



22nd CAREC MINISTERIAL CONFERENCE JOINT MINISTERIAL STATEMENT

FOR ENDORSEMENT

22nd Ministerial Conference

Central Asia Regional Economic Cooperation Program

30 November 2023

Tbilisi, Georgia



**Joint Ministerial Statement
22nd Ministerial Conference
Central Asia Regional Economic Cooperation Program
30 November 2023, Tbilisi**

Reinvigorating Regional Cooperation in Times of Change

Representing the Governments of Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan, Ministers adopted the following statement at the conclusion of the 22nd Ministerial Conference on Central Asia Regional Economic Cooperation (CAREC) in Tbilisi on 30 November 2023.

I. Reinvigorating Regional Cooperation in Times of Change

1. The 22nd CAREC Ministerial Conference marks 22 years of cooperation among member countries for shared and sustainable development. We commend the CAREC Program's achievements and resilience amid waves of recent events that have affected our region, starting with the COVID-19 pandemic. We noted the positive trend of economic recovery and growth in the region since the reopening after the pandemic, marked by strengthening regional connectivity and trade. We are cognizant of the uncertainties in the global and regional outlook due to the emerging challenges such as climate change or supply chain disruptions due to geopolitical developments leading to rising energy and food insecurity. We are determined to reinvigorate our efforts and strengthen our cooperation and partnerships, and encourage CAREC to coordinate with other global and regional initiatives and organizations, including the Belt and Road Initiative and the Global Development Initiative to effectively tackle these challenges and enhance resilience of our economies and people against future crises.

2. We endorse the [Regional Action on Climate Change: a Vision for CAREC](#) to help countries implement their commitments under the Paris Agreement and the Sustainable Development Goals by promoting regional actions for energy transition, decarbonization, innovative financing solutions, and climate-resilient infrastructure and policies. We welcome the concept of the [CAREC Climate and Sustainability Project Preparatory Fund \(CSPPF\)](#), which will help address the financing gaps in achieving climate change goals through preparation and readiness of bankable climate-related regional projects for CAREC countries. We look forward to the establishment of CSPPF and continuing support from our development partners.

II. Sound Progress on Implementation of CAREC 2030

3. We note the satisfactory progress made in implementing the CAREC 2030 Strategy across CAREC's five clusters, priority sectors and cross-cutting themes as well as in deepening policy dialogue, and knowledge-sharing on issues of regional significance. We welcome the

outcomes and recommendations of the [Independent Evaluation](#) of ADB's support to CAREC program and understand these will be considered in mid-term review of CAREC 2030 Strategy to be undertaken in 2024.

4. **Economic and Financial Stability.** We appreciate the role of the CAREC platform and the continuous support of development partners, including the Asian Development Bank (ADB), the International Monetary Fund, and the World Bank, in promoting high-level policy dialogues and regional learning on matters of common interests for the economic growth and financial stability in our region. This year's forums in Tbilisi in February and June discussed challenges and opportunities of carbon taxation, relevant policies, as well as measures to mobilize public revenues and sustainable finance to support development goals and achieve growth. We welcome the second CAREC Capital Markets Regulators' Forum in Almaty from 31 October to 1 November 2023, which explored potential regional capital markets development initiatives and climate finance for sustainable development.

5. **Trade, Tourism, and Economic Corridors**

- On **trade**, we are pleased with the momentum of the CAREC Integrated Trade Agenda (CITA) 2030 implementation. We are encouraged by the strong commitment of the Regional Trade Group and the Customs Cooperation Committee at their Joint Meeting in June 2023, and support the Rolling Strategic Action Plan (RSAP) 2023–2025, particularly the initiatives to modernize customs and sanitary and phytosanitary measures and cooperate in e-commerce. We acknowledge the accelerated efforts of Azerbaijan, Uzbekistan, and Turkmenistan to accede to the World Trade Organization. We welcome the signing of a Memorandum of Understanding for the CAREC Advanced Transit System and Information Common Exchange among four CAREC members and encourage others to join this landmark transit facilitation initiative. We appreciate the [CAREC panel session](#) on enhancing international value chains along the new Silk Road at the Tbilisi Silk Road Forum on 26 October 2023. We encourage CAREC to accelerate digitalization of trade including through alignment with United Nation agreements and model laws. We welcome the preparatory work for CITA 2030's review in 2024 and proposals for trade to be part of climate solutions through green and low-carbon transition of supply chains, sustainable trade financing, diversification, and other green trade initiatives.
- On **tourism**, we noted the steady recovery of the tourism sector in many CAREC countries to pre-pandemic levels and beyond, and applaud the launch of the [VisitSilkRoad](#) portal to raise awareness and profile of the region's tourist attractions in international markets to generate opportunities for local tourism businesses and private sector investments. We call for increased collaboration among countries, development partners and private sector to strengthen the implementation of the CAREC Tourism Strategy 2030 and development of bankable projects under the regional tourism investment framework 2021-2025.
- On **economic corridors**, we commend the progress in developing the Almaty-Bishkek Economic Corridor and conceptualizing transformative projects. Kazakhstan and the Kyrgyz Republic worked with ADB support on the ADB project design for regional health security in the Kyrgyz Republic, the modernization of border-crossing points, improved connectivity between Almaty and Issyk-Kul, a tourism component for an upcoming ADB water and tourism project for the Kyrgyz Republic, and enhancing disaster risk management and climate resilience. We note the progress in implementing the Shymkent-Tashkent-Khujand Economic Corridor development roadmap, including prefeasibility

