

Joint Ministerial Statement
21st Ministerial Conference on
Central Asia Regional Economic Cooperation
24 November 2022

Revitalizing Regional Cooperation for a Green, Sustainable and Inclusive Recovery

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 21st Ministerial Meeting on Central Asia Regional Economic Cooperation (CAREC) held in virtual mode on 24 November 2022.

I. Revitalizing Regional Cooperation for a Green, Sustainable and Inclusive Recovery

The 21st Ministerial Conference marks a significant watershed in CAREC's over two decades of promoting shared and sustainable development in the wake of immense challenges in the region posed by the COVID-19 pandemic and recent geopolitical conflicts. Indeed, the pandemic showed that health shocks can have large macroeconomic impacts with significant social costs. However, we note that the crisis also provided opportunities to refocus and reinvigorate our efforts on regional development. We reiterated our resolve by committing to the *CAREC Post-pandemic Framework for a Green, Sustainable and Inclusive Recovery*. Based on the Framework, we will push productivity through digitalization, innovation and investment, achieve green growth through climate action, sustainable agriculture and energy transition, and promote inclusiveness through social protection, gender, education and health. We encourage the CAREC program to strengthen coordination with other global and regional initiatives and organizations, including the Belt and Road Initiative (BRI), Global Development Initiative (GDI), United Nations Special Program for the Economies of Central Asia (SPECAs), Economic Cooperation Organization (ECO), among others. We commend the CAREC Program for continuing to adapt to the changing times and diligently pursuing innovations to address the needs of member countries in current circumstances.

II. Continued Progress on Implementation of CAREC 2030

Economic and Financial Stability Cluster

- We welcome the continuous efforts of the CAREC program to promote regional cooperation through high-level policy dialogue and knowledge sharing among member countries on key aspects of economic and financial stability, macroeconomic policy, including increasing access of small businesses to financial services, in close coordination with other leading international and regional development partners. We believe that the high-level forums and meetings organized by CAREC serve as guidance and support platforms to unlock sustainable and inclusive growth opportunities amid recent challenges. Sector-based studies and technical assistance projects initiated during the year will continue providing necessary data-informed policy options for member countries to take effective measures in achieving and maintaining economic and financial stability.

Trade, Tourism, and Economic Corridor Cluster

- **On trade.** We are pleased to acknowledge the tireless efforts of the CAREC Program in supporting member countries adopt effective policies and develop improved institutional arrangements for better trading opportunities. We welcome the progress made on studies on moving towards a CAREC free trade agreement (FTA) and extend our congratulations on the successful convention of the Inaugural CAREC Digital Trade Forum. Other featured activities included aiding some member countries' accession to the World Trade Organization (WTO) and mainstreaming the trading principles of WTO in regional trade, developing e-commerce and digital trade, including e-phytosanitary solutions, and expansion and effective implementation of FTAs in the region, among many other important interventions. CAREC has been generating numerous data-informed analytical work to support trade facilitation policies with reliable evidence.
- **On tourism.** Tourism was one of the most affected sectors during the COVID-19 pandemic. Against this backdrop, the CAREC program actively pursued its planned activities to help member countries create an enabling environment to acquire more economic gains from the tourism sector through better connectivity and infrastructure projects under the CAREC Tourism Strategy 2030 endorsed in 2020.
- **On economic corridors.** We are pleased to see the steady progress in developing economic corridors in the region. The multisectoral spatial connectivity approach adopted by CAREC explores meaningful cooperation and closing regulatory and infrastructure gaps. The Almaty-Bishkek Economic Corridor is expanding its operational scope to tackle new challenges brought by climate change and the COVID-19 pandemic. Prefeasibility studies on specific projects for cross-border economic cooperation under the Shymkent-Tashkent-Khujand Economic Corridor initiative are ongoing.

We reaffirm the priority of the CAREC program on developing corridors that have fostered connectivity among member countries for more than a decade and recalling the global events that created new opportunities for the East-West route, we recognize that the increased interest in the Middle Corridor will not only promote regional cooperation but will have a triggering impact on the development of the Second CAREC Corridor, the Europe—Mediterranean—East Asia. We also recognize that strengthening trade, investment and economic cooperation along this Corridor will continue to promote effective and advanced implementation of the CAREC Strategy 2030 in conjunction with the CAREC Integrated Trade Agenda 2030.

Infrastructure and Economic Connectivity Cluster

- **On transport.** We appreciate the CAREC Program's continuous support in various aspects of transport sector development in member countries. Evidence-based analytics, capacity development, and implementation of technical assistance projects in vital sub-sectors such as cross-border transport and logistics facilitation, railways, and aviation transport provided the necessary assistance in building effective policy making in member countries. Training workshops on road safety and road asset management systems have been successfully completed and were all arranged and conducted virtually. We welcome the successful completion of a special report on Road Asset Management and performance-based road management contracts, the CAREC railway sector assessments, CAREC road safety report card, and the CAREC Road Safety Engineering Manual on Star Ratings for Road Safety Audit as well as the overall implementation of the CAREC Transport Strategy 2030.

