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**TRENDS IN THE DEVELOPMENT OF INTERNATIONAL COOPERATION IN
MANAGING INVESTMENT PROCESSES IN CENTRAL ASIA: AN ANALYSIS
OF THE ‘ONE BELT, ONE ROAD’ INITIATIVE**

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Abstract: The study analyzes the main trends in the development of international cooperation in managing investment processes in Central Asia, focusing on the “One Belt, One Road” initiative as a strategic framework for regional economic integration. It explores the mechanisms of attracting foreign direct investment (FDI), institutional reforms, and the role of infrastructure connectivity projects in enhancing investment efficiency across the region. The research identifies how China’s Belt and Road Initiative fosters sustainable industrial growth, cross-border trade, and digital transformation within Central Asian economies. Special attention is given to the challenges of coordination among participating states, the diversification of investment flows, and the formation of new governance models for regional economic partnerships. The findings emphasize the importance of strategic planning, policy harmonization, and technology-driven management in achieving long-term economic resilience and regional competitiveness.

Key words: Central Asia, investment processes, international cooperation, Belt and Road Initiative (BRI), foreign direct investment (FDI), economic integration, infrastructure development, regional competitiveness, sustainable growth, governance models.

Introduction

The rapid transformation of the global investment landscape has positioned Central Asia as a key region for economic cooperation and cross-border capital flows. In this context, the “One Belt, One Road” (OBOR) initiative, launched by China, plays a pivotal role in shaping new investment strategies, fostering infrastructure connectivity, and deepening regional integration. For the Central Asian countries, including Uzbekistan, this initiative represents not only an opportunity to attract large-scale foreign direct investment (FDI) but also a platform to modernize industrial sectors, develop transport corridors, and strengthen economic governance mechanisms. The growing interdependence between national economies highlights the importance of managing investment processes through effective international collaboration.

The relevance of this study lies in the increasing role of international cooperation in enhancing investment management efficiency, particularly under the dynamic geopolitical and geo-economic conditions of Central Asia. Uzbekistan’s active participation in the OBOR framework reflects its strategic goal of diversifying foreign investment sources,

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improving logistics infrastructure, and ensuring sustainable regional growth. The “Uzbekistan–2030” Strategy clearly emphasizes expanding international economic cooperation, fostering innovation, and increasing the competitiveness of the national economy through modern governance and digital transformation. This national strategy aligns with the goals of the Belt and Road Initiative by prioritizing connectivity, trade facilitation, and investment liberalization.

The main objective of this research is to analyze the tendencies and mechanisms of developing international cooperation in managing investment processes within the framework of the Belt and Road Initiative. The study aims to identify the institutional, economic, and technological factors influencing regional investment dynamics, assess the opportunities and challenges for Central Asian states, and propose practical recommendations for improving the efficiency of investment governance. By aligning national development strategies such as “Uzbekistan–2030” with the BRI agenda, the research seeks to contribute to the formation of sustainable, inclusive, and innovation-driven regional partnerships that enhance long-term economic resilience and integration.

Analysis and results

Here is a comprehensive analysis of the topic “Investment-process management and development of international cooperation trends in Central Asia: an analysis of the Belt and Road Initiative (BRI)”, structured into four main parts: (1) contextual background, (2) trends in international cooperation and investment management in Central Asia under the BRI, (3) specific case of Uzbekistan and its “Uzbekistan – 2030 Strategy”, and (4) challenges & policy implications.

The Central Asian region (including Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan) occupies a strategic position between Europe and East Asia, with significant transit potential, natural-resource endowments and linkages to both the Chinese market and the Eurasian space. The Belt and Road Initiative (BRI) launched by China in 2013 aims to enhance connectivity (rail, road, logistics, digital) across Eurasia and beyond.

In this sense, the BRI offers Central Asian states an opportunity to accelerate their infrastructure development, attract foreign direct investment (FDI), integrate into global production chains and diversify export markets. At the same time, managing investment processes and international cooperation becomes critical: countries must effectively coordinate inbound investment projects, design institutional frameworks, ensure transparency, optimize logistic corridors and mitigate geopolitical-economic risks.

Investment flows under the BRI have recently seen significant growth in Central Asia. For example, in the first half of 2025, Chinese-led BRI investment in the region reached around USD 24 billion, a dramatic increase from previous years.

Given this, the question of how investment-process management and international cooperation are evolving in Central Asia—especially vis-à-vis the BRI—is both timely and policy-relevant.

