



**CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM  
SENIOR OFFICIALS' MEETING  
28<sup>th</sup> June 2022**

**SUMMARY OF PROCEEDINGS**

**I. Introduction**

1. The Central Asia Regional Economic Cooperation (CAREC) Senior Officials' Meeting (SOM) was held virtually on 28th June 2022. Delegations from CAREC member countries participated, along with representatives of CAREC development partners and the CAREC Institute (CI). Mr. Jin Lu, Deputy Director General, Department of International Economic and Financial Cooperation, Ministry of Finance of P.R.C., Mr. Yevgeniy Zhukov, Director General, Central and West Asia Department (CWRD), Asian Development Bank (ADB), and Ms. Teresa Kho, Deputy Director General, East Asia Department, ADB co-chaired the meeting.

2. The objectives of the SOM were to: (i) reflect on the recent progress of the CAREC operational clusters; (ii) present and gather comments on the overall progress of the 2022 CAREC Deliverables and New Initiatives: 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; and CAREC Climate Change and Regional Cooperation and Integration (RCI) – A Scoping Study; (iii) present the progress and new initiatives of the CAREC Institute; and (iv) discuss the proposed structure and theme of the 21st CAREC Ministerial Conference (MC) to be held virtually. The agenda and list of participants are attached as Appendices 1 and 2.

**II. SOM Highlights**

3. **Progress of Implementation of CAREC 2030.** The SOM acknowledged the progress achieved in the five operational clusters despite the significant challenges caused by the COVID-19 pandemic and geopolitical tensions. The SOM also noted the crucial role of regional cooperation and integration in addressing challenges towards the region's green, sustainable, and inclusive recovery. The SOM was apprised that the CAREC Program accomplished its mandate to promote solidarity, cooperation, and adaptability as the region's economic and social cooperation platform. In addition, the meeting emphasized the importance of continued implementation of the CAREC 2030 strategy, and practical cooperation among the members. Lastly, SOM acknowledged the role of the CAREC mechanism in contributing to achieve the United Nation's 2030 SDGs.

4. The SOM discussed the key issues about the four new deliverables/initiatives presented during the session.

a. **CAREC Post Pandemic Framework for Green, Sustainable and Inclusive Recovery:** The SOM welcomed the CAREC Post Pandemic Framework for Green, Sustainable and Inclusive Recovery and affirmed their commitment to ensuring sustainable social and economic development for the post-pandemic period. First, it was suggested that the framework should provide general directions for strengthening

macroeconomic policy coordination, (including inflation, unemployment, and financial vulnerabilities) and managing disruptions of supply chains. Second, it should provide guidance on trade and investment liberalization and new innovative cooperation areas such as the digital economy and green development. Finally, it should give a detailed background of the study and the draft framework.

b. **Cooperation Framework for Agricultural Development and Food Security in the CAREC Region:** The SOM noted that the COVID-19 pandemic and recent geopolitical tensions had exacerbated pre-existing food security issues in the region. Given the great potential of agricultural cooperation and the importance of food security in the region, the framework could pave the way for a comprehensive strategy for CAREC agriculture cooperation and development in the future. The CAREC members suggested that the framework promotes south-south and tripartite cooperation, strengthen knowledge sharing and capacity building, and explore investment cooperation on agriculture development and food security. Further, it should survey ongoing regional initiatives and projects to ensure synergy and a holistic understanding of the issues. Lastly, ADB should strengthen consultations with member countries to understand their needs better and ensure the quality of the document.

c. **CAREC Green Energy Alliance:** The SOM acknowledged the importance of establishing the CAREC Green Energy Alliance to address climate change and bring impetus to developing renewable energy sources towards a greener and cleaner future. The SOM noted that the transition to green energy and climate resilience requires significant financial resources. Therefore, the SOM acknowledged that the CAREC Green Energy Alliance should serve as an innovative new financing mechanism for integrated solutions to co-finance in the CAREC countries. ADB should mobilize resources through the “ One ADB” approach in supporting the alliance. The alliance should also actively strengthen cooperation with other international institutions and private sector to maximize its impact. Establishing the CAREC Green Energy Alliance will make it possible to form an energy market and develop and implement joint green energy projects (including new hydropower plants) in the region. The alliance should become a digital marketplace providing access to investment-ready green energy projects, affordable funding, and project preparation support.

d. **CAREC Climate Change and Regional Cooperation and Integration (RCI) – A Scoping Study:** The SOM acknowledged that climate change exacerbates short-and long-term development challenges for regional economies, and the CAREC region is particularly vulnerable to the consequences of climate change. The SOM welcomed the scoping study and affirmed its commitment to support regional cooperation to respond to climate change. It was suggested to consider the relevant sector strategies of CAREC and to ensure consistency with those strategies since climate change is a cross-cutting theme. Second, it was recommended that ADB should further analyze the necessity and feasibility for the source of finance, the operation model, and how to avoid duplication with existing facilities. Lastly, during the study, ADB should reach out to member countries to seek their views and take their concerns and suggestions into full consideration. The SOM looked forward to the study’s recommendations on the best ways to intensify CAREC’s climate change efforts in the region.

5. CAREC Secretariat thanked the SOM for the informative and productive discussion. The Secretariat is committed to incorporating suggestions as the work on these initiatives continues.

Further consultations on these strategies are planned prior to finalization and submission to the CAREC Ministerial Conference.

6. The CAREC Institute (CI) apprised the SOM about the updates on its institutional governance and activities of the Secretariat of CAREC Think Tank Network (CTTN) and the Chief Economist's team. The SOM noted the CI's accomplishments in its research, capacity building, and knowledge management programs. The SOM appreciated the progress that CI has made and reaffirmed their commitments for support to the CI. It was recommended for CI to (1) further strengthen consultation and interaction with CAREC member countries to have a better understanding of their needs and provide targeted knowledge products and services; (2) continue enhancing the quality and visibility of its knowledge products, especially its flagship products and increase its influence in CAREC region and beyond; and (3) continue to improve its institutional governance and enhance capacity building and explore innovative ways to enhance the financial sustainability. Finally, CI was requested to provide detailed information on its events and research for possible contributions and cooperation with the CAREC member countries.

7. The CAREC Secretariat announced that the 21st Ministerial Conference will be held virtually in November 2022, with the theme "Revitalizing Regional Cooperation for a Green, Sustainable and Inclusive Recovery". The SOM noted that the three key deliverables will be presented, which are CAREC Post Pandemic Framework for Green, Sustainable and Inclusive Recovery, Coordination Framework for Agricultural Development and Food Security in the CAREC Region, and CAREC Green Energy Alliance. The proposed agenda was shared with the SOM.

8. The SOM appreciated the Government of P.R.C, particularly the Ministry of Finance, for co-chairing the meeting. The SOM also expressed gratitude to ADB and the CAREC Secretariat for helping organize and conduct the meeting.