

ABOUT THE SPEAKER



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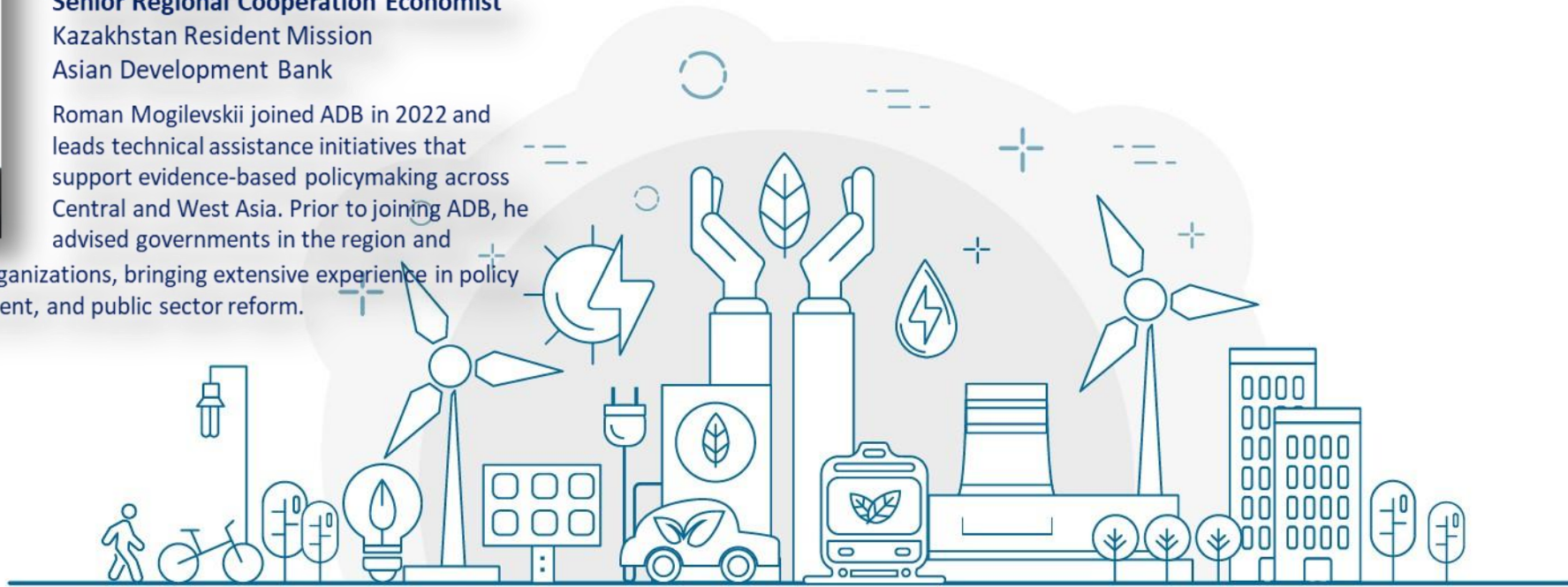
Kazakhstan Resident Mission

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Roman Mogilevskii joined ADB in 2022 and leads technical assistance initiatives that support evidence-based policymaking across Central and West Asia. Prior to joining ADB, he advised governments in the region and

worked with international organizations, bringing extensive experience in policy analysis, economic development, and public sector reform.

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PRESENTATION

Regional Cooperation and Integration in Practice Insights from Central Asia Region Economic Cooperation (CAREC) Program

Regional Cooperation and Integration in Practice: Insights from Central Asia Regional Economic Cooperation (CAREC) Program

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SPDI Regional Forum, Astana, 8 July 2026



Overview of CAREC Program

Open and inclusive platform to promote shared and sustainable development through regional cooperation

- Member countries: Afghanistan*, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
- Development partners: ADB, AIIB, EBRD, IMF, IsDB, UNDP, the World Bank, and expanding
- Promotes policy dialogue, supports project development and financing, provides technical assistance, and advocates South-South cooperation



ADB

ADB serves as
the **CAREC**
Secretariat



CAREC Institute
supports knowledge
generation and
capacity building



Rotating chairmanship
annually: **Mongolia** as
chair country in 2026

*ADB has placed its regular assistance to Afghanistan on hold effective 15 August 2021.



