



Central Asia Regional Economic Cooperation
“Good Neighbors, Good Partners, Good Prospects”

NATIONAL FOCAL POINTS’ MEETING

20 October 2022



CAREC Post-Pandemic Framework for a Green, Sustainable and Inclusive Recovery

**To be endorsed during 21st Ministerial
Conference on 24th November 2022**

Hans Holzacker

Chief Economist, CAREC Institute



Knowledge for Prosperity

Aim

- **To galvanize joint efforts by CAREC members , demonstrate commitment and utilize regional cooperation to achieve a green, sustainable, and inclusive recovery for the region.**
- **To provide a vision of the topics in which collaboration and action of Development Partners and MDBs are most urgent and would make the largest contribution to the benefit of the CAREC region.**

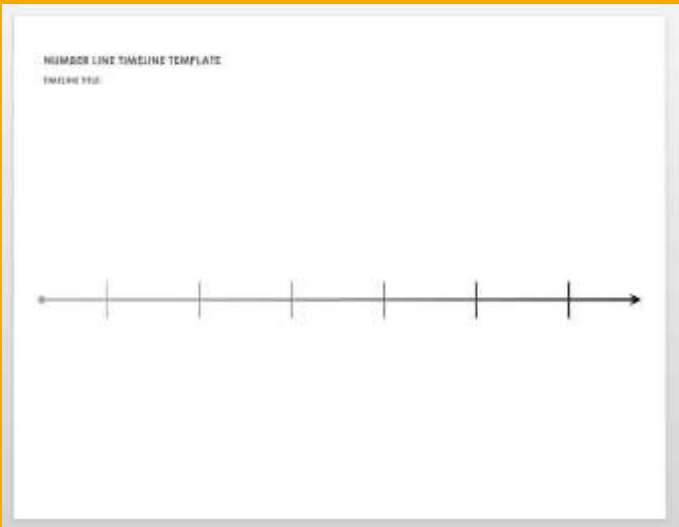


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Timeline

Concept note agreed within CAREC Institute (CI)	5-March
ADB, PRC MoF informed about the Concept Note	5-March
Inputs from CI	30-April
SOM briefed, discussion of the basic approach and scope	28 June
First draft of background report submitted to the CI Publication Board, thereafter revisions of the report	10 July
Presentation of the report to and discussion with the CI Advisory Council, thereafter revisions of the report	29-July
Draft of the "CAREC Post-Pandemic Framework ..."	3-Sep
Review of the background report with think-tanks, thereafter revisions of the report	3-Oct
Consultation meeting with NFPs, thereafter revisions of the "Framework..."	10-Oct
Formal consultation meeting with NFPs	20-Oct
Finalization of the background report and the "Framework ..."	Nov
Ministerial conference	24-Nov
Final Publishing	Dec



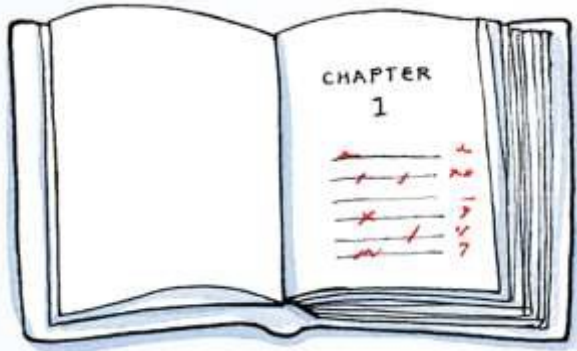
Four chapters

I. Brief introduction

II. Principles for a Green, Sustainable, and Inclusive Recovery

III. Core themes for CAREC cooperation

IV. Role of Development Partners and Multilateral Development Banks



Four main topics

- 1. Growth, recovery, and catching up***
- 2. Environmental threats and social impacts***
- 3. Inclusion and human capital***
- 4. Regional cooperation***



Four main principles



- ***Productivity push through digitalization, innovation, and investments***
- ***Green growth through climate action, sustainable agriculture, and energy transition***
- ***Promoting inclusivity through social protection, gender, education, and health***
- ***Promoting a stronger, more resilient regional cooperation***

