



23rd Transport Sector Coordinating Committee Meeting

8-9 June 2026 | Ulaanbaatar, Mongolia

23-е заседание Координационного комитета по транспортному сектору

8-9 июня 2026 года | Улан-Батор, Монголия



Session 1. Overall CAREC Updates and 2026 Deliverables

Asad Aleem

Regional Head

Regional Cooperation and Integration

Central and West Asia Department

Asian Development Bank

CAREC Program

Open and inclusive platform to promote shared and sustainable development through **regional cooperation**

- Member countries: Afghanistan*, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
- Development partners: ADB, AIIB, EBRD, IMF, IsDB, UNDP, the World Bank, and expanding
- Promotes **policy dialogue**, supports **project development** and financing, provides **technical assistance**, and advocates **South-South cooperation**



ADB

ADB serves as the **CAREC Secretariat**



CAREC Institute supports knowledge generation and capacity building



Rotating chairmanship annually: **Mongolia** as chair country in 2026

*ADB has placed its regular assistance to Afghanistan on hold effective 15 August 2021.

CAREC 2030 Strategy



Economic and Financial Stability



Trade, Tourism and Economic Corridors



Infrastructure and Economic Connectivity

Operational Clusters



Agriculture and Water



Human Development



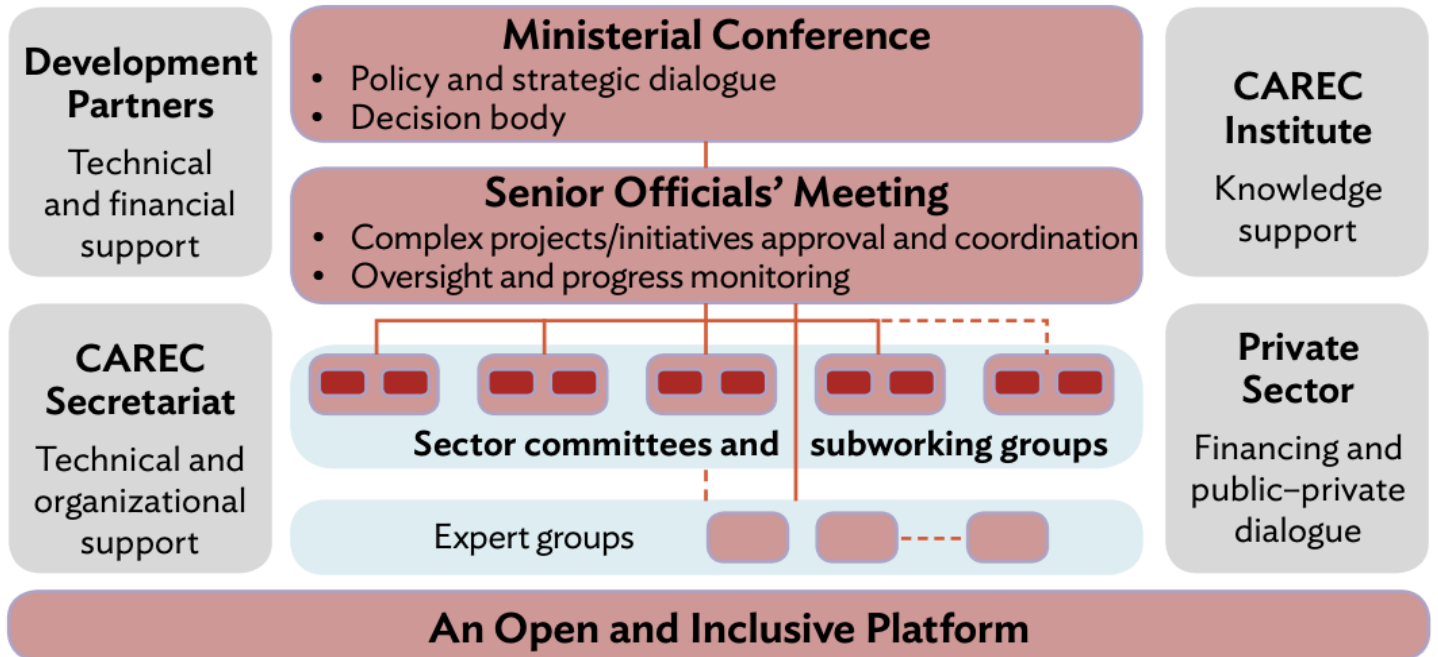
Cross-cutting Themes

- Climate Change
- Digital/ICT
- Gender

Anchored on **Good Neighbors, Good Partners, and Good Prospects** vision

Aligns with national strategies and supports new global agenda—UN Sustainable Development Goals (**SDGs**) and UN Framework Convention on Climate Change (**COP**)

