



# **CAREC DIGITAL STRATEGY 2030**

## **PROGRESS REPORT AND WORK PLAN**

**NOVEMBER 2022 – MARCH 2024**

Reference Document  
Central Asia Regional Economic Cooperation  
Digital Strategy Steering Committee  
19 April 2024, Astana

## I. EXECUTIVE SUMMARY

This report provides (i) progress in implementing the work under the [CAREC Digital Strategy 2030: Accelerating Digital Transformation for Regional Competitiveness and Inclusive Growth](#) between November 2022 and March 2024 and (ii) monitoring of results indicators under the Strategy.

Supported under [TA: Supporting Startup Ecosystem in the Central Asia Regional Economic Cooperation Region to Mitigate Impact of COVID-19 and Support Economic Revival](#) (TA 6602), the project team conducted series of missions to (i) consult with the government counterparts and private sector on the implementation of *CAREC Digital Strategy 2030*; (ii) discuss the support for startups in Azerbaijan, Georgia, Kyrgyz Republic, Kazakhstan, and Uzbekistan from a regional perspective; (iii) assess the implementation of pilot initiatives under the TA6602; and (iv) explore broader needs and collaboration opportunities with the government and private sector counterparts to promote regional cooperation through enhanced digitalization.

The *CAREC Digital Strategy 2030* is guiding the region's digital transformation, with an established steering committee and a work plan for 2023-2025 now in operation. In response to COVID-19 disruptions, CAREC has pivoted to virtual operations, revealing infrastructure gaps and instigating an evolution toward effective digital collaboration.

The **CAREC Start-up Ecosystem Development Hub** catalyses innovation, supporting and fostering partnerships across a network of over 6,000 regional entities, reinforced by the [CAREC Start-up Map](#) and the active [CAREC Innovation Network](#). Knowledge exchange is a priority, with initiatives like the **CAREC Innovation Decoded** workshops, which draw on global and regional insights to bolster the start-up landscape.

The **CAREC University Start-up Competition** fosters practical entrepreneurial skills among students, strengthening the regional start-up ecosystem and encouraging cross-border academic collaboration. The **Business Angel Network** bolsters entrepreneurial skills and funding landscapes. Lastly, the **Ecosystem Health Check** initiative provides in-depth assessments to optimize the regional start-up climate, using robust analytical tools for future growth projection.

Key events like the **CAREC Innovation Week and the Digital Economy Tour** co-organized with ADB and local governments from the PRC in November 2023, offer knowledge-sharing and network-building platforms.

There is a vast potential for innovation and entrepreneurship in the CAREC region, with a growing number of young entrepreneurs and startup ventures emerging from universities. However, many startup teams face challenges developing their ideas and scaling their ventures due to limited access to resources, networks, and training opportunities.

## II. PROGRESS OF IMPLEMENTATION

1. Endorsed at the CAREC Ministerial Conference in 2021, the **CAREC Digital Strategy 2030** provides the vision and roadmap to catalyze digital technology to address social and economic challenges through regional cooperation in the CAREC region. The CAREC Digital Strategy Steering Committee (DSSC) was established and its [first meeting](#) held on 25 October 2022, where the DSSC terms of reference and Digital Strategy Work Plan (2023-2025) were approved. As part of its communication, the strategy has been published on the [CAREC Digital Strategy Portal](#).<sup>1</sup>

2. **Virtual CAREC.**<sup>2</sup> The COVID-19 pandemic's travel restrictions heavily impacted CAREC Program activities, prompting a shift to virtual operations. This transition exposed infrastructure weaknesses like poor connectivity and outdated equipment, hindering productivity. The introduction of the use of virtual or hybrid format in meetings or activities required the need to adapt to new technology and approach to effectively communicate and foster regional cooperation. A survey was conducted to identify issues and how to address them, followed by recommendations and a series of capacity-building including tailored advice for hosting virtual events, from web meetings to large seminars.<sup>3</sup>

3. Requisite equipment and services were prioritized (based on survey in March to June 2022) and procured under the virtual CAREC initiative as follows:

- i. ICT equipment issued to CAREC National Focal Point (NFP) offices of Kyrgyz Republic, Pakistan, Tajikistan, and Turkmenistan
- ii. Internet connection provided for NFP office in Pakistan and Tajikistan.

