



## CENTRAL ASIA REGIONAL ECONOMIC COOPERATION (CAREC) PROGRAM DEVELOPMENT PARTNERS' RETREAT

21 November 2025, Bishkek

### SUMMARY OF DISCUSSIONS

#### I. Introduction

1. The Central Asia Regional Economic Cooperation (CAREC) Development Partners (DPs)' Retreat was held on 21 November 2025, at the sidelines of the 24<sup>th</sup> CAREC Ministerial Conference in Bishkek. Representatives from 12 CAREC DPs participated.<sup>1</sup> Ms. Leah Gutierrez, Director General, Central and West Asia Department (CWRD), Asian Development Bank (ADB), welcomed the participants and chaired the meeting. In her opening remarks, Ms. Gutierrez underscored the importance of pooling resources among DPs to build a robust regional project pipeline, improve monitoring and evaluation, and enhance information-sharing and knowledge coordination, as well as mobilize resources to advance CAREC's regional agenda.
2. The main objective of the retreat was to present and discuss a framework for CAREC DPs' collaboration on pipeline development, cofinancing, project monitoring and evaluation, and project impact assessments. The retreat also sought to explore areas for non-financial cooperation, including joint knowledge products and CAREC-related events for 2026, improved information-sharing procedures, and the possibility of leading/co-leading work in selected sectors based on DPs' comparative advantage.

#### II. Highlights of Discussion

3. Ms. Lyaziza Sabyrova, Regional Head, Regional Cooperation and Integration, CWRD, ADB provided an overview of DPs' engagement in the CAREC Program since its inception in 2001, noting its evolution from six partners to an open and inclusive platform under the CAREC 2030 strategy. She highlighted the critical role of DPs in financing and co-financing regional projects, contributing technical expertise, and participating in policy dialogues and sectoral work. Ms. Carmen Garcia Perez, Regional Cooperation Specialist, CWRD, ADB presented the items for discussion in the meeting, including the findings of the CAREC 2030 midterm review and the implementation action plan, which call for enhanced DPs involvement through joint project development, improved information sharing, and active leadership in sectoral initiatives.<sup>2</sup>

#### A. CAREC Project Classification Methodology, Reporting and Pipeline Development

4. **Asian Infrastructure Investment Bank (AIIB)** noted that regional cooperation is fully integrated in its corporate strategy, with a target of 25-30% for approved cross-border connectivity projects by 2030. AIIB's engagement at early stages of project development is constrained by limited concessional financing resources (currently a special fund window and a project

<sup>1</sup> The [agenda](#) and [list of participants](#) are uploaded in the CAREC Development Partners' retreat event page.

<sup>2</sup> See [presentation](#).

preparation special fund, available only for IDA eligible countries such as Tajikistan, the Kyrgyz Republic and Uzbekistan). As an implementing partner of the Multilateral Cooperation Center for Development Finance (MCDF), AIIB can access technical assistance for regional connectivity projects (e.g., the Caspian Green Energy Corridor).

5. AIIB noted that the CAREC project classification methodology is aligned with their own methodology, noting that most projects are single-country projects. With regards to the regional pipeline, AIIB suggested starting with each country's pipeline and identifying regional components. AIIB highlighted the need to coordinate with the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) for non-sovereign projects that contribute to regional cooperation. AIIB also noted that Türkiye and Eastern Europe are important to CAREC corridor integration from a regional perspective, and further engagement with these countries could be considered in the future.

6. **Islamic Development Bank (IsDB)** noted that its Regional Cooperation and Integration Unit is already working with ADB on CAREC-related trade initiatives. IsDB expressed interest in joining other sectoral working groups, particularly on the CAREC digital corridor initiative. In terms of portfolio monitoring and reporting, IsDB suggested to make the proposed CAREC project dashboard more interactive, allowing DPs to input information on projects. Based on the proposed CAREC project classification methodology, the M6 Motorway Project in Pakistan recently approved could be included in the CAREC-related portfolio. IsDB has committed \$475 million for this, but there is still a financing gap of \$650 million, which could be something that CAREC DPs can jointly work on.

7. **World Bank** provided several suggestions for the proposed classification methodology, including: (i) removing the criterion of being tagged as regional cooperation project under DPs' own methodology as a must;<sup>3</sup> (ii) specifying what stage of the project cycle is used for the CAREC-related portfolio (i.e., the methodology mentions committed / signed but, for the World Bank, approved projects are defined as committed, with signing and effectiveness being different steps); and (iii) providing more information on how financing / cofinancing from non-core CAREC DPs is accounted for in the CAREC portfolio (e.g., Abu Dhabi Fund and several Arab funds for Rogun). World Bank also mentioned that it would be difficult for the current focal to collect information from other departments that cover other CAREC countries beyond Central Asia since they are distributed under three Vice Presidencies, and suggested the Secretariat to reach out to the specific country offices instead.