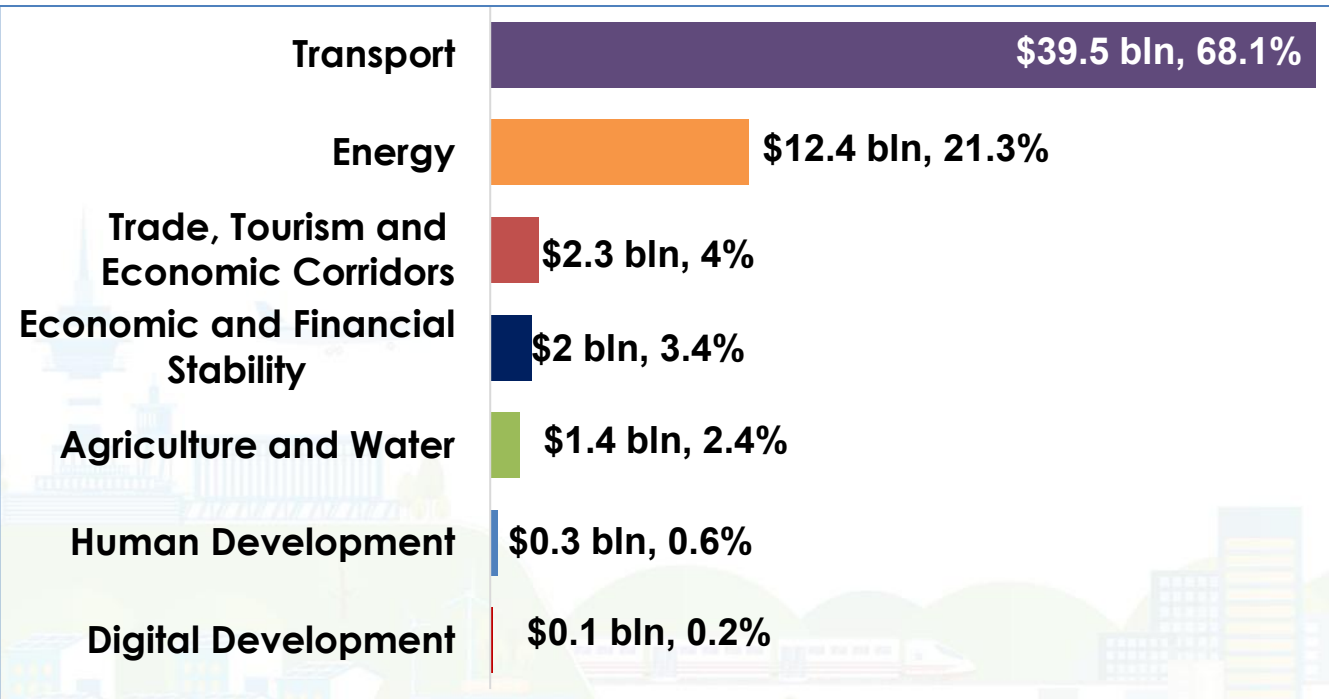
Institutional Framework



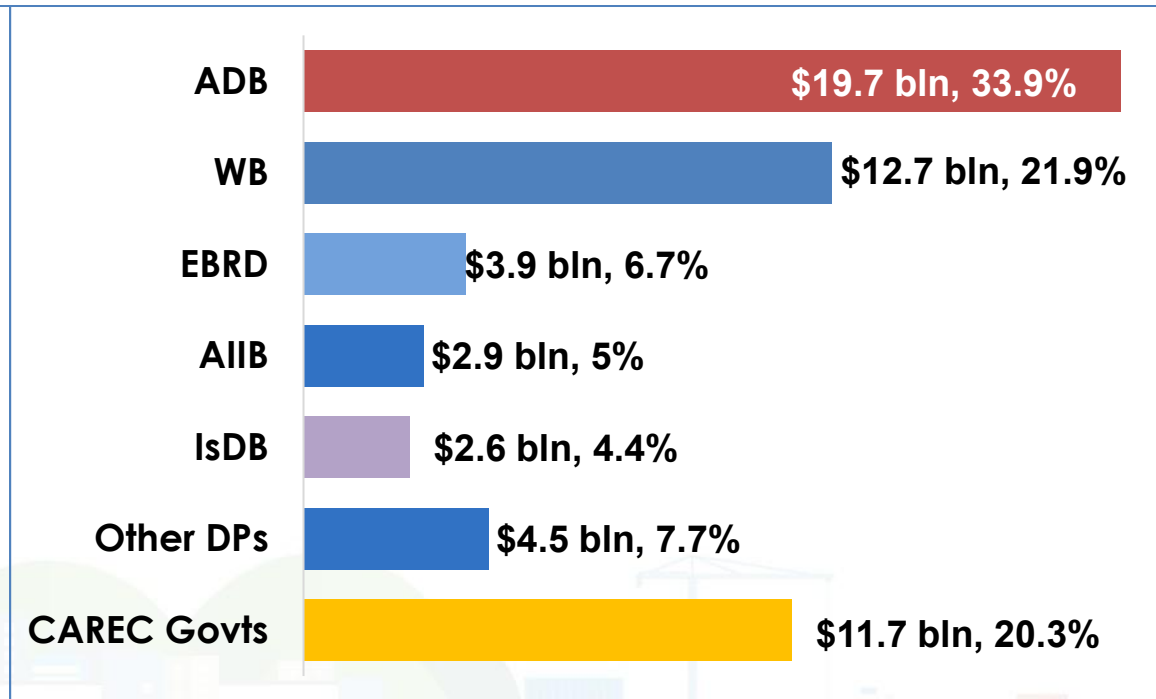
57.9 billion in CAREC-Related Investments

ADB's support to CAREC: \$19.7 billion in investments
43 active CAREC TA projects=**\$58 million** in TA support