CAREC 2030 Strategy



Economic and
Financial
Stability



Trade, Tourism
and Economic
Corridors



Infrastructure and
Economic Connectivity

Operational Clusters



Agriculture and
Water



Human Development



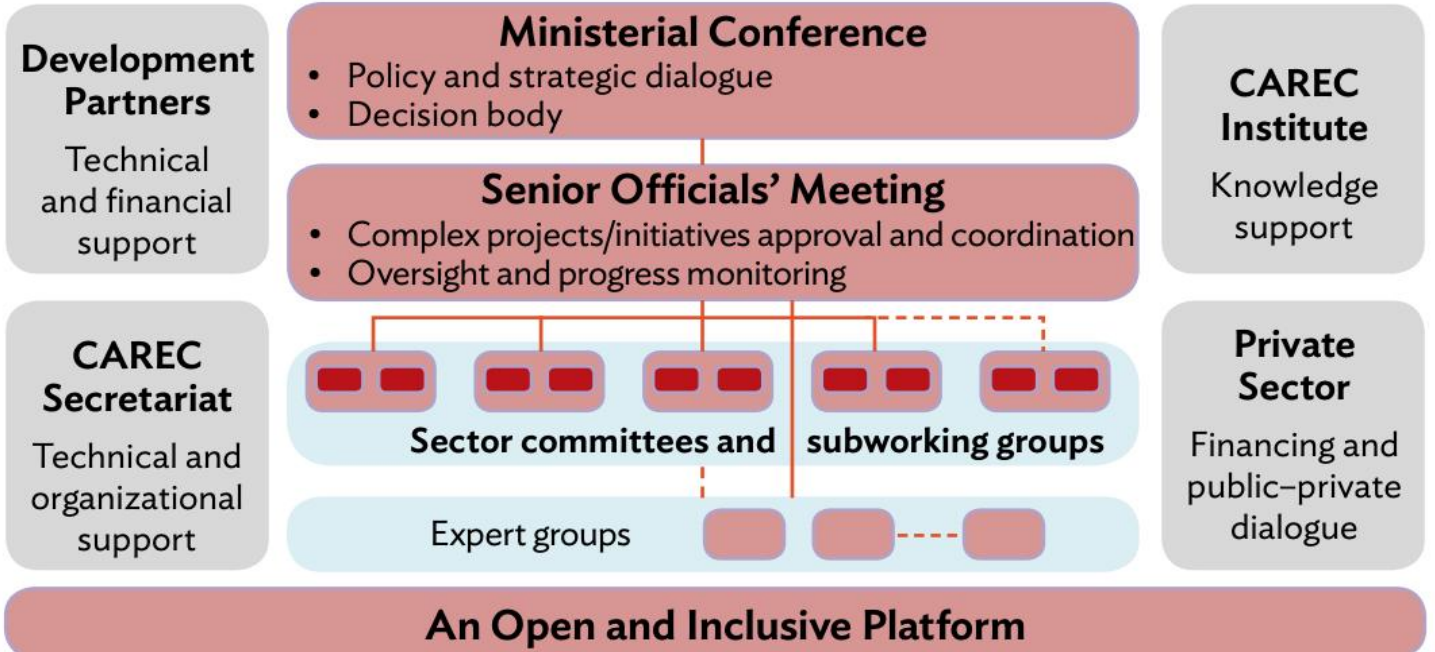
Cross-cutting Themes

- Climate Change
- Digital/ICT
- Gender

Anchored on **Good Neighbors, Good Partners, and Good Prospects** vision

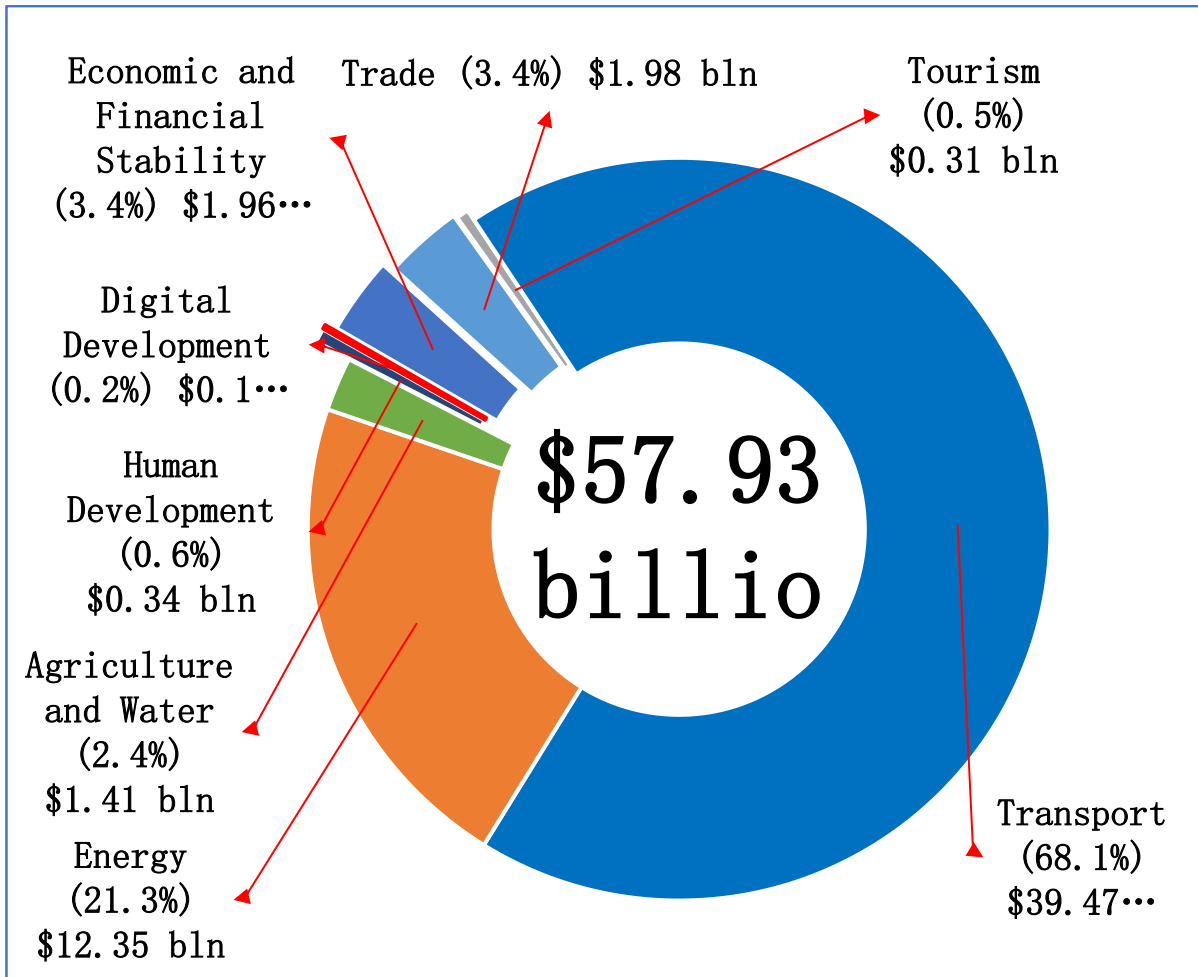
CAREC sector strategies (transport, energy, trade, digital, ...)

