable
technology

Financial Readiness – Defines
funding
strategy to attract investors.

The Feasibility Study is estimated to last 15–17 months





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Session 2

Soft Infrastructure and Digital Connectivity

Moderator:
Mr. Azamat Zhamangulov
Minister,
Ministry of Digital Development and Innovative
Technologies
Kyrgyz Republic



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Digital Transformation and Digital Connectivity

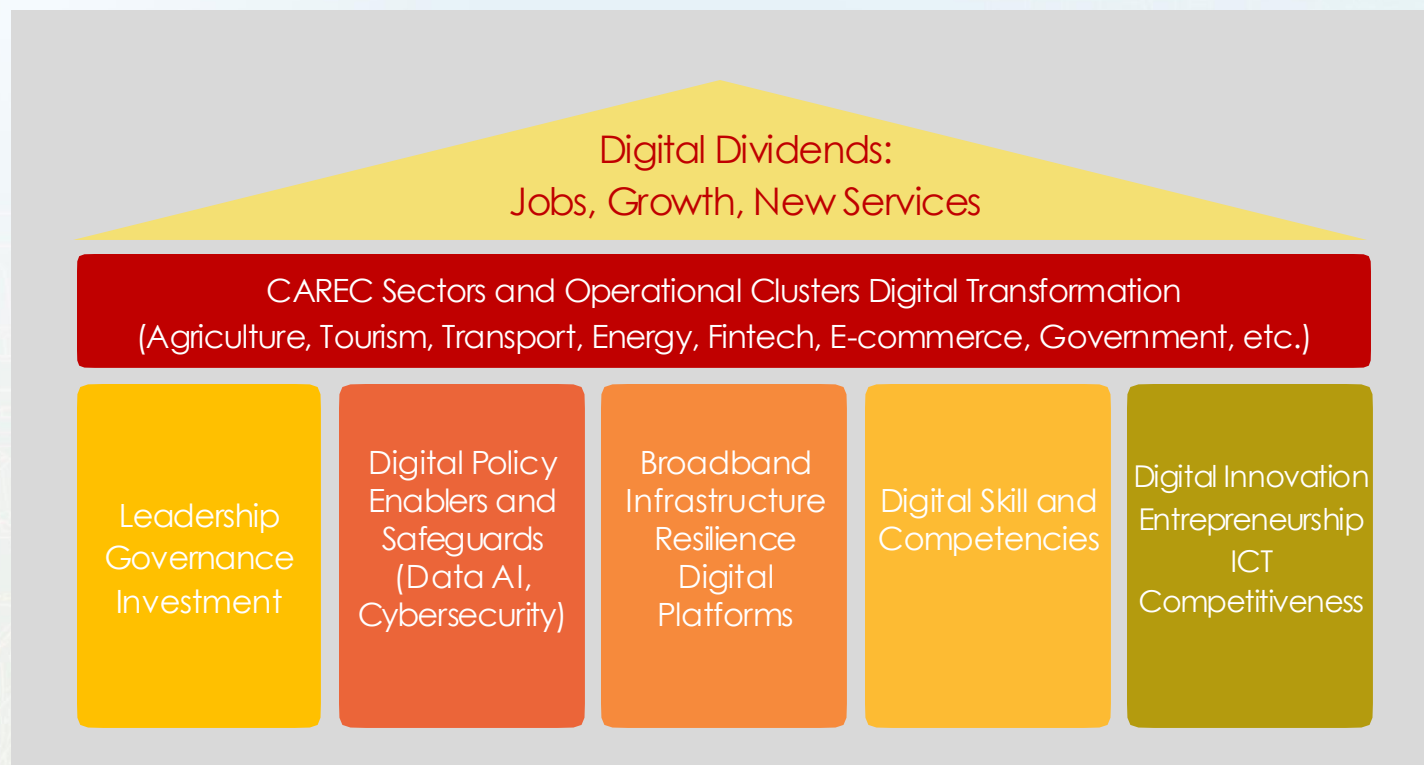
Midterm Review of the CAREC Digital Strategy 2030 and CAREC Digital Corridor

Presenters:

Mr. Khalid Umar
Regional Cooperation Specialist

Mr. Antonio G. Zaballos
Director, Digital Sector
Asian Development Bank

To achieve the **Strategic Objectives**, the CAREC Digital Strategy 2030 aims to strengthen the following **Five Interconnected Pillars** through improved cooperation between CAREC member countries



MTR of CAREC Digital Strategy: Key Lessons Learned (2020-2025)

Sustained Political Commitment Drives Progress

Strong political leadership and unified government action sustain momentum, ensure coordination, and achieve institutional excellence.

Flexibility in Regulation Is Essential

Regional integration depends on adaptable legal and regulatory frameworks that can evolve with new technologies and digital business models.

Community Trust Enhances Digital Uptake

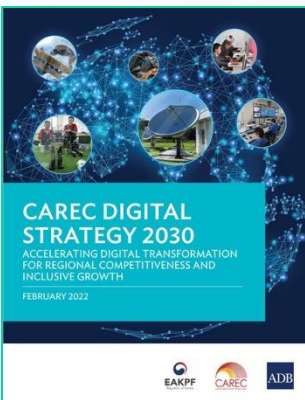
Active engagement of local communities, especially in rural areas, significantly increases digital adoption and satisfaction.

Public-Private Partnerships Accelerate Investment

Well-structured PPPs with clear roles, risk-sharing, and incentives are key to scaling digital infrastructure and innovation.

Cross-Border Pilots Strengthen Regional Integration

Pilot projects provide practical proof of the benefits of digital cooperation, identify bottlenecks, and build confidence among CAREC member states.



Digital Transformation



For ministers' endorsement

Strategic Recommendations and Implementation Roadmap

Flagship project: Proposed CAREC Digital Corridor Project

Establishing/Scaling terrestrial fiber routes between PAK and other CAREC countries to reduce latency and cost. Scoping Study and preparation for Draft MOU are underway. Aim to sign MOU between ADB and interested member countries at MC.

1. Regional Governance and Institutional Capacity and Infrastructure Investment

- Regional Digital Governance Academy
- Infrastructure Development and Financing
- Regional Digital Infrastructure Financing Facility
- Green Digital Infrastructure Initiative
- Regional Spatial Data Infrastructure Framework

2. Regulatory Harmonization and Trust

- Regional Digital Regulatory Harmonization Framework
- Regional Cybersecurity and Digital Resilience Framework

3. Innovation, Entrepreneurship, and Emerging Technologies

- **Regional Fund of Funds** and CAREC Innovation Network
- CAREC Regional AI Collaboration Platform

4. Implementation and Monitoring

- CAREC Digital Scorecard
- **CAREC Digital Master Plan**

5. Skills Development and Inclusion

- CAREC Digital Skills and Talent Mobility Platform

6. Engaging Development Partners for Regional Digital Transformation



Country Actions to Accelerate the CAREC Digital Agenda

Strengthen Regional Coordination Mechanisms

Empower existing Digital Focal Points to act as national coordinators for inter-ministerial engagement and sector-specific projects with high potential for regional digital transformation, ensuring alignment between domestic initiatives and CAREC regional programs.

Endorse Regional Frameworks

Support and sign forthcoming Regional frameworks or Joint Declarations covering areas such as regulatory harmonization, cybersecurity, and digital skills mobility to formalize shared priorities.

Embed CAREC Priorities Nationally

Integrate the agreed regional actions, such as the proposed Digital Skills Platform, Cyber Resilience Framework, and AI Collaboration Platform, into national ICT and innovation plans.

Monitor and Report Progress

Utilize the proposed CAREC Digital Scorecard to regularly track advancement, exchange best practices, and provide inputs for the next Ministerial updates and peer-review sessions.

Digitally Connecting the Region

ORIGIN

Proposed by Pakistan at the 2025 CAREC NFPs Strategic Planning Meeting.

GOAL

Provide faster, more affordable, and diversified international connectivity for CAREC countries to reduce latency, and increase redundancies

STATUS

Scoping study completed with consultations across 7 member countries.

Confirmed readiness to move from Scoping to Feasibility Phase.



Unlocking Digital Growth & Integration

Opportunities and Values Identified During the Scoping Study

These points represent the strategic opportunities and value drivers emerging from the CAREC Digital Corridor scoping phase, highlighting areas where coordinated regional action can accelerate digital transformation and integration.

Strategic Digital Infrastructure Potential

Shortest, most resilient route to global digital hubs through Pakistan

Shared Economic Value

Lower transit costs, significant growth in data traffic can potentially boost digital trade and regional competitiveness.

Innovation Potential & Future Readiness

Strengthened ICT ecosystems to support AI, fintech, and smart industry with alternative digital routes.

Shared Regional Prosperity

Enhanced integration, competitiveness, and inclusion across the CAREC economies

Digital Infrastructure Development & Resilience

Expansion of data centers and cloud infrastructure to enhance network capacity

Next Steps and Collaborative Actions Ahead

The next phase focuses on translating the scoping study into coordinated regional action. Key priorities include formalizing cooperation through an MoU, initiating feasibility and investment planning, fostering public-private partnerships for infrastructure development, and aligning policies to enable seamless cross-border digital connectivity and trade.

Immediate Action

Sign MoU among participating countries to formalize cooperation.

Technical Work

Launch feasibility study, identify missing fiber links, and investment models.

Partnership Models

Explore PPPs and consortia for shared infrastructure and financing.

Policy Agenda

Align regulatory frameworks to enable seamless cross-border digital data movement and cybersecurity.

Support to Advance the CAREC Digital Corridor Initiative

Confirm Participation in Feasibility Phase

Express readiness to move forward through country endorsement and inclusion in the upcoming Feasibility Study.

Facilitate National Consultations

Support the CAREC Digital Team in organizing stakeholder consultations with telecom operators, regulators, and relevant ministries to capture local priorities and constraints.

Share Policy and Legislative Updates

Provide information on national policies, planned reforms, or regulatory frameworks relevant to cross-border connectivity, data exchange, and cybersecurity.

Designate Focal Coordination Support

Assign a technical contact within the Digital Focal Point's office to coordinate communication and data sharing for the feasibility study and related assessments.



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Trade

Midterm Review of the CAREC Integrated Trade Agenda 2030

Presenter:

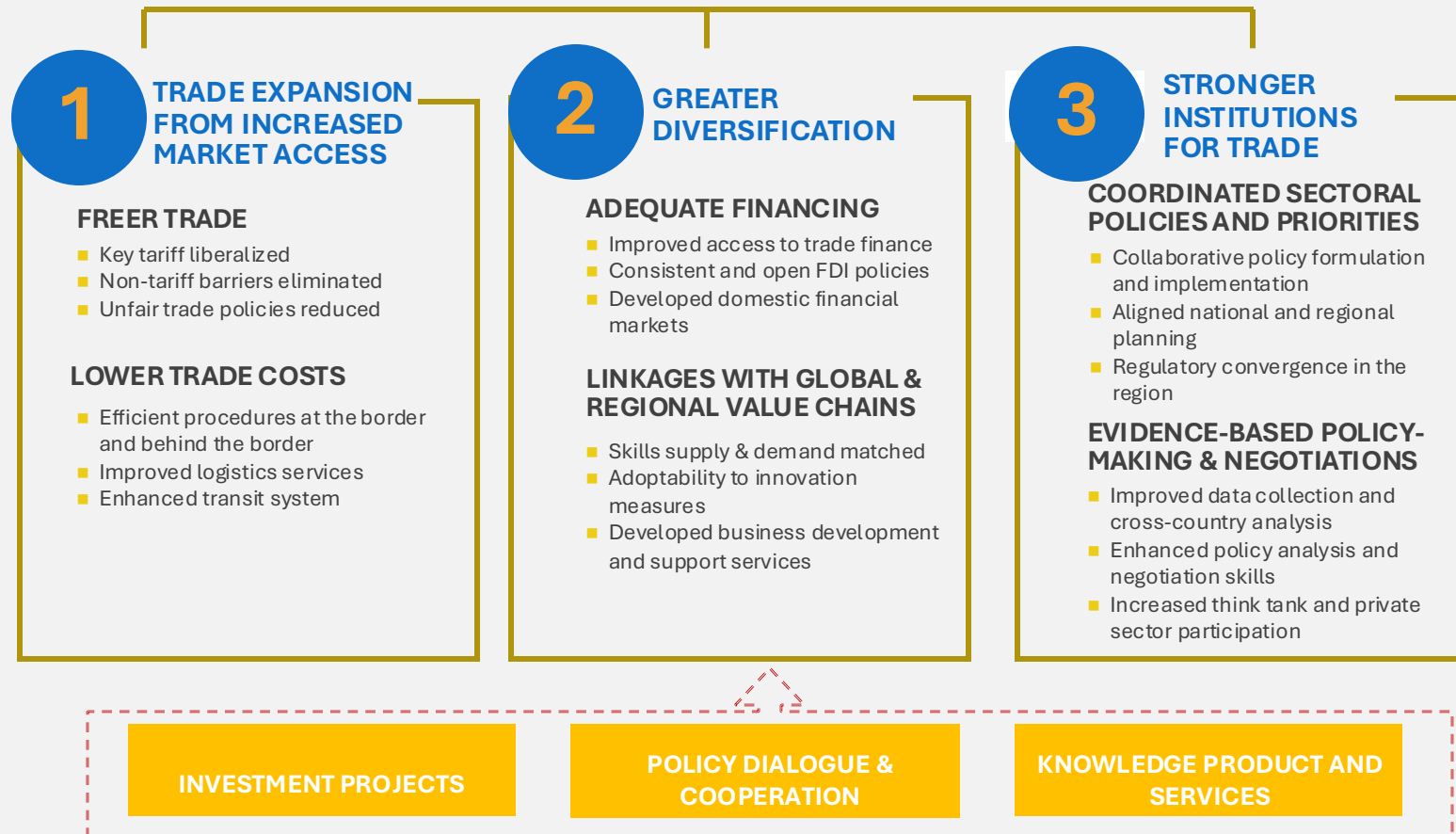
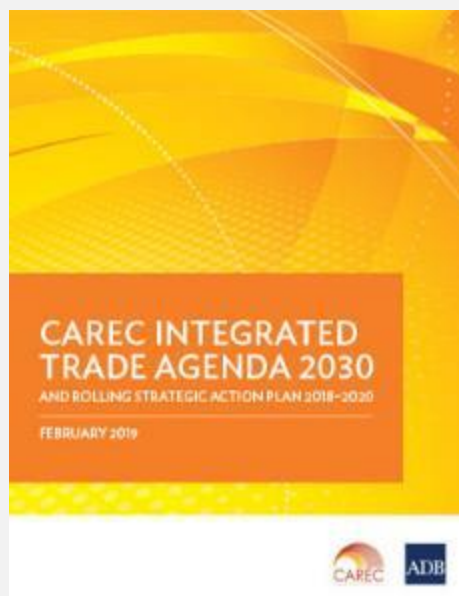
Ms. Dorothea C. Lazaro

