

Newsletter

Executive Vice Chairman of the Host Province Government Visits the CAREC Institute

On June 11, Mr. Chen Weijun, the Executive Vice Chairman of the Xinjiang Uyghur Autonomous Region Government, visited the CAREC Institute and exchanged views with the Institute's management on further promoting its quality development.

CAREC Institute Director Kabir Jurazoda warmly welcomed the esteemed delegates from the host province government, expressing profound gratitude for their ongoing support. During the meeting, Director Jurazoda provided a comprehensive overview of the Institute's key knowledge products and flagship events, highlighting proposals aimed at deepening cooperation with Xinjiang.

Mr. Chen Weijun emphasized that CAREC is the sole intergovernmental organization in Xinjiang, dedicated to promoting regional economic cooperation and integration among the 11 CAREC member countries. He affirmed the host province government's full support for the development of the CAREC Institute in enhancing its role as a platform for international cooperation. He acknowledged that in recent years, the Institute has actively organized forums, conducted research, and provided talent training, significantly contributing to the promotion of exchanges and cooperation between Xinjiang and Central Asian countries.

He stressed that advancing the development and growth of the CAREC Institute is crucial for deepening cooperation and exchanges between China and other CAREC member countries, and for facilitating the westward opening of Xinjiang. He expressed hope that the CAREC Institute would develop with higher quality and standards, continuously enhancing its international influence, visibility, and recognition.

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Mr. Chen Weijun and Mr. Kabir Jurazoda in the office of the CAREC Institute.

CAREC Institute Contributes Global Discussion at the World Cross-border E-commerce Development Conference

The CAREC Institute, in partnership with the China Association of Trade in Services (CATIS) and the China-ASEAN Center, successfully hosted the World Cross-border E-commerce Development Conference in Langfang, PRC, on June 16-17, 2024. This prestigious event drew together 120 international delegates from 20 countries and was further enriched by the participation of 500 scholars and entrepreneurs, including government officials from the CAREC member states.

Mr. Kabir Jurazoda, Director of the CAREC Institute, along with other prominent speakers, inaugurated the conference with insightful opening remarks, setting a collaborative tone for the proceedings. The conference featured active participation from delegates from Georgia, Kazakhstan, and the Kyrgyz Republic, who engaged in fruitful discussions on enhancing bilateral and multilateral cooperation within the digital economy.

The focal point of Mr. Jurazoda's address was the transformative influence of digital technologies on the global economy, particularly emphasizing the pivotal role of e-commerce in reshaping business environments. He highlighted the challenges the CAREC region faces in harnessing the full potential of the digital economy and underscored the necessity for inclusive digital development. Mr. Jurazoda called attention to critical areas such as expanding internet access, reducing operational costs, simplifying cross-border transactions, improving online payment systems, and strengthening cybersecurity measures.

Additionally, Mr. Jurazoda's speech illuminated the CAREC Institute's proactive initiatives to advance digitalization and underscored the profound importance of the digital economy. He elaborated on both the opportunities and challenges that Central Asia faces in its digital transformation journey.

Concurrently, the event coincided with the 2024 China Langfang International Economic and Trade Fair, which provided an additional platform for enterprises from various countries to exhibit their products and services. Several leading global companies specializing in cross-border logistics and e-commerce services participated, aiming to bolster global economic connectivity.



CAREC Institute's Director speaks at the World Cross-border E-commerce Development Conference.

Director of the CAREC Institute Shares Insights at the Eurasian Development Bank's Business Forum in Almaty