Institutional Framework

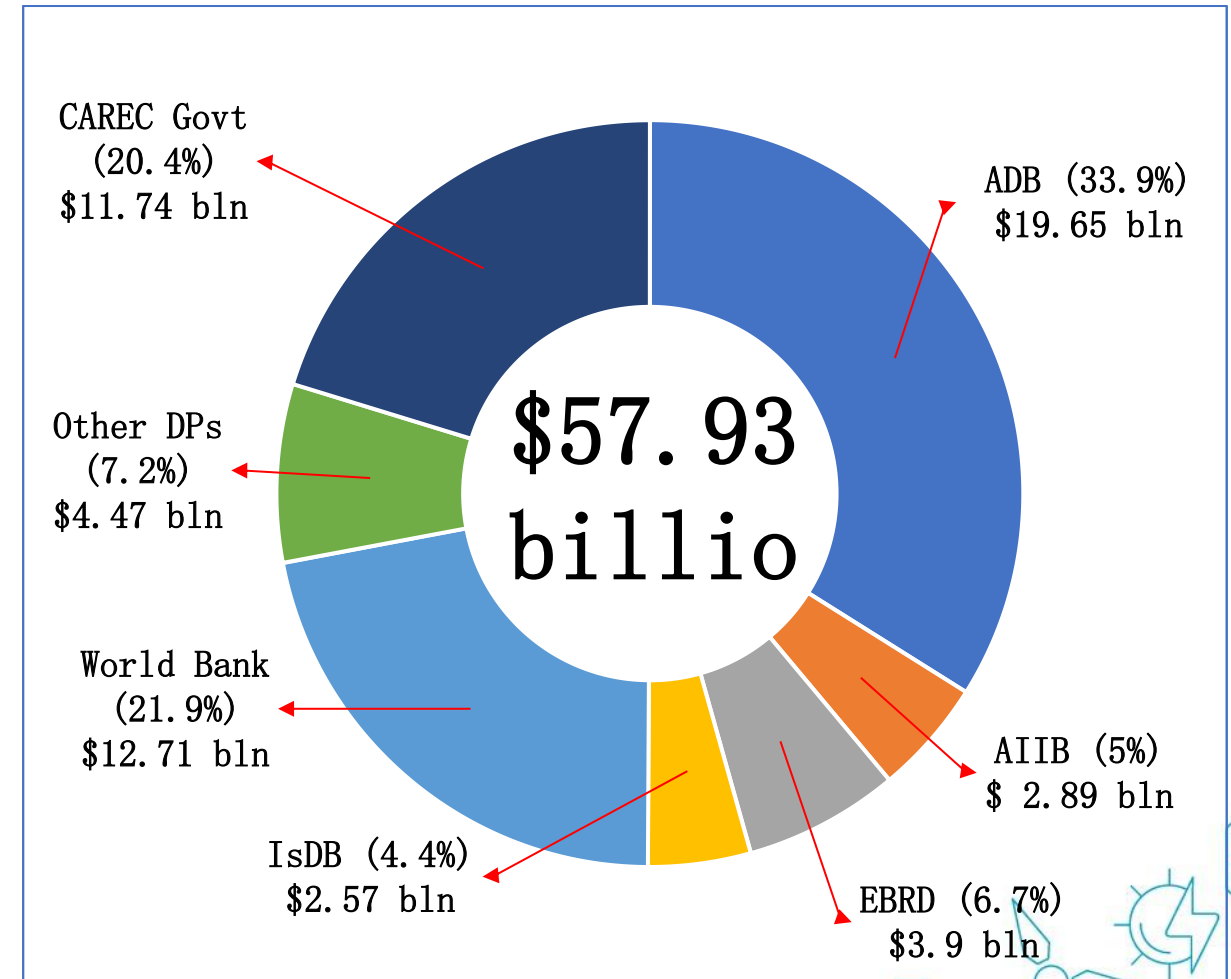


CAREC-Related Investments, 2001–2025

Investments by Sector

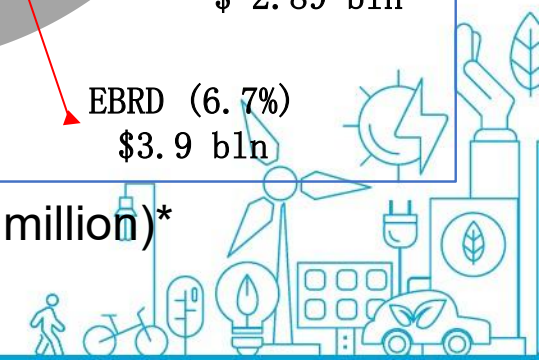


Investments by Financing Source



Over **\$19.7 billion investments*** financed by ADB + **43** active CAREC TAs (\$58 million)*

*2025 year-end figures, numbers may not add up due to rounding



Indicative ADB Regional Project Pipelines in CAREC Countries, 2026–2029, \$6.5 billion

AZE: Railway Signalling and Electrification (Bilajari-Yalama and Baku – Böyük Kəsik)