Senior Regional Cooperation Specialist

Asian Development Bank

CAREC Integrated Trade Agenda 2030

CAREC COUNTRIES ARE MORE INTEGRATED INTO THE GLOBAL ECONOMY



Evolving Global and Regional Context

Challenges and Opportunities

- COVID-19 pandemic
- Geopolitical tensions
- Risk of global fragmentation
- Rising climate change impacts
- Rapid advancement of digital technologies

Trade Performance

- Increase in GDP share of trade in goods
- Faster services exports growth vs imports
- Gradual diversification at 6-digit HS level, fuel continue to dominate for some members
- High to full implementation rate of TFA commitments
- Improvement in UN and WB LPI indices, mixed CPMM TFI indicators at BCPs

Emerging Priorities

- Stronger focus on **digital trade**, including paperless trade and e-commerce
- Increased urgency to **enhance supply chain resilience**, including through the diversification of trade routes and export/import markets
- Greater emphasis on **cross-border investment**, especially in high-tech and green industries
- Increased need to **strengthen institutions** for cross-border trade and investment

Midterm Review of CAREC Integrated Trade Agenda 2030

Highlights

- CITA 2030 remains **relevant**, responsive and aligns with national priorities of countries
- **Trade-technology-sustainable development** nexus highlighted
- Between 2018–2024, ADB approved 5 trade-related **investments** (\$759 million) and 16 **TA projects** (\$23.9 million) supporting trade reforms, capacity-building, policy dialogues
- Need for **longer-term** and **programmatic** approach (e.g., PBL for post-accession reforms), prioritize impactful interventions.

Recommendations

1. Modernize **BCPs** and trade facilitation measures
2. Advance **digital trade** and promote cross-border e-commerce
3. Adopt a **formal framework** through CAREC Trade and Investment Facilitation Partnership Agreement
4. Increase support in **trade in services** and cross-border investment
5. Mainstream **innovation** and **climate action** in CITA priorities
6. Strengthen CITA **institutional** framework
7. Strengthen **coordination** with Development Partners, South-South cooperation
8. Deepen **private sector** engagement
9. Improve **tracking of CITA's** progress and effectiveness

CAREC Partnership for Trade, Climate, and Innovation

Pursues **regional actions** and innovative solutions to climate change and trade issues.

Strong consensus on the need for regional cooperation, digital trade harmonization, climate-smart infrastructure, and innovation financing.

Members **ready to support** the CAREC Partnership and proposed a **plan of action** to operationalize it

Priority Initiatives

- Electronic exchange and mutual recognition of **conformity certificates** (pilot with **KTNET**)
- **Regional fund of funds** to catalyze the deployment of venture capital for startup ecosystems that focus on climate solutions through **CAREC Innovation and Venture Investment Catalyst (CIVIC)** Facility
- UN Model Law on Electronic Transferable Records (**MLETR**)
- **ePhyto solution** (electronic phytosanitary certificate), leveraging use of artificial intelligence and digital ledger technology in trade operations





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20 November 2025 | Bishkek

CAREC Trade and Investment Facilitation (CARTIF)

Presenter:

Ms. Zulfia Karimova

Principal Regional Cooperation Specialist
Asian Development Bank

Advancing Economic Integration, Trade, and Investment Cooperation in CAREC

High-Level Strategic Areas



Economic
Integration



Trade
Cooperation



Investment
Promotion



Institutional
Framework

Key Milestones

Apr 2024

Draft CARTIF concept
presented at CAREC
Regional Trade Group
in Astana

Jun 2024

CARTIF concept
refined at regional
workshop in Istanbul

Jan-Jun 2025

CARTIF Zero-Draft
prepared and
supported by
CAREC trade focals

Sep 2025

Draft CARTIF Ministerial
Declaration finalized

Nov 2025

**Bishkek Ministerial Declaration
on CARTIF** adopted



Next Steps

- Launch negotiation process on CARTIF in 2026
- Establish CARTIF Secretariat and working groups

CARTIF: Key Features Overview

Voluntary Regional Participation

CARTIF enables voluntary engagement by all CAREC countries, ensuring alignment with international standards and encouraging broad cooperation.

Phased Modular Approach

A flexible, phased approach allows countries to adopt modules as ready, supporting gradual integration and tailored progress.

Framework With Protocol Options

The framework agreement offers both binding and optional protocols, adapting to diverse national needs and commitments.

Effective Institutional Mechanisms

Institutional arrangements ensure effective consultation, dispute resolution, and incorporation of global best practices for sustainable cross-border trade.



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Session 3

People-to-People Connectivity and Human Development

Moderator:

Ms. Leah Gutierrez

Director General

Central and West Asia Department

Asian Development Bank



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Green Skills

CAREC Agricultural Universities Accelerator Program

Presenter:

Ms. Zulfia Karimova

Principal Regional Cooperation Specialist
Asian Development Bank

Strengthening Green Skills Development

Education

The Working Group for Skills Development



- Further implementation and commitment to **the Memorandum of Understanding** “On strengthening regional cooperation in skills development among CAREC member countries”
- **Third Annual Meeting** of the CAREC Working Group on Skills Development (April 2026)
- **Green Skills in Education** through the CAREC Agricultural Universities Accelerator Program



Education as a powerful catalyst for climate action



Prioritize green skills in **TVET and Higher Education, Labor Policies**, academic and training materials



Address **the growing demand for professionals with green skills** able to address local climate change challenges



Monitor skills demand and supply to align **skills development with the green transition**

Deliverable: Toolkit for mainstreaming just transition and green skills into TVET/ HE policies at the country level



Positioning HE institutions as drivers of green development

Joint Agreement for Cooperation

among CAREC
regional agricultural
universities



Climate-smart agriculture education, research, and outreach across the region



Enhanced Just transition and inclusive growth through knowledge transfer and innovations



Regional Center for Green Agriculture



Connections between universities and industry for practical solutions in sustainable agriculture

Regional
dialogue towards
collective actions
in addressing
climate change
challenges





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Health-Climate Nexus

Regional Decarbonization Strategy for Health and Regionally-Agreed Minimum Requirements for Climate Resilient Facilities

Presenter:

Ms. Kirthi Ramesh (virtual)

Senior Social Sector Specialist
Asian Development Bank

Strengthening Climate and Health Nexus through CAREC



Expected **benefits** from regional cooperation on **climate and health** through CAREC:

- Draw in support from non-health line ministries and partners
- Focused knowledge exchange, peer-to-peer support and joint capacity development
- Mobilize financing for implementation
- Regional alignment, standards and coordinated transboundary approaches and collective action
- Comparable and cross-compatible data, targets and policies for regional monitoring

Two deliverables in 2025:

1. Regional decarbonization strategy in the health sector
2. Minimum requirements for climate-resilient health facilities

Climate

Endorsed CAREC Climate Change Action Plan with heat health as priority



Working Group on Climate Change

Health

Endorsed Regional Investment Framework with climate and health actions



Working Group on Health

Climate and Health issues in the Central Asia and Caucasus

Vulnerabilities

- High burden of NCDs
- High burden of drug-resistant and multidrug-resistant TB
- Ageing population
- Vulnerable health systems and infrastructure

Health Impacts

- Heat stress and heat related morbidity and mortality, including from heat strokes, cardiovascular diseases, high blood pressure, etc.
- Increase in infectious and chronic respiratory diseases
- Emergence of novel infectious diseases, rising occurrences of zoonotic diseases and an encroachment of infectious disease vectors into previously unaffected geographic locations
- Declines in agricultural productivity, resulting in increased food insecurity and malnutrition

Health sector emissions

Health sector contributes to emissions through e.g. supply chain and procurement practices, health facility infrastructure and equipment, transport

Requires investments in health care infrastructure and systems, policy and capacity development, cross-sector responses

1. Regional Decarbonization Strategy: Strategic Areas

Evidence base for investment

- Identify the **highest priority areas** to address in each individual health system
- Demonstrate how an **emissions reduction trajectory** can be achieved
- Understand the long-run **investment needs, benefits and health impacts** of system change
- Build enable **implementation, monitoring and validation** of progress over time

Take 'no-regret' actions today

- Actions that are **beneficial even in the absence of climate change** with immediate benefits
- **Proven effectiveness** in multiple real-world contexts
- Benefits to **patient outcomes** and improved **operational efficiency**
- **Cost-neutral at worst**, often with rapid payback on investment (e.g. LED lighting upgrades)

Regional Community of Practice

- Network of health **policymakers and practitioners** mobilised across the region.
- **Training and mentoring** sessions on identifying, monitoring and trouble-shooting decarbonization measures as needed
- **SWG on climate and health** as starting point to oversee implementation and resolve common issues

2. Regionally-aligned Minimum Standards for Climate-Resilient Health Facilities

- Common requirements to enhance resilience of healthcare facilities to be prepared for, respond to, recover from, and adapt to **climate-related shocks and stresses**.
- Facilitates a common process for countries to collect **data** on and report **progress**:
 -  Develop the Healthcare Infrastructure Baseline
 -  Creation of a Prioritised Investment Plan
 -  Implementation of the planned investment
- Requirements are structured against **five** health facility **asset types**
 -  Buildings Infrastructure
 -  Equipment & Products
 -  WASH & Waste
 -  Energy
 -  Systems and Processes





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Signing Ceremony

MOU on CAREC Regional Tourism Development

Kyrgyz Republic-Uzbekistan Cross-border Sustainable Tourism Cluster Development MOU





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Session 4

Responding to Climate Change and Disaster Risks

Moderator:
Mr. Muhammad Ehsan Khan
Director General
East Asia Department
Asian Development Bank



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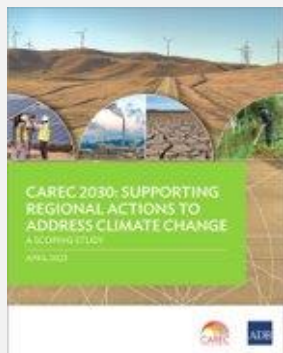
CAREC Climate and Sustainability Project Preparatory Fund (CSPPF)

Presenter:

Ms. Altynay Arapova

Senior Regional Cooperation Specialist
Asian Development Bank

CAREC CC Scoping Study

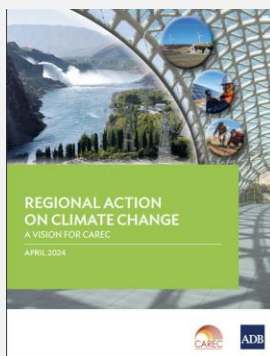


Exposure to climate impacts and recommendations for regional climate action



2021

CAREC CC Vision

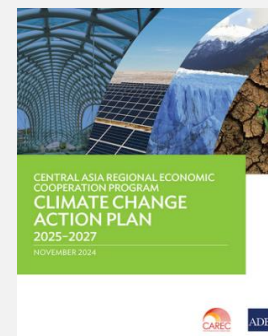


“A Region of Sustainable Development, Shared Prosperity, and Climate-Resilience”



2023

CC Action Plan



- Climate Risk, Preparedness, and Health
- Water-Energy-Food Security Nexus
- Low-Carbon Growth
- CAREC Climate Platform



2024

CSPPF

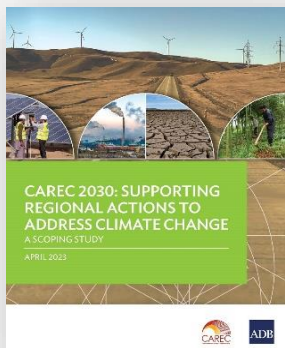


- Implementation Guidelines
- 1st Batch Call for Proposals & Proposal Selection
- 1st Annual Consultation Meeting with Financing Partners
- 2nd Batch Call for Proposal



2025





CSPPF is a **multi-partner trust fund** to **support the preparation of bankable regional projects** in **CAREC countries** with a strong Regional Public Goods and sustainability focus.