8. World Bank has funds to support project preparation, such as the Grant Facility for Project Preparation and, specifically for regional projects, the Global and Regional Opportunities Window (GROW) for IDA-eligible countries. Coordination on regional pipeline projects is straightforward as long as projects are driven by countries' demand (e.g., Rogun), but it becomes challenging when projects are questionable or pushed by DPs. World Bank is currently using a multiphased programmatic approach (MPA), whereby projects are scoped for several years in coordination with the countries, Phase 1 is appraised and ready for implementation, and potential investments for succeeding phases already identified, which makes it easier to coordinate cofinancing.<sup>4</sup> MPAs also have a regional component financed by grants, usually focused on institutional coordination

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<sup>3</sup> For a project to be tagged as regional, World Bank classification requires at least two countries actively borrowing. There are several projects both in the portfolio and the pipeline not tagged as regional cooperation but that contribute to the CAREC agenda (e.g., Kazakhstan's Transport Resilience and Connectivity Enhancement Project).

<sup>4</sup> World Bank has five MPAs in the CAREC region approved in 2025 or pending approval in 2026: One Health Pandemics Prevention, Water Efficiency and Conservation, Regional Electricity Market, Interconnection and Trade Program (REMIT), Transforming Rail and Connectivity in Kazakhstan, and Kambarata-1 HPP.

and implemented by regional groups. These MPAs (and a similar programmatic approach from other DPs can be used as a basis to coordinate on regional pipeline projects.

9. World Bank commended the CAREC program's unique role, being broader in scope than Central Asia, and providing a platform for continuous discussions across sectors supported by tangible projects. At the same time, there is a need to report on the outcomes achieved through CAREC-related projects (i.e., how many kilometers of roads built, how many border crossing points improved, etc.). World Bank has an AI-based assessment tool called ScoreSight that allows any project to be assessed against results indicators, and this tool could be used to assess the impact of CAREC-related projects from the World Bank. Lastly, on private sector engagement, World Bank noted that future engagement of IFC in the CAREC Program would need to be discussed and agreed at the senior level.

10. **Multilateral Cooperation Center for Development Finance (MCDF)**, noted that it is a young trust fund with the mandate to promote high-quality connectivity infrastructure investment through partnerships. It supports knowledge sharing by working with 14 IFIs, and provides grant financing through accredited Implementing Partners. It can specifically contribute to the CAREC Program through upstream support for project preparation of quality connectivity infrastructure projects. Up to now, 5 grants totaling \$4.4 million have been approved for project preparation in CAREC countries, which is to leverage infrastructure investment of \$1 billion. It will be good if more grants can be used for project preparations in CAREC countries. Participation from CAREC countries in MCDF's knowledge sharing events (some of them in collaboration with CAREC Institute) is higher. MCDF also shared its recent experience in compiling information on IFIs' cross-border connectivity projects for its [Connectivity Infrastructure Report Series](#), supported by IFIs such as ADB, AIIB, World Bank, IsDB, and EBRD. In the classification methodology, MCDF suggested that (i) single country projects with benefits that extend to other countries such as airport projects or export processing zone development, should be considered; and (ii) projects that support connectivity with non-CAREC countries could also be included.

11. **Foreign, Commonwealth and Development Office (FCDO)** noted that regional cooperation in Central Asia is a priority for the UK, and FCDO is currently working with World Bank on regional initiatives such as CASA-1000, Kambarata, and the Central Asia Water and Energy Program (CAWEP). FCDO has a climate window and is currently looking for opportunities to support regional integration initiatives. There is also a regional governance window, which presents an opportunity to engage in areas such as digital corridors, border crossing points, and environmental, social and governance (ESG) standards around regional infrastructure projects. FCDO also informed that multiyear financing will resume in 2026 and information on funds for the next three to four years may be available.

12. **United Nations Development Programme (UNDP)** noted that they have a portfolio of of multicountry projects in the region<sup>5</sup> supporting policy work and project implementation, and expressed readiness to collaborate on upstream work relevant to project preparation with other CAREC DPs. UNDP also emphasized the need for multisector coordination for some workstreams (e.g., climate change), and expressed interest to join and actively participate in various CAREC working groups, such as health and climate.

