

**Statement by Mr. Hüseyin Özhan**  
**Acting Managing Director, Central Asia**  
**European Bank for Reconstruction and Development (EBRD)**  
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- Thank you, Norbert for the Economic Outlook, which is showing generally positive dynamics in CAREC region.
- CAREC serves as a crucial economic platform uniting the countries of this strategically important region, and as a development institution, we are pleased to see the growing political integration and economic cooperation among CAREC nations.
- In my intervention I would like to focus on the regional connectivity and decarbonisation as focus points determining the Way Forward.
- From ancient times to today, cross-border transport connectivity has remained essential for successful integration and economic advancement - transport and trade infrastructure of Roman and Mongol Empires, the Silk Road are such examples. By providing access to larger regional and global markets, countries can diversify their economies, attract foreign investment, and drive GDP growth. The increased flow of goods, services, and people across borders spurs competition and innovation. Additionally, the expansion of vital infrastructure, such as roads, railways, and ports, supports industrialization and job creation, further bolstering economic resilience.
- Within the CAREC region, EBRD sees high strategic value in advancing the Middle Corridor initiative, a trade and transport route connecting East Asia to Europe, providing a more direct and stable link between these regions. This initiative is especially relevant amid evolving global logistics and geopolitical dynamics. In Central Asia, we have discussed several priority projects under this initiative with authorities, which may potentially be supported by EBRD following further review. We are considering such projects across all countries in Central Asia and Caucasus along the Middle Corridor.
- Furthermore, cross-border connectivity is essential for the energy sector, supporting energy security and sustainable growth. Integrated power systems, cross-border pipelines, and large-scale generation projects of regional importance are critical components of resilient infrastructure. Historically, Central Asia has operated as a unified energy system: Kazakhstan, with abundant fossil fuels, provided base generation capacity as well as Uzbekistan and Turkmenistan through gas-fired capacity; and Kyrgyz Republic and Tajikistan offered balancing with hydro resources. This makes cross-regional projects like the Kamar-Ata 1 HPP in Kyrgyz Republic and Rogun HPP in Tajikistan vital for the region via its water-energy nexus. Similarly important is the Transcaspian energy cable project currently being developed by Azerbaijan, Kazakhstan, and Uzbekistan. These three countries have historically been reliable suppliers of energy resources to Europe and have all the potential to keep this position now supplying green electrons.
- Decarbonisation of economies is a strategic transformation required in the CAREC region. On the daily basis we get the news of major climate anomalies around the world, and

CAREC region is being particularly vulnerable to the climate change. Decarbonisation is also an issue of long-term competitiveness of national economies. This process also opens opportunities – the new drivers of economic growth. Just a couple of months ago we signed one of our first green hydrogen pilot projects developed by ACWA in Uzbekistan. We all know about the large-scale green hydrogen initiative of Szevind in Kazakhstan.

- Finally, cross-border connectivity plays a pivotal role in enhancing political relationships and fostering institutional collaboration. It strengthens diplomatic ties, promotes regional cooperation, and reduces conflict potential. This cooperation leads to shared regulatory frameworks and institutions, advancing governance and policy alignment. In this spirit, EBRD is committed to supporting institutional dialogue at all levels. We are eager to contribute to further integration in Central Asia and the wider CAREC region through investment and policy dialogue.