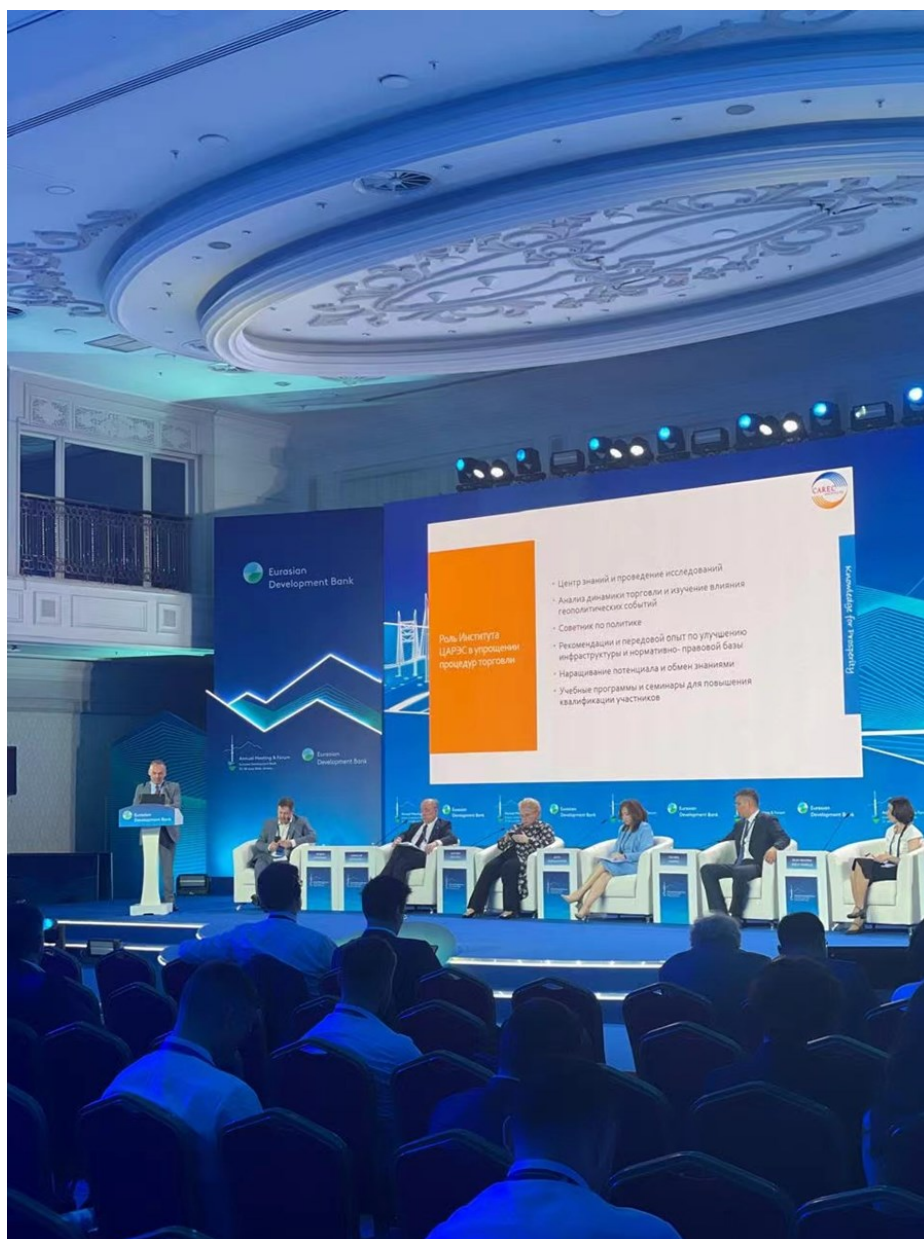
On June 27, Mr. Kabir Jurazoda, Director of the CAREC Institute, delivered valuable insights on challenges and solutions concerning international transport corridors and routes within the CAREC region at the Eurasian Development Bank's Business Forum in Almaty, Kazakhstan.

The Forum highlighted interactions among multilateral development banks, international organizations, governments, businesses, research institutions, and academia as crucial for Central Asian countries to achieve their sustainable development goals. During the discussions about partnerships for sustainable development in the field of water, energy and food, digital technologies and innovations, investment instruments, Islamic finance, as well as the challenges, and potential solutions of the Eurasian transport network were deliberated, stressing the significance of coordinated infrastructure development, investments in transport corridors, and mechanisms to facilitate trade.

During the session on the Eurasian transport network, Mr. Kabir Jurazoda emphasized CAREC regional economic cooperation, trade facilitation, and infrastructure connectivity, focusing on critical priorities outlined in the CAREC Strategy 2030. Discussions underscored the significance of fostering synergy among transport corridors and routes through interconnection and complementarity rather than competition. Key topics addressed included priority transport projects, the regional transport network's role in landlocked countries, and necessary measures to stimulate regional transport infrastructure development.

Mr. Kabir Jurazoda underscored the pivotal elements essential for successful partnerships, leveraging the Institute's extensive experience and expertise. He emphasized the crucial roles of coordinated infrastructure development, investment in transport corridors, and harmonization of customs procedures to mitigate trade barriers and bolster economic integration. His focus on fostering cooperation to optimize transport logistics, lower tariffs, and diversify exports highlighted the importance of collaborative initiatives in cultivating a fluid and thriving economic environment within the region.

