



# CAREC 2030 Strategy: Midterm Review (MTR)

**Lyaziza Sabyrova**

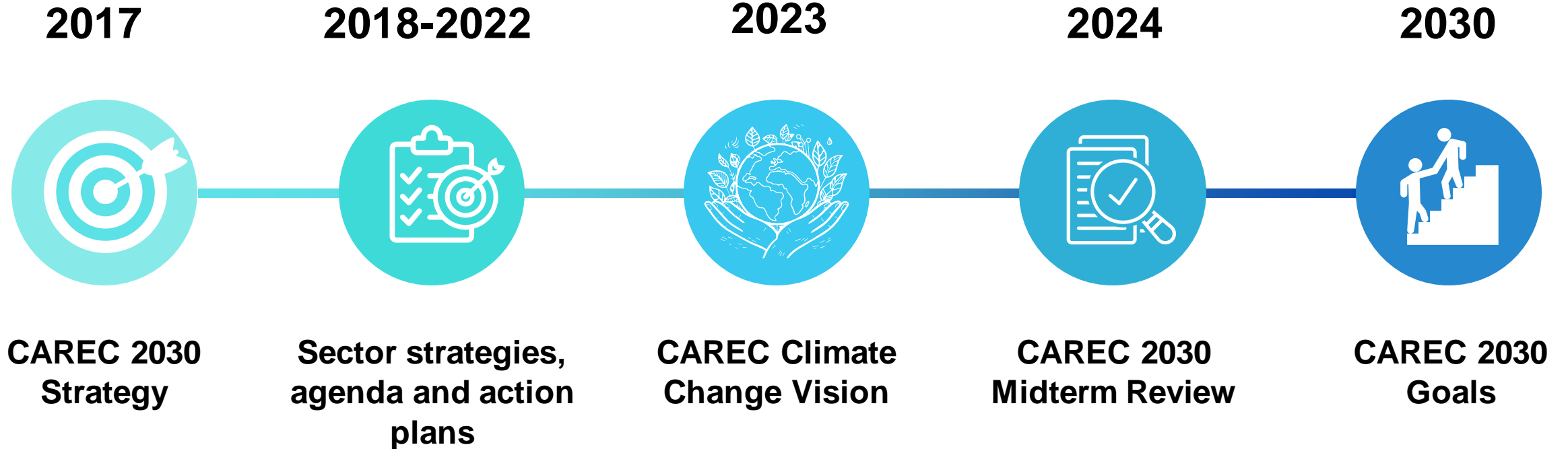
Regional Head, Regional Cooperation and  
Integration, Asian Development Bank

**Senior Officials' Meeting**  
**30-31 May 2024**  
**Astana, Kazakhstan**

# Core Questions for NFPs and DPs

- *What are the key strengths of CAREC Strategy 2030?*
- *Going forward, how should CAREC maintain its broader mandate without losing a focus?*
- *In what areas Strategy implementation could be updated or strengthened to better respond to emerging challenges and opportunities?*
- *How can the CAREC Program harness regional ownership (CAREC Member Countries and Development Partners)?*
- *Any specific sector/thematic recommendations to improve outcomes of CAREC interventions and align them better with CAREC 2030 goals?*

# Pathway to 2030



# Context and Operating Environment

## CAREC 2030 Strategy Principles

- Alignment with national strategies and global agenda (SDGs and Paris Agreement)
- Traditional sectors and selective expansion to new areas
- Deepening policy dialogue

## CAREC Program evolution

- Membership: from 5 countries to 11 countries (comprising 1.7 billion people); Diverse country-specific circumstances and regionwide challenges
- Expanded coverage: from 3 sectors to 5 clusters [9+ sectors] and 3 cross-cutting themes
- Open and inclusive platform

## Challenges

- COVID-19 pandemic
- Climate change
- Geopolitical conflicts
- Various regional initiatives with overlapping membership

# CAREC 2030 Strategy



**Economic  
and  
Financial  
Stability**



**Trade,  
Tourism  
and  
Economic  
Corridors**



**Infrastructure  
and Economic  
Connectivity**



**Agriculture and  
Water**



**Human  
Development**



**Cross-cutting  
Themes:  
Climate  
Change,  
Digital/ICT,  
Gender**

- **\$51 billion** cumulative investments, mainly in traditional sectors, of which, **68%** transport, **25%** energy, **3%** trade sector, diversifying to new sectors (health, agriculture and tourism)
- **4** CAREC sector coordinating committees, **3** thematic WGs, and **14** WGs/sub-WG established as of June 2024
- **103** ongoing CAREC projects, of which **83** projects approved since 2017
- **29** CAREC TAs under implementation by ADB (total **\$58 million**)
- **56** sector meetings and **34** trainings or capacity building in **2023**, compared with **16** sector meetings and **20** trainings or capacity building in **2017**



# CAREC 2030 Midterm Review

## WHY

- Assessing progress at midpoint in CAREC 2030 Strategy implementation
- Responding to global and regional developments
- Aligning with Countries' and DPs' evolving priorities and structure

## WHAT

- Relevance and Effectiveness
- Efficiency
- Lessons: directions moving forward

## HOW

- Independent evaluation and progress reports
- Broad and deep-dive stakeholders' consultations
- Further stakeholders' consultations after SOM; near-final by NFP consultation meeting; and for submission to 23rd MC in November 2024



# Independent Evaluation of ADB Support for the CAREC Program (2011 to 2021)

CONNECTIVITY	COMPETITIVENESS	REGIONAL PUBLIC GOODS	PROGRAM MANAGEMENT
Improved regional connectivity	Strengthened enabling environment & increased economic activity in targeted locations	Renewable energy and clean technologies in informed energy policies.	Good structure of CAREC Secretariat, effectively managed by ADB.
Enhanced quality of travel along the corridor network	Bottlenecks and trade barriers persists.	Early interventions in agriculture, health & tourism.	Issue of sustainability and efficiency amid Program expansion vis-à-vis resources constraints.
Increased regional energy security potential	Upgrade of border crossing points and processes crucial.		Stronger stakeholder engagement & better results monitoring to enhance effectiveness.