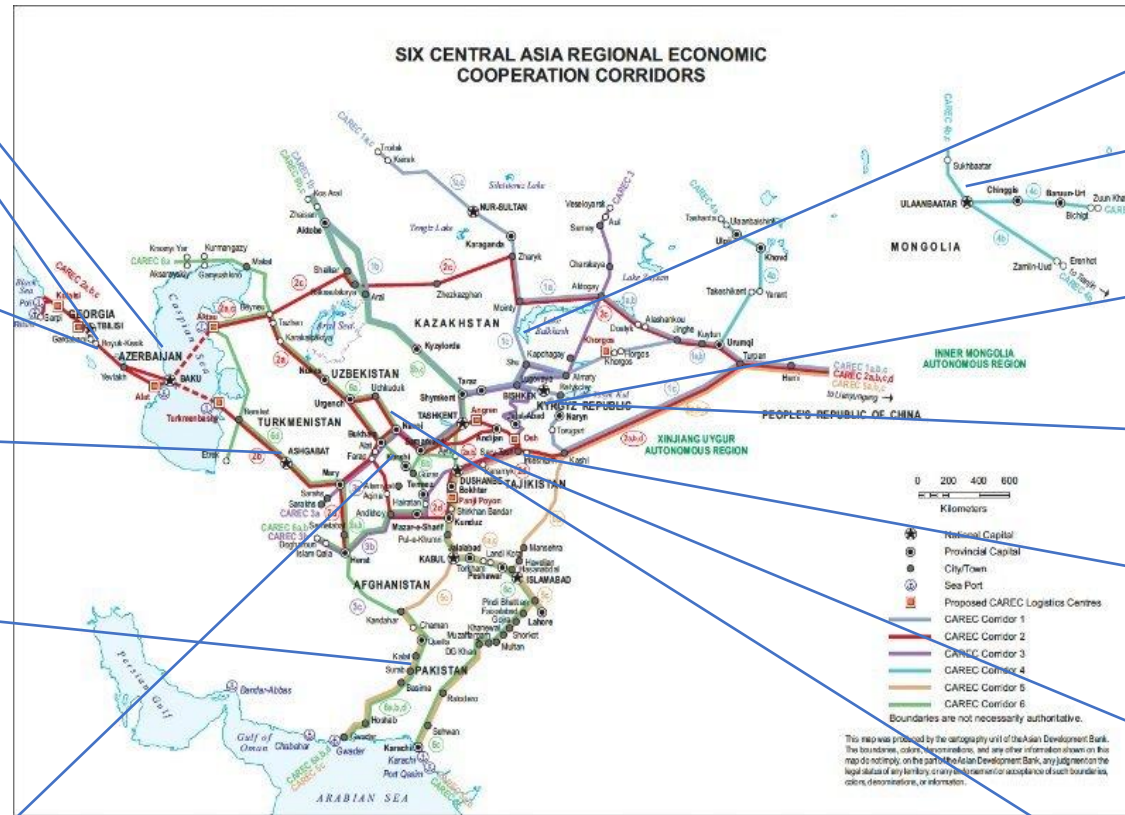
GEO: Tbilisi Bypass Project (Lots 4 and 5)

GEO-AZE: Joint Border Crossing Point Development

TKM: TransTurkmenistan Railway Modernization Project

PAK: Enhancing Trade, Logistics and Private Sector Development Program

UZB: CAREC Corridors 2 and 6 Road Modernization Program, Tranche 1 (Navoi-Karman Bypass, 147–181.5 km section of M37 Road)



KAZ: CAREC Corridors 3 and 6 Construction and Operation of Turkistan Oblast Highway (Saryagash Bypass) Project