Core themes for cooperation



- I. **Trade and connectivity**: new transport corridors, new trade facilitation agreements, enhanced cooperation for product certification, better standardization of customs procedures, upgrading digital connectivity
- II. **Cooperation in regional services**: transportation, tourism, financial services, including green finance
- III. **Energy**: intensifying electricity trade in optimized trading systems, new electricity transmission lines, new oil and gas transportation routes, hydrogen transportation facilities
- IV. **Agriculture and food security**: better alignment of regional water management, improved logistics for trade in agricultural products and the development of regional agricultural value chains

Core themes for cooperation

- V. **Migration**: better equalization of minimum wages and social entitlements for migrant workers with that of residents, ensuring better cross-country portability of entitlements for migrants
- VI. **Science, technology, and education**: further intensification of cooperation in science, technology development and transfer and academia, including student exchange; broadening of mutual recognition of academic and professional degrees
- VII. **Health care**: early information in case of regional health threats, harmonization of standards for efficient procurement of vaccines, equipment and other medical goods, mutual help in case of insufficient health system capacities

Areas of essential interventions by Development Partners and Multilateral Development Banks



- **I. Guidance on the directions to go**
- **II. Linking CAREC's regional plans and programs more effectively with national plans and priorities**
- **III. Linking CAREC with other cooperation initiatives, regional and the private sector**
- **IV. Knowledge sharing through CAREC expert and thematic working groups**
- **V. Support for national and regional capacity and skills development**
- **VI. Critical review of the projects undertaken, help in assessing performance results**
- **VII. Last, but not least financial support**

Looking forward to your feedback!

A graphic with the text "Thank You!" in a black cursive font, underlined with a gold swoosh. The text is surrounded by several gold stars of varying sizes on a white background.

Thank You!

<https://www.carecinstitute.org/>

hans.holz hacker@carecinstitute.org



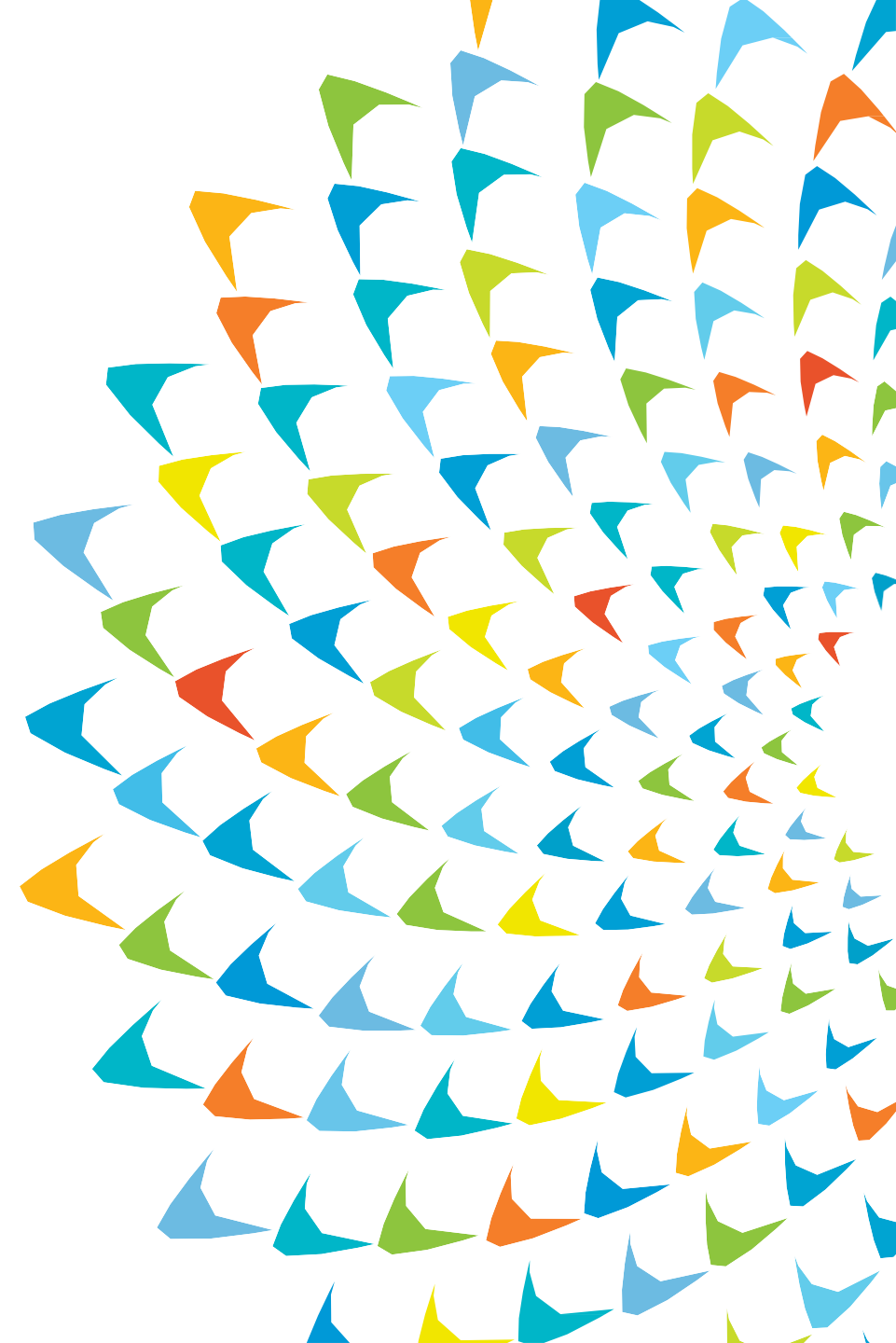
CAREC Deliverable 2:

Proposed Cooperation Framework for Agricultural Development and Food Security in the CAREC Region

Mr. Giap Minh Bui

Principal Natural Resources and Agriculture Economist, ADB

20 October 2022





Food Security in the Global Context

- COVID-19 pandemic and geopolitical conflicts have caused:
 - Serious supply chain and trade disruptions
 - Considerable supply gaps in key staple commodities (grains and edible oils)
 - Elevated input and food prices (well above baseline levels)
- These supply shocks have hit the low-income and poor population the hardest as their food affordability and accessibility decline
- Measures to improve resilience to future shocks:
 - Improve fiscal replenishment planning to ease inflationary pressures and urgent needs for social safety measures (especially food needs)
 - Address inherent weaknesses of agriculture sector and enhance trans-territorial cooperation in agricultural development and food security



CAREC Countries: Fundamental Constraints and Risks to Agriculture Sector and Food Security

- Low productivity (land, labor, and capital)
- Low total factor productivity (outdated technologies and slow innovation catch-ups in production, processing, and marketing)
- Lack of investment in human capital and limited entrepreneurship
- Inadequate requisite infrastructure and market systems
- Traditional markets and marketing (producer-pushed)
- Lack of incentive for private sector participation
- Weak resilience to market volatility and climate change
- Lack of conducive institutional and legal/regulatory environment and regional harmonization, especially for food trade



The Proposed Framework: Preparatory Process, Impact and Outcome

- Preparatory process:
 - Critical reviews and analyses on policies, strategies and development priorities of CAREC member countries
 - Regional consultation workshop in Istanbul in August 2022
 - Comments by CAREC member countries on the draft framework
- Development Objective (Expected Impact): **productive, resilient and sustainable agriculture and enhanced food security in the CAREC region**
- Purpose (Expected Outcome): **increased regional cooperation among the CAREC countries in agricultural development and food security**. Specifically,
 - Increase knowledge sharing
 - Increase synergies among ongoing and new/planned activities
 - Enhance and consolidate impacts of agricultural development and food security initiatives



The Proposed Framework: Key Elements

- Five thematic focus areas:
 - Modernization of agriculture
 - Strengthening of the policy framework
 - Development of food value chains
 - Harnessing of international trade in food products, and
 - Strengthening of food security information sharing

- Six cross-cutting priorities:
 - Innovation and digitalization
 - Protection of the environment
 - Climate change adaptation and mitigation
 - Improvement of food safety
 - Private sector development, and
 - Promotion of gender equality and youth employment

