

Newsletter



CAREC Institute Successfully Host Policy Dialogue and Country Consultation on Renewable Energy Investment Ecosystem Study

The CAREC Institute (CI), in partnership with the Islamic Development Bank (IsDB) and the Islamic Centre for Development of Trade (ICDT), conducted a Policy Dialogue and Country Consultation on the recently completed study, Renewable Energy Investment Ecosystem.

The virtual session attracted over 70 participants, including 30 representatives from five Central Asian countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Key attendees included officials from the Ministries of Energy and Investment, representatives from investment promotion agencies/green funds, and members of the private energy sector.

Mr. Charymuhammet Shallyyev, Director of the CAREC Institute, and Dr. Kuat Akizhanov, Deputy Director Two of the CAREC Institute, inaugurated the session. Ms. May Ali Babiker, Director of the IsDB Cooperation and Capacity Development Department, and Ms. Latifa El Bouabdellaoui, Director General of ICDT, delivered the opening remarks. Both teams acknowledged the importance of the topic, emphasizing its relevance to COP29 objectives and the facilitation of green energy investment. Dr. Asif Razzaq, Senior Research Specialist at CI, presented the key findings of the study, supported by his research team. At the same time, Dr. Ghulam Samad, Chief of the Research Division at CI, moderated the session. Discussions were interactive, focusing on gathering feedback from panelists representing various ministries. The feedback centered on aligning the ecosystem’s findings with national targets and ongoing reforms in their respective countries.

The panelists commended the report for its detailed analysis of over 200 ecosystem indicators across 15 pillars, acknowledging its relevance and value in addressing the region’s pressing energy transition needs. Specifically, panelists from Kazakhstan emphasized the role of auctions in reducing renewable energy costs, tariff indexation to address currency fluctuations, and integrating innovative technologies like hydrogen and battery storage. Panelists suggested discussing the detailed analysis of market-driven competition and its importance as government support for renewables transitions to a free-market approach.

Kyrgyzstan panelists highlighted progress in small-scale renewable energy projects and the need for clear institutional responsibilities to streamline investments. Participants commended the study’s emphasis on green financing mechanisms and alignment with the country’s priorities in addressing growing electricity demand and infrastructure challenges. Panelists also emphasized the importance of capacity building within relevant ministries to enhance the preparation, execution, and management of renewable energy projects, ensuring long-term success in the energy transition.

Tajikistan panelists underlined the importance of diversifying its energy mix, currently dominated by hydropower, with solar and wind energy. Panelists acknowledged the report’s insights on addressing grid modernization and leveraging regional energy trade, underscoring its significance for Tajikistan’s sustainable energy goals.

Uzbekistan panelists highlighted significant achievements in scaling renewables, with ambitious targets to reach 40% renewable energy by 2030. Panelists valued the study’s findings on accelerating energy efficiency and grid modernization, viewing it as a roadmap for Uzbekistan’s renewable energy ambitions.

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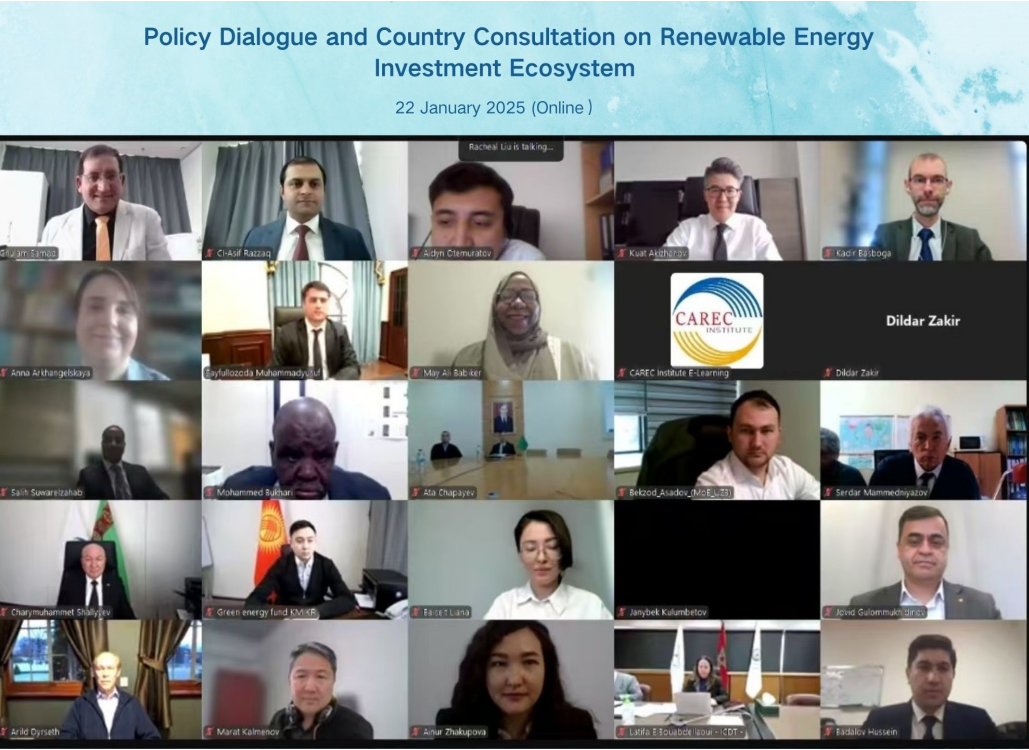