# Independent Evaluation – Recommendations

- ✓ Strengthen support for **investment climate and trade policy reforms** to promote economic diversification across the CAREC subregion.
- ✓ Increase support for **modernization** of border crossing points and customs processes.
- ✓ Give a higher priority to developing a **multimodal corridor network** in the CAREC subregion by increasing support for the railway network and aviation. **Middle Corridor.**
- ✓ Use the CAREC platform to support **climate change** mitigation and adaptation in all sectors through regional cooperation.
- ✓ Strengthen the CAREC Program’s **results monitoring** system and tools.



# CAREC 2030 Achievements (2017–2023)

- CAREC Climate Change Vision
- Paris Agreement alignment of projects

Increased and more inclusive participation

- Ex: from 900 (2017) to 1,700 (2023)
- Small traders; Women entrepreneurs
- Startups and university students;
- Border communities etc.



- Risk management and paperless trade
- Regional health security and cooperation through knowledge exchange

- Over **16,000 km** of roads/railways built or improved in CAREC corridors
- CAREC Corridor 2 development

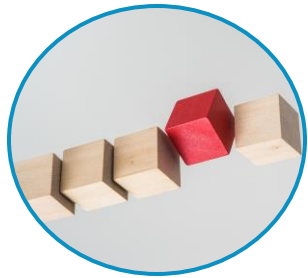
- Economic Corridor Development
- Digital transformation
- Cross-border Paperless Trade Agreement, UN e-commerce laws, Model Law on Electronic Transferable Records

# Challenges in Implementing CAREC 2030

- **Expanded scope and increasing complexity** → *reduced focus in each sector, resource constraints; not enough time to evaluate the impact*
- **Diverse interests and priorities** → *affecting regional ownership*
- **Focus on strategies** → *less attention to developing regional bankable projects*
- **Proliferation of regional initiatives with overlapping membership** → *increased competition in high-level events; similar activities; need for better coordination*
- **Government staff turnover and higher demands; absorptive capacities** → *program ownership (esp. at high-level); communication; development and implementation of regional projects affected*
- **Geopolitical Developments** → *new complexities to regional dynamics, affecting supply chains, trade and transit routes, and economic stability*
- **Climate Change Impacts** → *need for urgent regional action across a wide range of CAREC sectors and policy areas*
- **Declining grant resources** → *affecting RCI work*

# MTR Initial Findings

## Need to Adapt to the Shifting Landscape



Diversity amid  
common  
challenges



Post-pandemic  
recovery



Geopolitical  
developments



Climate  
change  
impacts



Proliferation of  
regional  
initiatives with  
overlapping  
membership



➤ **Reinvigorate Regional Cooperation**

➤ **Continuous Operational Improvement**



# MTR Preliminary Recommendations

## Reinvigorating Regional Cooperation

- ✓ Prioritizing initiatives with regional impact (e.g., *Middle Corridor, regional energy connectivity projects, digital connectivity*)
- ✓ Country-driven needs (*2+x principle*); Subregional cooperation for more focused intervention
- ✓ Optimizing operational clusters or sectors, *including cross-sectoral work*
- ✓ Multi-year regional project pipeline (*CAREC Infrastructure Investment Forum*)
- ✓ Stronger partnership including co-financing and joint planning
- ✓ Innovative financing models (e.g., *public-private partnership and blended finance*)
- ✓ Climate-smart development (e.g., *renewable energy projects, smart cities*)
- ✓ Potential CAREC Summit in 2026, celebrating CAREC's 25th year?



# MTR Preliminary Recommendations

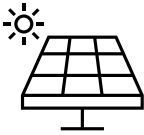
## Continuous Operational Improvement

- ✓ Robust Monitoring and Evaluation Framework
- ✓ Corridor Performance Measurement and Monitoring (CPMM) and other data-driven decision-making tools
- ✓ Enhancing capacity for developing bankable projects (e.g., CAREC Climate and Sustainability Project Preparatory Fund)
- ✓ CAREC Label guidelines (Flagship Projects)
- ✓ Improving visibility and raising the profile of CAREC brand in the region and beyond

# A Roadmap for a More Integrated and Resilient CAREC Program



Country-Driven, Regionally-Focused



Regional Impact and Innovation



Multi-Year Regional Project Pipeline



Enhanced Monitoring and Evaluation Framework



Enhanced Collaboration and Knowledge-Sharing



# Questions for NFPs and DPs

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- ❖ *In what areas Strategy implementation could be strengthened or updated to better respond to **emerging challenges and opportunities**?*
- ❖ *How can the CAREC Program harness **regional ownership** (CAREC Member Countries and Development Partners)?*
- ❖ *Any **specific sector/thematic recommendations** to improve outcomes of CAREC interventions and align them better with CAREC 2030 goals?*
- ❖ ***CAREC Summit in 2026?***
- ❖ ***CAREC Infrastructure Investment Forum** – your views?*