The University of World Economy and Diplomacy

Institute for Advanced International Studies

MUNIS
World Bank
Projects

THINK
ROAD
FORUM

OUTCOMES OF THE
THINK ROAD FORUM 2025

www.iais.uz

OUTCOMES OF THE THINK ROAD FORUM

2025 marked a moment when the Institute for Advanced International Studies at UWED launched its annual flagship platform on 18-19 November. This year's topic centered around "Rethinking Sustainable Development in Central Asia in the Era of Emerging Regionalism".

Vision of the forum *is to foster strategic dialogue among think tanks, the public sector, civil society and the business community. The platform seeks to create a sustainable expert environment capable of developing comprehensive solutions in the context of growing regional interdependence.*

The event brought together representatives of the public sector, diplomats, experts, researchers, and international organizations to discuss the region's long-term priorities. Over two days of discussions, conference participants expressed the following key views and assessments:

1. Geopolitical stability is regarded as the foundation of sustainable development: without peace and predictability, it is impossible to attract investment, implement infrastructure projects, or address long-term social challenges. Speakers pointed to competing integration projects *(Eurasian, Chinese, and Western)* and the potential dividing lines associated with them. On the one hand, such formats open opportunities for investment and cooperation; on the other hand, they carry the risk of increased external pressure and constraints on states' sovereign room for maneuver.

Experts recommended relying on multilateral institutions - both existing ones *(the UN, OSCE, SCO)* and new regional mechanisms - to develop common approaches to shared challenges. It was emphasized that sustainable development requires a stable international environment; therefore, Central Asian countries should act in a consolidated manner, promoting the principles of non-interference, mutual respect, and mutually beneficial cooperation. Such a position would help minimize external risks and allow countries to focus on their domestic development agendas.

2. Central Asia possesses significant economic potential. The combined GDP of the five countries exceeds $500 billion. The region is favorably located between the major markets of Europe and Asia, creating opportunities to become a transit hub for trade between East and West.

The analysis showed that Central Asian countries underutilize the benefits of economic cooperation. Intra-regional trade remains low, accounting for only about 5-10% of the total trade turnover of Central Asian states. By comparison, Central Asia's trade with the European Union, China, or Russia far exceeds these figures. The main reason is the similarity of export structures: the commodity-oriented nature of the economies and competition for the same markets.

In addition, dependence on raw material exports and external factors persists: global prices for oil, gas, metals, and cotton directly affect national revenues. Limited industrial diversification makes economies vulnerable to external shocks.

Particular interest was generated by the idea of creating regional financial mechanisms, such as joint investment funds or development programs under the auspices of international institutions, which could finance energy, infrastructure, and digital projects of importance to the entire region.

3. Today, Central Asia's energy sector still largely relies on fossil resources, with which the region is well-endowed *(oil, gas, coal)*. For example, in Kazakhstan approximately 54% of electricity is generated from coal, making the country one of the most carbon-intensive electricity producers. At the same time, all Central Asian states have ratified the Paris Agreement and have declared targets for reducing greenhouse gas emissions.

Central Asia has enormous renewable energy potential: strong solar irradiation across plains and deserts *(especially in southern Kazakhstan, Uzbekistan, and Turkmenistan)*, wind resources on steppe plateaus and mountain passes, and hydropower on rivers in Tajikistan and Kyrgyzstan. These resources remain underutilized. However, positive developments are

already evident, as large-scale investments in renewable energy are beginning to flow into the region.

Despite the success of certain projects, the structure of the energy mix in Central Asian countries varies significantly, and there are no universal solutions. Kazakhstan, possessing vast reserves of coal and gas, faces primarily a political-economic dilemma: how to move away from inexpensive coal without harming industrial development.

For Uzbekistan and Turkmenistan, the key challenge lies in compensating for the decline in gas and oil production - which constitute the main sources of export revenues - amid growing domestic energy demand.

Kyrgyzstan and Tajikistan have historically relied on hydropower; however, climate change has led to reduced river flows and risks of electricity underproduction in winter *(in Kyrgyzstan, hydropower generation declined by approximately 16%, and in the first half of 2025 the country was forced to import more than 20% of its electricity)*.

The transition to renewable energy requires massive investment. According to estimates, Kazakhstan alone will need around $10 billion in additional funding to achieve its target of 15% renewables by 2030. This raises the issue of financing, as state budgets are limited and private investors carefully assess risks.