MON: CAREC Road Transport and Logistics Development

KGZ: Kambarata-1 Hydropower Plant Project

KGZ: Skills Development System Transformation Program

TAJ: Enhancing Sustainability: Financing for the Rogun Hydropower Project

TAJ: Integrated Regional Health Security and Primary Healthcare Services Project

UZB: Modernization of Vocational Education for Green Economy Project

Transforming CAREC Corridors into Economic Corridors

Multi-Sector Finance for 2026 - 2030

\$10 Billion+

ADB committed finance
envelope through 2030

~40 Projects

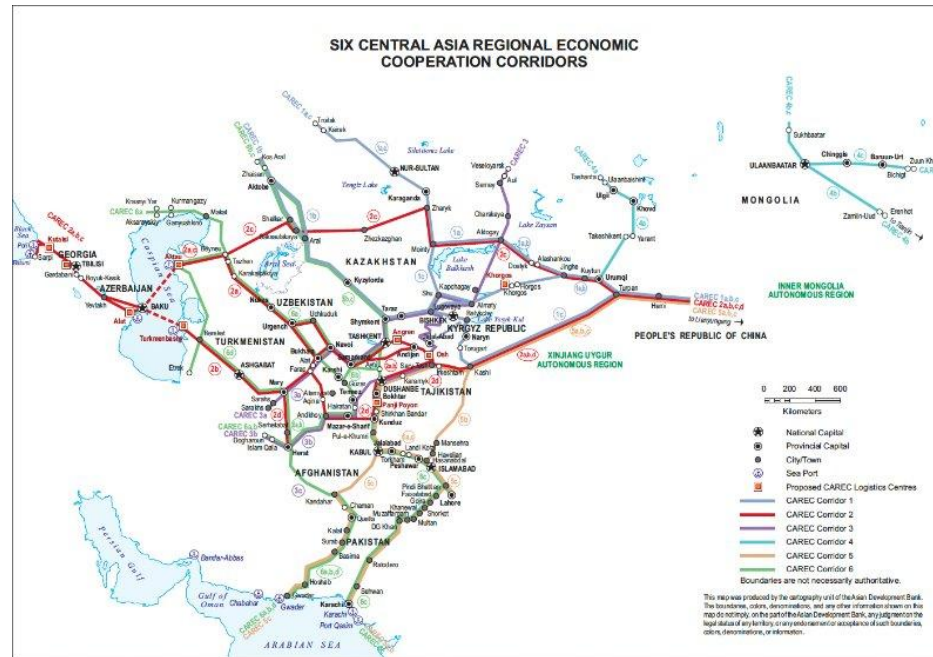
Pipeline operations across
CAREC member countries

6 Corridors

Spanning 11 countries
from East Asia to Europe

Investment Themes

- Economic Corridor Development (~\$3.4B)
- Digital Connectivity & Transformation (~\$500M)
- BUILD Facility for Border Modernization (~\$400M)



Strategic Vision

- Moving beyond transit corridors to integrated economic corridors with multi-sector investments in transport, energy, trade, digital, tourism, and agriculture
- Leveraging 10+ years of Almaty-Bishkek Economic Corridor experience to scale the economic corridor model across all 6 CAREC corridors
- Anchored in CAREC 2030 Strategy and ADB's Operational Approach for Revitalizing RCI (March 2026)

Almaty – Bishkek Economic Corridor (ABEC)

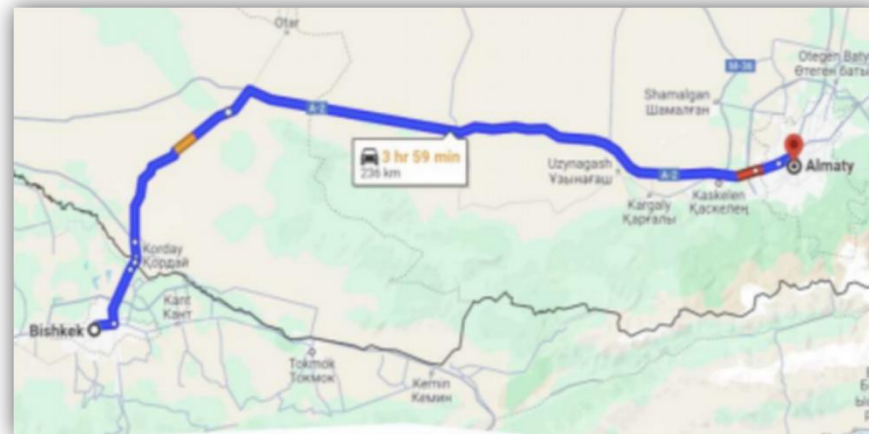
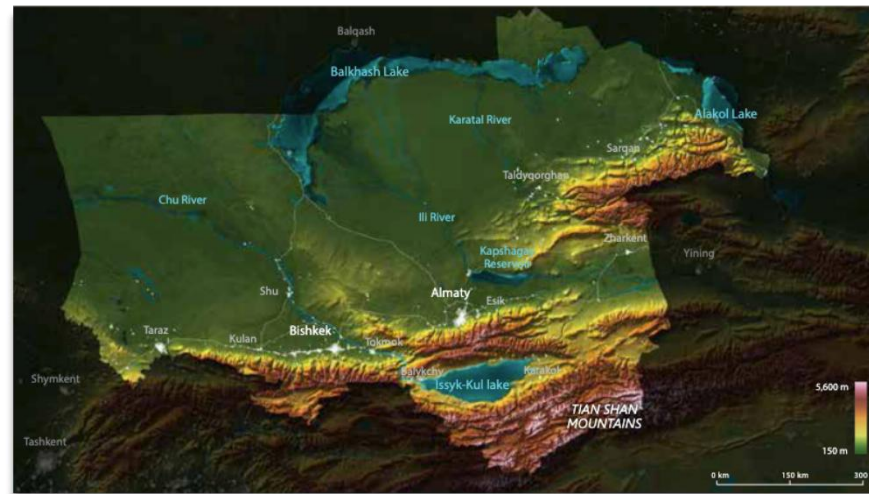
CAREC' s First Pilot Economic Corridor — 10+ Years of Results

