



# **CAREC 2030 Strategy: Progress of Implementation and Next Steps**

**Lyaziza Sabyrova**

Regional Head, Regional Cooperation and  
Integration, Asian Development Bank

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# 5 Operational Clusters



**Economic  
and Financial  
Stability**



**Trade,  
Tourism and  
Economic  
Corridors**



**Infrastructure and  
Economic  
Connectivity**



**Agriculture  
and Water**



**Human  
Development**

## 3 Cross-cutting Themes



**Climate Change  
Digital/ICT  
Gender**

# Economic and Financial Stability Cluster

## *Supporting dialogues on macroeconomic policy coordination and sustainable finance*



- ❑ **2nd Capital Market Regulators' Forum** (31 October to 1 November 2023) hosted by the Agency of the Republic of Kazakhstan
  - Role of capital markets in climate finance
  - Renamed as as CAREC Regional Capital Markets' Development Forum
  
- ❑ **CAREC Session** at the International Conference for the 100th Anniversary of the Ministry of Finance of Kyrgyz Republic (May 2024, Bishkek)
  - Mainstreaming climate in economic and financial policies



# Trade, Tourism and Economic Corridors Cluster –

## Trade

*Helping CAREC members integrate further in the global economy*

### Investments and Pilot Initiatives

MON: Border Efficiency for Sustainable Trade Project (\$100 million, Dec 2023)

Scoping studies for Joint BCP between (i) AZE and GEO; (ii) TAJ and UZB

Testing emerging solutions for trade (AI for GEO, blockchain for MON)

ADB's Trade and Supply Chain Finance supporting \$1.7 billion trade activities in CAREC

CAREC Advanced Transit System & Information Common Exchange

### Policy Dialogue and Cooperation

2nd CAREC Digital Trade Forum (April 2024, Astana)

Asia-Pacific Trade Facilitation Forum (April 2024, Samarkand)

CAREC ePhyto Conference (Sep 2023, Tashkent)

E-commerce and digital economy activities promoting government–business–SMEs linkages (Astana Hub)

Cross-border Paperless Trade Facilitation Agreement and NSW

### Knowledge and Advisory

Accession to [AZE, TKM, UZB] and/or implementation of WTO agreements

Participation in Global ePhyto solutions (UZB and PAK)

Pilot for UN Model Law on Electronic Transferable Records (PRC and GEO)

Authorized economic operator

Corridor Performance Monitoring and Measurement (CPMM)

20 events with over 500 participants



# Trade, Tourism and Economic Corridors Cluster – Tourism

*Enhancing the region’s potential as a globally competitive tourism destination*

## Progress to Date



### VisitSilkRoad.org Tourism Portal

One-stop shop  
for tourist  
attractions and  
local  
businesses



### Capacity Building/ Knowledge

Sub-regional  
Tourism Workshop  
for 5 countries  
(May 2024,  
Turkistan)



### Regional Investment Framework

4 pilot projects  
identified

## Plans and Issues

- Content Development and Marketing Initiatives for the CAREC Tourism Portal
- Visa Facilitation Study – *Silk Road Visa / Digital Nomad Visa / My Second Home Silk Road Visa*
- CAREC Tourism Sustainability and Funding
  - Countries’ ownership, private sector involvement
  - Future self-funding arrangements to sustain CAREC Tourism WG
  - Maintenance and updating of Tourism Portal



# Trade, Tourism and Economic Corridors Cluster – Economic Corridor Development

## Almaty-Bishkek Economic Corridor (ABEC)

- ❑ 10th year of implementation
- ❑ Investment Projects for 2024/2025 approval
  - Issyk-Kul Environmental Management and Sustainable Tourism Project
  - ABEC Regional Improvement of Border Services Project
- ❑ Almaty-Issyk-Kul Alternative Road PPP Project discussed during Meeting of Prime Ministers on 19 April 2024
- ❑ Improvement of Urban Air Quality through Monitoring