In November 2024, the CAREC Ministerial Conference endorsed the **CAREC Climate Change Action Plan 2025-2027** and launched the **CSPPF**, signing Trust Fund Contribution Agreements with the **ROK and PRC**. (initial combined contribution amounting to **\$5 million**).

• Eligible Recipients

Developing Member Countries of the CAREC Program:

AFG*, AZE, PRC, GEO, KAZ, KGZ



MON, PAK, TAJ, TKM, UZB



* ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021 and has been supporting the Afghan people through a special financing arrangement with the United Nations since 2022.

• Use of Fund & Maximum Amount

TA	Project preparatory Activities	USD 800K
	Upstream Knowledge work	USD 250K

Investment (Grant Components)	USD 1M
----------------------------------	--------

Direct Charges	USD 150K
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1st Batch Progress

- **Apr.–Jun.:** 19 proposals submitted by ADB and CAREC countries, requesting more than \$90 million across sectors (energy, transport, health, water, etc.)
- **Jul.–Aug.:** Preliminary and technical reviews completed;
- **Final approval** following Financing Partners' concurrence; **5 projects selected** in energy, transport, and water sectors

2nd Batch Plan

- **2nd batch launched on 14 October 2025**
- **Proposals received by 21 November 2025** will be reviewed by the Steering Committee.

First Batch

Project Title	Recipient DMC	Sector	Modality & Approved Funding Amount
Almaty-Bishkek Economic Corridor: Sustainable Transboundary River Enhancement and Adaptation Management	KAZ, KGZ	Water	TA \$250K
Kyrgyz Republic-Uzbekistan Sustainable Cross-border Tourism Cluster Development	KGZ, UZB	Tourism	TA \$250K
Yavan Hydroelectric Power Plant Project	TAJ, UZB	Energy	TA \$250K
Developing Sustainable Border Crossing Points for CAREC Transport Corridors	All CAREC DMCs	Transport	TA \$250K
Almaty-Bishkek E-Bus Project	KAZ, KGZ	Transport	TA \$50K



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Risk-Layered Disaster Relief Finance Sector Development Program for Kyrgyz Republic and Tajikistan

VIDEO OF THE INITIATIVE



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Glaciers to Farm Regional Program (G2F)

Presenter:

Ms. Kathleen Anne Coballes (virtual)

Climate Change Specialist,
Climate Change and Sustainable Development
Department, ADB

ADB'S OPERATIONAL & FINANCIAL RESPONSE TO GLACIAL MELT SO FAR



Managing higher multi-hazard risk

Building Adaptation and Resilience in the Hindu Kush Himalayas (BARHKH):

Help DMCs develop **climate resilient infrastructure** by strengthening multi-hazard risk assessment and developing innovative financing solutions to finance infrastructure.

Focus on **Bhutan & Nepal** but can be expanded across the **Hindu Kush Himalayas** and to other regions.



Water security of entire river basin

Resilient River Basin Initiative (RRBI):

Source-to-sea/ landscape initiative focused on the **resilience of the entire river basin**. Long-term programmatic approach to strengthen governance and bankable projects to ensure river basins are resilient, healthy and support the wellbeing of economies and communities.

Covering **all ADB regions**.



Community resilience to water shortages

Glacier to Farms Initiative (G2F):

Resilience of mountain downstream communities and food systems. Focuses on water management, sustainable land practices, agricultural value chains and climate-resilient social infrastructure and communities.

Focus on 9 countries in **Central and West Asia** but can expanded to other regions.



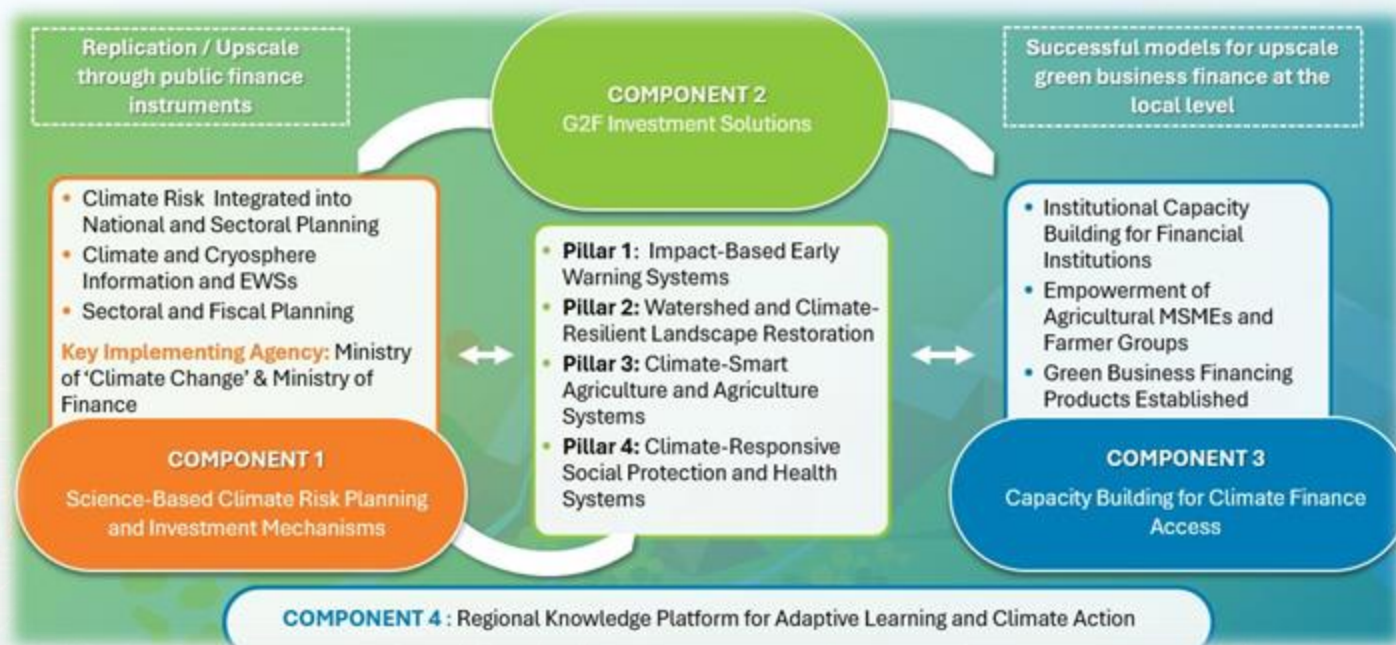
Regional dialogue and cooperation

CAREC Water Pillar:

CAREC (Central Asia Regional Economic Cooperation) Water is part of a **well-established, broader regional cooperation program** that facilitates cross-sector dialogue and investments for mutually beneficial outcomes.

Initial focus is on 5 countries in the **Aral Sea Basin** – later expanding to include all CAREC countries.

Resilience of mountain downstream communities and food systems. Focuses on water management, sustainable land practices, agricultural value chains and climate-resilient social infrastructure and communities. Focus on 9 countries in **Central and West Asia**.



Objective: To enhance the resilience of communities, food systems and social infrastructure in CWA Countries



Impact: Increased Climate-Resilience and Adaptive Capacity of Communities, Food Systems and Social Infrastructure



Total Financing: \$3.5Billion from ADB's own resources and co-financing, including GCF (\$250M)

❖ **Implementation Period:** 2026-2035 (10 years) **Country Allocation:** Maximum and minimum allocations for GCF funding in countries.

❖ **Cofinance Ratio:** Co-finance from ADB sources, and ADB-managed funds; ratio is 1:>10 high

❖ **Implementing Arrangements:** ADB, as the **Accredited Entity** (AE)

Areas of Cooperation for CAREC

-  **Climate Risk Assessments (regional scope)** – agriculture, water, health and social protection
-  **Investment Solutions** (in coordination with concerned Ministries and Resident Missions)
-  **Regional Knowledge Platform**
 - CAREC Pillar Working Group
 - Climate Change Working Group



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Session 5

Knowledge Sharing Session

Moderator:
Ms. Lyaziza Sabyrova
Regional Head
Regional Cooperation and Integration, CWRD
Asian Development Bank



CAREC

Ministerial Conference

20 November 2025 | Bishkek, Kyrgyz Republic



Economic Integration and Long-Term Growth in the CCA

Subir Lall

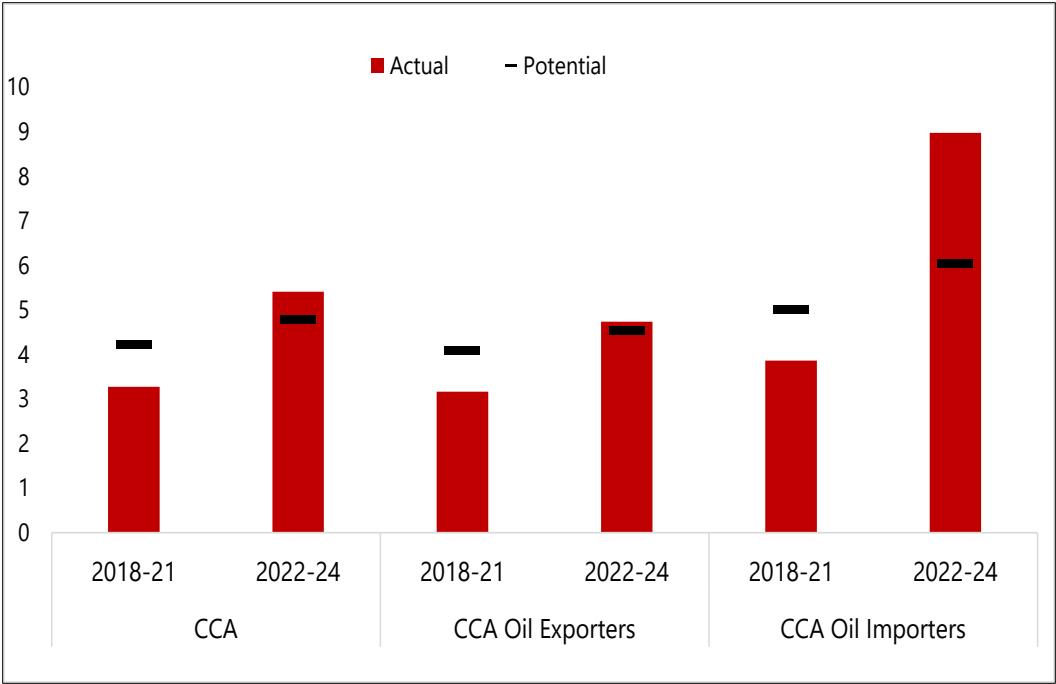
International Monetary Fund

Context: strong growth momentum but expected to moderate

CCA's strong post-2021 growth is at risk without reforms, as rising output gaps threaten sustainability.