studies and knowledge-sharing programs to strengthen industrial cooperation and facilitate trade. We welcome the publication of the *Guidance Note on Economic Corridor Development*, which will enable the planning, designing, and implementation of economic corridor projects in the CAREC region.

6. **Infrastructure and Economic Connectivity.** We are satisfied with the progress made in this cluster, particularly the efforts to further align and adapt the transport and energy sectors' initiatives to effectively respond to global climate commitments. We acknowledge the need for reducing carbon emissions, promoting cleaner energy sources, and protecting the natural environment in the course of infrastructure development. We acknowledge the role of regional cooperation and collaboration among countries and international organizations in achieving transport and energy development goals. We recognize the importance of digital technologies and innovation in enhancing the efficiency and safety of transport systems.

- On **transport**, we appreciate the continued work of the Transport Sector Coordinating Committee and the Railway Working Group to develop faster, greener, safer, and more sustainable transport systems in our region. We recognize the achievements under the five pillars of the CAREC Transport Strategy 2030, including projects, knowledge products and capacity building activities to enhance cross-border infrastructure and logistics, improve road asset management systems and road safety performance, modernize railway services and operations, and develop the regional aviation sector. We call for intensified efforts to continue analytical and investment support to tap the full potential of regional transport and transit corridors, such as the Middle Corridor, North-South Corridor, and Central Asia to East Asia Corridor.
- In **energy**, we welcome the concept for the Central Asia Transmission Cooperation Association, which can facilitate cooperation among regional transmission system operators and mobilize funding for emission reduction projects. We support the Energy Sector Workplan 2023-2025 to further develop investment-ready projects and identify innovative approaches to improve regional transmission networks and grid infrastructure, expand electricity trade, and increase energy efficiency. We welcome the successful organization of the 6th Energy Investment Forum in Tbilisi on 28-29 November 2023 which brought together government officials, project developers and financiers to discuss opportunities on renewable energy, energy efficiency measures, and sustainable heating solutions. We look forward to convening other workshops and similar events in 2024 to further advance energy cooperation in the region.

7. **Agriculture and Water.** We recognize that food security is a growing concern for our region as the recent COVID-19 pandemic, geopolitical tensions, and extreme climate events have caused supply chain disruptions and soaring food prices. We welcome the initiatives to support the Cooperation Framework for Agricultural Development and Food Security in the CAREC Region endorsed in 2022. We appreciate the support to modernize SPS systems and improve national food regulations to facilitate the region's agricultural trade. We note the ongoing dialogue and cooperation in the water sector and look forward to the establishment of the Water Pillar Working Group to guide the water sector cooperation. These include the development of regional projects and technical assistance aimed at promoting climate-resilient and productive water systems, and sustainable use of water resources.

8. **Human Development.** We are encouraged by the progress made in implementing the CAREC Health Strategy 2030. We support the Regional Investment Framework for Health 2022-

2027, approved by the CAREC Working Group on Health in March 2023, to prioritize regional investment projects, mobilize resources, and enhance coordination among development partners in support of regional health security and cooperation. We welcome the ADB technical assistance to address regional health threats including to develop health-related projects in CAREC countries. We note the groundwork conducted to explore opportunities for cooperation on skills development in the region and call for close collaboration among development partners, private sector, academia, and civil society.

9. **Climate and Disaster Resilience.** We recognize that the frequency and severity of disaster events are becoming more prominent due to climate change. This creates significant challenges for our countries, particularly for the poor and vulnerable, which requires an urgent and collective response. As enshrined in the [CAREC Climate Change Vision](#), we underscore the need to promote climate mitigation and adaptation, and enhance cross-border cooperation by sharing knowledge experiences, and transferring of technology on regional climate action. We appreciate the analytical work conducted by ADB to assess, quantify, and model disaster risks in CAREC countries, and enhance capacity for applying disaster risk financing instruments, including insurance and regional risk pools based on best practices. We support the actions outlined in the [Joint Statement on Developing a Disaster Risk Transfer Facility](#) in the CAREC Region, including to mobilize technical and financial resources to develop regional risk financing solutions that incentivize disaster risk reduction measures and strengthen public sector fiscal resilience and timely response to disaster events. .