The CAREC Institute's participation at the Business Forum exemplified its dedication to advancing trade facilitation mechanisms and infrastructure connectivity in the Eurasian continent, underlining its pivotal role in regional economic cooperation.



CAREC Institute's Director speaks at the Eurasian Development Bank's Business Forum.

Delegation of the Secretariat of the China-Central Asia Mechanism Visits CAREC Institute



Meeting with the Secretariat of the China-Central Asia Mechanism.

On June 27, the delegation from the Secretariat of the China-Central Asia Mechanism, led by Mr. Wu Yingqin, Executive Director, visited the CAREC Institute in Urumqi. The delegation received a warm welcome from Dr. Huang Jingjing, Deputy Director One of the CAREC Institute.

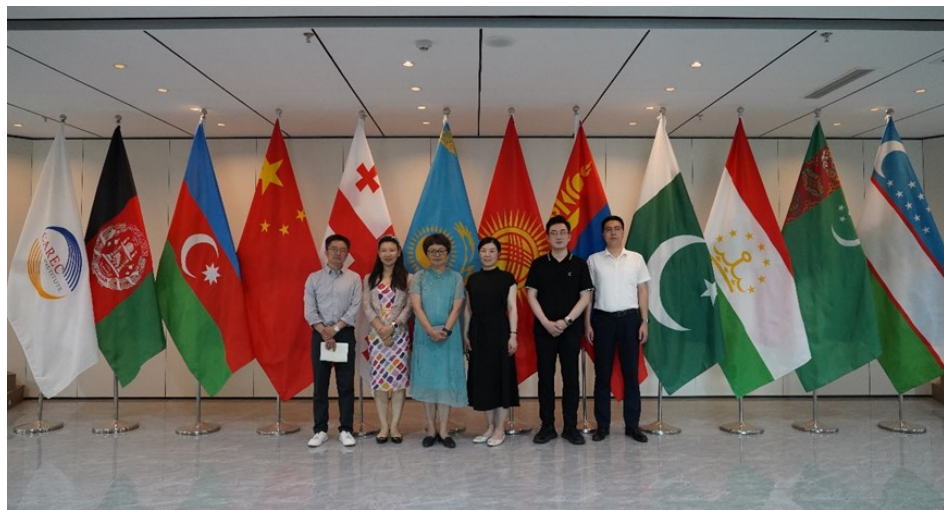
During the meeting, both organizations engaged in productive discussions to explore potential areas for cooperation. The CAREC Institute showcased its key knowledge products, services, and upcoming flagship events, emphasizing its vital role as the knowledge hub of the CAREC Program. Concurrently, the Secretariat of the China-Central Asia Mechanism provided an overview of its establishment, roles, and responsibilities, fostering inspiring discussions on mutual collaboration.

The Secretariat of the China-Central Asia Mechanism began its operation on March 30, 2024. Its primary responsibility is to promote the implementation of the agreements and outcomes reached by the heads of state of China and five Central Asian countries. It also prepares for the China-Central Asia Summit and supports the foreign ministers' meetings and the cooperation mechanism in key areas.

China-SCO Institute of Economy and Trade Delegation Visits CAREC Institute

On June 27, a delegation from the China-SCO Institute of Economy and Trade, led by Deputy Director Mrs. Zhang Xiaoyan, visited the CAREC Institute in Xinjiang. They were warmly welcomed by Dr. Huang Jingjing, Deputy Director One of the

CAREC Institute. During the visit, both organizations exchanged insights on their respective visions, missions, roles, and key activities. This dialogue laid the groundwork for exploring potential avenues for future collaboration.



Meeting with China-SCO Institute of Economy and Trade.

Established on January 13, 2022, in Qingdao, the China-SCO Institute of Economy and Trade aims to promote economic and trade cooperation among Shanghai Cooperation Organization (SCO) countries and strengthen regional ties.

A highlight of the visit was the discussion on the financial feasibility of co-financing programs and activities, reflecting the aligned missions of both institutes. The dialogue underscored the potential for collaborative efforts to enhance economic and trade expertise across the region.

Both parties expressed a strong commitment to fostering deeper cooperation between the two institutes.

