



23rd CAREC MINISTERIAL CONFERENCE
7–8 NOVEMBER 2024, ASTANA, KAZAKHSTAN



23-Я МИНИСТЕРСКАЯ КОНФЕРЕНЦИЯ ЦАРЭС
7–8 НОЯБРЯ 2024 Г., АСТАНА, КАЗАХСТАН



CAREC 2030 Strategy: Midterm Review (MTR)

23rd CAREC Ministerial Conference
8 November 2024

ADB



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, and 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**: 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 more 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

- Engage with ADB RMs in CAREC countries, 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.
- Develop new skills and resources in the CAREC Secretariat, including RCCs and Advisors to NFPs
- 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 activities, pursuing regional impact and innovation, strengthening partnerships, and adopting robust monitoring and evaluation will help build a more prosperous, integrated and resilient future for the CAREC region.