4. **CAREC Startup Ecosystem Development Hub.** The Hub aims to foster innovation and digital solutions to support regional collaboration in CAREC countries. It offers training and support to various stakeholders, such as government officials, financial entities, start-up ecosystem support organizations, and educational institutions. Additionally, the Hub will facilitate partnerships through events like investor meetups, promote cross-border dialogue among start-ups, and connect them with potential investors and funding opportunities.

5. The [CAREC Startup Map](#) lists over 6,000 entities and is the largest regional database of startup ecosystem support organizations, such as accelerators and incubators in the CAREC region. The map includes the target audience of the CAREC Startup Ecosystem Development Hub working in various regional startup ecosystems and provides knowledge support to invigorate the ecosystem.<sup>4</sup>

---

<sup>1</sup> [CAREC Program - Digital Strategy](#).

<sup>2</sup> The reports on best practices and recommendations on the use of digital mechanisms and tools for the conduct of CAREC regional events are available upon request.

<sup>3</sup> Conducted training/workshop sessions for governments and others (Secretariat, NFP Advisors, RCCs, and Sector Focal Points) on Virtual CAREC Connectivity on the following topics ([October – November 2021](#); and [February 2022](#)), including: (i) Advance Training for Zoom; (ii) Advance Training for MS Teams; (iii) Troubleshooting Connectivity Issues; (iv) Office 365 Collaborative Tools; (v) Selecting Equipment for Virtual Meetings; and (vi) Zoom Rooms vs MS Teams Rooms.

<sup>4</sup> Since the launch of the map multiple activities have been done. Please check the [CAREC Impact Report 2022](#) and [CAREC Impact Report 2023](#) for detailed information and tables.

6. The **CAREC Innovation Network (CIN)**<sup>5</sup> has more than 60 active members from the CAREC countries who work closely with the ongoing initiatives and contribute to regional collaboration through capacity-building workshops, networking events, and open innovation challenges. It supports the development of the regional startup ecosystem as part of implementing the *CAREC Digital Strategy 2030*.

7. The **CAREC Innovation Decoded** initiative promotes learning and knowledge sharing, focusing on the success factors of the mature startup ecosystem within the CAREC region and outside by organizing workshops to analyze case studies that contributed significantly towards developing a robust and sustainable startup ecosystem. Under the CAREC Innovation Decoded—China Episode, four workshops were conducted.<sup>6</sup>

8. **The CAREC University Startup Competition** is a competition that allows university students in the CAREC region to develop practical entrepreneurial and problem-solving skills through innovative ideas. This initiative encourages regional cooperation and cross-disciplinary collaboration among the universities and their students and is conducted under the open innovation challenge category. The pilot, CAREC University Startup Generator competition, was successfully conducted from March to June 2021 on Asian Development Bank (ADB) Challenges Platform.<sup>7</sup> The 2nd competition, which was implemented (December 2022–March 2023) received participation from 168 teams and 580 students from 10 CAREC member countries.<sup>8</sup>

9. **The CAREC University Innovation Exchange Program (UIEP)** was organized from 16-29 July 2023.<sup>9</sup> The Program aimed to increase regional collaboration among the CAREC universities, raise awareness among the students about the opportunities available in the region, and scale up their startup ideas. The initiative focused on pre-seed startup teams from universities in the CAREC region to enhance their skills, connect with like-minded peers and experts, and gain access to resources. The program duration was two weeks, and each of the 4 universities hosted the boot camp for 2.5 days. The selected startup teams participated in workshops, site visits, pitching and mentoring sessions, and networking events.

---

<sup>5</sup> The [inaugural meeting](#) for CIN, followed by [workshop](#) on “Understanding Startup Ecosystems”, [workshop](#) on “Investing in Frontier and Emerging Markets”, [workshop](#) on “Fundraising and Accessing the Singapore Startup Ecosystem”, [workshop](#) on “Challenges of a Startup Ecosystem”, and [workshop](#) on “How startups can raise money in emerging markets today”.

<sup>6</sup> The first [workshop](#) for CIN on “Investment and Incubation from Academia to Industry”, followed by [workshop](#) on “Create an Integrative Innovation Ecosystem to Promote Technology Transfer”, [workshop](#) on “For a prosperous CAREC economy through ICT based cross border e-Commerce”, and [workshop](#) on “Access to China: Collaboration and Operation”.

