25TH CAREC MINISTERIAL CONFERENCE

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Digital Corridor: Connecting Region Expanding Opportunities



Presenter

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CAREC DIGITAL CORRIDOR

A Regional Response to Central Asia's Connectivity Gap

The CAREC Digital Corridor connects landlocked countries to global submarine cables through diversified cross-border digital routes and infrastructure.

1 Predominantly Landlocked Region

Most CAREC members have no direct sea access, raising the cost and risk of global connectivity.

2 International Connectivity Gap

Reliance on limited transit routes leaves countries exposed to outages and pricing power of single gateways.

3 Growing Digital Demand

Rising data, cloud, and AI usage is outpacing existing cross-border bandwidth and route diversity.



- Pakistan proposed the initiative at the NFP Meeting in early 2025
- Scoping Study conducted in 2025
- MOU signed by 6 CAREC countries at the Ministerial Conference, Kyrgyz Republic, 2025
- Feasibility Study conducted in 2026

Primary Beneficiaries: Feasibility Study conducted for 10 CAREC countries

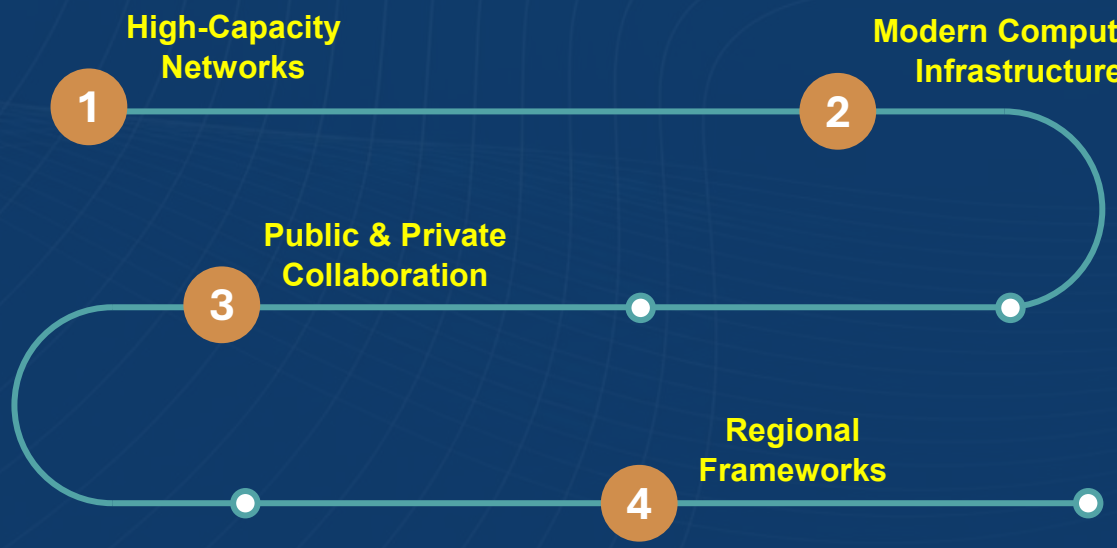
CAREC Digital Corridor promotes cross-border digital connectivity, stronger regional cooperation, and more inclusive access, helping reduce the digital divide across CAREC.

DIGITAL INFRASTRUCTURE

What Are Regional Digital Corridors?

A digital corridor is an integrated cross-border digital ecosystem that combines high-capacity, resilient international connectivity with supportive policies and frameworks.

KEY ASPECTS WHEN DESIGNING DIGITAL CORRIDORS



Corridors succeed when infrastructure, technology, and governance are designed together, not in isolation.

IMPACT SEEN IN OTHER MARKETS

Lower Broadband Prices

More routes and local exchange points strengthen competition.

More Affordable Services

Lower delivery costs support broader adoption.

Digital Adoption

More people and institutions gain access, unlocking broader economic and social benefit.

IMPACT & OUTCOMES

Positive Impacts of Investing in Digital Corridors

Investments in digital corridors accelerate regional digitalization and unlock a wide range of economic and social benefits.

IMPACTS MEASURED IN OTHER DIGITAL INFRASTRUCTURE PROJECTS

1.4%

UP TO 1.4% OF GDP GROWTH

Associated with every 10% increase in broadband penetration.