CAREC Institute Presented at the Central Asia Regional Economic Cooperation Workshop

The Asian Development Bank organized a two-day regional workshop on CAREC Trade and Investment Facilitation (CARTIF) in Istanbul (Türkiye) on 19-20 June 2024 with the purpose to review existing regional trade and investment arrangements, to discuss the CARTIF concept and the trade dynamics in the CAREC region. Participants included CAREC officials representing trade and national economy ministries, representatives of research centers/think tanks, development partners, international experts, and ADB staff.

The Chief Economist of the CAREC Institute, Dr. Hans Holzacker, delivered a presentation focusing on the foreign trade characteristics of the CAREC region, and shedding light on key trends and challenges facing regional trade and investment. During his presentation, Dr. Holzacker emphasized the progress CAREC countries made in the implementation of trade facilitation measures. He also highlighted the gradual increase in intra-CAREC trade since 2011, and a notable rise in the People's Republic of China's share. He mentioned the CAREC Institute's fruitful cooperation with UN ESCAP in preparing the UN Global Surveys on Digital and Sustainable Trade Facilitation.

Additionally, Dr. Holzacker discussed the export structure of the CAREC region with a high weight of mineral fuels, metals, textile-apparel, and agri-food. He underscored the significance of reducing intra-CAREC trade barriers and improving regional coordination to allow for economies of scale that could enhance the competitiveness of the CAREC region's export products. Moreover, Dr. Holzacker addressed challenges arising from accelerated technological change, greening of industries, and the transition towards trade in services, emphasizing the need for specific attention and coordination in these areas. The presentation by the CAREC Institute once again emphasized the necessity for collaboration and coordination among member countries to adapt to the changing global trade environment.



Participants of the Regional Workshop on CAREC Trade and Investment Facilitation.

CAREC Institute Chief Economist Had Productive Meetings in Beijing

Dr. Hans Holzhacker, Chief Economist at the CAREC Institute, and Mr. Josh Hu, Head of Human Resources and Finance Division of the CAREC Institute, participated in stimulating discussions with esteemed Chinese institutions in Beijing during 12-17 June. The institutions included the Chinese Academy of Fiscal Sciences, Department of Policy Research of the Ministry of Finance, Academy of Macroeconomic Research, People's Bank of China Research Institute, International Monetary Institute of the Renmin University, AIIB Economics unit, Global Sustainable Transport Innovation and Knowledge Center, International Institute of Green Finance, and Greenovation Hub. These meetings aimed to facilitate the exchange of ideas and address key questions related to China's high-quality economic development, focusing on core sectors and related policies.

During these meetings, Dr. Hans Holzhacker also delved into discussions regarding recent adjustments in sectors like the property market and their

implications for China's long-term economic progress. Additionally, topics such as strategies to rebalance the economy towards consumption-driven growth, tax and expenditure responsibilities, risk-sharing mechanisms between central and local governments, as well as China's proposed issuance of ultra-long-term government bonds and their potential impact on the economy were thoroughly explored.

In the meeting with the Department of International Economic and Financial Cooperation of the Ministry of Finance of the PRC, Dr. Hans Holzhacker deliberated on institute's new strategic priorities, including macroeconomy, climate change, digitalization, and connectivity with a particular emphasis on corridor connectivity. Additionally, they explored the concept of flagship products like an annual report highlighting a specific theme each year and an annual flagship event in Urumqi with significant participation from high-level officials.



Meeting with the Global Sustainable Transport Innovation and Knowledge Center.

Empowering Women for a Sustainable Future: Research Presented at the Asia Clean Energy Forum 2024

The Asia Clean Energy Forum 2024, held from June 3-7, showcased research findings by Dr. Hans Holzhaecker, Chief Economist of the CAREC Institute, and Dr. Dina Azhgaliyeva, Senior Research Fellow at the ADB Institute. The presentation eluded the significance of empowering women for the clean energy transition and the advancement of sustainable energy practices.

The presentation, derived from the CAREC Institute's research project ["Household Access to Energy in the Fergana Valley."](#) revealed a pivotal finding: female household heads who are employed tend to prioritize family health and environmental factors when choosing fuels for heating and cooking significantly more than unemployed women or male household heads.

