



# CAREC 2030 Strategy: Midterm Review (MTR)

National Focal Points' Meeting  
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# CAREC 2030 Strategy



**Economic and  
Financial Stability**



**Trade, Tourism  
and Economic  
Corridors**



**Infrastructure and  
Economic  
Connectivity**



**Agriculture and  
Water**



**Human  
Development**

## Climate Change, Digital/ICT, Gender

- **\$51 billion** cumulative investment projects since 2001, of which,
  - **68%** transport, **25%** energy, **3%** trade facilitation sectors, slowly diversifying to new sectors
  - **29%** (**\$14.7 billion**) approved in **2018-2023** (since CAREC 2030 endorsement)
- **\$113 million** TAs approved in 2018-2023, 1/3 focusing on new or cross-cutting areas
- Substantially **increased activities and participants** since 2017.



# Context and Operating Environment

## CAREC 2030 Strategy Principles

- Aligning with national strategies and global agenda (SDGs and Paris Agreement)
- Deepening traditional sectors and selective expansion to new areas (dual track)
- Deepening policy dialogue: knowledge work, *project++* and 2+x approach
- Integrating the role of private sector and civil society
- Building an open and inclusive platform

## CAREC Program Evolution

- Membership: from 5 countries to 11 countries (comprising 1.7 billion people)
- Expanded coverage: from 3 sectors to 5 clusters [covering 9+ sectors] and 3 cross-cutting themes
- Broadened areas of cooperation: 8 sector committees or working groups (WG), 3 thematic WG or committees, and 7 subsector, ad hoc or expert groups
- Diverse country-specific circumstances and common challenges



# Context and Operating Environment

## Evolving Global and Regional Landscape and Emerging Challenges



Responding to  
diversity



Building resilience  
to future  
pandemics



Navigating  
geopolitical  
developments



Addressing climate  
change



# Key Achievements

## CAREC Program—a **multi-sector regional cooperation platform**—continued to:



Mobilize financing of investment projects—\$8 billion investments (2018-2023) in transport and energy infrastructure—boosting regional connectivity, promoting energy security



In line with the *project++ approach*, develop and share knowledge solutions, adopt best practices, and enhance capacities, including in project preparation



Undertake regional dialogues (e.g., high-level forums on economic and financial stability)



Facilitate and expand trade through continued support for WTO accession, customs cooperation, paperless trade, cross-border e-commerce, economic corridor development, tourism initiatives



Promote regional public goods esp. health security, climate change response, disaster risk management



Identify areas of regional cooperation in ICT/digital, agriculture, education and green skills development

***CAREC 2030 sectors and themes remain relevant and aligned with member countries' development objectives and there are opportunities to reinvigorate regional cooperation.***



# Operational and External Challenges

**Balancing ambition and resources** for each sector or theme to deepen interventions.

**Prioritizing implementation** to translate strategies into action.

**Sustaining momentum** to promote regional ownership, stakeholders' engagement, and timely implementation of projects or initiatives.

**Securing resources** to continue technical assistance in CAREC sector work.

Engaging more with regional partners and stakeholders amid the **remoteness of the CAREC Secretariat**.

Creating synergies amid **crowded landscape** with the proliferation of regional cooperation initiatives in the region—many with overlapping countries, sectors, and partners.



# MTR Recommendations

## 1. Streamline Scope for Enhancing Impact of CAREC Initiatives

- Adopt a more targeted approach through needs assessments at varying levels
- Establish a multi-year rolling pipeline for regional programs, projects, and technical assistance, that are demand-driven and linked with country programming
- Undertake assessments and direct resources to projects with highest impacts and benefits.
- Optimize resource allocation through subregional cooperation (2+x principle), and cross-sectoral initiatives for greater specialization and in-depth engagement.

## 2. Review and Recalibrate Sectoral Strategies

- Conduct Midterm Review of sector strategies to make them responsive to emerging needs and requirements (*CAREC Transport Strategy 2030, CAREC Energy Strategy 2030, CAREC Integrated Trade Agenda 2030, CAREC Digital Strategy 2030*).