<sup>7</sup> Please refer to the [challenge page](#), [workshop 1](#), [workshop 2](#), and [demo day](#) of the pilot CAREC University Startup Generator competition.

<sup>8</sup> Challenge [page](#); Workshops organized [Building a Winning Innovative Team](#), [Alumni Talks - Speaker Series](#), [Information Analysis: Unlocking the Power of Research for Innovative Business Ideas](#), [Information Analysis and Critical Thinking Techniques for Startups](#), [Disruptive Innovation and Investor Expectations](#), [Nailing the Customer Value Proposition](#), [CAREC University Startup Generator 2023 - Demo Day](#), [CAREC University Startup Generator 2023 - Award Ceremony](#), and the [press release](#).

<sup>9</sup>The partner universities from each country were the State University of Economics from Baku, Azerbaijan; Georgian American University from Tbilisi, Georgia; Almaty Management University from Almaty, Kazakhstan; and Westminster International University in Tashkent, Uzbekistan. The CAREC University Innovation Exchange Program (UIEP) conducted [Almaty phase](#) from 16 to 19 July 2023; [Tashkent phase](#) from 20 to 22 July 2023; [Baku phase](#) from 24 to 26 July 2023; and [Tbilisi phase](#) from 27 to 29 July 2023. Main event page link can be found [here](#).

10. **The CAREC Regional Startup Bootcamp** was conducted from 21 to 30 August 2023.<sup>10</sup> The goal of this event was to promote cross-border collaboration among the leading national startup incubation and acceleration entities in the Central Asian region. This initiative brought together selected startups from three regional countries, allowing them to exchange ideas, learn from each other's experiences, and explore potential regional partnerships. By connecting startups from Central Asia, we aim to stimulate regional economic growth and encourage entrepreneurial development.

11. **The Business Angel Network** is designed to connect startups with regional experts for local insights and market validation and to expand their networks for accelerated growth. It aims to strengthen the local funding ecosystem, promoting entrepreneurship and investment culture within the region. Additionally, the network supports ecosystem development through collaboration and resource exchange and enables investment syndication by pooling resources with other investors for more substantial funding opportunities.

12. **Workshop and Korea Showcase: Universities as Enablers of Vibrant Startup Ecosystems** was jointly organized by the ADB,<sup>11</sup> ADB Institute, and the CAREC Program on 26-29 February 2024, in the Republic of Korea. Government and university representatives from Azerbaijan, Georgia, Kazakhstan, and Uzbekistan shared their experience in startup ecosystem development and gained insights from Korea's successful startup support programs. Following the exposure to the Korean start-up ecosystem, participants ideated potential follow-up initiatives that could leverage ADB's technical and financing capabilities and regional cooperation under the CAREC Program.

13. **CAREC Ecosystem Health Check and Case Study initiative** aims to evaluate and rank the health and potential of selected startup ecosystems within the CAREC region. This initiative is particularly focused on those ecosystems that are ranked within the top 500 globally. The objective is to provide a comprehensive analysis, leveraging the Global Startup Ecosystem Index (GSEI) framework, to understand and enhance the regional startup environments. The project will utilize a mix of quantitative and qualitative research methods. Data will be collected from various sources, including GSEI reports, government databases, and direct surveys with startups and stakeholders. Advanced statistical methods and simulation models will be employed to predict the impact of hypothetical scenarios.

## High-Level Events

14. Several CAREC countries and the CAREC program participated at Mongolia's ICT Mindgolia Forum, **high-level ICT Ministerial Meeting**, and **ICT Expo 2023**, attended by over 400 participants in June 2023 in Ulaanbaatar. It reaffirmed continuing commitment to inclusive digital economy and regional cooperation in the region.