The research findings presented by Dr. Hans Holzhaecker and Dr. Dina Azhgaliyeva offer valuable contributions to the ongoing discourse on gender equality and sustainable energy solutions in the CAREC region. The joint research of the



Participants of the Asia Clean Energy Forum 2024.

CAREC Institute and the ADB Institute not only emphasizes the importance of gender empowerment but also paves the way for a more inclusive and environmentally conscious future.

CAREC Institute Presented at China- SCO International Symposium on Digital Technology

The Senior Research Specialist of the CAREC Institute, Dr. Ghulam Samad presented on "Computational Power, Artificial Intelligence, and Trade Facilitation" during the China-Shanghai Cooperation Organization (SCO) International Symposium on Digital Technology held in Karamay, Xinjiang, PRC. The Symposium aimed to foster cooperation and development in digital technology among SCO member countries. With a focus on areas like cloud computing and big data, the event will bring together political figures, experts, scholars, and entrepreneurs to explore digital applications in industries such as water conservancy, transportation, agriculture, and animal husbandry. Nearly 1,000 participants have attended the Symposium, engaging in discussions and networking opportunities to promote common development and progress in the digital industry.

During his presentation, Dr. Samad emphasized Xinjiang's pivotal role as a nexus for the CAREC corridors, linking the region to Europe, the Mediterranean, the Russian Federation, South Asia, and the Middle East. He underscored Xinjiang's significance in promoting regional cooperation and advancing digital trade policies. Dr. Samad's insights illuminated opportunities to optimize existing trade routes for greater economic prosperity and connectivity. He also highlighted the potential of Artificial Intelligence to streamline cross-border trade in Xinjiang by reducing delays at key border crossings such as Takehikent, Khorgos, Alashankou, and Torugart, and minimizing associated costs. By establishing a centralized

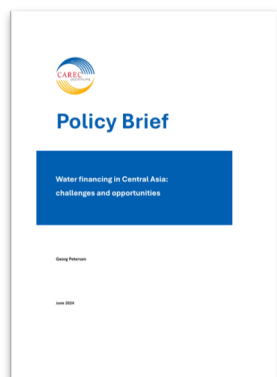


Participants of China- SCO International Symposium on Digital Technology.

repository for trade data and international information, AI can expedite access to crucial data and enhance compliance and security through anomaly detection based on HS codes. Additionally, AI can improve traceability of transportation and products, ensuring efficiency and transparency in cross-border trade operations.

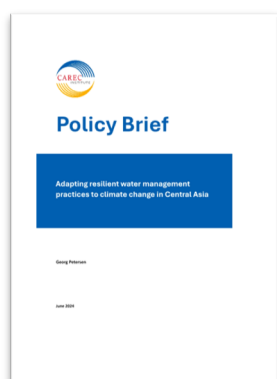
He further suggested improving cooperation with neighboring regions to ensure smooth interoperability of national platforms and information exchange systems along digitalized transport corridors through Xinjiang, while advancing expertise and capacity-building in modern digital technologies such as Internet of Things, blockchain, artificial intelligence, cloud computing, and mobile applications.

New Policy Briefs of Water Sector Financing



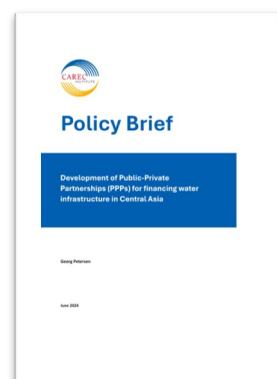
The new [policy brief “Water Financing in Central Asia: Challenges and Opportunities”](#) highlights that fragmented governance, low investment, and inadequate cost recovery pose significant challenges to water financing in Central Asia, leading to infrastructure degradation and compromised water security. The current funding model relies heavily on government budgets. Despite these challenges, there is significant potential for improvement through addressing governance fragmentation, regulatory complexities, poor cost recovery, and low

investment. Targeted reforms could attract essential capital, upgrade infrastructure, and ensure sustainable water management. Recommended strategies include regional cooperation, regulatory development to encourage private investments, and effective cost-recovery models. Ultimately, while challenges are substantial, addressing these issues can lead to a more secure and resilient water sector in Central Asia.