Moreover, Alih Suwarelzahab, Senior Legal Counsel at the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), IsDB Group, highlighted the importance of risk mitigation. He shared insights on how insurance mechanisms can help minimize potential risks in the energy sector.

CAREC Institute, IsDB, and ICDT are planning further progress on implementing the Investment Promotion Program, primarily derived from the overall energy ecosystem study. This proposed plan aims to deepen the understanding and operational effectiveness of the investment promotion program, streamline renewable energy investment processes, and ensure the successful execution of its operations.

In his closing remarks, Mr. Kadir Basboga, Associate Manager of the Regional Integration, Cooperation & Capacity Development Department at IsDB, commended the comprehensive findings of the study and acknowledged the thoughtful responses provided by the respective ministries. He highlighted IsDB's unwavering commitment to collaborating with the CAREC Institute and Central Asian nations to establish a robust and conducive energy investment ecosystem, paving the way for sustainable growth and regional energy transformation.



Group Photo from Policy Dialogue and Country Consultation on Renewable Energy Investment Ecosystem

CAREC WASH Center Launches

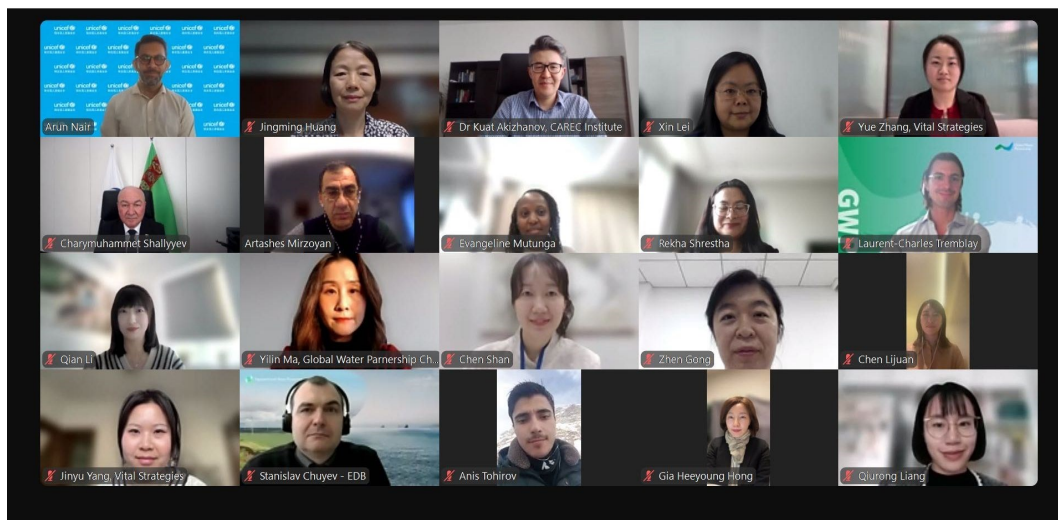
The CAREC Institute, in collaboration with UNICEF, the Asian Development Bank, and Vital Strategies, has officially launched the Virtual CAREC WASH (Water, Sanitation, and Hygiene) Center. The center was established under a regional ADB TA, financed by the PRC Fund and Water Financing Facility. This online event brought WASH experts, policymakers, and youth representatives across the CAREC region to discuss the challenges and opportunities in enhancing WASH services.