The importance of strategic planning was emphasized: each state would benefit from adopting a roadmap toward carbon neutrality with clearly defined interim targets *(for example, the share of renewable energy by 2030 and 2040)*.

Experts also proposed strengthening regional coordination in the energy sector. It would be advantageous for Central Asian countries to revive an integrated power system: cross-border electricity exchange would allow peak loads to be balanced and different energy sources to be used more efficiently - for instance, directing surplus summer hydropower to neighboring states.

Expanding electricity trade within the regional market would enhance energy security and improve the economic viability of renewable energy projects.

4. Central Asia is one of the regions most vulnerable to climate change. According to the United Nations Environment Programme, the region is warming faster than the global average, while current levels of adaptation financing are wholly insufficient to neutralize the looming threats. Alarming trends are already evident: high-mountain glaciers are melting rapidly, having lost more than 30% of their volume in just one decade.

This threatens changes in the flow regimes of the Amu Darya and Syr Darya rivers, on which millions of people critically depend. Experts stressed that the region relies on these rivers for about 80% of its water resources, fed by glaciers in the Pamirs and the Tien Shan. More than 70% of the population of Kyrgyzstan and Tajikistan is employed in agriculture, which depends on mountain rivers.

The problem is exacerbated by a lack of financial resources. The estimated annual need for climate adaptation financing for developing countries in Europe and Central Asia is around $51 billion, of which only a small fraction is currently covered.

Institutional challenges are linked to coordination among countries. Although mechanisms exist in the region *(such as the Interstate Commission for Water Coordination)*, their effectiveness remains limited. Not all countries participate in common frameworks *(Turkmenistan has traditionally distanced itself from collective regimes)*, and there is no updated legal and treaty framework governing water allocation following the dissolution of the Soviet Union.

Differences in priorities further constrain cooperation: upstream countries *(Tajikistan and Kyrgyzstan)* are interested in hydropower generation and water storage during winter, while downstream countries *(Uzbekistan, Kazakhstan, and Turkmenistan)* require sufficient water volumes in summer

for irrigation. These contradictions periodically result in a lack of coordinated solutions, which in itself generates risks.

5. Economic growth and infrastructure projects are meaningful only when their benefits are distributed fairly and contribute to improving the quality of life for all segments of the population. In Central Asia, the social agenda is particularly important due to demographic characteristics. The region is experiencing a youth population boom: according to UN estimates, more than 50% of Central Asia's population is under the age of 30. This "demographic dividend" can become a driver of progress, provided that adequate investments are made in education and job creation.

A significant part of the discussion focused on artificial intelligence in education, which represents both an opportunity and a serious risk for Central Asian countries. On the one hand, technology can help reduce educational inequality; on the other, if misused, it may deepen disparities and entrench existing structural differences.

Using international reading assessment results as an example, it was noted that basic skills among 15-year-old students in Kazakhstan and Uzbekistan are significantly below the OECD average: only about 30% of students in Kazakhstan and 14% in Uzbekistan meet basic proficiency levels, while less than 1% are able to cope with the most complex tasks. At the same time, experts emphasized that reading is regarded as a fundamental skill for navigating the modern world and developing critical thinking.

In this context, Central Asian countries need to rethink school reading curricula, introduce systematic work with texts of varying levels of complexity, and assess not only the "correctness of answers", but also the ability to understand tasks, compare information, and draw conclusions.

Against this backdrop, the widespread and often unconditional trust in AI platforms is particularly concerning: 10% of queries to ChatGPT relate to education, and approximately two-thirds of students in the United Kingdom regularly use AI chatbots in their studies. It is reasonable to assume that the

situation in Central Asian countries will be similar, or possibly even more pronounced. Preventing such outcomes requires the training and retraining of teachers so that they themselves understand the limitations and risks of AI, as well as the development of national or institutional guidelines on the ethical use of AI platforms, including for homework assignments. In this context, the teacher's role becomes central: not to ban AI, but to teach students to verify information and use technology as a tool to deepen understanding, rather than as a mechanical substitute for independent thinking.

Another critically important issue is social protection and the reduction of inequality. Despite economic growth, pockets of poverty persist in Central Asia, particularly in rural areas and small towns. Young people often struggle to find employment corresponding to their acquired qualifications, while the level of informal employment remains high. This, in turn, drives large-scale labor migration abroad due to the lack of decent employment opportunities at home, pointing to structural problems in labor markets and social protection systems.