## Shymkent-Tashkent-Khujand EC (STKEC)

- ❑ Feasibility studies for industrial and trade/logistics centers
- ❑ Potential next steps: Construction of International Center for Industrial Cooperation; signing of trilateral MOU on STKEC by KAZ, UZB and TAJ; and Masterplan Development

*Realizing strong economic growth and agglomeration effects through economic corridor development*



# Infrastructure and Economic Connectivity

## Cluster – Transport

### *Increasing transport connectivity and sustainability*

#### CAREC Corridor 2 (Middle Corridor)

- GEO: East-West Highway Improvement Project
- KAZ: CAREC Corridors 1, 2 and 6 Connector Road Project
- UZB: CAREC Corridor 2 Resilience & Modernization Project



#### Cross Border Transport and Logistics

- Ongoing Regional Improvement of Border Services (RIBS) Projects (PAK, MON, KGZ)
- Potential RIBS Project: Almaty-Bishkek Economic Corridor



#### Road Safety

- Road Safety Engineering Manual (6th)
- Road Safety Engineering courses (PAK, KAZ, GEO)



#### Roads and Road Asset Management

- Performance-based Road Maintenance Contracts published in December 2023
- Road Asset Management Action Plan with climate resilient measures

#### Railways

- Pre-feasibility studies of the Uzbekistan Northwestern International Freight Corridor and Uzbekistan-Turkmenbashi block train services

#### Aviation

- Low-Cost Carrier Opportunities, Air Transport Liberalization, and Post-Pandemic Recovery in CAREC Study completed in 2023
- Air Cargo Report completed in 2024

# Infrastructure and Economic Connectivity

## Cluster – Energy

### *Developing efficient, sustainable, and resilient regional energy system*

#### ❑ **Virtual ESCC meeting in April 2024**

- Progress on energy sector work plan (2023-2025) and lessons
- Taking action, collaborating with partners, and aligning with overall CAREC energy strategy

#### ❑ **6th Energy Investment Forum (EIF)**

- Successful networking for over 170 participants
- More private sector participation and clearer focus on specific projects

#### ❑ **2024 Plans and Regional Energy Projects**

- Study tour to Oslo and Copenhagen (June)
- Workshop on Transmission and Interconnectivity in Tashkent (September)
- Cooperation within the framework of the Central Asian Unified Power System (KAZ-KGZ-UZB + TAJ & TKM), Centralised Automatic Generator Control system (Energiya CDC)
- Regional projects that ADB may support (Kambarata HPP-1 and Rogun HPP)