- Modalities of regional cooperation:
 - South-South technical cooperation, including triangular technical cooperation
 - Coordination, harmonization and data exchange
 - Mutual recognition
 - Regional investment projects



Proposed Next Steps

- The Framework endorsed by the CAREC Ministerial Meeting in November 2022
- ADB's Knowledge and Support Technical Assistance (KSTA) approved by April 2023 to support:
 - Implementation of priority activities stated in the Framework
 - Preparation of the medium and long-term Strategy for Agricultural Development and Food Security in the CAREC Region
 - Identification of business opportunities for bankable investment projects relevant to the focus areas of the Framework



The CAREC Green Energy Alliance

Concept for a New Regional Financing Vehicle
Supporting Renewable & Energy Efficiency Project



Why a CAREC Green Energy Alliance?

- The CAREC region is home to some of the most energy-intensive economies
- The share of variable renewable energy (solar and wind) is extremely low
- The region's cumulative investment need for greening its energy sector is roughly **\$400 billion***
- Current investment levels are only about a quarter of these needs

The CAREC Green Energy Alliance will operate a new financing vehicle to increase energy efficiency and renewable energy projects in the region.

**Excluding People's Republic of China; investment needs including the People's Republic of China are estimated between \$2,934 and \$3,836 billion*

The Concept – Digital Platform



Project Marketplace

Provide easy access to a pipeline of investment-ready projects and proposals through easy digital Project Marketplace