World Bank, Measuring Impact



UP TO 13.2% HIGHER EMPLOYMENT PROBABILITY

Associated with access to fast and reliable digital connectivity.

World Bank, Measuring Impact



UP TO 40% INCREASED PRODUCTION

Attributed to digitalization in productive sectors.

GSMA, Landscaping the Agritech Ecosystem in LAC Region



19% ANNUAL INCREASE IN DIGITAL ACCESS TO EDUCATION

Globally.

GSMA

VALUE PROPOSITION

The Value Proposition of CAREC's Digital Corridor

The CAREC Digital Corridor strengthens regional connectivity, enabling all countries to capture the benefits of digitalization.



- **ONE REGIONAL ECOSYSTEM**

  Each country contributes with new projects, infrastructure, and capabilities.

- **DIVERSE GLOBAL ACCESS**

  Alternative international routes expand regional reach and strengthen resilience.

- **SHARED REGIONAL VALUE**

  More affordable, higher-quality digital services and an attractive environment for investment.

EVERY LINK MATTERS.
EVERY COUNTRY GAINS.

Azerbaijan • People's Republic of China • Georgia • Kazakhstan • Kyrgyz Republic • Mongolia • Pakistan • Tajikistan • Turkmenistan • Uzbekistan

COUNTRY SPOTLIGHT

Pakistan's Role Within the CAREC Corridor

Pakistan can complement regional connectivity by providing an additional pathway to global digital hubs, strengthening capacity, resilience, and access to digital services.



1 **Global Access**

Connect CAREC economies to international submarine capacity.

2 **Route Resilience**

Diversified routes improve resilience and make digital services affordable.

3 **Digital Scale**

Enable cloud, AI, and cross-border services across the region.

4 **Regulatory Best Practices**

Share Pakistan's cybersecurity practices with CAREC countries

PROGRESS UPDATE

CAREC Digital Corridor Progress

Through the collection of stakeholder feedback, the CAREC Digital Corridor moves to consolidate and prioritize its initiatives.

FOUNDATION COMPLETE

2 Phases Completed

The prefeasibility study and country feedback now anchor the portfolio.

DELIVERY PREPARATION

2 Phases in Progress

Priorities and delivery requirements are being shaped for investment.

01 — **ASSESS**

Prefeasibility study to assess the current situation

COMPLETED 07/2026

02 — **VALIDATE**

Stakeholder workshop for validation & feedback

COMPLETED 08/2026

03 — **CONSOLIDATE**

Initiative portfolio consolidation & prioritization

IN PROGRESS

04 — **EXECUTE**

Investment decision & project execution

NEXT STEP

CONSULTATION RECORD

Stakeholders Feedback

Aligning public and private interest with a regional vision, delegates and regulators shaped the corridor's next steps.

ISLAMABAD WORKSHOP

29–30 July 2026

8 **CAREC Country Delegations**

Represented by Government Officials, Regulators, and Telecom Operators

01 Ministry of Digital Development and Transport of Azerbaijan

02 Telecommunications, Information and Modern Technologies Department for Georgia

03 Ministry of Artificial Intelligence and Digital Development of the Republic of Kazakhstan

04 Ministry of Digital Development and Innovative Technologies of Kyrgyz Republic

05 Ministry of Digital Development, Innovation and Communications of Mongolia

06 Ministry of Information Technology and Telecommunication from Pakistan

07 Agency of Innovation and Digital Technologies of Tajikistan

08 Ministry of Communications of Turkmenistan

CAREC consultation record, July 2026.

TECHNICAL AND POLICY DIALOGUE RELATED TO INITIATIVES

- Cross-border routes and infrastructure needed
- Data centres and their investment priorities
- IXPs and models to improve infrastructure usage
- Regulatory cooperation to improve frameworks

PROGRAM STRUCTURE

4 Pillars of CAREC Digital Corridor

Each pillar anchors a distinct set of initiatives, from physical connectivity to the regional frameworks that sustain it.

01

CONNECT

International and National connectivity

- Strengthen international connections between countries and other regions
- Greater capacity & resilience

02

COMPUTE

Data Centers, Data Hubs & Data Embassies

- More regional capacity through national Data Centers and AI readiness
- Greater autonomy & service improvements

03

EXCHANGE

IXPs and Federations

- More regional exchange traffic
- Stronger collaboration between stakeholders

04

ENABLE

Policy, Governance & Soft Infrastructure

- Trusted services and regional framework
- Effective markets

01- CONNECT

International & National Connectivity

New high-capacity terrestrial infrastructure and deployment of submarine cable systems.