# MTR Recommendations

## 3. Pursue Regional Public Goods (RPGs) to Address Common Issues

- Provide RPGs in communicable diseases, environmental sustainability, and climate change, water resources management, and sustainable energy transition
- Develop a multi-hazard early warning system for detecting, forecasting, and communicating multiple hazards, both natural and man-made
- Optimize resource allocation and expand economic dividends across borders through cross-border sustainable energy projects and transboundary water management systems.

## 4. Reinvigorate Regional Ownership for Sustaining Outcomes

- Engage all country stakeholders to foster ownership and sustainability of TA and projects.
- Tailor the program to address each country's unique needs, priorities, and capacities
- Promote transparent and open communication among regional stakeholders and between the CAREC Secretariat and country stakeholders
- Tell impact stories and tangible benefits, highlighting impact to beneficiaries on alignment of national interests with regional goals
- Increase stakeholders' engagement (business, civil society organizations, local communities).





# MTR Recommendations

## 5. Promote Integrated and Climate-Smart Development

- Integrate CAREC climate change, digitalization, and trade initiatives to accelerate economic growth and diminish carbon footprints; align with similar and global initiatives
- Enhance capacity and coordination among relevant sector institutions to mainstream climate change actions across CAREC sectors, e.g., water-energy-agriculture nexus or a "One-Health" approach
- Promote innovative and green finance initiatives to mobilize investments for renewable energy, energy efficiency, climate-smart agriculture, regional disaster risk transfer solutions leveraging international reinsurance and capital markets, and sustainable urban development.

## 6. Strengthen Engagement with Development Partners and Private Sector

- Involve CAREC DPs—including via multi-DP teams—in the proposed multi-year project pipeline and climate action plan, impact assessment of projects, robust project monitoring, and evaluation framework.
- Explore innovative financing options to support critical regional infrastructure projects
- Leverage private sector expertise and investment through Public-Private Partnerships.



# MTR Recommendations

## 7. Improve Program Effectiveness and Monitoring

- Develop a real-time operational dashboard to track project progress, monitor key performance indicators (KPIs), improve transparency, and inform evidence-based decision-making
- Conduct cost-benefit analyses of potential projects and timely evaluations
- Improve the CAREC website and make communication products available in local languages
- Facilitate knowledge exchange programs and develop communities of practice for regional experts to collaborate and share best practices in partnership with the CAREC Institute.

## 8. Strengthen the CAREC Secretariat

- Optimize the utilization of existing staff and acquire new skills and resources in the CAREC Secretariat, including RCCs and Advisors to NFPs
- Engage with CAREC country directors, country programming teams, and sector experts to integrate CAREC/RCI activities in national activities and pursue regional projects
- Strengthen field presence to enhance regional collaboration, bridge the distance from regional partners, and address the program's expanding roles and needs.
- Consider joint financing modalities with other development partners and stakeholders.



# MTR Recommendations

## 9. Enhance CAREC Institute's role as a Strategic Partner for Knowledge-Driven Development

- Overcome organizational challenges by improving the recruitment and selection processes of CI's management and adopting global standards on HR practices
- Strengthen the CAREC Institute's role as a critical partner in fostering regional economic cooperation, leveraging its established expertise in research, capacity building, and knowledge sharing
- Build on the Institute's strengths and integrate its role, particularly in implementing the CAREC Climate Change Action Plan, to identify potential knowledge and capacity-building requirements for seamless implementation and devise operational plans to bridge the gap.

## 10. Prepare the Midterm Review Implementation Action Plan

- Prepare a comprehensive action plan with defined timelines, deliverables, and accountabilities to implement the recommendations outlined in the MTR.



# Towards CAREC 2030 and beyond

Prioritizing country driven strategies, strengthening partnerships, adopting robust monitoring and evaluation, and pursuing regional impact and innovation will help build a more prosperous, integrated and resilient future for the CAREC region.