Virtual Matchmaking

Find investors or new partners through interactive Virtual Matchmaking

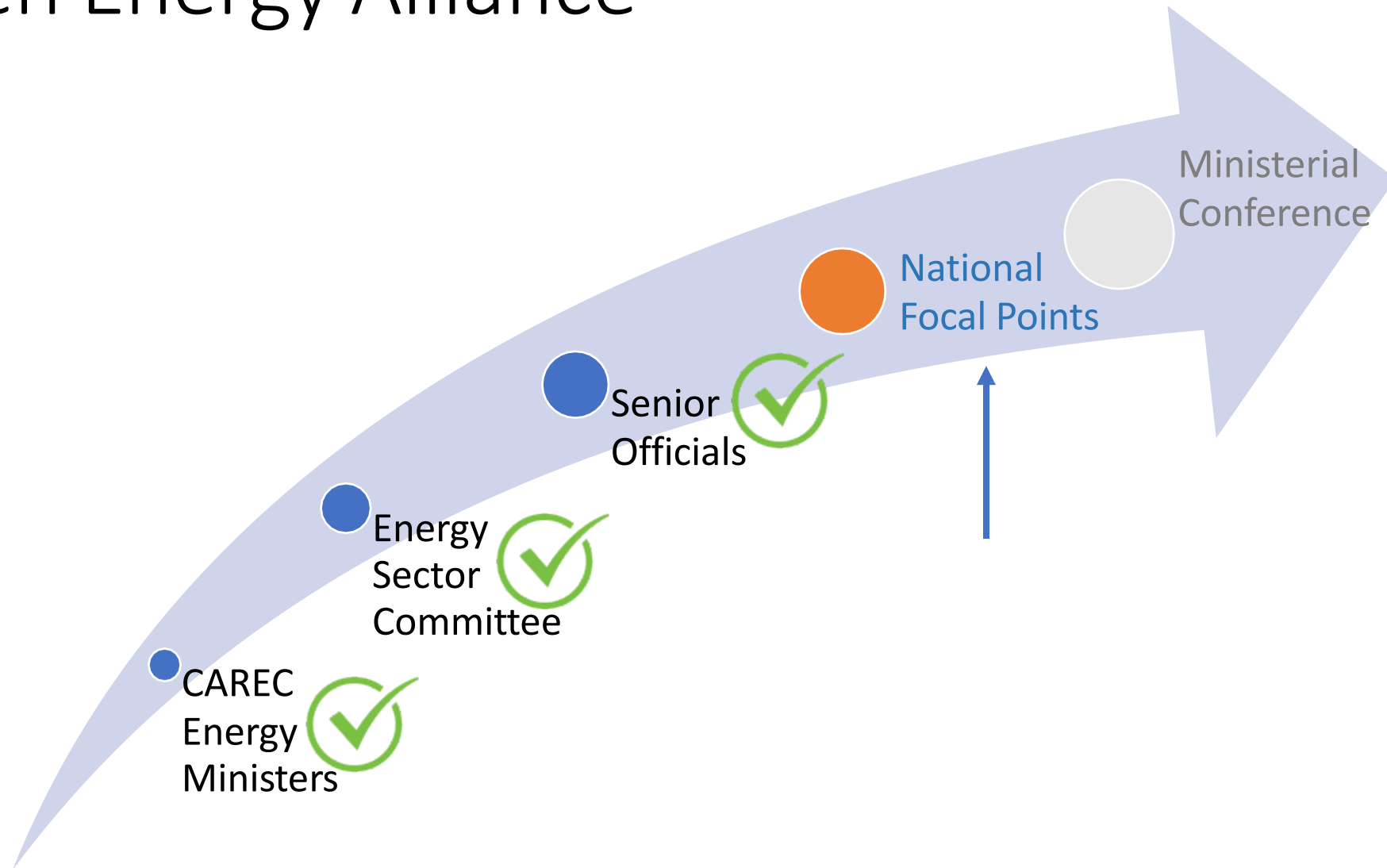
Project Preparation Support

Prepare high quality investment-ready projects with Project Preparation Support

B2B Community

Cooperate and exchange knowledge and ideas within B2B community

Wide support for Green Energy Alliance





**CAREC
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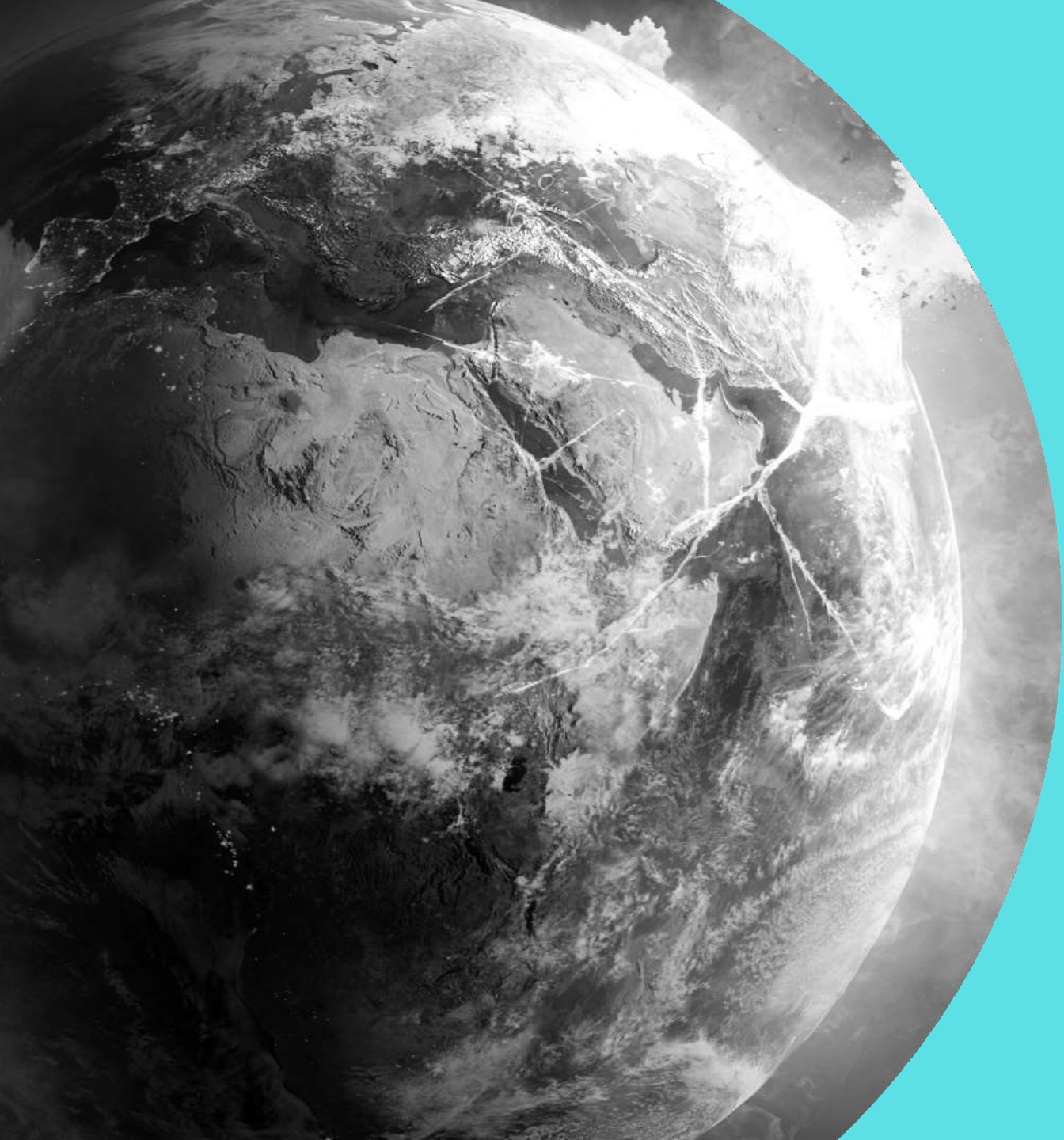
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***Supporting
Regional Actions
to Address
Climate Change
as a Crosscutting
Theme Under
CAREC 2030***