Trends in International Cooperation & Investment Management in Central Asia under the BRI



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a) Growth of cross-border investment & infrastructure connectivity.

One of the dominant trends is the acceleration of infrastructure investments (railways, roads, logistics hubs, energy, digital networks) under the BRI framework. For Central Asia, this means enhanced linkages to China, but also onward to Europe and other regions.

For instance, large contracts and investments in construction and energy are being funnelled via Chinese actors: in H1 2025 Central Asia saw sharp growth in such engagements.

b) Institutional cooperation and governance frameworks.

Investment management is increasingly embedded in cooperative frameworks: joint projects, public-private partnerships (PPPs), multi-lateral finance involvement, and integration of Chinese enterprises with local governments. Countries in Central Asia are developing regulatory reforms to attract investment and coordinate with international partners. For example, the BRI encourages node-cities, logistics hubs, and transit corridors which necessitate institutional coordination.

c) Diversification of investment themes (beyond traditional extractives).

Whereas historically much FDI in Central Asia focused on natural resources (oil, gas, minerals), the newer wave includes manufacturing, renewable energy, digital economy, logistics, and transit services. For example, investments in technology and manufacturing across BRI countries more than doubled, reaching about USD 23.2 billion in one period, with Central Asia as a key recipient.

d) Regional cooperation and corridor development.

The BRI has catalysed cooperation among Central Asian states—not only with China, but among themselves (multilateral projects, transit routes). This creates an emerging trend of regional investment-process management that recognises cross-border logistics, trade facilitation, and transit governance as investment priorities. Additionally, investment flows increasingly reflect regional connectivity objectives (rather than purely bilateral deals).

e) Emphasis on sustainable growth, governance and digitalisation.

There is also a growing emphasis on aligning BRI-driven investment with sustainability, green economy, governance reforms and digitalisation. For example, investment strategies now incorporate environmental protection, water conservation and public governance improvements. This introduces a more complex dimension to investment-process management—requiring cooperation across sectors, regulation alignment, and institutional capacity enhancement.

Case of Uzbekistan and Its “Uzbekistan – 2030 Strategy”.

Uzbekistan provides a revealing case of how a Central Asian country is positioning itself within this broader trend.

a) Strategic orientation & reform agenda.

In September 2023, Uzbekistan approved its “Uzbekistan – 2030 Strategy”, which defines five priority areas: (i) creating decent conditions for realizing the potential of every person; (ii) ensuring population welfare through sustainable economic growth; (iii)



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conserving water resources and protecting the environment; (iv) ensuring the rule of law and modern public administration; and (v) maintaining a safe and peaceful state.

This strategy explicitly includes attracting foreign investment, liberalising the economy, expanding strategic infrastructure and increasing the competitiveness of the national economy.

b) Investment climate improvement.

Uzbekistan has made important progress in improving its investment climate: introducing investor protections, reforming currency regime, issuing national currency bonds internationally, and implementing transparency mechanisms.

c) Alignment with BRI & international cooperation.

Uzbekistan's investment policy emphasises green energy, infrastructure, export expansion and cooperation with foreign investors under frameworks such as the BRI. For example, one official note underlines that green energy and cooperation with international partners are priority areas.

The Strategy "Uzbekistan – 2030" is positioned to elevate the country to upper-middle income status by the end of the decade, leveraging international cooperation and investment flows.

d) Management of investment processes.

Within Uzbekistan, investment-process management involves coordinating state programmes, investor protection measures, PPP frameworks, and leveraging multilateral development partner strategies (e.g., Asian Development Bank partnership in transitioning to a green economy).

Hence, Uzbekistan exemplifies the trend where a Central Asian government aligns national development strategy with the regional investment governance architecture of the BRI, and builds institutional capacity to manage the inflow, absorption, and governance of large-scale investment and cooperative projects.

Challenges, Limitations & Policy Implications

a) Challenges & risks.

— Geopolitical risks and dependency: The BRI's Chinese origin raises concerns about debt-dependency, sovereignty, and strategic leverage. Some Central Asian states may risk over-dependence on a single source of investment.

— Institutional capacity and governance: Effective investment-process management requires robust institutions, transparency, regulatory stability, and inter-agency coordination. Some regional states may lag in these capacities.

— Sustainability and environmental concerns: Large infrastructure and extractive investments risk environmental damage, resource depletion or social opposition. Aligning with green economy goals adds complexity.