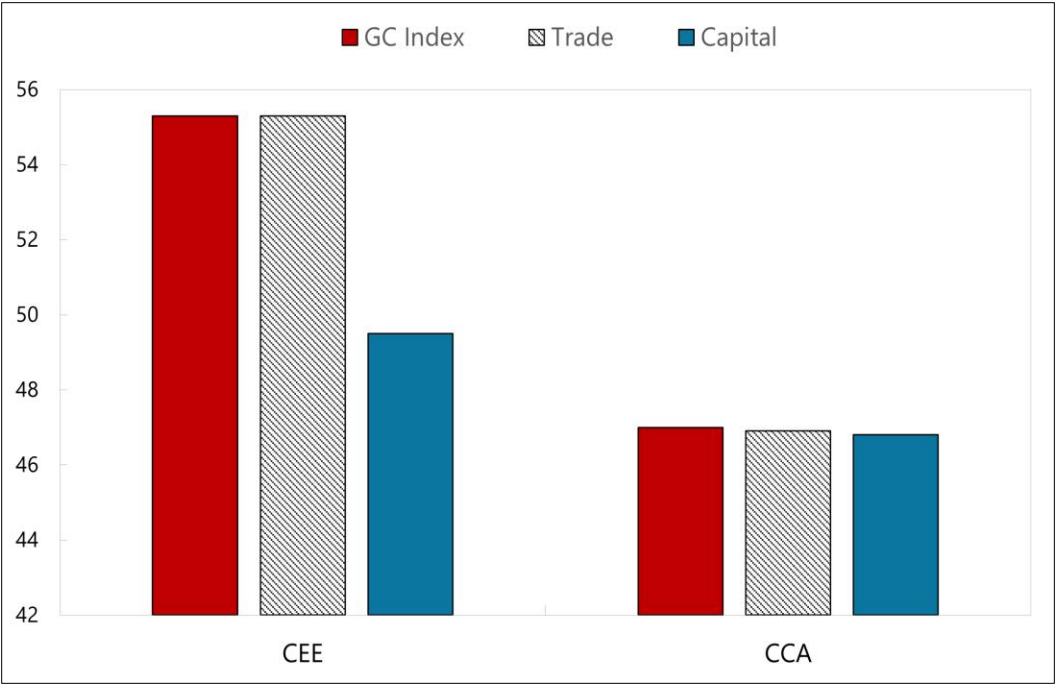
CCA trails peers along all dimensions of economic integration.

Real GDP Growth
(Percent)



Sources: World Economic Outlook; and IMF staff calculations.

Global Connectedness
(Index Score)



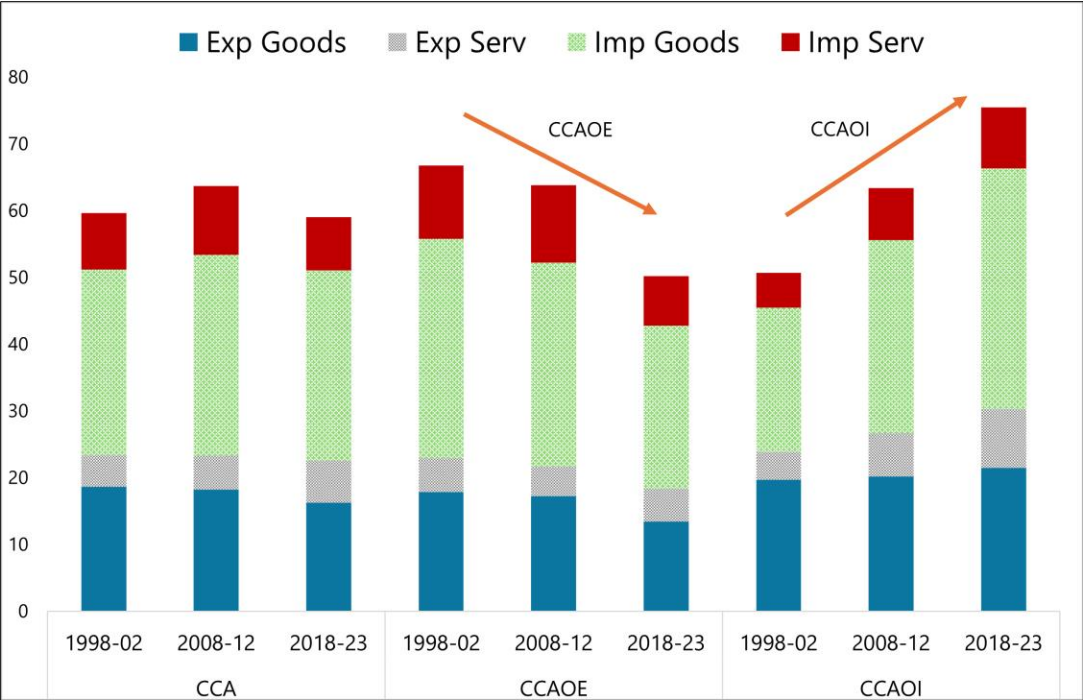
Sources: DHL Global Connectedness Tracker.

Despite cross-country differences, there is significant potential to expand trade with the rest of the world

CCA's limited trade openness...

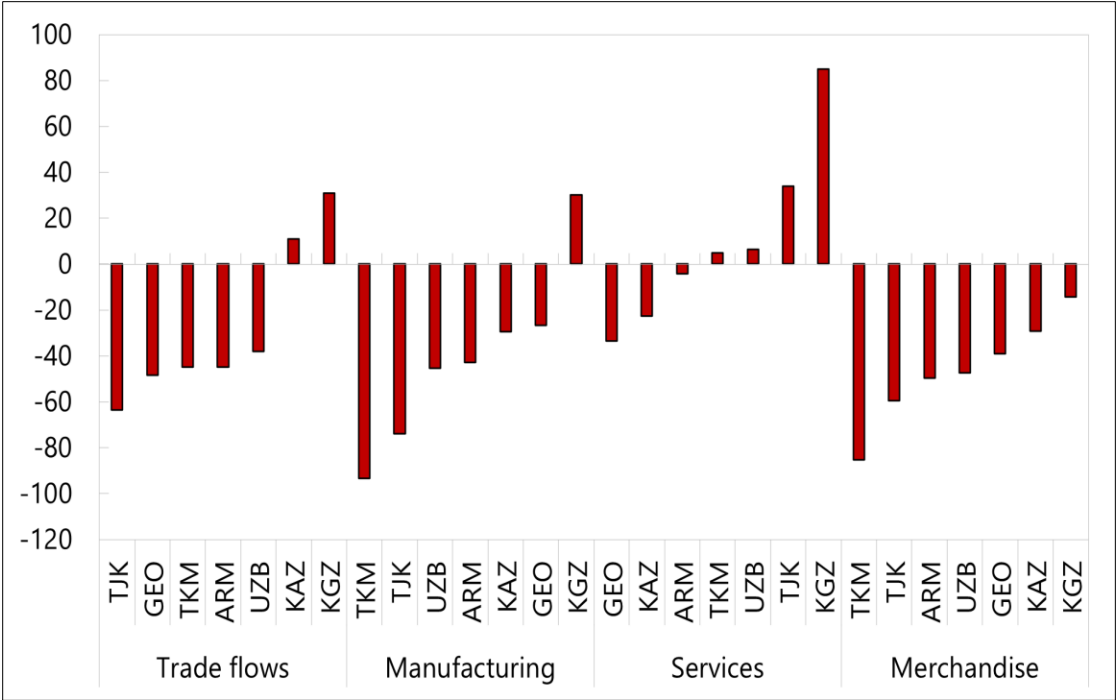
...and large sectoral trade gaps highlight the need for deeper global integration.

Non-Oil Trade Openness
(Percent)



Sources: World Economic Outlook database; and IMF staff calculations.

Trade Gaps
(Percent)



Sources: IMF staff calculations.

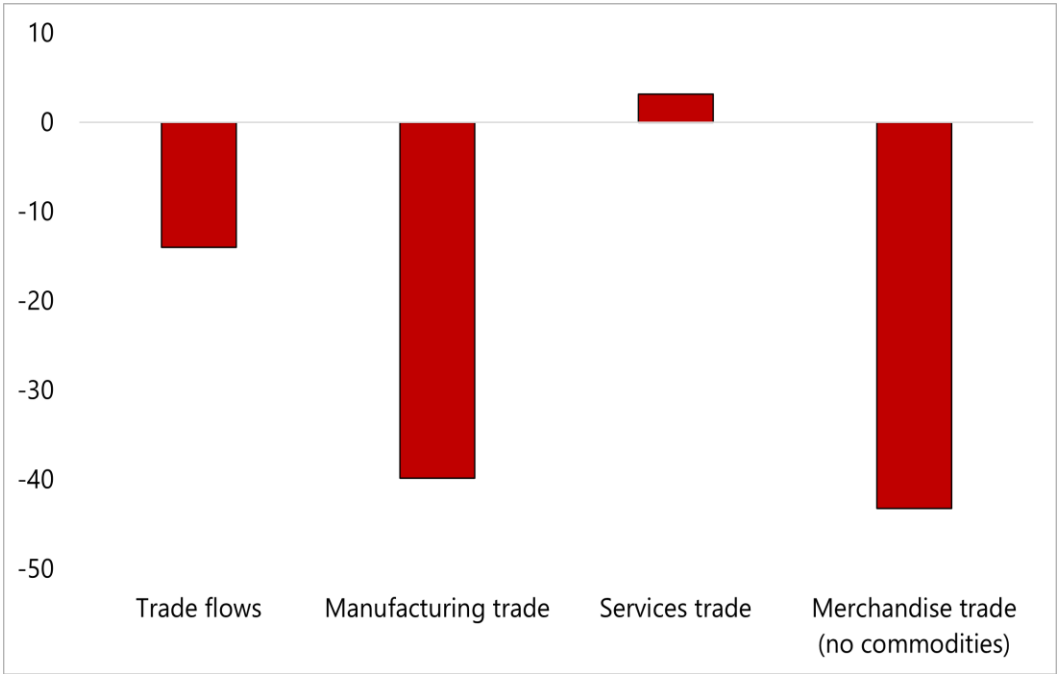
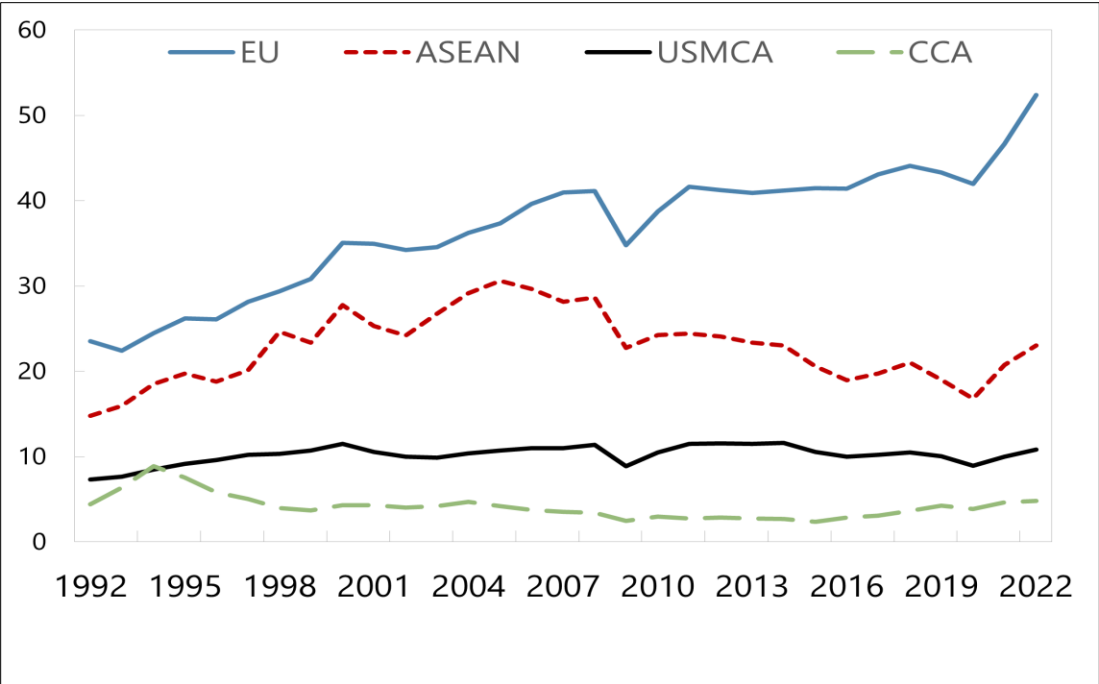
Trade within the CCA region is also below its potential

CCA lags peers in intra-regional trade...

...with sizable trade gaps across sectors.