Approved Projects (Kyrgyz Republic)

- Strengthening Health Security (\$30M)
- Climate-Resilient Agricultural Value Chain (\$40M)
- Issyk-Kul Environmental Mgmt & Sustainable Tourism (\$56M)
- Regional Improvement of Border Services (\$30.7M)
- Bishkek Energy Efficiency & Clean Heating (\$8M)

Ongoing Initiatives

- Almaty – Issyk-Kul Alternative Road PPP
- ABEC Electric Bus Project (pilot intercity EV)
- ABEC STREAM (transboundary river management)
- ABEC Trade and Logistics Center (Uzyganash)



Tourism & Standards

- Harmonized Accommodation Classification System (approved by KGZ Cabinet, March 2025)
- ABEC Tourism Master Plan Green Update (2026)

Replication Model

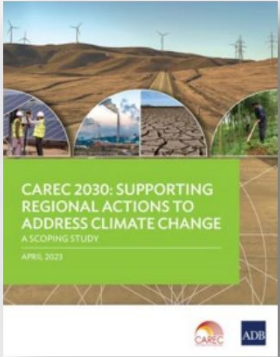
- ABEC serves as the model for scaling economic corridor development across all 6 CAREC corridors
- Future corridors: Corridor 2 Segments Karakalpakstan ECD
- Recognized as emerging transformative initiative under ADB' s RCI Operational Approach (March 2026)

Border Upgrades for Integration, Logistics, and Development (BUILD) Facility

- New financing facility for border crossing point (BCP) improvements in the CAREC region (expected approval in June 2026)
 - address infrastructure and soft-side needs
 - promote joint BCPs
- ADB financing of \$400 million to finance a series of individual BCP projects along the CAREC network
 - seeking approx. \$150 million grant and concessional co-financing
- ADB's extensive experience on BCP projects show significant cost and time reduction at BCPs
- TA (\$1.25 million) supporting the BUILD preparation and implementation approved in April 2026
- Priority projects include Azerbaijan - Georgia joint border crossing point



Climate and Sustainability Project Preparatory Fund (CSPPF)



- CSPPF is a multi-partner trust fund to support the preparation of bankable regional projects in CAREC countries with a strong Regional Public Goods and sustainability focus.

- In November 2024, the CAREC Ministerial Conference endorsed the CAREC Climate Change Action Plan 2025–2027 and launched the CSPPF, signing of Trust Fund Contribution Agreements with ROK and PRC. (initial combined contribution amounting to \$5 million).



The Government of
the People's Republic of China



The Government of
the Republic of Korea

Eligible Recipients

Developing Member Countries of the CAREC members:
AZE, PRC, GEO, KAZ, KGZ, MON, PAK, TAJ, TKM and UZB

Priority Sectors



i. Energy



ii. Water



iii. Agriculture



iv. Transport,
Transit & Trade



v. Climate-smart Cities



vi. Climate-related
disasters



vii. Health, Education
& Social Protection

Use of Fund & Maximum Amount

TA	Project preparatory Activities	USD 800K
	Upstream Knowledge work	USD 250K
	Investment (Grant Components)	USD 1M
	Direct Charges	USD 150K

CAREC Digital Corridor – a key subregional component of APDH

Strengthening CAREC Regional Connectivity through Resilient and Diversified Fibre Routes

The CAREC Digital Corridor promotes Cross-Border Digital Connectivity, Stronger Regional Cooperation, and more Inclusive Access to help reduce the Digital Divide for CAREC countries.

Finding of the Scoping Study

- Pakistan can serve as a strategic gateway to global submarine cable networks.
- Existing and planned fibre networks can support regional interconnection.
- The Corridor can improve redundancy through alternative connectivity routes.
- Stronger connectivity can help reduce the digital divide in landlocked and underserved areas.
- Regulatory and infrastructure gaps must be addressed for secure and resilient connectivity.

