



**CENTRAL ASIA REGIONAL ECONOMIC COOPERATION (CAREC) PROGRAM  
NATIONAL FOCAL POINTS' STRATEGIC PLANNING MEETING  
5–7 March 2025, ADB Headquarters, Manila**

**HIGHLIGHTS OF DISCUSSIONS**

1. Delegation from 10 CAREC countries and representatives from the CAREC Institute gathered in Manila on 5 to 7 March 2025 to operationalize the ten-point recommendations of [CAREC 2030 Strategy Midterm Review \(MTR\)](#) and discuss the CAREC program's initiatives for the period until 2030, including the pursuit of Green and Digital CAREC.<sup>1</sup>

2. Vice-President for South, Central and West Asia, Mr. Yingming Yang, led the ADB delegation and provided guidance throughout the entire meeting, with support from Central and West Asia Department (CWRD) Director General (DG) Yevgeniy Zhukov and East Asia Department (EARD) DG Ehsan Khan. ADB DGs and Senior Directors from ADB's Sectors Department (SD), Climate Change and Sustainable Development Department (CCSD), and Information Technology Department (ITD) moderated several sessions, while relevant staff, including from Strategy and Policy Department (SPD), Office of General Counsel, Resident Missions, and Private Sector Operations Department (PSOD) actively engaged in the sector and thematic discussions and alignment with ADB's new priorities under "Strategy 2030", particularly, the commitment to have 30% of ADB's operations in support of RCI and public goods. CWRD Regional Head Lyaziza Sabyrova reported early progress in the MTR implementation, the preparations for its Implementation Action Plan, and the next steps. The **Kyrgyz Republic**—the Country Chair of the CAREC Ministerial Conference in 2025—highlighted strengthening coordination, regular dialogue among CAREC countries, with development partners and the private sector (e.g., via business dialogue, PPP mechanisms, or creation of a CAREC private sector council).

3. **Climate Agenda and Regional Public Goods.** Underscoring the regional importance of Bahri Tojik reservoir management, **Tajikistan** proposed capacity-building for emissions accounting, trading, climate research, and green innovations. **Azerbaijan** shared COP29 outcomes, including the signing of the CAREC Partnership for Climate, Innovation and Trade Declaration, the mobilization of \$1.3 trillion climate finance, Loss and Damage Fund, and Article 6 implementation for carbon markets. Countries' requested for a variety of support, including the implementation of advanced water conservation technologies, strengthening scientific and technical cooperation, and establishment of a regional water-saving hub, and a gene bank in CAREC countries (**Uzbekistan**); climate finance readiness, natural disaster risk modeling, regional public goods, and data-sharing platforms (**Pakistan**), disaster risk management, carbon calculation methodology and knowledge databases (**Mongolia**): monitoring, research and protection of glaciers, implementation of climate-resilient solutions, rational use and equitable distribution of water resources (**Turkmenistan**); climate reforms, renewable energy including Kamarata-1 HPP, glaciers, and sustainable water management (**Kyrgyz Republic**). **Tajikistan** invited countries to the Glaciers' Preservation Conference in June 2025, while **Uzbekistan** announced Central Asia Climate Conference planned in early April 2025 in Samarkand.

4. **Transport Connectivity, Economic Corridors and Trade Facilitation.** ADB has initiated the midterm review of the CAREC Transport Strategy (CTS) 2030, the CAREC Integrated Trade Agenda (CITA) 2030, and the CAREC Digital Strategy 2030. The parties noted that in building integrated cross-border transport networks, soft connectivity through trade facilitation measures and digitalization is crucial. Priority regional investments include: the development of

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<sup>1</sup> The [agenda](#) and [list of participants](#) are uploaded in CAREC NFPs Strategic Planning Meeting [event site](#).