Intra-Regional Trade: Long term Trend
(Percent of Regional GDP)

Intra-Regional Trade Gaps
(Percent)



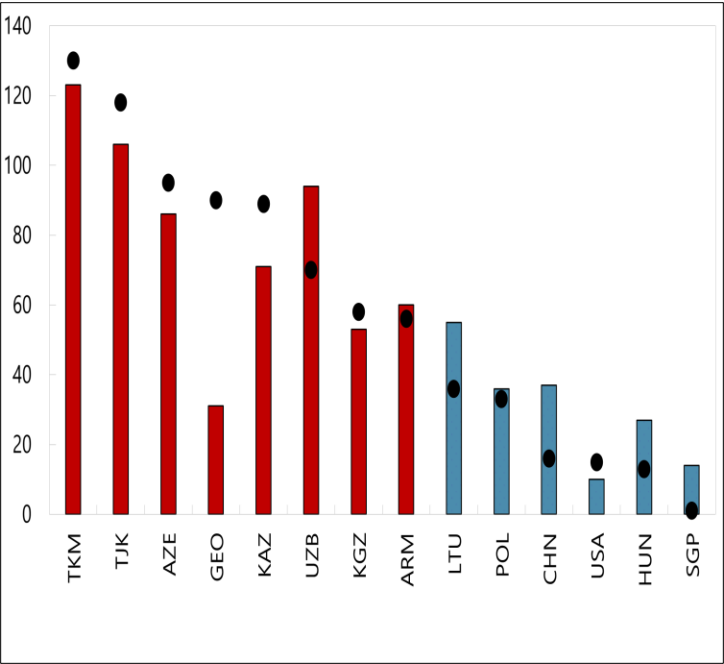
Sources: IMF Direction of Trade Statistics database, IMF World Economic Outlook, and staff estimates.

Sources: IMF staff calculations.

There is room to improve the quality and scale of trade

CCA lags in export sophistication...

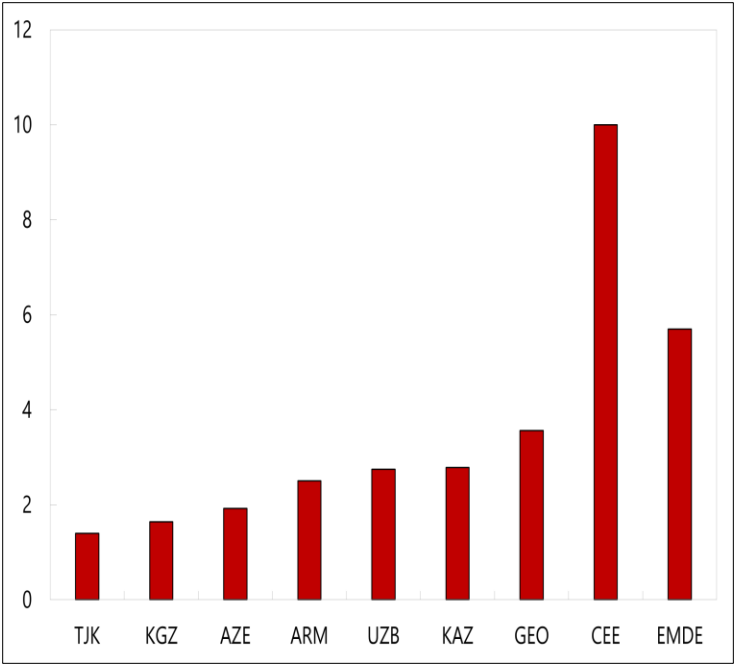
Economic Complexity Index
(Lower = better, Solid 1995 and Black Dot 2023)



Sources: Harvard Growth Lab.

...lacks market penetration...

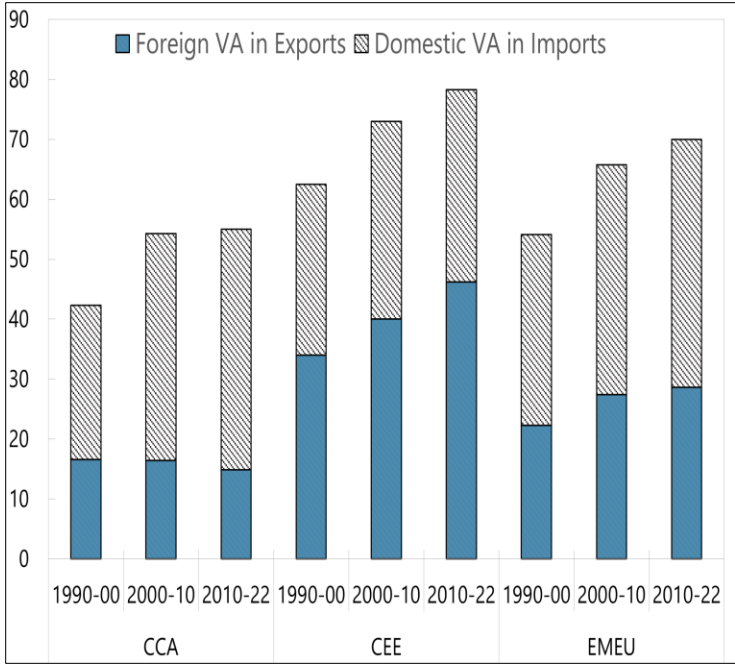
Export Market Penetration
(Percent, higher = better, 2022 or latest available)



Sources: WITS database.

...and has low Global Value Chains participation.

Participation in Global Value Chains
(Percent)



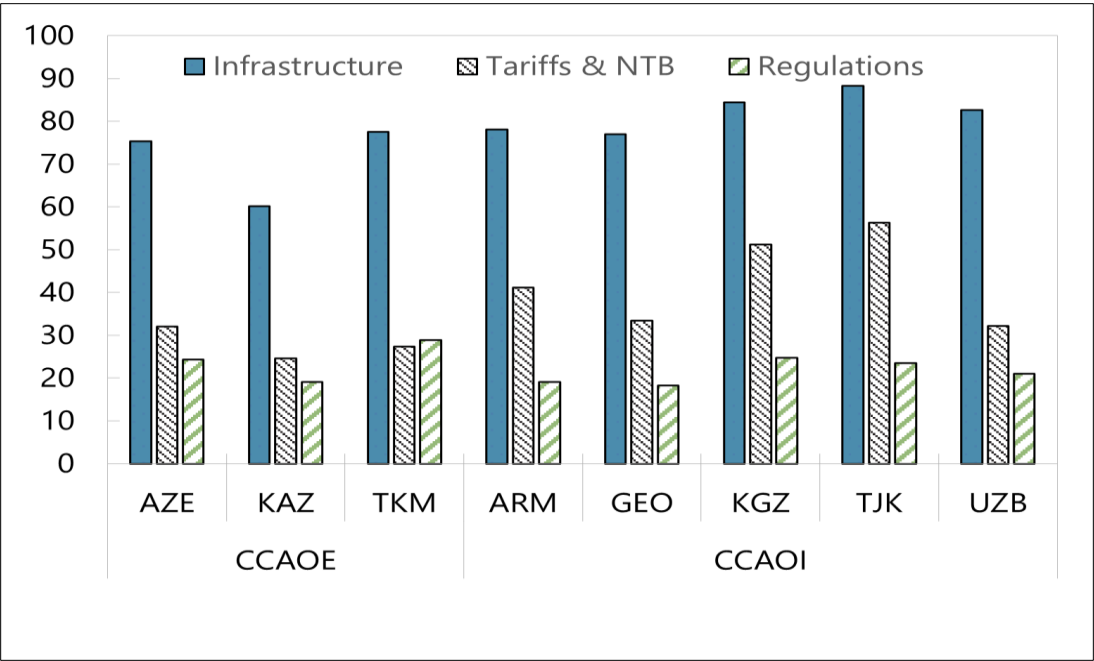
Sources: EORA MRIO database; and IMF staff calculations.

Reforms could drive stronger trade and growth

Closing policy gaps with advanced economies could yield substantial export...

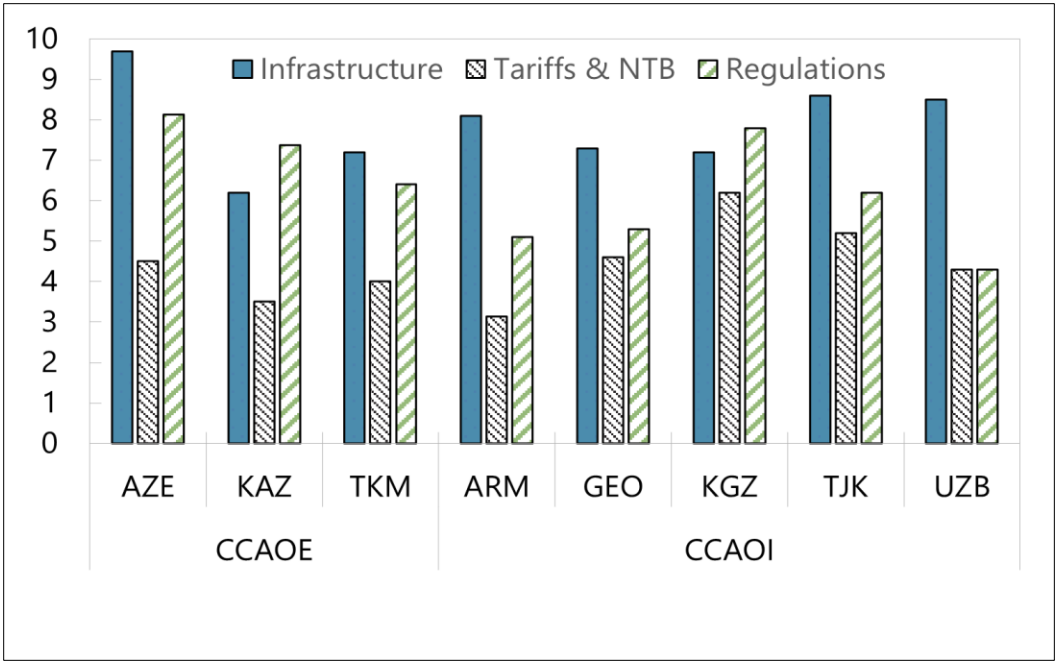
...and GDP gains for the CCA.

Impact on Exports by Closing Gaps with AEs by 20 Percent
(Percent)



Sources: IMF staff calculations.

Impact on Growth by Closing Gaps with AEs by 20 Percent
(Percent)

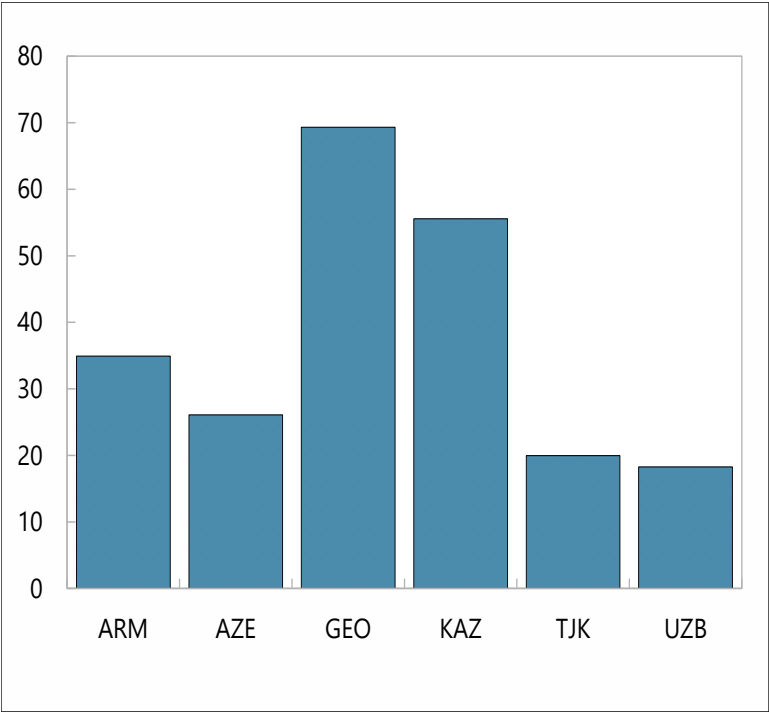


Sources: IMF staff calculations.

Advancing financial sector development can promote deeper integration

Capital depth in the CCA is generally low...