# Agriculture and Water Cluster – Agriculture

## *Strengthening food security in the CAREC region*

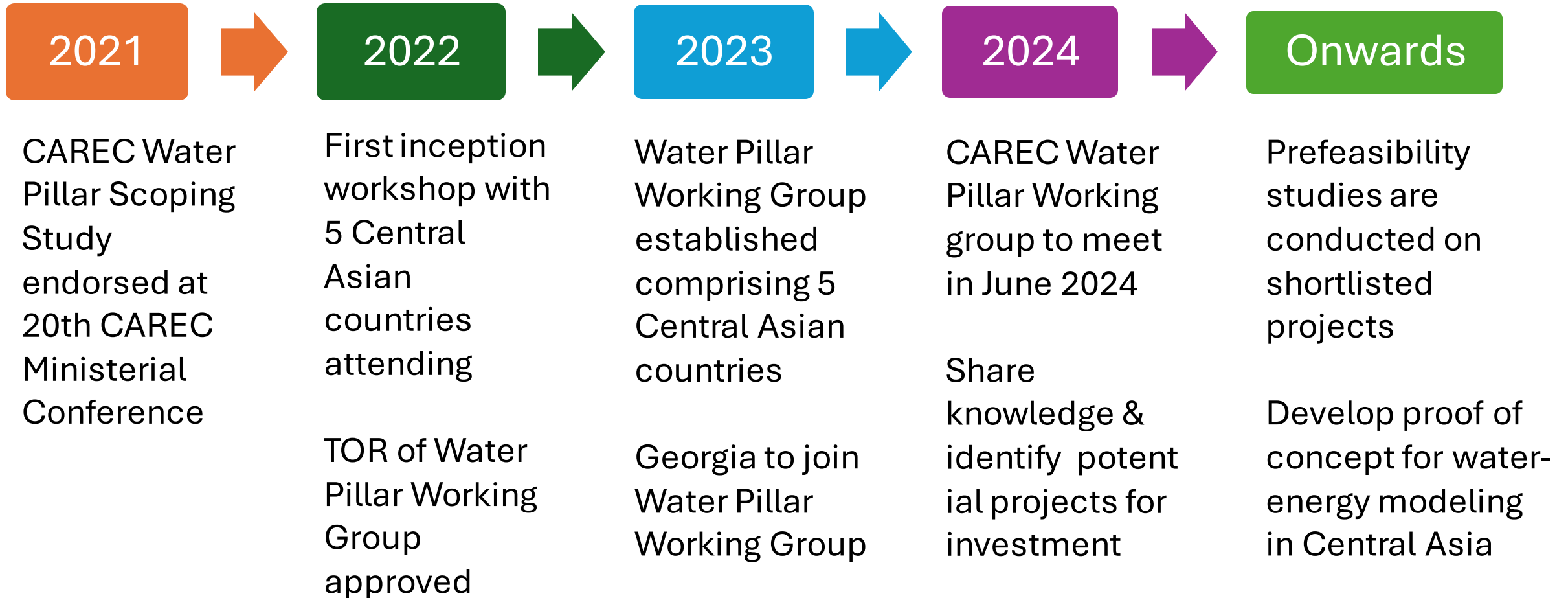
- ❑ US\$3 million ADB TA approved in Dec 2023 to facilitate operation of the framework
  - Support effective implementation of regional cooperation priority activities
  - Improve readiness of climate-resilient agriculture and food security investments
- ❑ TA inception meeting planned in June/July 2024, including establishment of Working Group on Agricultural Development and Food Security





# Agriculture and Water Cluster – Water Pillar

*Improving water resources management in the CAREC region*



- ❑ CAREC Health Working Group Meeting held in Almaty (November 2023)
  - Regional Investment Framework on Health updated to include climate change and health interventions
  - Regional Health Security Training Repository finalized and endorsed
- ❑ Supported First Global Health Security Summit in Islamabad (January 2024)
- ❑ CAREC Sub-working Group on Health Supply Chain Procurement established (March 2024)
- ❑ Supported Pandemic Fund applications for Georgia and Pakistan



### **Plans**

- Regional mechanisms to evaluate digital health applications
- Finalize knowledge sharing platforms
- Additional pandemic fund applications
- Establish Sub-WG on Human Resources for Health

# Human Development Cluster – Education and Skills Development

## *Developing green skills for emerging climate challenges*



### **CAREC Skills Development Working Group established (February 2024)**

Action Plan of WG to include specific policy and thematic research activities, to include key development partners



### **Establishment of Agriculture Universities' Network**

Focus on climate action, sustainable agriculture, and water management

Exploration of student and faculty exchanges, joint degree programs, and research collaborations



### **To refocus on Green Skills Development**

Prioritize green skills into education and labor policies, qualification frameworks, curricula, and training materials



# Cross-cutting Theme – Gender

## *Mainstreaming equality and empowerment for women*

- Launch of CAREC Women's Empowerment Online Platform (WEOP, April 2024)– attended by 150 stakeholders from the CAREC region
- Gender Study Tour (April 2024) in Shanghai, PRC – enhances gender capacity and knowledge exchange
- CAREC Awards for Gender Action in Climate Change – call for nominations to start July
- Women's Business Forum and Capacity Development Training on Gender-Climate Change Nexus