CAREC Corridor 2 and East-West Corridor (**Georgia**) (**Mongolia** requested to be part of CAREC Corridor 2); CAREC Corridors 1,2,3, and 5; China-Kyrgyzstan-Uzbekistan Railway and logistics centers (**Kyrgyz Republic**); expansion of Regional Improvement of Border Services (RIBS) projects to three border crossing points (BCPs) at Kharlachi, Ghulam Khan, and Angoor Adda (**Pakistan**), a joint Fotehobod-Oybek border crossing project (**Uzbekistan and Tajikistan**); considering a possibility of including Uzbekistan-Kyrgyzstan-Western China-Mongolia transport corridor in the list of transport corridors of the Central Asian Regional Economic Cooperation (**Uzbekistan**), CAREC TA on enhancing the institutional capacity and skills in improving logistics and trade management systems and open data platform (**Turkmenistan**). CAREC countries also support the role of economic corridors as growth drivers and suggested replicating the Almaty-Bishkek Economic Corridor, including Kyrgyz Republic–Uzbekistan<sup>2</sup> and Uzbekistan-Kyrgyz Republic–Tajikistan corridors. Several countries also suggested to improve air transport regional connectivity (**Kyrgyz Republic, Mongolia and Uzbekistan**). Accelerating trade cooperation agreements and capacities to negotiate including under the CAREC Trade and Investment Facilitation Partnership is also a priority (**Mongolia, PRC, and Georgia**).

5. **Energy Connectivity.** **Azerbaijan** values ADB's support for the Caspian Sea undersea cable's FS. The **PRC** raised the consistency of energy policy amid global uncertainty, highlighting the affordability of renewables to promote market stability. **Mongolia** called for the reinstatement of the Northeast Grid Assessment Initiative to enhance regional energy security. Countries (**Kyrgyz Republic, Tajikistan**) highlighted regional energy efficiency project (Kambarata-1, Rogun HPP) and requested continued support for regional initiatives such as the CASA-1000. **Tajikistan** has identified the need for innovative technologies for energy conservation, waste recycling, high-intensity agriculture, and renewable energy. **Turkmenistan** advocated for cross-border transmission infrastructure investment, a regional energy market with clear electricity trading mechanisms and harmonized technical standards as well as the Turkmenistan-Afghanistan-Pakistan (TAP) transmission line. **Uzbekistan** emphasized balancing traditional and renewable energy, annual reviews of major energy projects in CAREC, ten-year regional energy needs assessment, and as well as practical assistance from the ADB in developing consolidated measures to prevent and avert blackouts, i.e. mass power outages in the countries of the Central Asian region.

6. **Digital Connectivity.** ADB introduced proposals for regional dialogue and the Regional Fund to harness digital startup ecosystem. **Pakistan** presented a proposal to explore establishment of fiber optic connectivity between Pakistan and Central Asia to strengthen regional digital infrastructure. The **PRC** shared suggestions for developing digital economy in Central Asia including building digital infrastructure; coordination of policies (e.g., data privacy, electronic signatures, e-commerce, cross-border e-payments, fintech, and regional cybersecurity); cooperation in digital skills and education; digital innovation and entrepreneurship; cross-border supply chain management, and regional governance and partnerships. Countries proposed further dialogue to leverage emerging technology, capacity-building and analytical work on artificial intelligence (AI) and digitalization, and cybersecurity.

7. **Economic and Financial Stability Cluster.** Capital market development is important for building infrastructure and financial resilience. **Mongolia** proposes the development of local currency bond markets and a regional bond market. **Pakistan** proposed blended finance models for SMEs. **Uzbekistan** requested ADB to support an alternative to cash payments.

8. **Human Development Cluster.** **Mongolia** proposed the expansion of tele-medical services and use of digital platforms to share data and knowledge. **Pakistan** highlighted the

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<sup>2</sup> Предложенный маршрут не согласован с Узбекской Стороной в установленном порядке. По предварительным данным, часть предложенного маршрута пролегает по территории природных заповедников, что сдерживает принятие данного варианта.

importance of the One-Health Approach and regional coordination. **Uzbekistan** requested an ADB grant for a health insurance project, and also proposed ADB to increase its efforts in the area of knowledge transfer and continue to pursue its strategy of increasing investment in projects aimed at improving the quality of human capital, particularly human resources in Central Asian countries.