Presented in the Ministerial Conference November 2025

Signing of the MOU

- Scoping Study findings formally presented to Ministers
- Strong endorsement of the CAREC Digital Corridor concept
- MOU framework adopted and opened for signature

6
Countries
Signed MOU

1
Countries
Expressed
Interest

3
Countries
Engagement
Initiated

Kyrgyz Republic
Signed MOU

Mongolia
Signed MOU

Pakistan
Signed MOU

Turkmenistan
Signed MOU

Kazakhstan
Signed MOU

Tajikistan
Signed MOU

Uzbekistan
Expressed Interest



CAREC Trade and Investment Facilitation Partnership (CARTIF)

Outcomes from CARTIF Zero Round of Negotiation

Agreement on several key matters, the **Negotiation Modalities** and Terms of Reference—covering institutional structure and the negotiation approach:

- Application of the “**Silence Procedure**” alongside the window allotted for comments
- Provisions permitting the reopening of items already noted as convergent
- How **protocols** should be classified, together with the formation of **Working Groups** (WGs)
- Whether an “Early Harvest” might be feasible
- Criteria for determining what qualifies as a sensitive or complex issue

Next Steps

- **Written submissions** from Participating Countries on the FA and all protocols by **3 July 2026**
- CAREC Secretariat to circulate the inputs received, while also determining which WGs should be set including WG dedicated to the FA, in which the Chief Negotiators will take part
- Ahead of the CAREC Ministerial Conference, virtual WG negotiations, helping bring negotiations on the FA and low-divergence protocols
- Hold the next in-person **Chief Negotiators’ Meeting** **(Sep 2026)**



Pilot Test of CAREC Advanced Transit System (CATS) / Information Common Exchange (ICE)

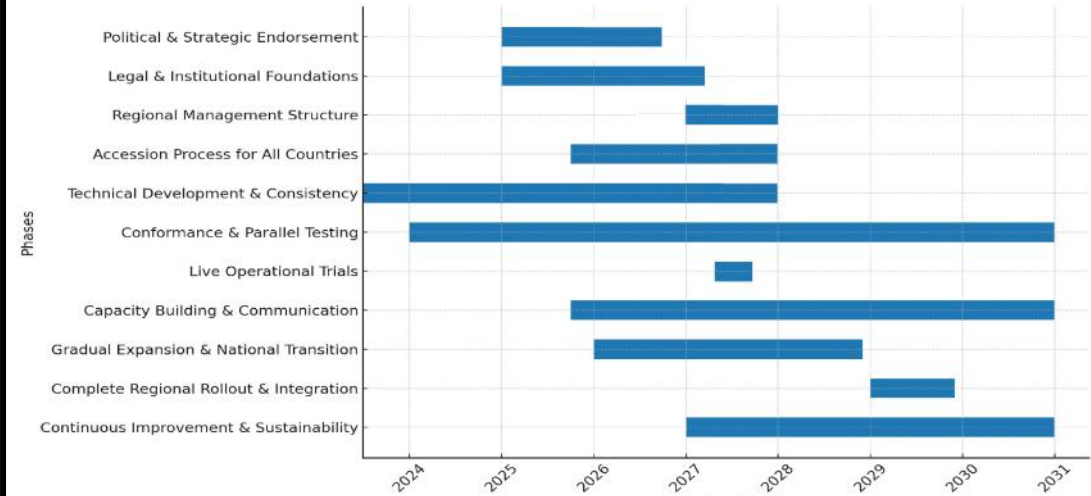
CATS/ICE

- Designed as a regional *harmonized electronic system* for the control of the movement of goods in transit through CAREC member states
- 8 CAREC countries participating or interested



Mongolia joins CATS pilot project

Roadmap to Full CATS/ICE Live Operations

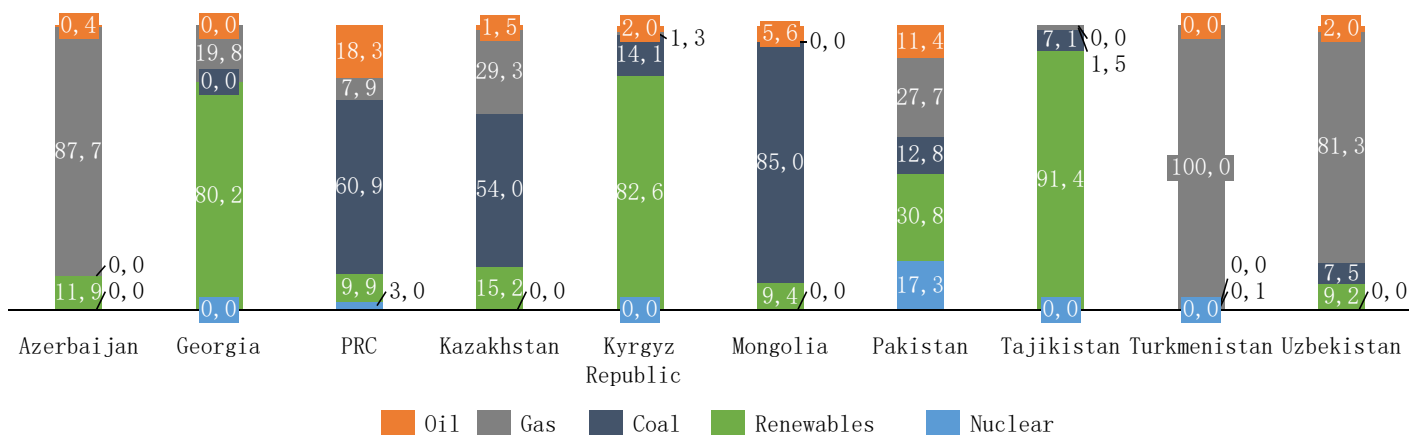


2026 Workplan

1. Establish regional legal framework
2. Update software based on user requirements
3. Develop manuals and provide training
4. Engage with stakeholders - Insurer and Guarantor Liaison Group met in Sept 2025