The transition to sustainable development and a "green" economy is not automatically beneficial for all: any transition creates both winners and losers among social groups. Using the example of coal-fired power plants and mono-functional industrial towns in Uzbekistan and other post-Soviet countries, speakers demonstrated that the closure of coal enterprises under a "green" agenda entails the risk of depriving entire communities of their sole source of income.

At the same time, the global "green" transition is already accompanied by projected job losses *(around 6 million according to ILO estimates)*, while the parallel spread of artificial intelligence further displaces labor. Particularly vulnerable are elderly residents of rural areas, whom urbanization often leaves socially isolated, as well as low-income families whose resilience directly depends on the quality of social assistance and the accuracy of its targeting mechanisms.

Against this backdrop, several practical recommendations can be identified. First, the climate and green agenda in Uzbekistan and the region as a whole should be inextricably linked to social policy. It is necessary to enhance the adaptability of social protection systems by introducing rapid-response mechanisms to shocks within social registries, minimizing inclusion and exclusion errors in benefit allocation, and paying greater attention to "silent" risks such as loneliness and social isolation in the context of urbanization.

Second, it is recommended to reconsider the very logic of designing social reforms toward greater respect for local knowledge and historical experience. When developing new solutions, it is important not only to study international best practices, but also to systematically analyze traditional regional practices that have demonstrated resilience over centuries. This implies moving away from the standard sequence of "situational analysis - foreign experience - adaptation" toward a more complex, context-sensitive approach, in which international solutions are critically assessed and compared with local models.

6. A separate discussion focused on how digital connectivity can overcome Central Asia's geographical isolation and integrate the region into the global economy, mitigating the challenges of being landlocked. However, alongside this optimism, cautionary notes were raised: digital transformation carries risks related to ethics, security, and inequality.

Several key challenges were identified. First, digital inequality. Access to high-speed internet and digital services is unevenly distributed: major cities are relatively well connected, while remote rural areas lag behind. This creates disparities in opportunities for residents *(for example, children in remote villages may lack access to online courses or even basic digital literacy).*

Second, insufficient digital skills among segments of the population, including public officials. The introduction of AI requires qualified personnel - data engineers, programmers, analysts. Central Asia faces a brain drain, as talented young people often leave to work abroad.

Third, cybersecurity and data sovereignty. As digital infrastructure expands, risks of cyberattacks, personal data leaks, and online fraud increase. Governments in the region still need to develop a comprehensive legal framework for data protection and countering cybercrime.

Fourth, technological dependence. Overreliance on a single supplier carries long-term dependency risks. For example, the widespread adoption of Chinese "5G" solutions and "smart city" systems may be cost-effective and rapid, but it also creates lock-in effects and potential security vulnerabilities.

Overall, the Think Road Forum articulated a coherent vision of Central Asia's sustainable development priorities. The implementation of the above measures and recommendations will contribute to shaping a robust sustainable development agenda. The conference outcomes demonstrate that the region possesses both an understanding of existing challenges and a willingness to act collectively; however, it is far more important to translate these intentions into concrete programs and high-level policy decisions in order to ensure a dignified future for the peoples of Central Asia.
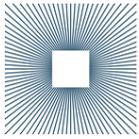
ABOUT US

The Institute for Advanced International Studies (IAIS) is an independent international interdisciplinary analytical and research institution at the University of World Economy and Diplomacy in Uzbekistan.

We aim to create an environment for the development of research on a variety of international studies issues. Our values are independent thinking, innovative and critical thinking, interdisciplinarity, contribution to scholarship, professionalism, integrity and transparency.

IAIS values teamwork to achieve the goal of meaningful and consistent research. Our experts and researchers bring their scholarship, policy experience, judgement and trusted networks to their interdisciplinary research, analysis and recommendations.
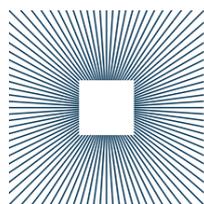
IAIS organises media publications, lectures, conferences and speeches to increase knowledge and awareness of current policy issues among policy makers, academics and the public.

The University of World Economy and Diplomacy

Institute for Advanced International Studies