Presentation by the CAREC Secretariat

Background

- Climate change is the defining challenge for global development during the 21st century
- This challenge is now well recognized worldwide, and actions are being developed and taken to address climate change at global, regional and national levels
- The CAREC region contributes to carbon emissions causing climate change and is particularly vulnerable to the consequences of climate change
- Climate change was identified in the CAREC 2030 strategy as a cross-cutting theme, but to date the focus by CAREC on this topic has been limited

Purpose

- The CAREC Secretariat has commissioned a scoping study on how CAREC can best intensify its support for regional actions to respond to climate change
- The purpose of this scoping study is to develop a systematic and strategic approach by CAREC to the climate agenda in the region by
 - informing the CAREC member countries, Secretariat and development partners about the climate change issues and national and regional policies and instruments relevant to climate change
 - exploring the role and mechanisms of regional cooperation on climate issues in the region
 - identifying potential entry points for CAREC to engage on climate issues,
 - proposing ways to incorporating climate aspects into the five operational pillars of CAREC
 - finding an appropriate niche for the CAREC program in promoting the regional and global climate agenda

Approach

- The approach and methodology of this Scoping Study focused on
 - reviewing **documentary evidence**, including the CAREC and CAREC Institute knowledge products
 - **interviews** with experts from development partner organizations and from CAREC countries
 - inputs from **CAREC country officials**
- The study coordinated with **two other ongoing CAREC** studies (“CAREC Post-Pandemic Plan for Green, Sustainable and Inclusive Recovery” and with “Cooperation Framework for Agriculture Development and Food Security in the CAREC Region”) to ensure consistency of messages and recommendations

Consultations

- May 5: Consultation event Almaty (with CAREC Advisers)
- June 10: Inception report circulated for comment at SOM on 28 June
- June-July: consultations with national and international experts
- September 5: Draft 1 (English) circulated to NFPs
- September 30: Draft 1 (Russian) circulated to NFPs
- October 28*: Draft 2 (English) circulated to NFPs
- October 31*; Draft 2 (Russian) circulated to NFPs

Content

- **Climate change in the CAREC region: challenges and issues**
 - Overview of CAREC countries and subregions
 - **Comprehensive overview of national and regional climate challenges, issues, projections, and policies for 8 “core” issues, 9 “cross-cutting” issues and 7 “on-the-horizon” issues** (with sub-issues, where appropriate) for the CAREC region [table on next slide]
 - Review of **climate action commitments** (NDCs), climate strategies and adaptation plans
 - Assessment of **financing needs** and options
 - Overview of **regional and sub-regional dimensions and regional platforms** of the climate agenda in the CAREC region
- **Approach of CAREC to climate change to date**
 - CAREC **2030 Strategy**, sector strategies and CAREC/CAREC Institute **knowledge products**
 - The CAREC **project portfolio**
 - Regional dimensions of CAREC’s climate engagement to date
- **Future directions of CAREC**
 - **General findings/messages** for CAREC and CAREC countries on necessary climate action, with a special focus on regional cooperation
 - **Recommendations** for CAREC and CAREC Institute