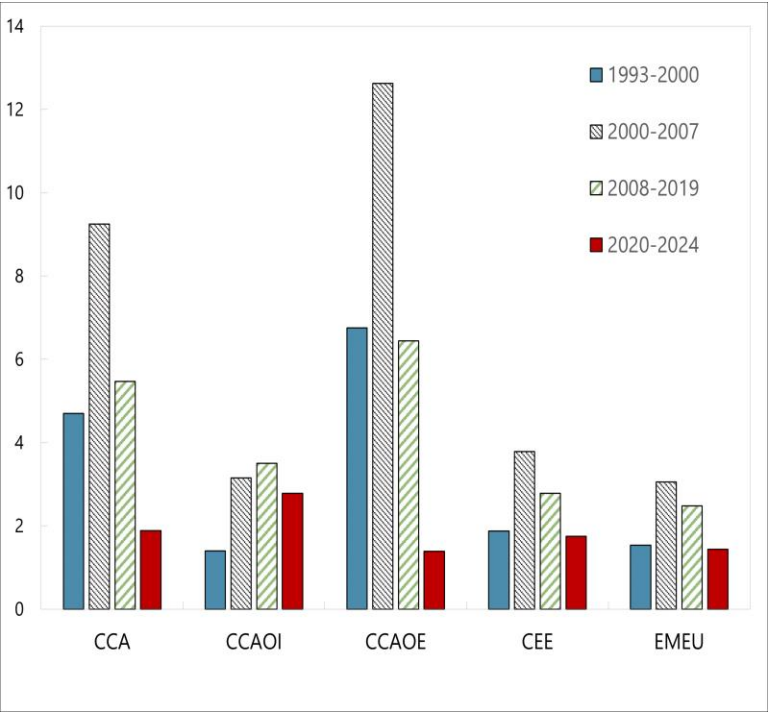
Capital Stock per Worker, 2019
(In percent of CEE level)



Sources: Investment and Capital Stock Dataset, Haver, and IMF staff calculations.

...But FDI inflows have been on a downward trend.

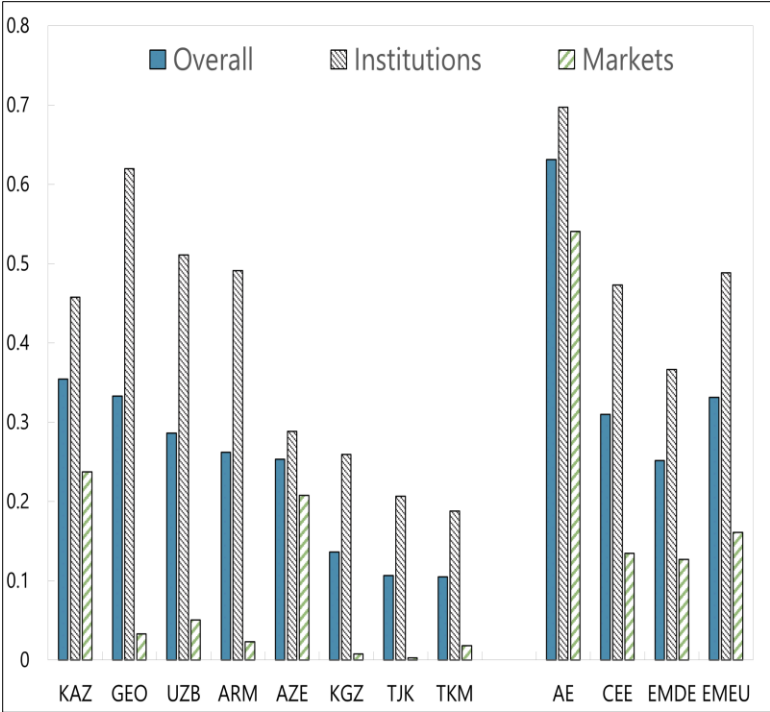
FDI Inflows
(Percent of GDP, period averages)



Sources: World Development Indicators and UNCTAD.

The CCA lags in financial development

Financial Development Index
(Index, 1 = best)



Sources: IMF Financial Development Database.

Key areas for additional reforms

- Divest from SOEs to free resources for the private sector, enhance efficiency and accountability, and limit fiscal risks.
- Improve the business climate by prudently liberalizing labor markets, easing trade restrictions, and increasing competition.
- Focus on core government tasks by investing in digital and physical infrastructure and upgrading education and health systems to boost productivity and connectivity.
- Strengthen governance by enhancing rule of law – curbing corruption, reducing red tape, and improving transparency.
- Deepen financial sector reforms to expand access to credit, strengthen supervision, which will lead to higher savings for private investment.
- Enhance climate resilience and inclusion by phasing out energy subsidies while protecting the most vulnerable, diversifying economies, and strengthening targeted social safety nets.

Conclusions

- Growth remains strong but is set to moderate as widening output gaps threaten sustainability.
- Sustaining gains requires structural reforms to complement economic integration efforts.
- Deeper global and regional integration can unlock CCA's untapped trade and growth potential.
- Closing gaps in infrastructure, tariffs, and regulations would boost exports and competitiveness.
- Without local reforms, economic integration alone will not secure durable and inclusive growth.



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20 ноября 2025 года | Бишкек

24-МИНИСТРЛЕР КОНФЕРЕНЦИЯСЫ
2025-жылдын 20-ноябры | Бишкек

24-MINISTERIAL CONFERENCE
20 November 2025 | Bishkek

Unlocking the Potential of Fintech in the CAREC Region

Presenter:
Mr. Kiyoshi Taniguchi
Lead Economist, CWRD
Asian Development Bank



UNLOCKING THE POTENTIAL OF FINTECH IN THE CAREC REGION

AUGUST 2025

ASIAN DEVELOPMENT BANK

ADB

*By Minsoo Lee, George Kvirikashvili,
Kiyoshi Taniguchi*

Infrastructure development, connectivity, and regional value chain created new opportunities for trade and investment.

Rapid fintech growth, bringing significant potential to transform its economies.

By advancing digital innovation, enhancing financial inclusion, facilitating trade, and supporting SMEs, fintech empowers businesses and individuals, unlocking new pathways for prosperity.

CAREC members could leverage technological innovation and strengthen regional cooperation in finance, trade, investment, and institutional frameworks.



Part I: A Collaborative Approach to Fintech

- Chapter 1: Measuring Fintech Progress in CAREC
- Chapter 2: Foundations of Regional Fintech Cooperation

Part II: Fintech-Driven Roadmaps to Cooperation

- Chapter 3: Georgia's Vision of Collaborative Fintech
- Chapter 4: A Roadmap for Fintech-Led Capital Market Development
- Chapter 5: Using Fintech to Drive Capital Market Development

Part III: Fintech Ecosystems in Practice

- Chapter 6: Fintech, E-Commerce, Trade Finance: Lessons for CAREC
- Chapter 7: The Political Economy of Fintech in Pakistan
- Chapter 8: Driving Fintech Innovation: A Regional Stock take

Part IV: A Fintech Future

- Chapter 9: Toward Collaborative Fintech Dialogue



High Level Takeaways

1. Adopt a **coordinated policy** approach
2. Establish **consistent measurement** frameworks
3. Foster a **harmonized regulatory** environment
4. Promote **responsible digital finance**
5. Enable **secure and inter-operable** digital ID systems





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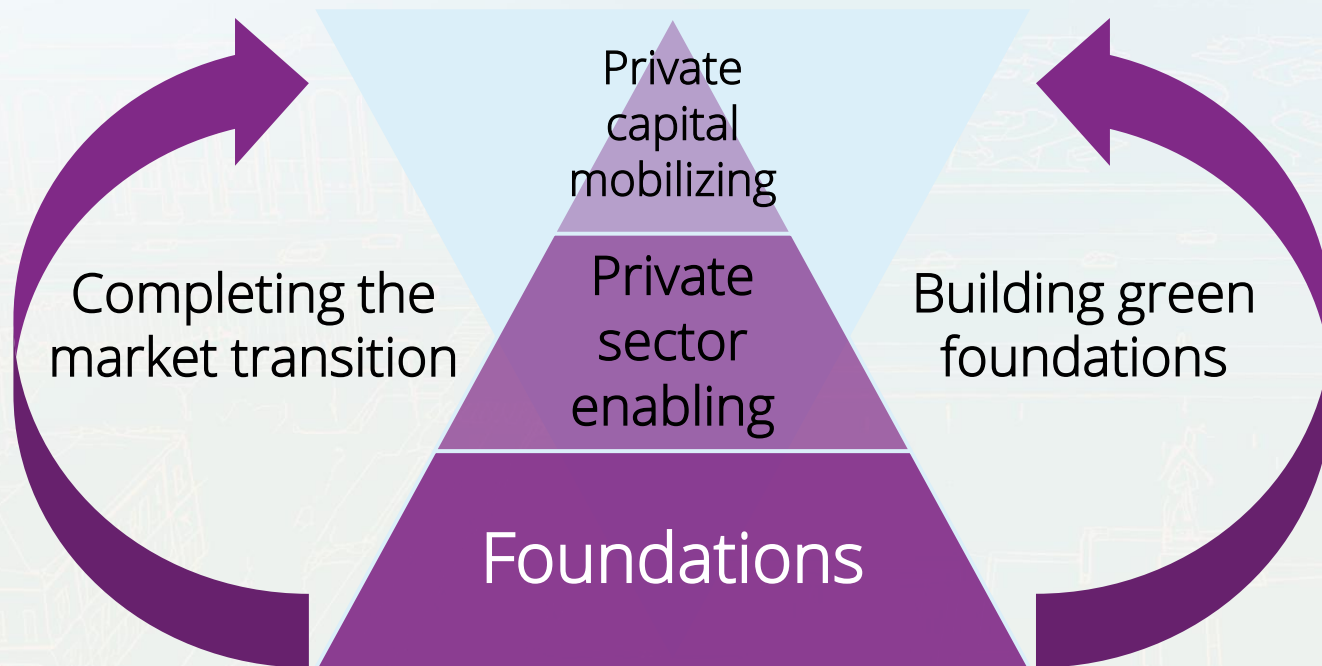
Jobs and the Green, Economic Transformation of Central Asia

Presenter:
Mr. Kiyoshi Taniguchi
Lead Economist, CWRD
Asian Development Bank

Joint knowledge product between the World Bank and ADB Dave Knight (WB) and Kiyoshi Taniguchi (ADB)

A Policy Framework for More and Better Jobs

More and better jobs



Motivation

- The Central Asian countries pursuing ambitious sustainable development plans but are struggling to create jobs for their people.
- The Central Asian countries must transition from state-controlled to more **private-sector oriented growth models** and that this transformation will need to be **people-oriented**, enabling them to build skills and find jobs.

- Chapter 1** will provide an overarching growth and **jobs diagnostic** for CA countries, including growth decompositions, job elasticities to growth, and labor market outcomes.
- Chapter 2** will present **opportunities for raising demand for labor** by supporting firm dynamism and sustainable job creation along different dimensions.
- Chapter 3** will focus on building a **future-ready workforce**, examining the current and anticipated gaps in human capital development among the workforce, and returns to education.
- Chapter 4** will consider **spatial rigidities** and labor market regulatory weaknesses and analyze the returns to agglomeration, regional value chains, and more flexible labor mobility.
- Chapter 5** will look at **possible future pathways for the CA**, taking into account the implications of a **green economic transformation and digital transformation** on the structure of the economy and the effects of climate change on jobs.
- Chapter 6** will bring together **recommendations for policymakers**, linking them to expected payoffs in terms of job outcomes and providing adequate granularity at the country level while highlighting key synergies for the region.

- **Growth rates** are declining over time, leading to slow/stalled conversion with high-income countries.
- **Job creation** is happening but is relatively modest – and not sufficient to match the growing population, leading to stagnant/declining employment rates.
- **Job quality** is also a concern with low wages and high informality. Furthermore, many jobs are in the public sector, reconfirming challenges with job creation by firms.
- Large **gender gaps** and **youth employment** challenges are at risk of deepening under demographic pressures.
- Growth and jobs challenges are driven by a reliance on extractives and capital accumulation, weak productivity growth, and misallocations hindering private sector development.
- At current potential growth rates, the region will not reach its medium-term growth or jobs goals.





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Unlocking Export Potentials in Caucasus and Central Asia Countries: Evidence and Recommendations

Presenter:
Mr. Kiyoshi Taniguchi
Lead Economist, CWRD
Asian Development Bank

Joint knowledge product
between the World Bank and
ADB

- Gonzalo Valera (WB) and
- Kiyoshi Taniguchi (ADB)

We aim to explore how we determine an economy's “**export potential**” and identify the main opportunities in untapped export destinations. Applying the **structural gravity model**, we assessed economy-specific export potential. The difference between potential and observed exports is called “missing exports” if the difference is negative.