Investments by Sector

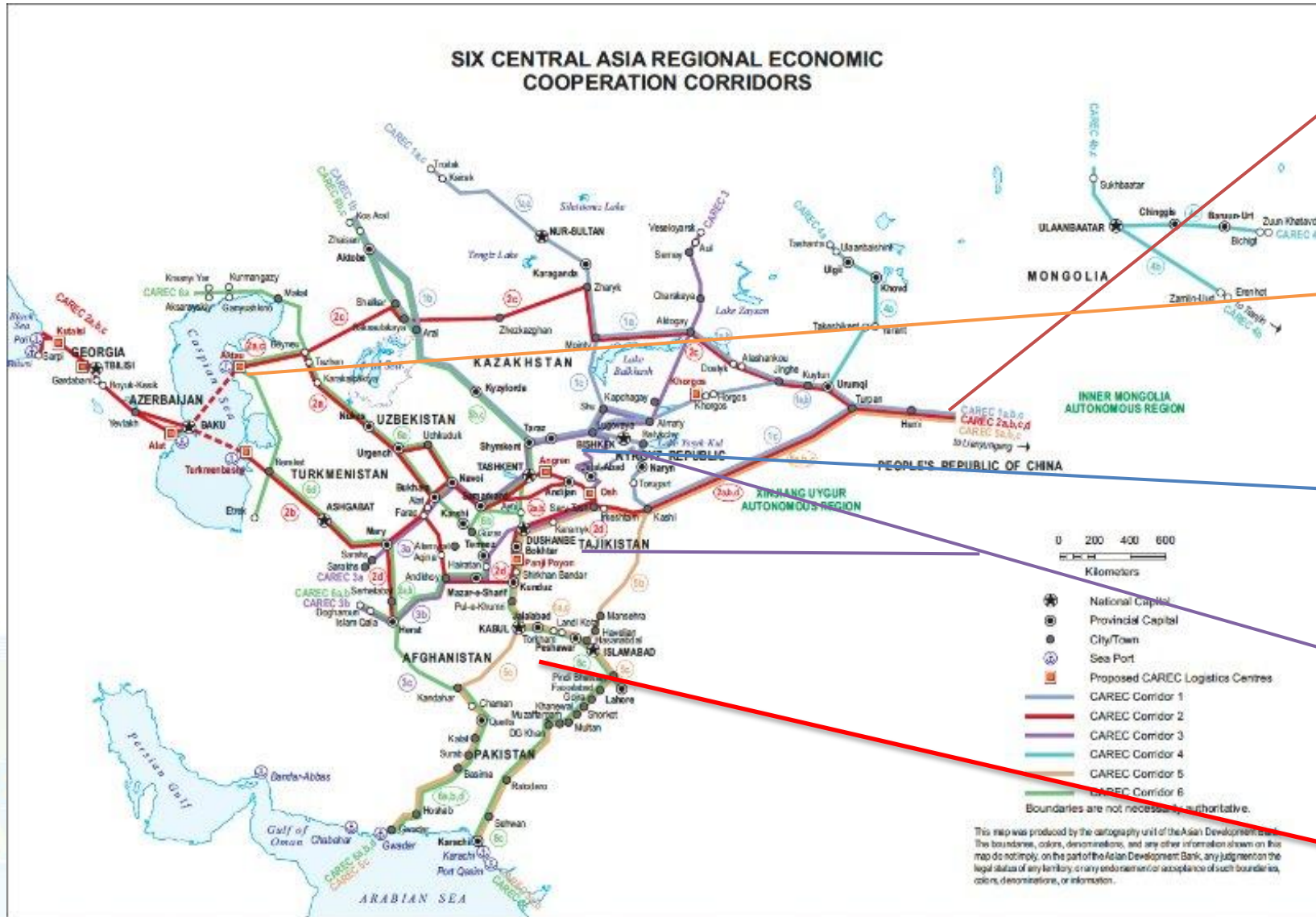


Investments by Funding Source:



*Numbers may not add up due to rounding, amounts may change upon confirmation with Development Partners

CAREC Corridors and Emerging Transformational Projects



Corridor 2 broadly relates to the Trans-Caspian International Transport Route or the Middle Corridor.

Caspian Green Energy Corridor Project undersea energy and fiber optic cable connecting Azerbaijan, Kazakhstan, and Uzbekistan.

Almaty–Bishkek Economic Corridor: Regional Improvement of Border Services Project for Kazakhstan and Kyrgyz Republic

Rogun Hydropower Plant Project (HPP) (Tajikistan) and **Kambarata 1 HPP** (Kyrgyz Republic)

CAREC Digital Corridor through PAK, KGZ, TAJ, KAZ, UZB

CAREC Business Forum (30 September-1 October 2026)

- **Theme:** Scaling Up Investment – Driving Infrastructure Transformation.
- **Aims:** Showcase a pipeline of bankable, regionally significant projects, and facilitate public-private partnerships (PPP) and private investment.
- **Key sectors:** Investment and partnership opportunities in energy and interconnectivity, smart transport and logistics, and critical minerals.