- **On energy.** We congratulate the CAREC Program on the successful organization of two new flagship forums: the *2021 CAREC Energy Investment Forum – Investing in Energy Efficiency* and the *1st CAREC Women in Energy Summit – Equal by 2030 – Time for Change*. These initiatives are important new additions to a large set of activities already being implemented under the energy sector development sub-cluster. We were pleased to know that the CAREC Energy web platform was launched to increase the knowledge dissemination on CAREC activities in energy among different stakeholders. We endorse the *CAREC Green Energy Alliance*, an important initiative to boost renewable energy development in the region to meet our Nationally Determined Contributions to mitigate greenhouse gas emissions and build national capacities in clean energy generation.

CAREC Regional Infrastructure Projects Enabling Facility (RIPEF)

- We note the CAREC program committed to exploring a regional project preparation support mechanism to reduce regional infrastructure financing gaps and strengthen the development capacities of member countries. The development of the RIPEF concept is in progress, and a series of consultations with ADB's internal counterparts, development partners, potential donors, and CAREC stakeholders are being undertaken in 2022.

Agriculture and Water Cluster

- **On agriculture.** We welcome the efforts of the CAREC Program for timely initiation of analytical work on agriculture and food security in view of the recent developments and emerging issues in the global food supply. We endorse the *Cooperation Framework for Agricultural Development and Food Security in the CAREC Region*. We believe that this cooperation framework builds a solid foundation for a regional partnership where countries are enjoined to work together to improve agricultural production towards the path to achieving food security.
- **On Water.** We note the successful completion of the CAREC Water Pillar Scoping Report, which provided important insights both for the CAREC program and member countries in pursuing evidence-based policies for climate change adaptation and the development of a framework for the Water Pillar. The framework will focus on (1) climate resilient and productive water systems, (2) sustainable water resources and water services, and (3) nexus solutions and cross-sector learning. Analytical work will gradually include countries beyond Central Asia.

Human Development Cluster

- We are pleased to see the ongoing implementation of the CAREC Health Strategy. Several webinars and knowledge-sharing events on improving the healthcare system and health cooperation provided valuable information for policymakers and practitioners to properly address public health emergencies during pandemics and improve the countries' preparedness for future disease outbreaks. A Regional Implementation Framework (RIF) is currently being developed to identify areas and projects for implementation based on the strategic recommendations.

Regional Aspects to Address Climate Change

- We celebrate the completion of the study titled *Supporting Regional Actions to Address Climate Change as a Cross-Cutting Theme under CAREC 2030*. Through the study, we explored a comprehensive range of climate change issues based on an in-depth

review of the literature and intensive consultations with experts and practitioners; took stock of the CAREC Program's and the CAREC Institute's strategy and knowledge work and of CAREC investment projects in support of climate action; and considered how CAREC and the CAREC Institute can best support addressing the most important climate change challenges and opportunities through regional cooperation. We noted the valuable recommendations of the study for CAREC: to incorporate climate change as an urgent crosscutting issue in the CAREC 2030 Strategy; prepare a Climate Change Strategy for adoption by the Ministers; and establish a senior-level Steering Committee for the climate change agenda, among others.

Information, Communication, and Digital Technologies

- We note the progress made in implementing the CAREC Digital Strategy; the establishment of a Digital Strategy Steering Committee, the successful launch of the *CAREC Start-up Map and CAREC Innovation Network*, including the *CAREC University Start-up Generator project*. These initiatives aim to accelerate innovative digital entrepreneurship in the CAREC region. We believe that this will facilitate bringing diverse stakeholders in the region, boosting digital cooperation, and help make the vision of having a common CAREC Digital Space, the centerpiece of the CAREC Digital Strategy 2030, be closer to reality.

Gender

- We welcome CAREC's efforts in introducing new initiatives towards implementing CAREC Gender Strategy 2030. *The 1st meeting of the CAREC Regional Gender Expert Group and CAREC Forum on Women Economic Empowerment* were important events to discuss ways on how to encourage meaningful participation of women in economic activities, through better understanding of current opportunities and existing developmental bottlenecks. We recognize the need to further mainstream gender in the CAREC Program to ensure women's equal participation and equal enjoyment of benefits therein.

III. CAREC Institute (CI)

We note the expanded activities of CI with pride whereby they produced topical knowledge products that informed CAREC member countries and ADB activities on evidence-based policy dialogue and formulation. CI's capacity development activities are well aligned with CAREC activities in supporting its five operational clusters. CI's role as a regional knowledge sharing broker remains an asset in the CAREC system. We expect CI to further strengthen institutional capacity and improve governance, with the vision to be a leading regional knowledge institution.

IV. Conclusions and acknowledgments

We thank the Government of the People's Republic of China for hosting and chairing this 21st Ministerial Conference and the Asian Development Bank for providing support. We look forward to continuing the collective journey to prosperity of our countries through regional cooperation and coming together in 2023 under the chairmanship of Georgia.