The Virtual WASH Center will serve as a dynamic platform for knowledge sharing, capacity building, and promoting water, sanitation, and hygiene innovations. It aims to foster collaboration among CAREC member countries, facilitate the exchange of best practices, and accelerate progress toward achieving the region's sustainable development goals.

The event featured a live demonstration of the new knowledge portal, introduced a comprehensive 5-year strategy, and included engaging panel discussions on the center's potential in addressing the WASH challenges and the role of youth in driving innovation knowledge solutions, and an interactive Q&A session.

Participants shared valuable ideas on developing the center and practical ways to tackle water, sanitation, and hygiene issues. They noted the need for climate-resilient WASH systems, stronger governance, and more regional cooperation to achieve sustainable development goals. The panelists also showed strong support for the center.

This milestone underscores the commitment of all participating organizations to promoting sustainable development and innovative approaches to mainstreaming WASH in the region.



Group Photo from CAREC WASH Center Launches

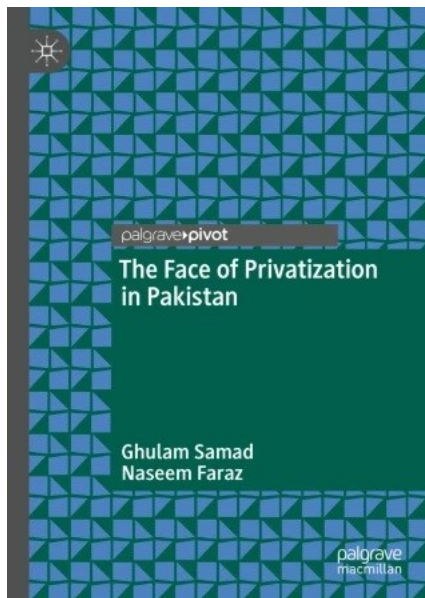
CAREC Institute's Quarterly Economic Monitor No.15



The CAREC Institute's [Quarterly Economic Monitor #15](#) reports that most CAREC economies experienced stronger GDP growth in 2024 than the already robust growth in 2023, with services and exports—especially metals and gold—driving this growth. However, disinflation has largely ended, and some inflation pressures have re-emerged, not least because of higher food prices caused by climate-related challenges such as droughts and floods. Accordingly, the monetary policy stance of CAREC central banks has become more cautious again.

Despite ongoing geoeconomic and climate challenges, 2025 holds promise for the CAREC region. In most CAREC economies' growth will remain above 4-5% yoy according to forecasts by International Financial Institutions. However, the region still faces significant challenges. Climate change, geoeconomic tensions and technological progress require major structural changes, accelerated decarbonization, and a shift towards investments in new technologies. The year 2025 will play a pivotal role in determining how the region's GDP is produced and distributed in future, and how to sustain growth and social well-being while adapting to the evolving challenges.

New Book Explores Privatization in Pakistan



A new book titled “The Face of Privatization in Pakistan,” published by Palgrave Macmillan, provides a detailed analysis of this topic. This book is co-authored by Dr. Ghulam Samad, Chief of the Research Division at the CAREC Institute, and Dr. Naseem Faraz from the Pakistan Institute of Development Economics.

The book primarily explores how privatization impacts Pakistan, provides rich case studies on privatization in Pakistan, and provides insights into State Owned Enterprises (SOEs) reform. The empirical part is complemented by a detailed exploratory analysis of the privatization data to analyze profitability, efficiency, and competency, which are the core perceived objectives of the privatization. The book provides valuable insights into the real-world outcomes of privatization efforts. It advocates corporate governance reforms, capacity building in government, transparency, robust legal frameworks, and public-private partnerships (PPPs) to ensure the success of privatization efforts.

The book will be of interest to academicians, researchers and policy makers of Asian economics, development economics and the Eurasian region.

This book is now available through Palgrave Macmillan. To learn more about this insightful scholarly work, please visit:

<https://link.springer.com/book/10.1007/978-981-97-8385-4>

Workshop Report on “Advancing Climate Resilience: Uzbekistan’s Water, Agriculture, and Energy Sectors”