— Transit/logistics bottlenecks and connectivity constraints: While corridors are planned, terrain, technical standards (e.g., rail gauge differences), border delays and weak logistical systems remain constraints.

— Diversification of investment and value-added capture: To fully benefit, Central Asian states must move beyond resource extraction toward higher value-added



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manufacturing and services—this requires human capital, technology and institutional reforms.

b) Policy implications & recommendations.

— Strengthening institutional frameworks: Central Asian governments should invest in regulatory frameworks, PPP laws, investor dispute mechanisms, digital governance and cross-border coordination. Uzbekistan is doing so with investor protections and arbitration centres.

— Promoting regional cooperation and corridor governance: Investment-process management should adopt a regional lens: aligning national strategies, coordinating transit and logistics infrastructure, standardising procedures, and combining resources across countries.

— Balancing source diversification: While the BRI offers major opportunities, states should diversify their investor base (EU, Middle East, Japan, South Korea) to mitigate dependencies and increase leverage.

— Linking investment to the national strategy: Countries like Uzbekistan should ensure inbound foreign investment aligns with national goals (as in the “Uzbekistan – 2030 Strategy”)—focusing on sustainable sectors, digital transformation, human capital.

— Ensuring inclusive and sustainable growth: Investment governance must emphasise local-benefit capture, environmental safeguards, social inclusion, and upgrading local value chains rather than simple resource-export models.

Table 1

Trends, Opportunities, and Challenges of Managing Investment Processes in Central Asia under the Belt and Road Initiative (BRI)

Category	Key Aspects	Description / Examples	Impact / Implications
1. Regional Investment Trends	Increasing FDI inflows	BRI projects in transport, energy, logistics, and digital sectors reaching over USD 24 billion (2025)	Strengthens regional connectivity and accelerates infrastructure modernization
2. Institutional Cooperation	PPPs and governance frameworks	Collaboration among China, Central Asian states, and international organizations (ADB, WB)	Enhances transparency and joint management of cross-border projects
3. Economic Diversification	Shift from extractive to industrial and digital sectors	Expansion into manufacturing, renewable energy, logistics hubs	Reduces resource dependency and creates high-value employment
4. Uzbekistan – 2030 Strategy Alignment	Integration with national priorities	Focus on sustainable growth, digital economy, investment liberalization	Ensures alignment between BRI objectives and national development goals
5. Infrastructure and Connectivity	New transport and energy corridors	Trans-Caspian route, China–Kyrgyzstan–Uzbekistan railway	Boosts trade facilitation and regional market access
6. Sustainability and	Environmental	Projects increasingly tied to	Promotes eco-friendly

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Category	Key Aspects	Description / Examples	Impact / Implications
Green Economy	governance	green standards and renewable energy	growth and resilience
7. Challenges of Governance	Institutional and regulatory constraints	Weak coordination, bureaucratic delays, and limited investor protection	May hinder effective investment absorption and project implementation
8. Geopolitical Risks	Dependency on Chinese capital	Asymmetric relations and debt sustainability issues	Necessitates diversification of investment partners
9. Technological and Human Capital Gaps	Insufficient skills and digital infrastructure	Need for AI, data, and digital logistics integration	Limits innovation and investment efficiency
10. Policy Recommendations	Institutional strengthening and cooperation	Develop PPP laws, digital monitoring, regional corridors governance	Increases efficiency, sustainability, and long-term competitiveness

The table highlights how the Belt and Road Initiative (BRI) reshapes investment management and international cooperation in Central Asia, especially for Uzbekistan. While infrastructure and FDI growth under the BRI create vast opportunities for modernization and diversification, their success depends on effective governance, sustainability, and technological adaptation. The “Uzbekistan – 2030 Strategy” provides a strong framework for aligning national priorities with regional initiatives, yet achieving balanced development requires institutional capacity, regional coordination, and diversification of foreign investment sources to ensure long-term economic resilience and competitiveness.

Conclusion

In sum, the evolution of investment-process management and international cooperation in Central Asia is being significantly shaped by the BRI paradigm. Countries in the region are increasingly leveraging this framework to mobilise infrastructure investment, reform institutions, enhance connectivity and align with broader national strategies—illustrated by Uzbekistan’s “Uzbekistan – 2030 Strategy”. However, realising the full potential requires careful governance, regional coordination, diversification, sustainability and institutional strengthening. For policymakers, understanding and actively managing these dynamics will be critical to ensuring that investment flows translate into long-term inclusive growth and competitiveness for Central Asian economies.

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