# Cross-cutting Theme – ICT/Digital

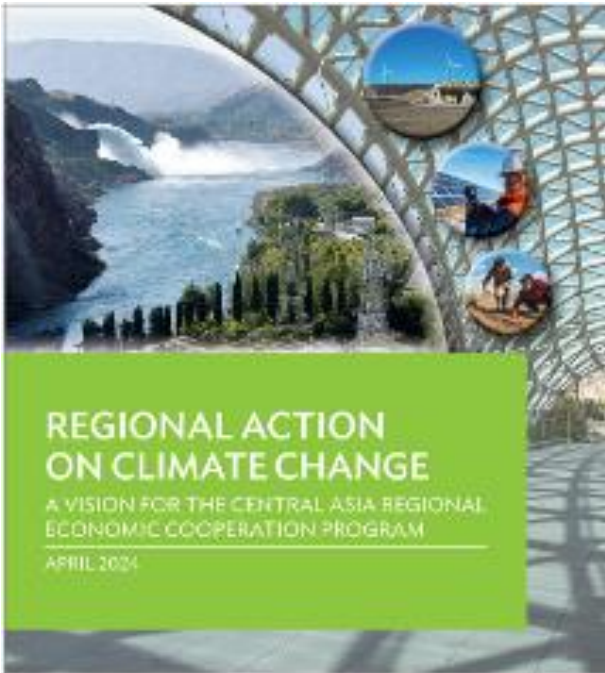
- ❑ Progress of CAREC’s alignment with CAREC Digital Strategy 2030 reported at 2nd CAREC Digital Strategy Steering Committee (Apr 2024, Astana)
- ❑ CAREC Startup Ecosystem Development Hub activities
- ❑ Knowledge sharing and collaboration promoted
  - Workshop on universities as enablers of startup ecosystems (Feb 2024, Seoul)
  - CAREC Digital Fair (Apr 2024, Astana)
- ❑ Plans for 2024
  - Open Innovation Challenges for University Students
  - Start Up Linkages and Health Checks
  - Business Angel Network
  - Cross-sectoral linkages and pipeline development
  - Digital Bridge event in Kazakhstan



# Cross-cutting Theme – Climate Change

## Mainstreaming a regional approach to climate change in CAREC operations

### CAREC Climate Change Vision



### CAREC Working Group on Climate Change

- Established in April 2024
- Climate Change Action Plan

### Proposed CAREC Session in COP29 in Baku

- Feature CAREC Climate plans and achievements
- Mobilize financing and generate pipeline for the CAREC Climate and Sustainability Project Preparatory Fund (**CSPPF**)

### High-level CAREC Session on Financing Greener Value Chains in the CAREC Region at the ADB Annual Meeting (May 2024, Tbilisi)







# Cross-cutting Theme – Climate Change

## *CAREC Climate and Sustainability Project Preparatory Fund*

### Objective

Address and narrow CAREC countries’ financing gaps in achieving climate change actions and SDGs through preparation of bankable climate- and SDG-related regional projects.

### Priority

Regional projects guided by 7 priority sectors/areas of CAREC Climate Change Vision

### Use of Funds

Support sovereign operations through TA, grants, and direct charges.

### Modality and Governance

A multiple partner fund to be administered by ADB, with contributions from bilateral, multilateral and other sources, including Member Countries and Development Partners (Financing Partners).

Steering Committee chaired by DG, Central and West Asia Department of ADB. Regional Cooperation and Integration Unit as the Fund Manager. Annual Consultation Meetings.



On 4 May 2024, ADB and the Republic of Korea signed at the sideline of the 57th Annual ADB Meeting, the Letter of Intent to contribute **\$3 million** to the CSPPF.