10. **Information, Communication and Digital Technologies.** We are pleased with the progress made in implementing the CAREC Digital Strategy 2030. We commend the various initiatives on start-up map and bootcamp, innovation network and *Innovation Decoded* webinar series, university competition and exchange programs, and the organization of CAREC Innovation Week and Digital Economy Tour in Hangzhou, PRC in November 2023. These initiatives will help boost innovation and entrepreneurship, and strengthen regional partnerships while accelerating digital trade.

11. **Gender.** We welcome the initiatives under the CAREC Gender Strategy 2030, including the *CAREC Women Business Forum* and the *CAREC Awards for Advancing Gender Equality*. We recognize the need to step up efforts to further mainstream gender in the CAREC Program to promote women's empowerment, develop regional women's networks, and enhance women's access to economic opportunities and digital tools.

III. CAREC Institute

12. We appreciate the ongoing mid-term review of the CAREC Institute (CI) *Strategy 2021-2025* to ensure that knowledge and capacity-building solutions remain relevant and responsive to the changing needs of the region. We welcome the successful organization of the Seventh Think Tanks Forum in August in Urumqi under the theme "*Embracing Digital Technology for Sustainable Economic Development*". We affirm our commitment to continue supporting CI as the knowledge arm of the CAREC Program and welcome the initiatives included in CI's two-year rolling operational program for 2023-2024. We commend CI's efforts to mobilize resources and strengthen its operational sustainability through increased engagement with development partners and partnerships with think tanks in the region for collaborative research and capacity-building activities.

IV. Enhancing Institutional Mechanisms

13. We recognize the important role of development partners in implementation of the *CAREC 2030 Strategy* and appreciate their active engagement in regional projects and initiatives across CAREC's clusters, priority sectors and cross-cutting themes. We call for increased efforts to scale up financial and technical resources and urge all partners to identify and develop solutions to generate more private sector interest and financing. We express our appreciation to the CAREC Secretariat, the sector and thematic committees and working groups, and the CI for their continued support to the CAREC Program.

V. Conclusion and Acknowledgement

14. We thank the Government of Georgia for chairing and hosting the 22nd Ministerial Conference, and the ADB as the CAREC Secretariat, for the excellent arrangements made. We look forward to gathering in 2024 under the chairmanship of the Republic of Kazakhstan.

Joint Statement on Developing a Disaster Risk Transfer Facility in the Central Asia Regional Economic Cooperation (CAREC) Region

22nd CAREC Ministerial Conference, 30 November 2023, Tbilisi

The member countries of the Central Asia Regional Economic Cooperation (CAREC) Program adopted the following Joint Statement at the 22nd CAREC Ministerial Conference on 30 November 2023 under the Asian Development Bank (ADB)-funded technical assistance (TA) project on "[Developing a Disaster Risk Transfer Facility in the CAREC Region](#)".

Noting with satisfaction the progress made on TA 9878-REG: Developing a Disaster Risk Transfer Facility in the CAREC Region,

Recognizing that across the CAREC region there is a need to strengthen disaster risk management strategies and public sector fiscal resilience to promptly respond to disaster events,

Affirming the need to support regional collaboration on risk transfer and develop opportunities and options for developing a CAREC Risk Transfer Facility (CRF).

1. We express our interest to collaborate on regional risk transfer solutions that support greater risk responsibility and ownership, and can realize efficiencies in the cost of financing disaster risk for the CAREC region;
2. We support the opportunities, options and considerations for developing a CRF as outlined in the proposed "[Roadmap to Development of a Regional Risk Transfer Facility for CAREC](#)" report;
3. We call for further technical assistance resources to facilitate engagement of local and regional stakeholders to re-confirm the needs of each country, re-assess the results of initial disaster risk financing modelling exercises, and enable countries to confirm participation in the CRF;
4. We suggest discussing the proposal to convene a CRF Steering Committee that can consider the structure and capabilities of the CRF and establish its operational process and governance based on re-assessment of results;
5. We welcome the role of ADB as the lead facilitator in close cooperation with other development partners and the role of the CAREC Program as the convening platform for advancing the process through a coordinated and consultative approach necessary for establishing a CRF program;
6. We suggest ADB to further explore a proposal for a regional Disaster Relief Bond structure that provides access in the short-term to previously arranged and agreed disaster risk financing from private capital market investors; and
7. We acknowledge that there is a need for an integrated approach to disaster risk management, including complementary disaster risk financing instruments (upon approval by member countries) and disaster risk reduction measures.