CAREC is part of the Pan-Asia Power Grid Initiative

Total energy supply by sources in CAREC countries, 2024



Key issues of the energy sector in the region:

- Electricity demand annual growth 7% annually
- Up to 70% of networks and power plants are outdated (in CCA countries)
- Unbalanced energy mix in CAREC and seasonal imbalances
- Low capacity in integrating new power plants
- Need for transition to a regionally balanced model



ADB's Investment
pipeline in the CAREC
energy sector by 2035
~\$5 billion

01

Caspian Green Energy Corridor project

A cross-border interconnection to Europe via the Caspian Sea . ADB is financing the Feasibility Study.

02

Rogun and Kambarata- 1HPPs

ADB aims to invest over \$800 million to advance two of the largest hydropower projects in the CAREC region.

03

Transmission grid expansion and strengthening

ADB is planning to finance the integration of renewables into the energy mix and grid expansion and coastal infrastructure for future offshore wind integration in the Caspian region.

04

Upstream support for enabling environment

ADB is supporting power sector reforms to create a regulator and an energy market, and a partial credit guarantee to mitigate offtake risk and non-sovereign loans to support private sector investments.

Regional Tourism Development

MoU on CAREC Regional Tourism Development | November 2025, Bishkek

- Reaffirms commitment under CAREC Tourism Strategy and develop regional tourism clusters

MoU on the Kyrgyz Republic–Uzbekistan Cross-Border Sustainable Tourism Cluster Development | November 2025, Bishkek

- Study the feasibility of sustainable cross-border tourism and integrate tourism services in the socio-economic development plan of Chatkal district, develop a Roadmap for Sustainable Cross-Border Tourism Cluster implementation

CAREC and the Global Silk Road: Connecting Regions through Tourism | May 2026, Samarkand

- Discussed opportunities in leveraging Silk Road heritage and modern connectivity to create a regional brand, and position CAREC as a global tourism corridor
- ADB and UN Tourism signed a **Letter of Intent** to jointly pursue initiatives in support of regional tourism.

Moving Forward: CAREC Region's Tourism Future



CONNECT

Connectivity and seamless travel



TRANSFORM

Digitalization and skills development



BUILD

Resilient, sustainable and inclusive tourism



Identification of RCI Projects – RCI

Scorecard 1

- An RCI project is one which promotes collaboration between two or more countries and is expected to contribute to regional economic benefits.
- An RCI project may be single country or multi-country. It may (or may not) be implemented within CAREC framework.
- It should promote ADB's strategies, approaches, and plans for RCI.
- RCI classification is based on a scorecard assessment.
- RCI classification is assigned if a rating of at least "B" is given for each question.
- RCI projects must have at least one Development Results Indicator under ADB's Corporate Results Framework in the Design and Monitoring Framework.

QUESTION	Ratings by project Team	Justification by project team	Ratings by scorecard validator	Comments by scorecard validator
1. To what extent does the project* align with national and regional strategies on RCI and has the government demonstrated commitment/readiness?	A/B/C		A/B/C	
2. Is the project expected to contribute to (or support, in the case of technical assistance) regional economic benefits?	A/B/C		A/B/C	
3. Does the project provide additional support to RCI?	A/B/C		A/B/C	
RCI?	Y/N?		Y/N	

RCI Priority Areas	• Scale up and upgrade connectivity • Broaden and deepen trade, investment, and finance cooperation • Bolster regional public goods
DRs Relevant to RCI	Select from a list of 9 DRs
Does the project directly support a subregional program?	Y/N, If yes, tick the relevant subregional program(s)
ACTION POINTS: (to be filled out by the RCI Scorecard Validator) • Include regional effects in the economic analysis in RRP • Include relevant DR indicators in the draft RRP/TA report and its DMF • Others	

*"Project refers to loans, grants, and technical assistance.

RCI Projects' Spillovers and Implementation Challenges

- RCI project implies a direct/indirect interaction with neighboring country(ies) even if it is a single country project
- Achievement of RCI targets depends not only on the project implementation performance but also on developments in the neighboring countries – the need for dialogue with neighbors/partners
- **RCI projects' positive spillovers for countries:**
 - cross-border knowledge exchange
 - mutual learning on good implementation practices
 - policy, regulation, and standard harmonization across countries
 - advancing domestic reforms
- CAREC country experiences with RCI-tagged projects (PRC, Georgia, Mongolia, Tajikistan, and Uzbekistan)