15. The **CAREC Innovation Week and Digital Economy Tour**. ADB and the CAREC Program collaborated with the Hangzhou Municipal Government, and the Qiantang District Government of the People's Republic of China (PRC) for the **CAREC Innovation Week and Digital**

---

<sup>10</sup> The partner organizations from each country were the Next Step Innovation Center from Baku, Azerbaijan; Astana Hub from Astana, Kazakhstan; and IT Park from Tashkent, Uzbekistan. The CAREC Regional Startup Boot Camp (RSBC) conducted [Astana phase](#) from 21 to 23 August 2023; [Tashkent phase](#) from 24 to 26 August 2023; and [Baku phase](#) from 28 to 30 August 2023.

<sup>11</sup> ADB is helping improve cross-regional learning and pipeline development through the CCDT's Digital Development Facility TA [53116](#) with a focus on business case and economic value chain for startup ecosystem work, university-industry linkages, a market access online school for startups, a regional information portal with ecosystem information and market intelligence.

[Economy Tour](#) from 22-24 November 2023 in Hangzhou, Zhejiang Province, PRC. This three-day event coincided with the Second Global Digital Trade Expo in Hangzhou, which consisted of conferences, exhibitions, and tours. Participants learned about the development, strategies, and opportunities of cross-border e-commerce in the PRC. The events provided a platform for sharing knowledge and experiences, building networks, exploring innovative solutions, and promoting digital economy development mechanisms through regional collaboration. Over 150 delegates from the PRC government and private sectors involved in innovation and digital economy and over 50 CAREC senior government officials, leaders from national tech parks, incubation and acceleration centers, university representatives, enterprise delegates, and venture capitalist participated.

16. At the sideline of the events, several MoUs, collaboration agreements, and letters of intent were signed. The Hangzhou Bureau of Commerce signed a cooperation memorandum with the Pakistan Khyber Pakhtunkhwa Board of Investment and Trade. Representatives from PRC and Central Asia jointly initiated the establishment of the "Global E-commerce Education Development Alliance" and the collaborative construction of the "Central Asia Innovation Cooperation Center." Among the initiatives proposed or supported to empower the regional ecosystem include: (i) Cross-Border Incubation Centers; (ii) Regional Startup Funding Network; (iii) Digital Innovation Challenges; (iv) Annual Startup Innovation Week; (v) Community Exchange; and (vi) Digital Trade Forum.

## II. FORWARD-LOOKING AND NEXT STEPS

17. **Work Plan 2024-2025.** The CAREC Secretariat seeks DSCC guidance and approval on the following proposed TA activities or initiatives:

- (i) [CAREC Digital Strategy Portal](#). The portal to collect and publish case studies from the CAREC countries about planned, ongoing, and completed projects from any sector contributing to digital infrastructure's digital transformation or enhancement.
- (ii) A series of **virtual round table public-private dialogue sessions** (tentatively in July 2024, Nov 2024, Mar 2025, July 2025) focusing on cross-border payments, human talent, and capacity building. These sessions will provide insights to develop actionable strategies to address these critical areas and foster collaborative discussions and insights between public and private sector stakeholders.
- (iii) **CAREC Startup Ecosystem Development Hub** to continue to organize events like investor meetups, the hub enhances collaborative partnerships, fosters cross-border interactions among startups, and links them with prospective investors and financing possibilities, thereby optimizing the flow of information and stakeholder connectivity.
- (iv) Upgrade the [CAREC Startup Map](#) to a more dynamic platform that gathers insights into the challenges and expectations, pinpointing collaboration opportunities to ensure our initiatives are attuned to the needs of ecosystem supporters.
- (v) The [CAREC Innovation Network](#) (CIN) will continue growing, creating avenues for interaction that target areas requiring enhanced communication, partnership, and knowledge exchange. **The CAREC Innovation Decoded** will focus on the success factors of the mature startup ecosystem within and outside the CAREC region, and more online sessions and workshops will be conducted.