ESTIMATING ASIAN ECONOMIES’ MISSING EXPORTS

Federico Ganz, Gonzalo Varela, and Kiyoshi Taniguchi

NO. 784

June 2025

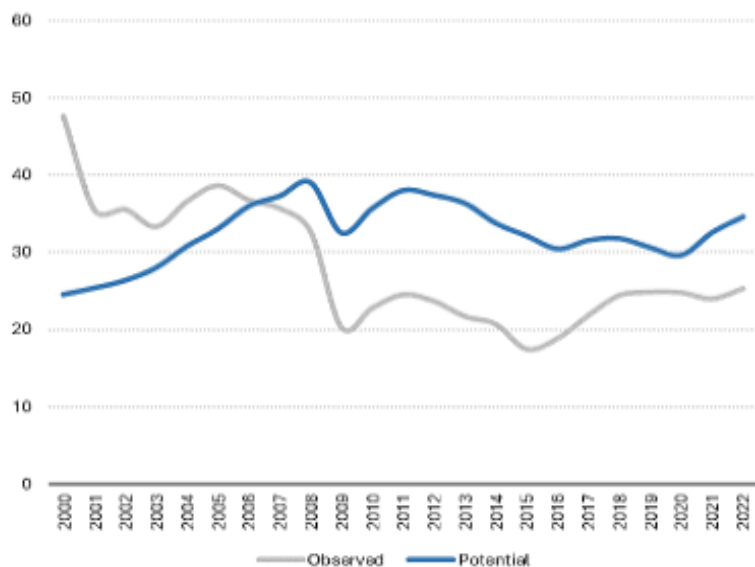
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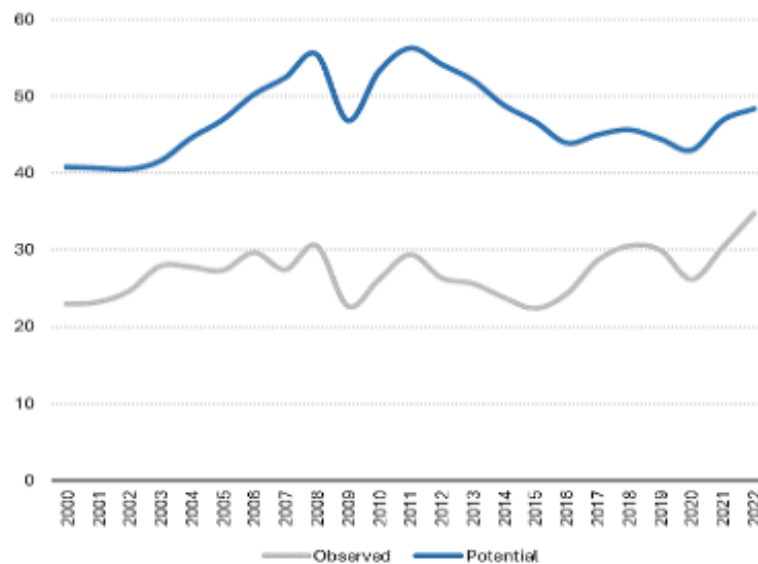


- Our findings reveal that **Asian economies, on average, have sustained missing exports equivalent to 6% of gross domestic product** (i.e., the gap between the potential and actual exports reaches 6% of GDP on average).
- We estimated the impact of export time on international trade. The study assessed that **a one-day delay in export processing will reduce exports by 18%**, highlighting the importance of streamlining the export process.

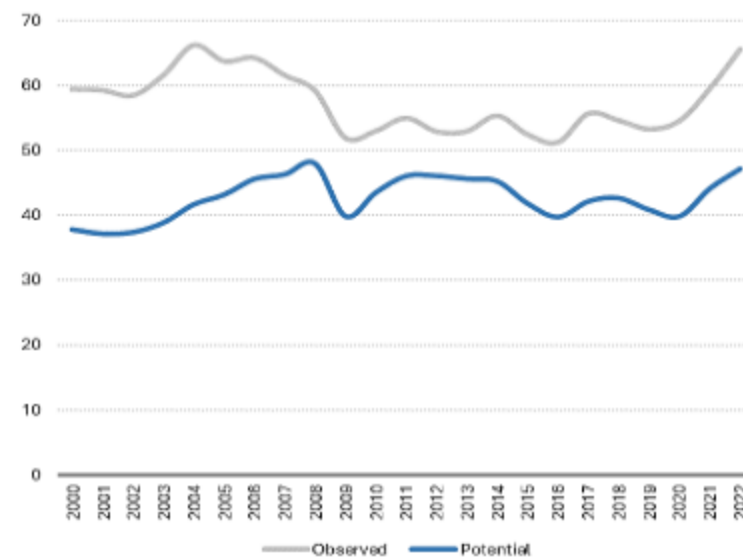
a. Central



c. Caucasus



e. Southeast





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Regional Cooperation in the Caucasus and Central Asia as Key Coping Mechanism in Dealing with Global Uncertainties

Presenter:

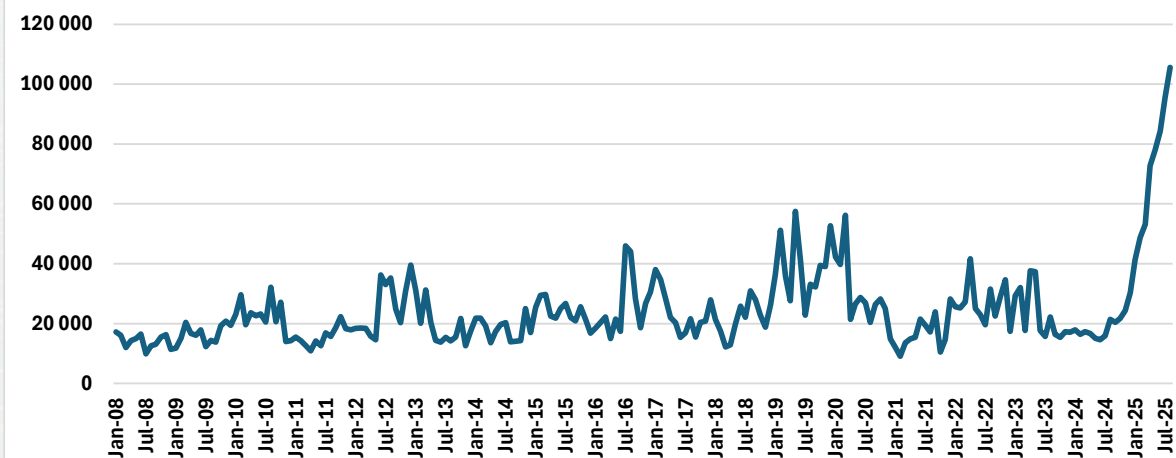
Mr. Roman Mogilevskii

Senior Regional Cooperation Economist
Central and West Asia Department
Asian Development Bank

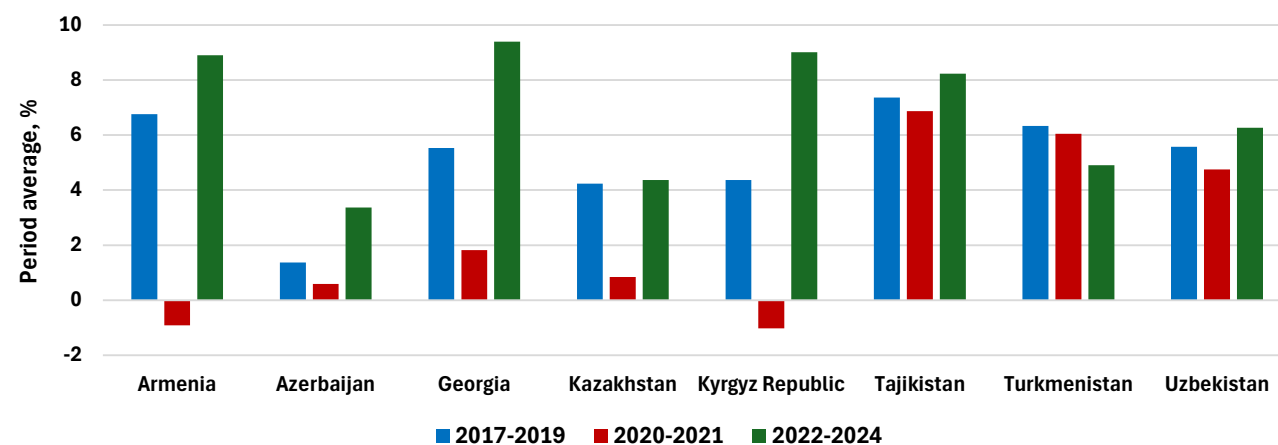
External Shocks and Impact on CCA

- Permanent exogenous shocks as a new normal
- Implications – elevated uncertainty in the global economy, reorientation of global and regional trade, transport and transit routes, etc.
- Relatively minor direct effects (except the COVID-19 pandemic) but significant spillovers with somewhat unexpected directions – better than expected performance so far but elevated downside risks
- Main pillars of resilience: (i) sound domestic macroeconomic and structural policies, and (ii) regional cooperation

World Uncertainty Index



GDP Growth in CCA



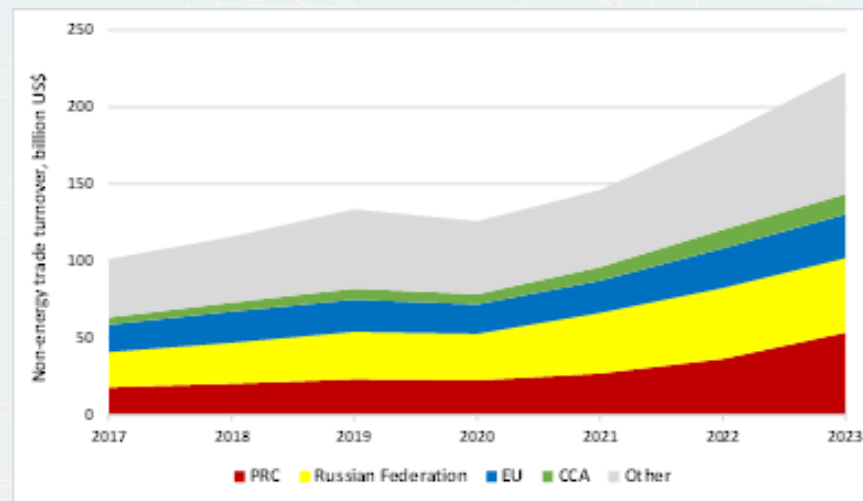
Regional Public Goods and CAREC Program

- Reinvigorated interest and practical steps towards regional cooperation in CCA
- Still, many initiatives are moving slowly or just stall, RPGs are underprovided
- CAREC Program should fill in the gap with its overarching regional coverage, relevant agendas, available resources, and honest broker position
- CAREC flagship initiatives

Regional cooperation efforts



Intra-CCA merchandise trade



CAREC focus areas



Conclusions and Recommendations

- Regional cooperation is not just an opportunity, it is an **economic necessity**
 - ❖ CCA economies' resilience to external shocks and long-term development critically depend on appropriate provision of RPGs
- The emerging drive of CCA governments towards regional cooperation is supported by ADB and other development partners
- CAREC Program addresses the **most pressing regional challenges** of the region
- **Practical steps** (based on CAREC strategies' mid-term reviews):
 - ❖ Implementation of joint investment projects (CKU railway, Roghun and Kambarata-I HPPs, Caspian Green Energy Corridor, CAREC Corridor 2 Development, regional BUILD program, etc.)
 - ❖ Policy coordination (e.g., water, climate change adaptation, digitalization)
 - ❖ Private sector initiatives
- **RCI** is as important as ever for the CCA's resilience and sustainable development