Event site: https://carecprogram.org/upcoming_event_in_2026



CAREC Investment Opportunities



Transforming CAREC Corridors into Economic Corridors

Multi-Sector Finance for 2026–2030

\$10 Billion+

ADB committed finance envelope through 2030

~40 Projects

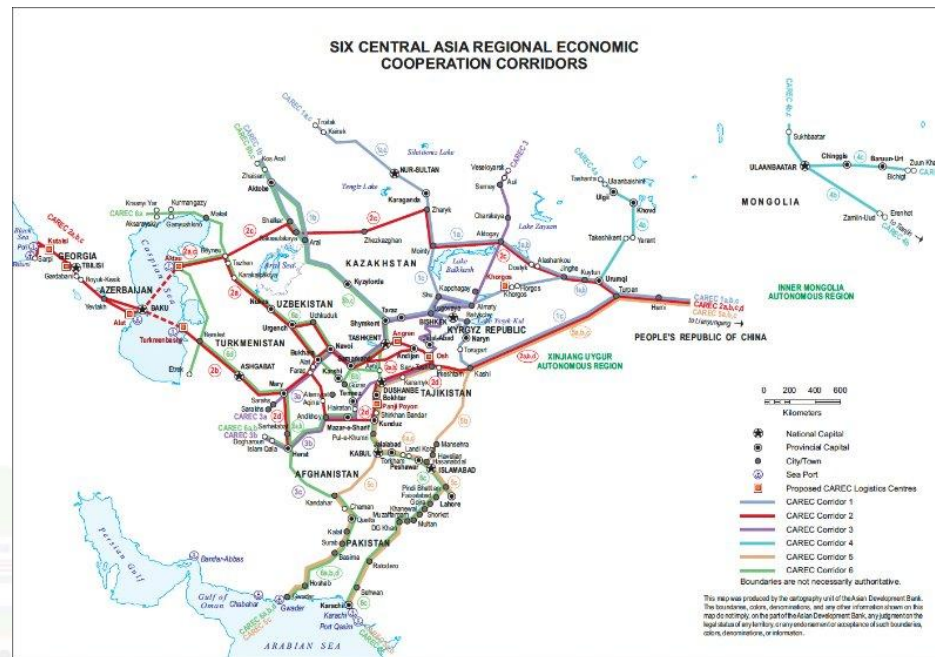
Pipeline operations across CAREC member countries

6 Corridors

Spanning 11 countries from East Asia to Europe

Investment Themes

- Economic Corridor Development (~\$3.4B)
- Digital Connectivity & Transformation (~\$500M)
- BUILD Facility for Border Modernization (~\$400M)



Strategic Vision

- Moving beyond transit corridors to integrated economic corridors with multi-sector investments in transport, energy, trade, digital, tourism, and agriculture
- Leveraging 10+ years of Almaty-Bishkek Economic Corridor experience to scale the economic corridor model across all 6 CAREC corridors
- Anchored in CAREC 2030 Strategy and ADB's Operational Approach for Revitalizing RCI (March 2026)

CAREC Corridor 2

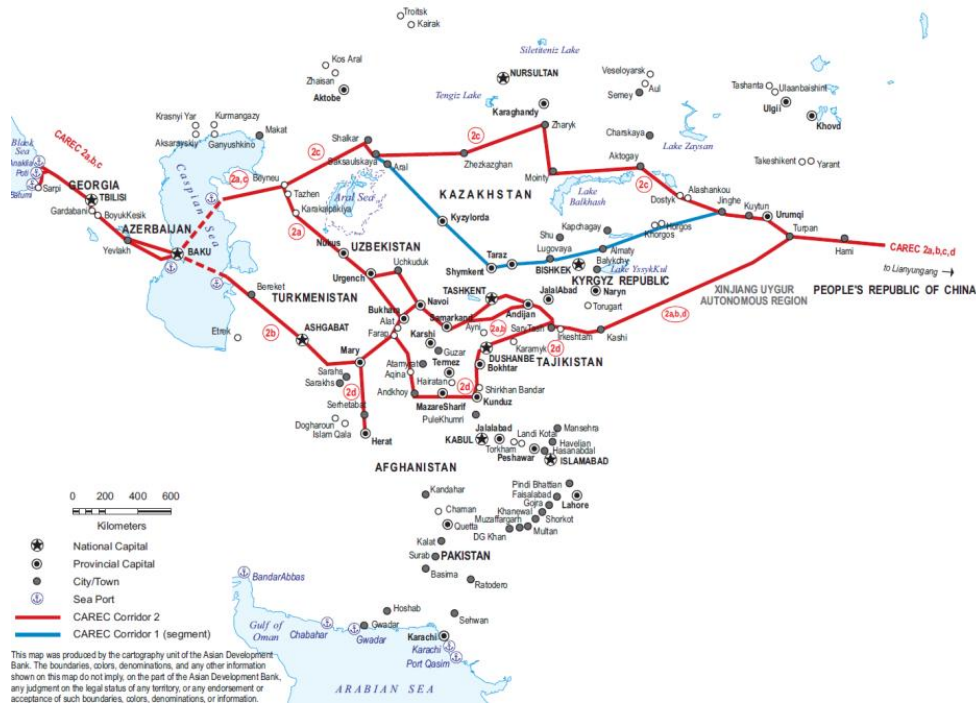
Indicative \$3.7 billion for 18 projects (2025–2028)