- (vi) **2nd CAREC Innovation Week and Digital Economy Tour.** The event is proposed on 25-29 September 2024 in Hangzhou, Zhejiang Province, PRC at the sideline of the Third Global Digital Trade Expo in Hangzhou, which consists of conferences, exhibitions, and tours.
- (vii) **The CAREC University Startup Competition.** The third CAREC University Startup Generator competition is scheduled to be conducted in June/July 2024. This virtual event will consist of several training sessions, and there will be more engagement from the Universities with which TA interacted in various ongoing interactions.
- (viii) **Start-up Ecosystem Regional Networking.** Based on the lesson learned and the feedback collected from organizing the [CAREC University Innovation Exchange Program \(UIEP\)](#) and [The CAREC Regional Startup Bootcamp \(RSBC\)](#), the follow-up event's format will change. The key changes will be (i) Only the leading ecosystem stakeholders will be invited. Students and startups will not be invited to ensure a focused approach to the goals. (ii) The event will be held in a single country, not multiple countries. (iii) Mongolia, Pakistan, PRC, Tajikistan, and Turkmenistan participants will be invited to a suitable venue in either Kazakhstan or Uzbekistan. The program aims to increase regional collaboration among the CAREC ecosystem support organizations, create awareness about the state of the CAREC region's startup ecosystem, and find collaboration areas. The 3-day event is currently scheduled in May 2024.
- (ix) **The Business Angel Network** will continue to engage with high-net-worth individuals in the CAREC region and other entities to provide financial support to the startup. Several online sessions will be organized to promote opportunities in the CAREC region. The network also plans to develop strategic partnerships with key industry players and innovation hubs across the region to leverage resources and expertise. Additionally, targeted marketing campaigns will be launched to highlight the unique investment propositions that the CAREC startups offer.
- (x) **The CAREC Ecosystem Health Check & Case Study initiative** will continue to evaluate and rank the health and potential of selected startup ecosystems within the CAREC region. The CAREC secretariat will contact more entities in the CAREC. This outreach aims to foster a collaborative environment conducive to knowledge sharing, which will enhance the overall vitality and sustainability of the startup landscape in the region.

18. The CAREC Secretariat's goal is to work with projects across the ADB's different sectors and operation clusters and maintain close working relationships with ADB's internal entities, such as ADB's Climate Change and Sustainable Development (CCSD), Information Technology Department (ITD), ADB Innovation Hub, CAREC Institute, and ADB Ventures. The Team also plans to engage other development partners working on similar initiatives.

### **CAREC 2030 Strategy Midterm Review**

19. The CAREC Secretariat has initiated the process for undertaking the *CAREC 2030 Strategy Midterm Review (MTR)* this year. A Strategy Evaluation Advisor has been engaged and will be conducting consultations with the CAREC National Focal Points and Sector focals (including the RTG) starting from April 2024. Leveraging the outcomes of the [Evaluation of ADB Support for the Central Asia Regional Economic Cooperation Program, 2011–2022](#), the objective of the MTR is to enhance the effectiveness, efficiency, relevance, governance, and

sustainability of the CAREC Program and align it with CAREC members' emerging priorities and challenges amid the rapidly evolving global and regional landscape. Key questions include:

- *What are the key strengths of CAREC Strategy 2030, and are there any areas where it could be strengthened or updated to better reflect current challenges and opportunities?*
- *What specific recommendations would you propose for aligning CAREC initiatives and activities on trade with the objectives outlined in Strategy 2030, considering the evolving regional context and emerging priorities?*
- *How can the CAREC Program harness regional ownership (CAREC members and development partners)?*

### **Operationalizing CAREC Climate Change Vision and Role of ICT and Digital Strategy**

20. In November 2023, the 22nd CAREC Ministerial Conference endorsed the CAREC Climate Change Vision: *“A Region of Sustainable Development, Shared Prosperity and Climate-Resilience.”* It explicitly provides for climate change as a cross-cutting priority in the *CAREC 2030 Strategy*, and pursue three broad goals: (i) mitigate climate change; (ii) adapt to climate change; and (iii) cooperate across borders.

21. The Vision has 7 Priority Areas: *(i) energy, (ii) water, (iii) agriculture, (iv) transport, transit, and trade, (v) climate-smart cities, (vi) climate-related disasters, and (vii) health, education, and social protection.* Among the activities include:

- *digitizing trade processes and promoting cross-border paperless trade;*
- *Improving regional connectivity with climate-smart and efficient transport technologies in transport sector;*
- *Support for technological transfer in energy sector;*
- *encouraging innovation and digitalization technologies in agriculture sector;*
- *development of climate-smart cities reliance on “circular economy” measures (including recycling of plastic, batteries, electronic equipment, etc.).*

22. The *CAREC Digital Strategy 2030* as a cross-cutting theme has a role to pursue climate change goals.