

Statement by Mr. Hun Kim
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Thanks, VP Yang.

We thank the Kazakhstan Government and the Asian Development Bank for inviting the Asian Infrastructure Investment Bank to attend the 23rd CAREC Ministerial Conference.

AIIB is a close partner for CAREC. AIIB is among the few multilateral development banks that sets cross-border connectivity (CBC) as a key performance indicator in its corporate strategy. AIIB also commits to allocate at least 50 percent of its annual financing approvals as climate finance by 2025. AIIB's operations in CAREC members have seen rapid increase in recent years, covering sectors like transport, energy, urban, rural, water, public health and economic resilience.

The CAREC region demonstrates positive economic growth trend. Yet, it's important to acknowledge the challenges in the region's midterm growth outlook: geoeconomic uncertainty, economic diversity, and recurrent climate shocks. These challenges create new opportunities, such as investment needs in CAREC Corridor 2 to meet increased economic activities and value chain development. The region is also transforming to green and low-carbon growth path, with new investments in climate change mitigation and adaptation highly desired, and require joint actions from the CAREC member countries and development partners.

Given this, we highly value the important role of CAREC in promoting sustainable growth through pooling financial and knowledge resources in "Building a More Integrated and Resilient CAREC Region." On this note, I wish to quickly address the agenda items that are highly relevant to AIIB's priority areas.

First, we support the CAREC Climate Change Action Plan (CCAP) and the proposed actions. AIIB looks forward to joining hands with CAREC member countries and development partners in implementing the CCAP, through developing and implementing more regional projects with climate elements to generate tangible benefits for CAREC countries. AIIB's recent reorganization helps streamline AIIB's operations, including sectoral and thematic alignment, which will contribute to AIIB's climate financing and CBC operations.

To support reform efforts in the client countries, AIIB is developing a new instrument, Climate Focused Policy Based Financing (CPBF), to help create a conducive policy framework to tackling climate challenges in our client countries. AIIB is also scaling up private sector operations to address climate change. Projects include the Capital Sustainability Linked Financing Facility for Georgia; several wind and solar projects including the Asakabank Energy Efficiency and Renewables Facility for Uzbekistan; and a wind power project for Kazakhstan. We are also contributing to financing the Nurek Hydropower Rehabilitation and Rogun hydropower generation

projects in Tajikistan.

Second, we support the midterm review (MTR) of CAREC 2030 strategy. This is a timely exercise to review achievements and lessons to chart a more strategic direction going forward. The changing regional landscape requires a more tailored approaches in our engagement with the countries, leveraging more resources including private sector financing to develop and finance more regional projects to achieve tangible results in the ground. It is also important to increase the visibility of CAREC through strengthening country ownership and increase one-CAREC voice regionally and globally. Given this, we fully support the recommendations in the MTR.

Ladies and Gentlemen, the CAREC region is embracing new challenges and opportunities under a changing landscape. Joint actions and collective efforts are more critical than ever to address these challenges that concern all CAREC countries, to steer the region towards more sustainable growth path. In conclusion, I would like to reiterate AIIB's commitment as a close partner of CAREC. We look forward to working with CAREC countries and development partners in driving the CAREC region into a greener and more sustainable future.

Thank you very much.