



FORGING LINKS, DRIVING IMPACTS

CAREC and THE PEOPLE'S REPUBLIC OF CHINA



WHAT IS THE CAREC PROGRAM?

The Central Asia Regional Economic Cooperation (CAREC) Program brings together 11 countries^a and multiple development partners to accelerate economic growth and reduce poverty. It is guided by the overarching vision of Good Neighbors, Good Partners, and Good Prospects. The Asian Development Bank (ADB) serves as the CAREC Secretariat.

For more than 2 decades, the program has been a unique platform helping develop and implement regional projects, support policy reforms, and pilot multisector initiatives critical to sustainable economic growth.

From 2001 to 2024, CAREC mobilized \$52.5^b billion in investments with a focus on establishing multimodal transport networks, increasing energy trade and security, facilitating the safer movement of people and goods, and developing economic corridors.

CAREC 2030 Strategy is the long-term strategic framework for the program, anchored in a mission to connect people, policies, and projects for shared and sustainable development. Through practical, action-oriented projects and a collaborative approach, the program fosters inclusive economic growth and yields tangible economic benefits for its member countries and their people.

- ^a ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021 and has been supporting the Afghan people through a special financing arrangement with the United Nations since 2022.
- ^b “\$” refers to United States dollars.



CAREC AND THE PEOPLE'S REPUBLIC OF CHINA

A member of the CAREC Program since 1997, the People's Republic of China (PRC) pushes for greater connectivity to drive growth and reduce poverty in Eurasia's vast landlocked interior. CAREC's evolution has accompanied the PRC's own efforts to contribute to investment and growth in the region.

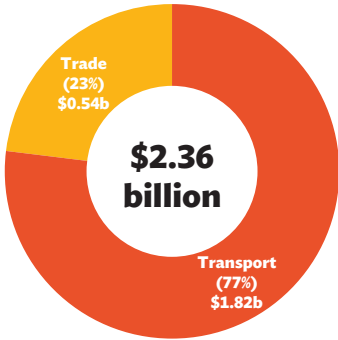
More and more cargo shipments from CAREC partners are reaching the PRC through the northern and western borders of its Inner Mongolia Autonomous Region (IMAR) and the Xinjiang Uygur Autonomous Region (XUAR). The government is channeling significant investments into these strategic regions, which are set to boost connectivity and economic benefits for Central Asia and beyond.

XUAR links seamlessly to Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan via CAREC Corridor 5, while IMAR connects to Mongolia and the Russian Federation through CAREC Corridor 4. These vital transit routes are potential economic corridors, now handling an ever-growing share of international trade.

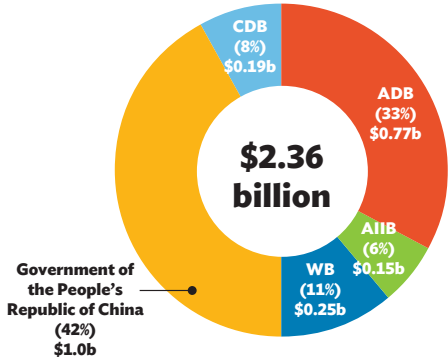


CUMULATIVE INVESTMENTS

As of the end of 2024, roughly \$2.36 billion has been invested in seven CAREC-related projects, mostly in IMAR and XUAR. Of these investments, about \$1.82 billion (77%) is allocated to six transport projects. ADB financed or cofinanced three of them.



Investment by Sector



Investment by Funding Source

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, CDB = China Development Bank, WB = World Bank.



INNER MONGOLIA

SUSTAINABLE CROSS-BORDER DEVELOPMENT INVESTMENT PROGRAM

ADB approved a \$420 million program in 2020 aimed to drive sustainable development and regional cooperation between Inner Mongolia and Mongolia. The program will promote sustainable development and regional cooperation across five border-crossing point communities.

The first tranche of the program is being implemented in Erenhot and Mandula.

- A new smart port with one-stop inspection system is being established at Erenhot port for operation in 2027.
- A new logistics park with international logistics parking service area and improved transit systems are being constructed at Mandula port for operation in 2027.
- The PRC–Mongolia International Hospital in Erenhot received the upgraded equipment and its more than 200 medical staff received trainings to improve professional skills, which enabled the hospital to provide enhanced health-care services to the patients, including more than 1,500 Mongolian patients since 2023.
- 35.5-hectare protective forest strips were established to mitigate sandstorms and enhance living conditions in the Erenhot–Zamyn Uud economic cooperation zone.
- Smart waste collection systems and intelligent cloud platforms are being implemented to bolster sanitation.
- The project provided more than 870 jobs and will provide additional 1,500 job opportunities in Erenhot and Mandula ports during the project operation phase.
- A total of 380 government officials, including 40% women, benefit from the capacity building programs and improved their skills and knowledge on regional cooperation and services, project management, safeguards, and gender equality.

Source: ADB. 2020. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to the People's Republic of China for the Inner Mongolia Sustainable Cross-Border Development Investment Program.*



SOUTH-SOUTH COOPERATION AND KNOWLEDGE SHARING

The PRC supports regional cooperation by sharing its development experience with CAREC members. Through the ADB–PRC Regional Knowledge Sharing Initiative (RKSII) and the CAREC Institute, it co-leads studies and capacity building that generate solutions to shared challenges.

Collaboration between RKSII and the CAREC Institute has yielded strong results, including 7 years of support for the CAREC Think Tank Development Forum. The event brings together thought leaders, experts, government and business leaders, and partners from across the region for open discussions on policy challenges and shared solutions. CAREC Insights, a video series, shares participants' perspectives.

In September 2024, the CAREC Seminar on AI in Digital Trade took place alongside the 3rd Global Digital Trade Expo. Side events—networking, site visits, and the Silk Road e-Commerce Forum—fostered collaboration, digital innovation, and PRC–CAREC ties

On 20 May–1 June 2024, RKSII, the CAREC Institute, and Zhejiang University hosted the CAREC–PRC and ASEAN–PRC Digital Economy Workshop in Hangzhou, drawing 37 participants. The workshop aimed to help members harness the digital economy for inclusive economic growth and regional competitiveness.





In November 2023, ADB, the Ministry of Commerce, and local partners hosted CAREC Innovation Week during the 2nd Global Digital Trade Expo. More than 50 CAREC officials and industry leaders explored the PRC's cross-border e-commerce, building regional ties.

In August 2023, the Ministry of Commerce, CAREC, and ADB's Private Sector Operations Department and Office of the General Counsel gathered more than 50 government and private sector participants in Beijing to explore the United Nations Commission on International Trade Law's Model Law on Electronic Transferable Records. The event followed a December 2022 webinar and a July 2023 session led by the International Chamber of Commerce.

In 2022, RKSI and the CAREC Institute organized an 18-week online training course on cross-border e-commerce, benefiting about 2,000 people, including technical and vocational education and training students from CAREC countries.

RKSI has developed a range of knowledge products on CAREC. One example is the video *Trade Facilitation in CAREC: A 10-Year CPMM Perspective*, created for an event to showcase the CAREC Corridor Performance Measurement and Monitoring (CPMM) initiative. Later published on [ADB.org](https://www.adb.org), the video highlights major trade challenges in the region that call for further action.

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For more information visit
www.carecprogram.org

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