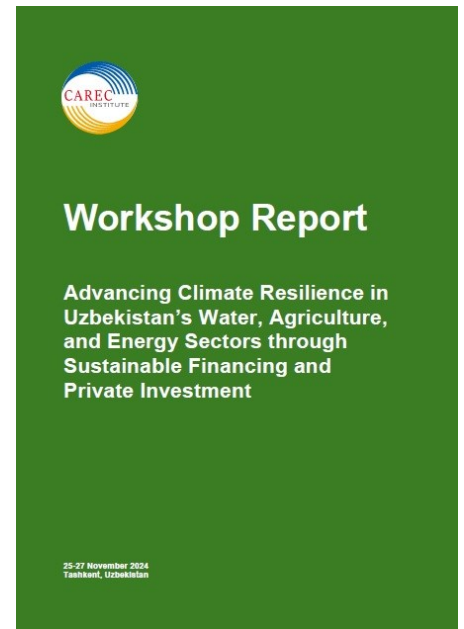
The findings from the recent workshop titled **“Advancing Climate Resilience in Uzbekistan’s Water, Agriculture, and Energy Sectors through Sustainable Financing and Private Investment,”** held from November 25-27, 2024, in Tashkent, have been compiled into a comprehensive report. This publication highlights the collaborative efforts of key stakeholders aimed at addressing the pressing challenges posed by climate change in Uzbekistan.

Organized by the Asian Development Bank (ADB) and the CAREC Institute under “ADB TA-6694 REG: Workshop on Climate Change and Water-Agriculture-Energy Nexus,” the workshop brought together a group of officials, experts, and stakeholders from the water, agriculture, and energy sectors. Participants engaged in dynamic discussions, sharing insights and best practices to foster sustainable development and enhance climate resilience across these interconnected sectors.

The report presents the workshop discussions by experts on a wide range of critical topics, including innovative strategies for sustainable water management, the integration of advanced agricultural technologies, and the development of effective financing mechanisms aimed at enhancing climate resilience in Uzbekistan’s water, agriculture, and energy sectors.

The report also suggests key recommendations for ongoing research on the water-agriculture-energy nexus, emphasizing the importance of regional capacity-building efforts. These strategies aim to ensure that future initiatives stay effective and pertinent in addressing the evolving challenges posed by climate change.

The publication serves as a vital resource for policymakers, practitioners, and researchers interested in advancing climate resilience in Uzbekistan. It reflects the collective commitment to transforming aspirations into reality and making a lasting impact on the nation’s climate resilience journey.



Fiscal Instruments Supporting the Green Energy Transition in the Central Asian Countries: Overview and Recommendations

The CAREC Institute released a new economic brief, which is co-authored by Yazyyev Merdan, the Research Expert at the CAREC Institute, and Muhammetguly Muhammedow, the Head of the Department of World Economy at the Turkmen State Institute of Economics and Management.

This brief gives an overview of Central Asian countries’ fiscal policy tools and policies, and strategies individual countries adopt to enable the green transition. It also identifies the challenges the region faces in fiscally aligning to the sustainability goals and the opportunities enhanced regional cooperation could offer to achieve them. The brief suggests that Central Asian countries can shift to a sustainable, low-carbon economy by implementing fiscal changes, regional cooperation, and innovative solutions such as carbon pricing, clean energy, and carbon capture and storage, etc.

For more details, please download the full report [Here](#).



New Research Report Highlights Trade Facilitation Costs amid Regional Uncertainties

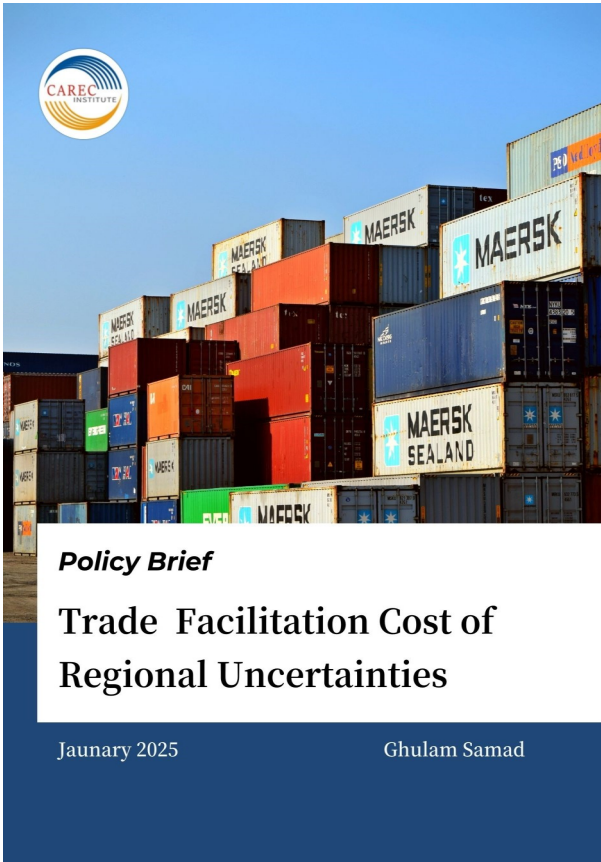
The CAREC Institute has released a significant research report titled “Trade Facilitation Cost of Regional Uncertainties,” authored by Dr. Ghulam Samad, which explores the impact of regional uncertainties, such as geopolitical tensions and economic fluctuations, on trade facilitation costs. The report specifically examines the challenges in the Trans-Caspian Corridor and underscores the need for innovative solutions to mitigate these issues.