Transport & Logistics

- Railway sector reforms and upgrades (AZE, GEO, TKM, UZB)
- Road rehabilitation and modernization (KAZ, UZB)
- Port capacity development and multimodal connections (AZE, GEO, KAZ, TKM)

Border Infrastructure

- Joint border crossing points (AZE–GEO)
- Digital solutions in queue management (KGZ–UZB)



Strategic Projects

- Azerbaijan Railways Digital Transformation (\$47M, 2025)
- Batumi-Sarpi Road Project, Georgia (\$360M, 2025)
- CAREC Corridor 2 Resilience & Modernization, UZB (\$233M, 2025)

Cross-Sector Integration

- Agribusiness, manufacturing, tourism, clean energy
- New economic nodes along secondary cities and border areas
- Coordinated investments across transport, logistics, energy, digital

Corridor 2 largely coincides with the Trans-Caspian International Transport Route (Middle Corridor), a critical link for Eurasian supply chain diversification

Corridor 2 Working Group: Multi-Sector Coordination



Establishing a Working Group to ensure timely delivery of multi-sector investment projects on CAREC Corridor 2

Composition

Representatives of ministries in charge of:

- State investment programs
- Economic corridors and economic development
- Transport and infrastructure planning

Focus Countries

AZE Azerbaijan

KAZ Kazakhstan

UZB Uzbekistan

TKM Turkmenistan

PRC People's Republic of China

GEO Georgia

KGZ Kyrgyz Republic

TAJ Tajikistan

MON Mongolia

Mandate

Promote multi-sector investments in transport, skills development, healthcare, agriculture value chains, governance, services, and digital connectivity along Corridor 2

Almaty–Bishkek Economic Corridor (ABEC)

CAREC's First Pilot Economic Corridor — 10+ Years of Results

Approved Projects (Kyrgyz Republic)

- Strengthening Health Security (\$30M)
- Climate-Resilient Agricultural Value Chain (\$40M)
- Issyk-Kul Environmental Mgmt & Sustainable Tourism (\$56M)
- Regional Improvement of Border Services (\$30.7M)
- Bishkek Energy Efficiency & Clean Heating (\$8M)

Ongoing Initiatives

- Almaty–Issyk-Kul Alternative Road PPP
- ABEC Electric Bus Project (pilot intercity EV)
- ABEC STREAM (transboundary river management)
- ABEC Trade and Logistics Center (Uzyganash)



Tourism & Standards

- Harmonized Accommodation Classification System (KGZ, March 2025)
- ABEC Tourism Master Plan Green Update (2026)

Replication Model

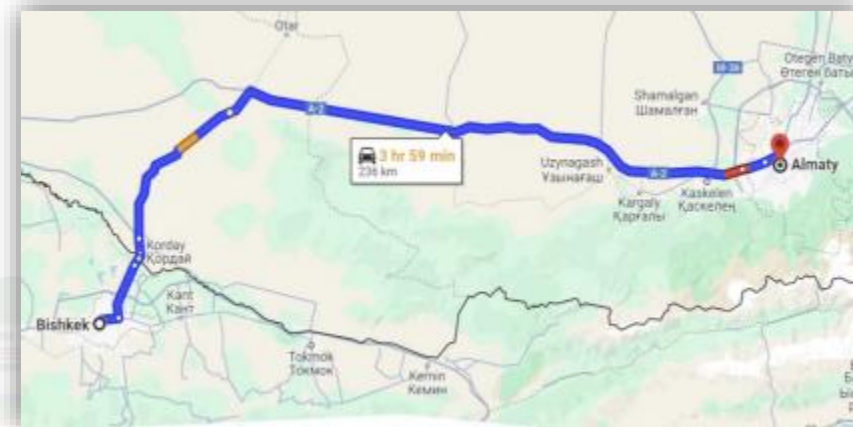
- ABEC serves as the model for scaling economic corridor development across all 6 CAREC corridors
- Future corridors: Shymkent–Tashkent–Khujand (STK), Corridor 2 segments
- Recognized as emerging transformative initiative under ADB's RCI Operational Approach (March 2026)