10 Regional INITIATIVES

210 - 330 Million USD CAPEX Regional Initiatives

EXAMPLE INITIATIVE

National Backbone Capacity Upgrades

Deployment of backbone capacity upgrades and redundancy reinforcements across critical CAREC corridor segments to eliminate single points of failure, improve service continuity, and strengthen the resilience of regional and international traffic flows.

Expected Regional Impact under this initiative

12
New international connections

+3,000
Kilometres of terrestrial fibre to be deployed

6
Submarine cables to be deployed

These figures represent an aggregated regional view, building on the national-level initiatives previously identified across participating countries.

02- COMPUTE

Data Centers, Data Hubs & Data Embassies

New modern data centers for digital and AI adoption Collaboration frameworks to establish strong regional compute

8 Regional INITIATIVES

1.5 - 2 Billion USD CAPEX Regional Initiatives

EXAMPLE INITIATIVE

National Data Center Deployment Strategy

Deployment of a national distributed, carrier-neutral data center layer across member countries, supporting each country's role as a regional interconnection and transit node within the CAREC Digital Corridor.

Expected Regional Impact under this initiative

11
Data centers deployed across 8 countries

+100 MW
Additional ICT Capacity

Up to 3
Data centers with +30 MW IT capacity

These figures represent an aggregated regional view, building on the national-level initiatives previously identified across participating countries.

03- EXCHANGE

IXPs & IXP Federation

New IXP deployments and making an alliance of Regional IXPs (IXP Federation)

6 Regional INITIATIVES

22 - 27 Million USD CAPEX Regional Initiatives

EXAMPLE INITIATIVE

Regional IXPs Federation/ Alliance

Regional IXP Federation interconnecting national IXPs. Other IXP federations, like the African IXP Association (Af-IX), have saved roughly $6 million/year in Kenya and $40 million/year in Nigeria on international connectivity.

Expected Regional Impact under this initiative

10
IXPs deployed in 4 countries

10-20 Tbps
IXP Capacity Added

Increased
Collaboration between regional stakeholders

These figures represent an aggregated regional view, building on the national-level initiatives previously identified across participating countries.

04- ENABLE

Policy, Governance & Soft Infrastructure

Harmonizing national frameworks and cross-border accords to unlock and de-risk physical infrastructure investments.

5 Regional INITIATIVES

25 - 30 Million USD
TA & Implementation Envelope

EXAMPLE INITIATIVE

CAREC Digital Transit, Governance & Sovereignty Framework

Project structuring, Implementation frameworks, and regulatory harmonization across member countries. Even with strong domestic policies in place, cross-border harmonization is essential to prevent physical infrastructure from becoming commercially stranded..

Expected Regional Impact under this initiative

8
Institutional & Regulatory Reforms

2.2+ Billion
Physical CAPEX Investment De-risked

Increased
Cross-Border Interoperability

These figures represent an aggregated regional view, building on the national-level initiatives previously identified across participating countries.

PROGRAM STRUCTURE

ADB as an Anchor Financing Partner

Tailored ADB financing instruments and co-financing structures mapped to each initiative pillar.

01

International & National Connectivity

ADB Sovereign Lending & PPP Facilitation

ADB-led sovereign loans complemented by private-sector co-financing and Public-Private Partnership (PPP) structures.

02

Data Centers, Data Hubs & Data Embassies

ADB Lending & Blended Finance

Private sector operations (PSO) leverage blended finance instruments to de-risk commercial data center deployment.

03

IXPs and IXP Federation

Operator-Led & Guarantees

Operator-driven commercial investment enabled by ADB debt facilities, guarantees, and regional equity support.

04

Policy, Governance & Soft Infrastructure

Technical Assistance & Policy-Based Loans

ADB Technical Assistance (TA) grants for framework design, backed by Policy-Based Loans (PBLs) for national implementation.

Financing modalities are indicative and subject to formal project appraisal, sovereign request, and ADB Board approval.

FUTURE VISION

Roadmap from prioritization to delivery

Illustrative target timing, subject to country consultation, financing, and approvals



Indicative schedule only. Investment, borrowing, and guarantees require separate approvals.