The study highlights that regional uncertainties lead to increased trade facilitation costs and recommends a multi-faceted approach to address these challenges. Key recommendations include the adoption of digital technologies to streamline customs processes, enhanced regional cooperation to establish unified trade standards, and capacity-building initiatives to equip stakeholders with the necessary skills for new technologies and processes.

Dr. Ghulam Samad emphasizes that implementing these recommendations is crucial for fostering economic growth and stability. The CAREC Institute encourages

policyholders, industry stakeholders, and researchers to engage with the report’s findings and recommendations to improve trade facilitation and enhance resilience against future uncertainties.

For more details, please download the full report [Here](#).



Upcoming Event: Workshop on Cross-Border E-commerce Payment and Risk Management

The CAREC Institute, in collaboration with Xiamen National Accounting Institute (XNAI), will host a three-day online workshop on Cross-Border E-commerce Payment and Risk Management from February 19 to 21, 2025.

This workshop is designed to delve into the application of innovative payment methods for cross-border e-commerce, enhance understanding of e-commerce regulations, and equip participants with effective risk management techniques.

It will feature lectures and practical exercises, engaging financial officials, academic experts, and industry practitioners from CAREC member countries.

Simultaneous interpretation in both English and Russian will be available throughout the workshop.

Attendees who complete the workshop will receive Certificates of Attendance, co-issued by the CAREC Institute and XNAI.

Please register [here](#).

A promotional graphic for a workshop. The background features a collage of business-related icons and a tablet displaying a world map with the word 'E-COMMERCE' overlaid. In the top right corner, there are two logos: the CAREC Institute logo and the XNAI logo. A blue banner on the right side contains the text 'Workshop' and 'Cross-Border E-commerce Payment and Risk Management'. Below this, a white rounded rectangle contains the text 'February 19-21, 2025 | Online Training'. At the bottom left, there is a QR code with the text 'Scan for Registration' below it.

Workshop

Cross-Border E-commerce Payment and Risk Management

February 19-21, 2025 | Online Training

Scan for Registration

Call for Papers–2025 CTTN Research Grants Program: Envisioning a Greener Future: Crafting Strategic Financing Pathways for the Green Transition in CAREC Region

The CAREC Institute is pleased to announce the opening of the 2025 Research Grants Program, inviting proposals focusing on advancing strategic financing pathways for the green transition in the CAREC region.

Established in 2017, the CAREC Think Tank Network (CTTN) connects leading think tanks from CAREC member countries, encouraging regional cooperation and integration through shared insights on policy and development challenges.

Call for Applications:

We invite CTTN member think tanks in the CAREC region to submit grant applications along with the draft proposal (maximum 5,000 words, excluding references). Successful applicants will receive grants of up to **US\$5,000** to expand their manuscripts into full policy research papers. The research grant is for nearly **six months** from the date of grant approval.

Research Topics:

Proposals are expected to address one or more of the following areas related to the green transition:

- Innovative financing mechanisms for renewable energy projects
- Private sector investment in green technologies
- Public-private partnerships in resource mobilization for green transition financing
- Policy frameworks to support the green transition
- The role of funding agencies and multilateral development banks in climate financing
- The role of ESG investment in promoting green capital accumulation
- Taxonomy of transition finance
- Overcoming barriers to green finance in CAREC countries
- Measuring the impact of green finance initiatives

Submission Details:

To apply, please submit your proposal to **Ms. Jesscy Hu**, Coordination Specialist, at jesscyh@carecinstitute.org, with the subject line “CTTN Research Grants Program.” The deadline for submission is **1 April 2025**, with decisions to be announced by **15 April 2025**.

For more information and to access the application form, please refer to the [document](#) titled “Call for Papers.”



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.