9. **Education Cluster.** Skills development must be aligned with demand, i.e. private sector needs. The Guangxi Modern Technical and Vocational Education and Training (TVET) Development Program improved the quality and inclusiveness of TVET and expanded its role. ADB could help regionalize TVET and higher education through the establishment of a center. **Pakistan** proposed building green and digital skills, through cross-border training programs. **Uzbekistan** requested knowledge sharing on how PRC developed its higher education system and high-technology capacity.

10. **Private Sector Engagement.** The main private sector development impediments are poor business environment (complex laws, state dominance, skills gap), infrastructure gaps, and limited finance access. CAREC should shift from collateral-based lending to local currency instruments. ADB's Trade and Supply Chain Finance Program helps address SME finance gaps through guarantees, loans, and knowledge solutions. CAREC can enhance private sector engagement by tapping cross-border expertise, leveraging climate funding, and supporting youth entrepreneurship through startups. **Georgia** suggested using chambers of commerce for engagement. The **Kyrgyz Republic** proposed improving SME access to markets, finance, and innovation and called for more regional PPP projects. **Mongolia** recommended knowledge sharing, sovereign coordination, and private-sector dialogue. **Uzbekistan** suggested the development of new flexible tools for various resource mobilization for investment project financing.

11. **CAREC Institute (CI)** has a Revitalization Plan, focusing on fewer but more impactful areas of trade and connectivity, climate-energy nexus, inclusiveness, and digitalization. Flagship research on digitalization, green economy, and energy security were suggested. CI will organize its High-Level Development Forum in the last quarter of 2025, on “green development and economic resilience”. There will be an investment forum, leadership training, and the launch of the first annual development report on key regional trends and challenges.

12. **Role of Resident Missions.** Resident Missions (RMs) support regional cooperation by integrating RCI into national programs, aligning policies, coordinating funding, and supporting training and data sharing. The Green Energy Corridor project—where ADB is providing a \$1 million grant for its feasibility study—demonstrated the crucial role of three RMs and ADB's Sector Group. The **Kyrgyz Republic** proposed strengthening the CAREC Secretariat's regional presence. **Turkmenistan** proposed RMs to produce policy briefs on bank requirements, including the environmental and social standards applicable to financing mechanisms and products and build capacity in project assessment. ADB underscored the role of country-led donor coordination.

13. **Program Effectiveness and Institutional Strengthening.** The CAREC Secretariat presented some initiatives to respond to the information and communications needs of CAREC stakeholders, including the CAREC online calendar, the CAREC Project Dashboard, the Impact Stories, and suggestions to improve the progress results framework. CAREC members noted the work in progress and highlighted the need to involve other development partners.

14. **CAREC Flagship Regional Projects.** NFPs proposed a broad range of flagship regional projects and initiatives that are being consolidated by the CAREC Secretariat. These will feed into

the Implementation Action Plan for the CAREC MTR; closely coordinated with country teams for potential inclusion in ADB's project pipeline; and shared with CAREC sector committees or working groups for follow-ups and consideration in their sector/thematic workplans.

- **Azerbaijan:** initiatives to develop skills and strengthen border infrastructure.
- **Georgia:** transport corridor projects and facilitation of cross-border trade along the Middle Corridor, CARTIF, joint BCP with Azerbaijan, solar/green energy project, implementation of CBAM requiring research and planning of the CAREC carbon market.
- **Kyrgyz Republic:** air transport infrastructure, energy/transport projects, border infrastructure for emergency preparedness, food security logistics, artificial intelligence solutions.
- **Mongolia:** currency banking platforms, regional green taxonomy, e-commerce platforms, payment modernization, simplification of free trade agreements, mineral supply risk planning, carbon market development, and trade/investment technical assistance.
- **Pakistan:** BCP modernization, digital connectivity, and climate initiatives.
- **Tajikistan:** BCP on the border between Tajikistan and Uzbekistan.
- **Uzbekistan:** simplified trade procedures, BCP digitalization, green economy initiatives, food security, green energy, connectivity, and human capital development.