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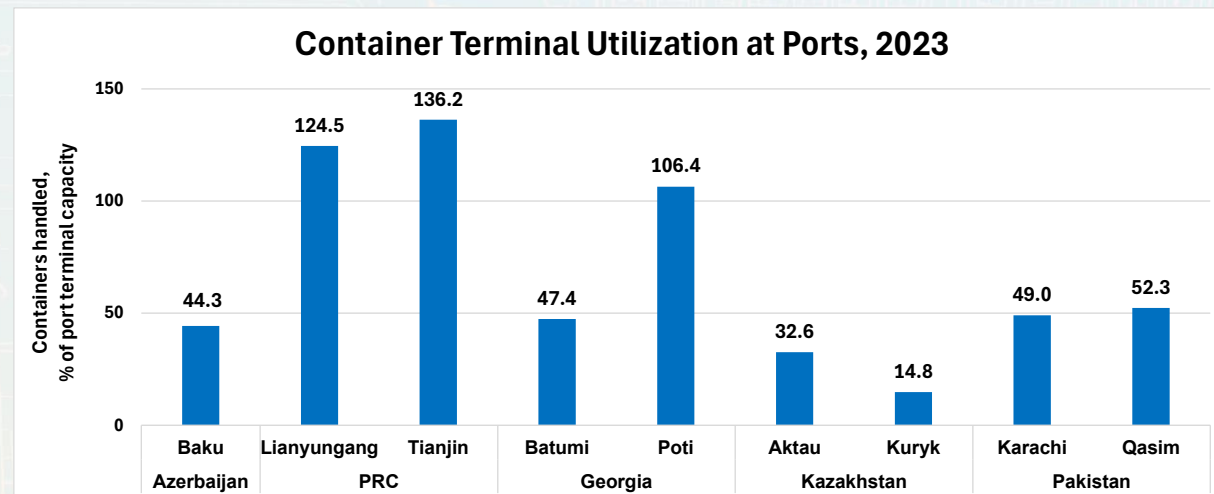
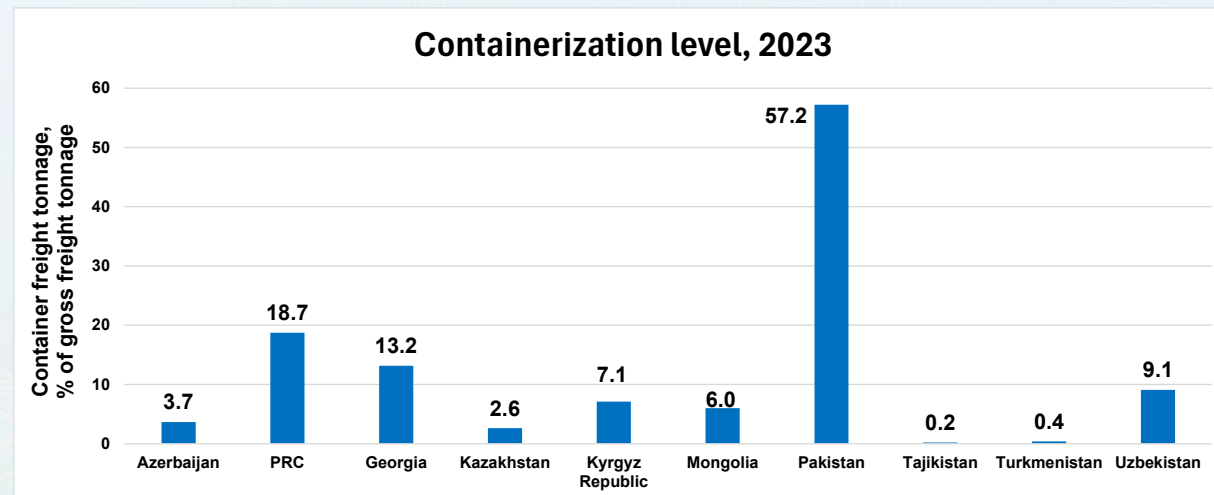
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Containerization in the CAREC Region: Developments and Recommendations

Presenter:
Mr. Roman Mogilevskii
Senior Regional Cooperation Economist
Central and West Asia Department
Asian Development Bank

Current Situation

- **Uneven level** of containerization - economies with seaports have achieved relatively high containerization levels
- Terminal **capacity** utilization was only 50% in 2023
- **Challenges** for adoption of containerization
 - ❖ low price-to-weight ratio for many goods transported in the region
 - ❖ asymmetric export and import flows operational constraints
 - ❖ border-crossing inefficiencies
 - ❖ lack of container-handling facilities and digital systems



Benefits and Limitations of Containerization in the CAREC Region

- Analysis of **four key CAREC corridors**: (i) Corridor 2 (trans-Caspian corridor), (ii) Corridor 4b (PRC–Mongolia), (iii) Corridors 5 and 6 (Pakistan–Central Asia), and (iv) Corridor 1 (PRC–Kazakhstan–Europe)
- Benefits:
 - ❖ less cargo handling during transshipment, pilferage and physical damage, standardization in customs procedures and trade documentation
 - ❖ improved border-crossing efficiency, amplified by investments in terminal operating systems, electronic data interchange,
 - ❖ modern yard equipment, use of dedicated container corridors and pre-clearance systems at key border-crossing points, harmonizing container tariffs and customs regimes
- Costs: container acquisition, terminal handling fees, empty backhaul repositioning, and long port dwell times
- To achieve wider container adoptions, governments and development partners must treat containerization not just as a logistics upgrade but as a regional trade facilitation strategy



Key Recommendations

• Infrastructure and Equipment

- ❖ increase container shipping capacity in the Caspian Sea
- ❖ equip ports with appropriate cranes, build container terminals
- ❖ increase the capacity of railways and roads leading to sea and dry ports

• Policies and Regulations

- ❖ produce unified tariffs for multimodal routes, reduce tariffs for empty containers
- ❖ simplify the rules for investments in container facilities
- ❖ adopt containerization strategies

• Digitalization

- ❖ implement an electronic data interchange between seaports, railway companies, vessel operators, freight forwarders, and shippers
- ❖ procure/modernize terminal, customs, and transshipment yards information systems





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Critical Materials in the CAREC Region: From Extraction to Value-Added Supply Chains

Presenter:

Mr. Roman Mogilevskii

Senior Regional Cooperation Economist
Central and West Asia Department
Asian Development Bank

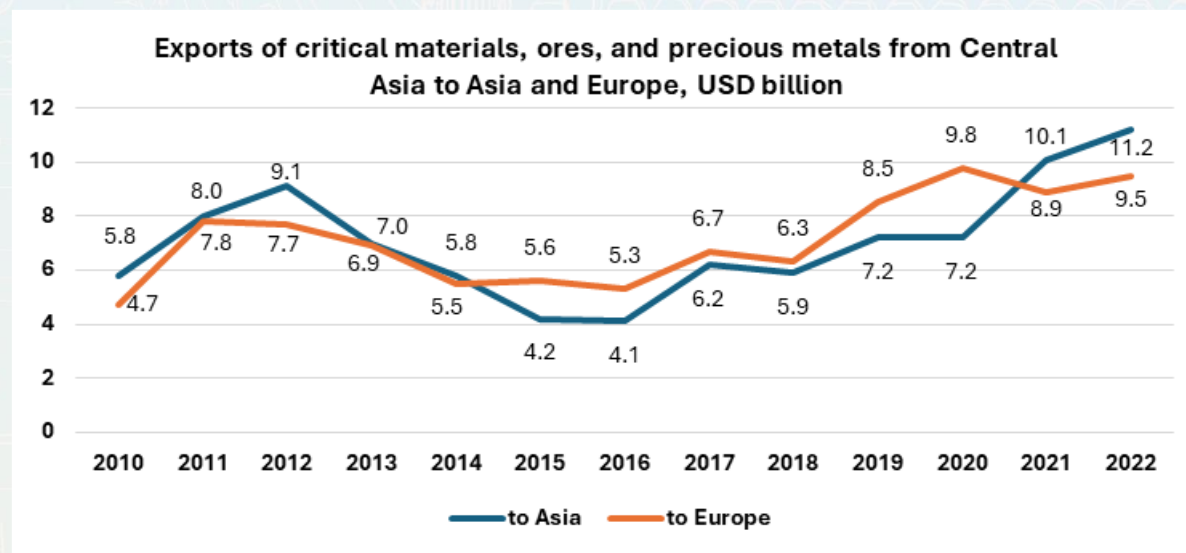
Demand for Critical Materials and Potential Supply from the CAREC region

- Due to transition to clean energy technologies, the global demand for critical materials is projected to increase tenfold in 2030-2050
- CAREC region is well endowed with these materials

Critical material	Azerbaijan	Georgia	Kazakhstan	Kyrgyz Republic	Mongolia	Pakistan	Tajikistan	Turkmenistan	Uzbekistan
Copper (Cu)									
Silver (Ag)									
Zinc (Zn)									
Aluminium/bauxite (Al)									
Iron ore (Fe)									
Lead (Pb)									
Tin (Sn)									
Lithium (Li)									
Cadmium (Cd)									
Selenium (refined) (Se)									
Tellurium (Te)									
Manganese (Mn)									
Molybdenum (Mo)									
Chromium (Cr)									
Titanium (Ti)									
Silicon (Si)									
Germanium (Ge)									
Gallium (Ga)									
Indium (In)									
Cobalt (Co)									
Nickel (Ni)									
Graphite (C)									

Production, Exports and Processing of Critical Materials in the Region

- ❖ Central Asia, Mongolia and other CAREC economies are major producers and exporters of critical materials and other minerals
- ❖ Kazakhstan and Uzbekistan are not only exporters, but also importers of these materials from neighboring economies
- ❖ Among 384 mining projects in Central Asia for 25 critical materials, 85% focus primarily on mining, extraction, and export
- ❖ Only 15% include elements of basic processing and smelting
- ❖ No major investment projects focus on advanced processing, recycling, or manufacturing of clean energy technologies or their components
- ❖ Kazakhstan, Mongolia, and Uzbekistan are among the region's leaders in developing regulatory frameworks for critical materials, yet notable governance gaps remain



Policy Recommendations

- Launch **regional industrial initiative** to localize the manufacturing of clean energy technologies or their components:
 - ❖ incentivize multi-country investments,
 - ❖ provide region-wide skilled labor education and mobility,
 - ❖ harmonize taxes and regulatory environment
- Establish a joint **CAREC Geological Survey**
- Establish a **mineral trust fund**, similar to the one set up by ASEAN member states
- Incentivize manufacturing of **clean energy technologies' components** based on domestic/regional refining of minerals
- Prioritize **niche markets** such as recycling of minerals in wind turbines, solar panels, and batteries
- Mobilize **supporting industries** – transport, banking, telecommunications, insurance – to service the mineral supply chains and manufacturing





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Carbon Credit Mechanism Development in CAREC

Presenter:
Mr. Virender Kumar Duggal (virtual)
Unit Head – Carbon Markets
Climate Change and Sustainable
Development Department (CCSD)
Asian Development Bank

Emerging landscape of International Carbon Markets

- Article 6 Rules finalized at COP 29 in Baku.
- Growing alignment of rules and integrity standards leading convergence of voluntary and compliance carbon markets.
- Over 100 bilateral agreements on Article 6.2 by mid-2025, including 31 Article 6 aligned Joint Crediting Mechanism.
- The voluntary carbon market is evolving toward greater transparency and integrity.

Growing Momentum in CAREC Countries

- **Strong interest in carbon markets:** High interest among CAREC member states to pursue carbon market opportunities.
- **Key challenges:** Lack of carbon market readiness, and issues with identifying and integrating carbon market opportunities into mitigation actions.
- **Opportunities:** Carbon markets can help CAREC member states in achieving their NDC targets cost-effectively, access and deploy low carbon technologies and solutions and foster regional cooperation.
- **Regional collaboration:** Carbon market development can facilitate and leverage Regional Collaboration through cross-border mitigation activities as well as shared learning and enhancing readiness, in line with the CAREC Climate Change Action Plan 2025–2027.

ADB's Regional Workshop on Scaling Carbon Markets for CAREC
Almaty - Oct 2025 and in Baku – Sep 2024

Support for CAREC Member States in Harnessing Carbon Finance

- ❖ Support CAREC member states in enhancing their readiness for the emerging carbon market opportunities under Article 6 of the Paris Agreement.
- ❖ Support ADB's project pipeline (2025–2027) to realize the potential to generate carbon credits and carbon finance through ADB's carbon fund(s).
- ❖ Capacity building trainings for state-owned enterprises and private sector entities for developing and managing carbon market projects.
- ❖ Provide technical support to ADB-funded projects for registration with UNFCCC/applicable standard(s).
- ❖ Integration of carbon finance in programming ADB's project pipeline.

Propose ADB's MOU among CAREC countries on Carbon Markets

Comprehensive support to optimize carbon market opportunities through **ADB's Carbon Market Program** including readiness and technical support by **Article 6 Support Facility** and carbon finance through ADB's carbon Funds - **Japan Fund for the Joint Crediting Mechanism** and the **Climate Action Catalyst Fund**.

Japan Fund for the Joint Crediting Mechanism

Carbon finance to incentivize deployment of advanced low-carbon technologies

- Provides financial incentive for deploying advanced low-carbon technologies in ADB-financed projects, under the Joint Crediting Mechanism, aligned with Article 6.2.
- Upfront finance
- Demand signal



\$137.3 million

- Ministry of the Environment, Japan
- Ministry of Foreign Affairs and Trade, New Zealand

Article 6 Support Facility

Technical and Capacity Building Support to enhance carbon market readiness and projects

- **Upstream:** National Strategies, Frameworks, Institutional Infrastructure for carbon markets
- **Midstream:** Pipeline of projects for carbon credits
- **Downstream:** Support development of carbon projects to generate carbon credits



\$8.8 million

- Federal Ministry for Economic Cooperation and Development, Germany

Climate Action Catalyst Fund

Carbon finance to support transformative mitigation actions

- Pre-purchase of carbon credits from ADB financed projects generating carbon credits under Article 6 of the Paris Agreement
- Long term fixed price contracts and upfront payments
- Price signal



\$77 million

- Swedish Energy Agency
- Norwegian Ministry of Climate and Environment