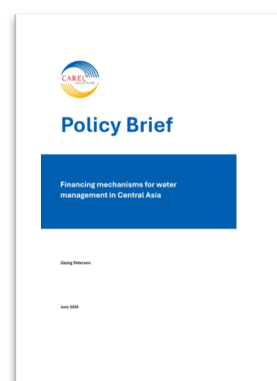
The new [policy brief “Adapting Resilient Water Management Practices to Climate Change in Central Asia”](#) highlights that climate change poses a significant threat to Central Asia’s water resources, altering runoff patterns and affecting water availability for the population, agriculture, and energy sectors. The region’s reliance on glacier-fed rivers and inefficient water use increases its vulnerability. Despite substantial water resources, the region lacks effective management practices, and growing populations further reduce per-capita water availability, exacerbated by climate change. Adopting integrated and efficient water use strategies is

crucial, along with diversifying water sources in response to changes in snow and glacier melt and rainfall patterns. To build resilience, the brief recommends exploring alternative water sources like rainwater harvesting, groundwater, or recycling wastewater, and making strategic investments in irrigation modernization and drought-resistant farming techniques. Regional cooperation and engagement with international experts and funding agencies are also essential for implementing adaptive, resilient water management strategies, ensuring a secure water future for Central Asia.



The new [policy brief “Development of Public-Private Partnerships for Financing Water Infrastructure in Central Asia”](#) highlights the significant challenges facing the region’s water sector, such as increasing demand and outdated infrastructure with limited funding. Public-private partnerships (PPPs) offer a potential solution by leveraging private investment and expertise to enhance water services and infrastructure resilience. Advantages of PPPs include risk-sharing between governments and the private sector, access to specialized expertise, and private funds. However, PPPs are complex and require

careful negotiation, well-documented contracts, and strong political support. Recent legal reforms indicate growing interest in PPPs in the region. To optimize PPPs, it is recommended that Central Asian nations seek international assistance to refine national PPP legislation, balancing risk mitigation with investor appeal. Establishing a regional PPP hub could promote cross-border projects, attract funding, and streamline management. With refined frameworks, PPPs could provide sustainable investment solutions for Central Asia’s water sector.



The new [policy brief “Financing Mechanisms for Water Management in Central Asia”](#) highlights that the region’s water management is hampered by outdated infrastructure and limited government funding for upgrades, impacting economic growth, agricultural productivity, and public health. Central Asia’s water sector is ill-prepared to meet increasing demand due to limited investment and outdated management practices from the Soviet era. Upgrading infrastructure and improving management systems are crucial for economic stability. National budgets currently fall short in maintaining and

developing water infrastructure, necessitating a comprehensive approach where water service fees cover maintenance and operation costs. To achieve this, Central Asian governments should enhance metering and billing systems and implement regulatory reforms to attract private investments. Revising tariffs, engaging with international development banks, establishing clear PPP frameworks, fostering regional collaboration, and involving civil society can improve water financing mechanisms, leading to a more sustainable and resilient water future for Central Asia.

Your Input Matters: Participate in the CAREC Institute's Survey Today!

The CAREC Institute is embarking on the development of its inaugural communication strategy. The Knowledge Management Division is leading the charge by launching this survey to effectively engage key stakeholders and address their expectations and needs.

The primary aim of this survey is to identify the most suitable communication channels by understanding the media consumption habits and preferences of the CAREC Institute's target audiences. As a valued stakeholder with prior collaborative experience with the Institute, your insights are crucial to this endeavor. We invite you to complete this questionnaire, which is designed to take no more than 15 minutes of your time.

Rest assured, your responses will remain confidential and will be utilized solely to shape and refine the CAREC Institute's communication strategy. Your participation is greatly appreciated and will significantly contribute to the success of this initiative.

Thank you for your time and input!



**WE VALUE YOUR FEEDBACK TO IMPROVE
OUR KNOWLEDGE PRODUCTS AND SERVICES!
PLEASE, SHARE YOUR THOUGHTS AND
SUGGESTIONS WITH US!**

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About CAREC Institute

The Central Asia Regional Economic Cooperation (CAREC) Institute is an intergovernmental organization dedicated to promoting the economic cooperation in the Central Asia and along the Silk Road through knowledge generation and sharing. The CAREC Institute is jointly shared, owned, and governed by eleven member countries.

The Institute acts as a knowledge connector among the five CAREC themes—economic and financial stability; trade, tourism, and economic corridors; infrastructure and economic connectivity; agriculture and water; human development—to ensure coherence in design and implementation of policies, programs, and projects to promote regional economic cooperation and integration.