15. **Plans for 2025-2026, Wrap-Up and Next Steps.** All NFPs expressed gratitude to ADB and CAREC Secretariat for the well-organized meeting and noted the proposed schedule of the CAREC senior officials' meeting and Ministerial Conference. Tajikistan noted the productive informal setting and appreciated VP Yang's presence. VP Yang emphasized the importance of prioritizing high-impact projects, engaging in continuous discussions, and implementing centralized planning with decentralized execution, while collaborating with other development partners. Among the suggestion for the CAREC's 25<sup>th</sup> year commemoration includes business events, international conferences, economic impact reports, tourism events, interactive map of projects over the past 25 years, student competitions, and a digital museum of CAREC evolution.

### Annex on Special Sessions

16. **Fireside Chat on Designing and Implementing Regional Projects: Successes and Pitfalls.** Regional cooperation and integration (RCI) projects are defined as those that support cooperation or collaboration between at least two countries and generate cross-border economic benefits and spillovers. ADB targets 30% of all projects to be classified as RCI. Challenges in designing and implementing regional investment projects include (a) the need to be well-engaged, and long preparation period, (2) financing requires time, (3) capacity building is crucial. From a legal viewpoint, there are certain elements or complications that surface or multiply at any time between the preparation and completion stage that cause delays. Economic benefits are emphasized, but there is also a need to prevent illicit transactions. For upstream support, a region-wide large-scale TA is possible, in which ADB aggregates the requests of several countries. Multi-tranche financing facility (MFF) is available for a regional loan, though it is complex to have a single framework. MFF is a good instrument for RCI since it is a long-term, multisectoral, and phased modality. To address Tajikistan's concern about the mismatch between missions and government objectives, ADB ensures that the Country Partnership Strategy (CPS) is fully discussed with the government to reflect national priorities. ADB involves lawyers at all stages to reduce complexities and preempt legal issues. Training seminars on regional investment project preparation can be organized.

17. **Fireside Chat with VP Yingming Yang.** CAREC National Focal Points had a candid discussion with VP Yang on regional initiatives. On Uzbekistan's question about support for developing the services export sector in Central Asia, he responded that a holistic approach is best. For example, in upgrading digital skills, the underlying infrastructure to support capacity building must be present first, such as a stable electricity supply. To answer Tajikistan's question on ensuring the CAREC Program's success despite current geoeconomic fragmentation, he cited that strengthening cooperation and building on the trust already existing among the CAREC countries and ADB is crucial. Advancing jobs via tourism development and the participation of all stakeholders, including the private sector, is important. With the Kyrgyz Republic's observation on the CAREC institutional set-up, he averred that despite the lack of a formal institutional structure, interregional trade is comparable to the European Union, so a consensus-based approach also delivers results, and within this perspective, bilateral and plurilateral free trade agreements (FTAs) can be supported. On the CAREC Institute's question on balancing economic development and climate change, indeed, wisdom would be needed to balance the two; natural resources can be used to support jobs for economic growth, and it is best to start with low-hanging fruit such as the Karambata-1 HPP and the Rogun HPP. PRC shared its thinking on the CAREC Program; 1<sup>st</sup>, the importance of building more interconnectivity networks since Central Asia has unique geographical advantages; 2<sup>nd</sup>, creating stronger engines for innovation and development especially in emerging areas such as digital and AI; and 3<sup>rd</sup>, mobilizing private sector participation.

18. **CAREC Espresso Talk with Dr. Frederick Starr,** Founding Chairman of the Central Asia-Caucasus Institute and Silk Road Studies Program. Dr. Starr suggested that CAREC focus on developing the North-South Corridor, given its enormous untapped potential as a transport and trade route that would benefit the affected economies. Two elements are required: (i) a central clearinghouse of information about the route, which would be a valuable service for investors, (ii) institutional leadership, given "greater Central Asia (GCA)" is the only region yet without a coordinating body. ADB is the logical host of the first, in view of its CPMM and research capacity, and supporter for the establishment of the second. The internal concerns of major countries such as the PRC, US, Russia or EU dilute their involvement in this, while the platforms for assistance provided by Japan, South Korea, EU, US or Turkey early on have been selective in coverage. Nevertheless, GCA must be developed from within, and all GCA countries must come together for a common position. Sustainable cooperation, including with Afghanistan, matters.