# Cross-cutting Theme– Climate Change

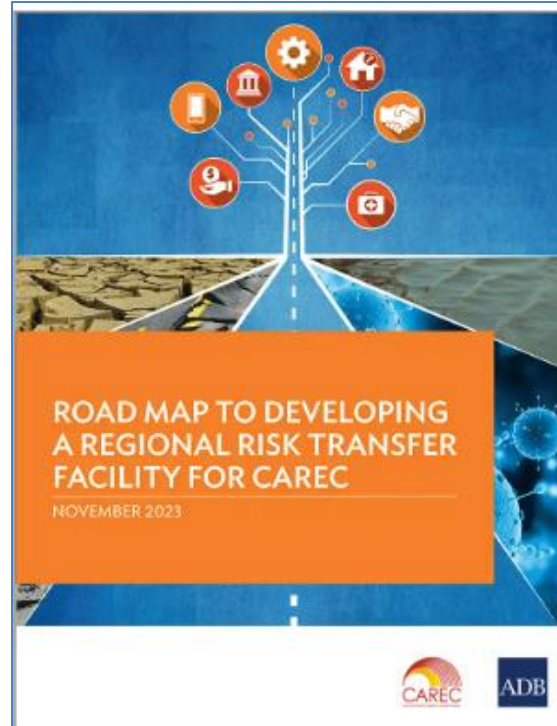
## *Developing regional solutions to disaster risk financing*

### **CAREC Disaster Risk Transfer**

**Facility:** Enhancing physical and financial resilience of CAREC countries against earthquakes, floods, and infectious diseases.

### **Phase 1 Achievements**

- Disaster Risk Assessments
- Protection Gap Analysis:
- Infectious Disease Risk Report
- Compound Risk Analysis
- Disaster Risk Modeling Interface (DRMI)
- Pilot Disaster Relief Bond Report
- Roadmap for Facility Establishment



### **Engagement and Support**

- 7 regional/subregional workshops and 22 bilateral consultations
- Joint statement endorsed at the 23rd CAREC Ministerial Conference

### **Next Steps**

- Proposed Phase 2 TA to explore and support implementation of identified solutions in Phase 1



# Selected CAREC Events (June to December 2024)

Date	Meeting/ Event	Venue
17-18 June	First meeting of CAREC Water Pillar Working Group (Climate Change, Water, and Food Security in the Central Asian Region)	Istanbul
17-21 June	CAREC Energy Study Tour "Exploring Renewable Energy Adoption and Grid Flexibility in the Cold Climates of Denmark and Norway"	Copenhagen/ Oslo
19-20 June	CAREC Trade and Investment Facilitation (CARTIF) Workshop	Istanbul
25-27 June	Training on Improvement to Crash Data Management	Istanbul
June	CAREC Institute Financial Sustainability Working Group Meeting	Virtual
June/July	Inception workshop on CAREC Agricultural Development and Food Security Cooperation Strategy	TBC
14-15 August	23rd CAREC Customs Cooperation Committee Meeting	Almaty
Aug/early Sep	CAREC NFP Consultation Meeting	Virtual
25-27 September	Intraregional Transmission and Interconnectivity Workshop	Tashkent
25-29 September	CAREC Session at the sideline of 3rd Global Digital Trade Expo	Hangzhou
October /November	CAREC Infrastructure Investment Forum	Astana
8 November	23rd CAREC Ministerial Conference	Astana
7 or 9 November	CAREC Institute Governing Council Meeting	Astana



# For SOM Discussions

- CAREC 2030 Midterm Review (Session 2)
  - Responses to Key MTR questions
  - Feedback on MTR Initial Findings and Recommendations
  
- Implementation of CAREC Climate Change Vision (Session 3)
  - Guidance to CCWG and Climate Change Action Plan
  - Feedback on CAREC Climate and Sustainability Project Preparatory Fund (CSPPF)
  - Guidance and support on sector mainstreaming of Climate Change Vision
  - Support and interest to pilot Disaster Risk Transfer Facility
  
- Deliverables for 23rd CAREC MC and Key Events (Session 7)
  - Finalization of CAREC 2030 Midterm Review
  - One-CAREC voice on climate change (COP 29 in Baku)
  - CAREC Infrastructure Investment Forum (Oct/Nov in Astana)
  - New generation of regional and climate-focused pipeline projects, including Strategy for the Development of Middle Corridor (CAREC Corridor 2)