Tourism & Standards

Harmonized Accommodation Classification System (approved by KGZ Cabinet, March 2025)

Harmonized professional standards for tourism

ABEC Tourism Master Plan Green Update



Replication Model

ABEC serves as the model for scaling economic corridor development across all 6 CAREC corridors

BUILD Facility: Border Upgrades for Integration, Logistics, and Development

ADB Regional Financing Facility — Up to \$400 Million (Board Approval June/July 2026)

Hard Infrastructure

- Modern, climate-resilient BCP layouts
- Inspection facilities and access roads
- Energy-efficient systems and equipment

Soft Measures

- Digitalized and harmonized border procedures
- Single-window systems and paperless trade
- Risk-based inspections
- Joint border crossing point models

Catalytic Impact

- Expected to catalyze over 10 corridor-based interventions (financing proposals can be submitted over 8 years)
- The facility addresses the growing traffic and the estimated need of \$3 billion to modernize the CAREC BCPs.
- Border crossing efficiency to catch up with large-scale road and rail corridor upgrades

Approach

- Programmatic, corridor-based approach
- Shifts from fragmented, one-off border projects to scalable regional solutions
- Aligned with CAREC corridor priorities
- Early pipeline projects: joint and digitally enabled BCPs expected for approval 2026/2027 onwards.

Accelerating Digital Connectivity and Transformation

Over \$500 Million in Sovereign and Non-Sovereign Investments

Hard Infrastructure

- Terrestrial fiber networks
- Digital corridor redundancy
- Internet Exchange Points (IXPs)
- Climate-smart data infrastructure

Soft Enablers

- Harmonized digital regulations
- Cross-border data frameworks
- Cybersecurity cooperation
- Digital trade facilitation
- Capacity building for governments and SMEs

Expected Outcomes

- Lower bandwidth costs for landlocked countries
- Faster, more reliable digital services along corridors
- Improved competitiveness for logistics, e-commerce, fintech
- CAREC Digital Corridor through PAK, KGZ, TAJ, KAZ, UZB

Part of the unified CAREC Digital Transformation Agenda to 2030, building on the Asia-Pacific Digital Highway (APDH) Positions the CAREC Digital Corridor as a core pillar, addressing one of the world's most persistent digital bottlenecks: landlocked economies with limited access to high-capacity, affordable cross-border connectivity

Tourism and Sustainable Development Clusters

Leveraging Silk Road Heritage to Position CAREC as a Global Tourism Corridor

Pipeline Projects

- Develop sustainable infrastructure supporting cross-border services, including medical tourism (PAK).
- Build tourism-focused skills to improve workforce quality and service delivery (KGZ).
- Enhance tourism competitiveness through integrated, multi-sector development (TAJ).
- Promote green, resilient growth via cross-border tourism cooperation (UZB-KGZ).

ABEC Tourism Achievements

- Harmonized Accommodation Classification System approved by KGZ (March 2025)
- Professional standards harmonization for tourism
- ABEC Tourism Master Plan Green Update (2026)
- Issyk-Kul Environmental Management & Sustainable Tourism Project (\$56M)



Key Opportunities and Next Steps

CAREC Business Forum 2026

30 September – 1 October 2026

- Theme: Scaling Up Investment — Driving Infrastructure Transformation
- Showcase bankable, regionally significant projects
- Facilitate PPP and private investment
- Key sectors: energy and interconnectivity, smart transport and logistics, critical minerals

25th CAREC Ministerial Conference

- Signing of CAREC Regional Balancing Market Framework
- Launch of CAREC Digital Transformation Agenda

Investment Opportunities for Partners

- Cross-border infrastructure: roads, railways, ports, BCPs across 6 corridors
- Digital: fiber networks, data infrastructure, e-commerce, fintech
- Tourism: Silk Road heritage clusters, cross-border tourism circuits