Main climate change issues addressed in the Scoping Study:

	Core issues		Cross-cutting issues		On-the-horizon issues	
	National	Regional	National	Regional	National	Regional
Mitigation	<ul style="list-style-type: none"> - Energy - Water - Agriculture - Energy/water/ agriculture nexus 		<ul style="list-style-type: none"> - Macroeconomic - Private sector - ICT/digital - Hydromet - Institutional capacity - Costs and benefits - Just transition - Gender - Communic./advocacy 		<ul style="list-style-type: none"> - On the horizon energy issues - Artificial intelligence (AI) - Technology transfer and S-S Cooperation - Migration - New concepts - Research/data 	
Adaptation	<ul style="list-style-type: none"> - Transport - Cities - Disasters - Health 					

Overarching Conclusion

CAREC has a unique and urgent opportunity to chart a course of proactive, systematic and strategic engagement on climate change by

- developing a range of regional actions in response to the regional nature of many climate change impacts and solutions, and*
- supporting its member countries in reinforcing, modifying and implementing existing national strategies on climate change mitigation and adaptation.*

4 Messages on CAREC and CAREC Institute

1. **CAREC is potentially an important regional convenor and offers a platform for addressing climate change in the CAREC region, together with CAREC Institute;** however, CAREC has not yet focused systematically and strategically on the regional climate change agenda.
2. **CAREC can draw on a strong knowledge base** and on an operational foundation in some sectoral and thematic areas with relevance to regional climate change issues, drawn on the work of CAREC Institute, ADB and other development partners and by national organizations and experts.
3. The list of climate issues identified under this report **fit generally well within the structure of CAREC activity clusters** as defined in the CAREC 2030 strategy
4. Looking ahead, CAREC will have to **address how it can best employ and preserve its strengths, deal with weaknesses, capitalize on its opportunities and manage threats.** (SWOT analysis provided)

8 Main Recommendations for CAREC and CAREC Institute

1. **CAREC to incorporate climate change as an urgent crosscutting issue in the CAREC 2030 Strategy.**
2. The CAREC Secretariat **to prepare a CAREC Climate Change Strategy** for adoption by CAREC Ministers.
3. CAREC to **establish a senior-level Steering Committee** for the climate change agenda.
4. The CAREC Climate Steering Committee to develop a road map for freestanding climate change projects and targeted climate mitigation and adaptation components in other projects to be designed, implemented and financed under the CAREC umbrella.
5. **CAREC and CI to work closely together** and to develop an agreed division of labor in the interest of maximum synergy, with CI also developing a climate change knowledge and capacity building strategy.
6. CAREC to develop a strategic approach to **engaging systematically with Development Partners (DPs) and other regional organizations** in fostering interagency collaboration and in mobilizing financial and expert resources for regional cooperation on climate change.
7. CAREC to aim to develop and publicize a **common position on global climate change negotiations (COPs).**
8. CAREC and the CAREC Institute to **monitor and evaluate progress with the implementation** of climate change strategies in the region.



21st Ministerial Conference: Theme and Structure



Theme:

**Revitalizing Regional
Cooperation for a Green,
Sustainable and Inclusive
Recovery**



Key Events and Deliverables 2022

Deliverables

- CAREC Post Pandemic Framework for Green, Sustainable and Inclusive Recovery
- Cooperation Framework for Agricultural Development and Food Security in the CAREC Region
- CAREC Green Energy Alliance

Other Deliverables

- CAREC Sector Knowledge and Networking Events
- Energy Outlook
- A Scoping Study on Climate Change as a Crosscutting Theme under CAREC 2030

Proposed Agenda

- Welcome Address, Senior Representative, People's Republic of China
- Keynote Address by Mr. Masatsugu Asakawa, President, ADB
- IMF Presentation
- CAREC Deliverables and Ministers' Endorsement
- Consideration of the Joint Ministerial Statement
- Remarks by the Government of Georgia (as incoming CAREC Chair 2023)