13. **Agence Française de Développement (AFD)** informed about its recent expansion of operations to Kazakhstan and Mongolia, which makes collaboration under the CAREC Program

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<sup>5</sup> This refers to Europe, Caucasus and Central Asia.

more important. Current regional projects include digital connectivity, the Transcaspian corridor, and a business facilitation initiative with GIZ. AFD is also active in energy, agriculture, and water and sanitation in Uzbekistan. AFD expressed readiness to collaborate with other CAREC DPs on regional issues.

14. **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** noted that they only provide support through technical assistance and not investment projects. GIZ is already coordinating with CAREC for trade facilitation initiatives in Central Asia. GIZ also suggested to further coordinate with the EU, as the process is ongoing to set up a Transcaspian Transport Corridor Secretariat, and this should be coordinated with CAREC's work on Corridor 2, which largely coincides with the Middle Corridor.

15. **Eurasian Fund for Stabilization and Development (EFSD)** supports CAREC countries' macroeconomic stability through surveillance, technical assistance, budget support, and sovereign financing for key infrastructure. In the context of discussion on Türkiye participation in CAREC initiatives, EFSD also noted that consideration of Armenia could be beneficial, taking into account its role in connectivity projects. EFSD has a sovereign financing database compiling projects from other DPs, which could be helpful for gathering information on CAREC-related projects. EFSD noted that technical assistance projects could also be included in the CAREC portfolio. EFSD signified interest in actively contributing to the EFS cluster, together with the IMF and ADB, as well as joining other sectoral working groups such as health and education.

## B. Information Sharing and Joint Knowledge Initiatives

16. **Regional Environmental Centre for Central Asia (CAREC Eco)** briefed participants on the [Regional Climate Change Adaptation Strategy for Central Asia](#), a framework document formulated and approved by the five Central Asian countries in 2024 with support from GIZ and Green Central Asia. CAREC Eco also noted that the Central Asia Climate Change Conference will take place in Astana in April 2026 and suggested that a CAREC session could be organized as part of this event to feature ADB's Glaciers to Farms Regional Programme or other regional climate adaptation initiatives.

17. DPs agreed that there is a significant amount of parallel activities and knowledge work being conducted at the moment and there is potential to increase coordination on this area to avoid duplication and optimize resources. Specific regional knowledge products can be discussed during working group meetings, ensuring that there is a linkage between the upstream work and potential regional pipeline projects. On knowledge initiatives, AIIB and IsDB noted that they are collaborating with the CAREC Institute for the Tianshan Development Forum in December 2025.

18. AIIB also suggested that, for CAREC's 25th anniversary in 2026, a brief dossier on how DPs have contributed to the CAREC Program could be prepared. EFSD also informed of an ongoing regional research on labor markets to be presented at their first annual research conference tentatively scheduled for the third quarter of 2026 in Astana. UNDP mentioned that Türkiye will be hosting COP31 in November next year and there is opportunity to start planning for a CAREC session there. World Bank suggested to coordinate with [Team Europe](#) Secretariat for knowledge and regional events on water, energy and climate change initiatives in Central Asia.

19. Lastly, ADB presented two upcoming CAREC initiatives and invited interested DPs to participate. These include: (i) the Borders Upgrade for Integration, Logistics and Development (BUILD) Facility, a regional financing facility planned for approval in 2026 that will allow to prepare

border crossing points (BCP) projects in a more streamlined way; and (ii) the CAREC Trade and Investment Facilitation Partnership (CARTIF), a voluntary, flexible regional framework aimed at boosting trade and investment by reducing barriers, promoting regulatory cooperation, and supporting economic integration among member countries.

### **III. Conclusion and Next Steps**

20. The CAREC Secretariat thanked all participants and welcomed the comments and suggestions to the CAREC project classification methodology and the CAREC project dashboard. The Secretariat noted the interest from DPs' in playing a more active role and participating in various sectoral working groups and acknowledged the need to better integrate long-term strategic planning for regional projects into sectoral working group discussions.

21. The Secretariat will (i) revised the CAREC Project Classification Methodology based on feedback received and share the updated version with DPs; (ii) compile and validate the list of ongoing projects from each DP to ensure accuracy of the CAREC-related portfolio; (iii) circulate the list of existing sectoral working groups and committees to confirm DPs' interest in participation; (iv) coordinate with CAREC sector focal points to integrate discussions on regional pipeline projects into working group agendas; and (v) provide DPs with the CAREC calendar of 2026 activities to seek synergies and avoid duplication of regional events.