



FORGING LINKS, DRIVING IMPACT

# CAREC and THE KYRGYZ REPUBLIC



# WHAT IS THE CAREC PROGRAM?

The Central Asia Regional Economic Cooperation (CAREC) Program brings together 11 countries<sup>a</sup> and multiple development partners to accelerate economic growth and reduce poverty. It is guided by the overarching vision of Good Neighbors, Good Partners, and Good Prospects. The Asian Development Bank (ADB) serves as the CAREC Secretariat.

For more than 2 decades, the program has been a unique platform helping develop and implement regional projects, support policy reforms, and pilot multisector initiatives critical to sustainable economic growth.

From 2001 to 2024, CAREC mobilized \$52.5<sup>b</sup> billion in investments with a focus on establishing multimodal transport networks, increasing energy trade and security, facilitating the safer movement of people and goods, and developing economic corridors.

CAREC 2030 Strategy is the long-term strategic framework for the program, anchored in a mission to connect people, policies, and projects for shared and sustainable development. Through practical, action-oriented projects and a collaborative approach, the program fosters inclusive economic growth and yields tangible economic benefits for its member countries and their people.

- <sup>a</sup> ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021 and has been supporting the Afghan people through a special financing arrangement with the United Nations since 2022.
- <sup>b</sup> “\$” refers to United States dollars.



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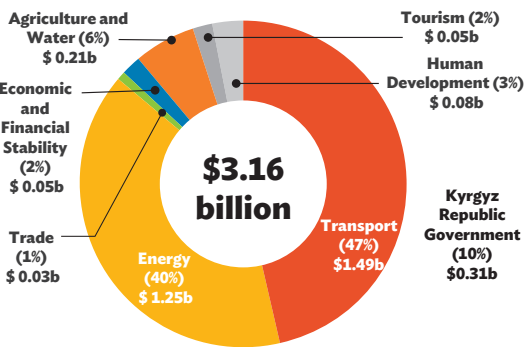
As a key node in an international land transport network driving growth and connectivity across Central Asia, the Kyrgyz Republic is advancing collaborative efforts to transform the vast region into a vibrant hub of trade and commerce. Driven by CAREC initiatives, improved transport is boosting regional connectivity and economic growth. Crossing borders and clearing customs has become easier. A pilot spatial economic corridor is unifying the country with Kazakhstan into a single economic space. Development partners are financing a connector road to link two CAREC corridors as well as road sections between Bishkek and Osh.

Better connectivity has improved access to regional markets and services, promoting trade and economic activities while positioning the Kyrgyz Republic as a transit country. The strategic and economic significance of road corridors is immense, as most passengers and goods rely on road transport. The all-weather road corridors ease access for remote populations, reducing travel time and costs, improving convenience, and helping alleviate poverty by expanding economic and social opportunities.

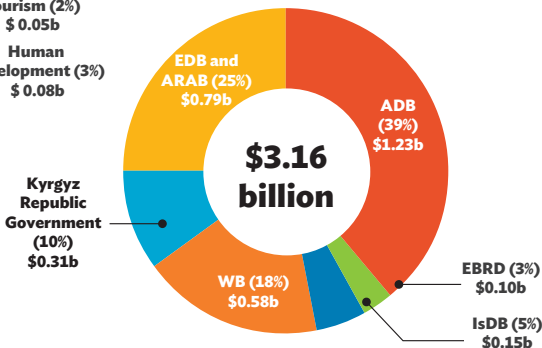


# CUMULATIVE INVESTMENTS

As of December 2024, more than \$3.1 billion has been invested in 57 CAREC-related projects in the Kyrgyz Republic, with transport (47%) and energy (40%) making up most of them. ADB has financed or cofinanced 14 of the projects.



Investment by Sector



Investment by Funding Source

ADB = Asian Development Bank; ARAB = Arab Coordination Group (Saudi Development Fund, Kuwait Fund for Arab Economic Development, Abu Dhabi Fund, OPEC Fund); b = billion; EBRD = European Bank for Reconstruction and Development; EDB = Eurasian Development Bank; IsDB = Islamic Development Bank; WB = World Bank.  
Note: Investment by funding source includes cofinancing.







# CAREC REGIONAL IMPROVEMENT OF BORDER SERVICES (KYRGYZ REPUBLIC COMPONENT)

Approved in 2013 with \$8.4 million in ADB financing for the Kyrgyz Republic component, the project expedited the construction and renovation of border-crossing points (BCPs) between the Kyrgyz Republic and Tajikistan. Building on earlier CAREC feasibility studies and extensive stakeholder consultations, the project selected the two countries based on their readiness to implement infrastructure and trade procedure reforms. With initial designs of their national single-window systems already in place, both countries are poised to upgrade complementary facilities across the border.

Streamlined, more reliable, and cost-efficient cross-border transport and trade

- Time and cost at project BCPs dropped by more than 30% in 2020, compared with the 2012 baseline.
  - Time to clear the Karamyk BCP: outbound, 2.2 hours; inbound, 2.1 hours in 2020, compared with 11.8 hours in 2012
  - Cost at the Karamyk BCP: outbound, \$42; inbound, \$25 in 2020, compared with \$147 in 2012

Source: ADB. 2024. *Completion Report: CAREC Regional Improvement of Border Services Project in the Kyrgyz Republic and Tajikistan.*

# ALMATY-BISHKEK ECONOMIC CORRIDOR

The Almaty–Bishkek Economic Corridor (ABEC) aims to unify Almaty, Kazakhstan; Bishkek, Kyrgyz Republic; and their surrounding regions into a single economic space, accelerating the flow of ideas, goods, and people.

Since 2014, the two governments have been working closely together with ADB's support on piloting a spatial economic corridor. Now in its 10th year, the project has several initiatives that are realizing tangible benefits:

- The modernization of key BCPs is boosting traffic and trade between the two countries.
- The ABEC tourism master plan paved the way for investment projects linking Almaty, Kazakhstan with Lake Issyk-Kul, Kyrgyz Republic.
- Collaboration between medical laboratories is strengthening defenses against future pandemics.
- Air quality monitoring sensors were installed in Bishkek in 2021 and in Almaty in 2022, allowing officials to accurately track the impact of air quality improvement efforts that are outlined in the ABEC clean air action plans.

The preparedness for potential disasters and early detection of emergencies in Almaty, Bishkek, and surrounding regions is being examined for improvements under the ongoing ABEC disaster risk management initiative.

- Government engagement has intensified, with oversight provided by the Intergovernmental Council, chaired by the prime ministers of both countries.

Source: ABEC. [What is Almaty–Bishkek Economic Corridor?](#)





## CAREC CORRIDORS 1 AND 3 CONNECTOR ROAD PROJECT

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This project, financed in 2016 by an ADB loan and grant totaling \$98.11 million, rehabilitated the 70 km Epkin–Bashkugandy section of the North–South Alternate Corridor linking Balykchy with Jalal-Abad. It aims to boost connectivity, link economically underprivileged regions in the Kyrgyz Republic with economic hubs, and strengthen the institutional capacity of the Ministry of Transport and Roads. An additional \$78 million loan and grant from ADB, approved in 2018, is financing improvements to two sections on the North–South Alternate Corridor—Balykchy to km marker 43, and Kochkor to Epkin—totaling 68 km. The project aims to provide a faster, alternative route between CAREC Corridors 1 and 3. The project is expected to cut travel time between Naryn and Osh by 50% in 2028, from a 2015 baseline of 22 hours; increase average daily vehicle traffic from Epkin to Bashkugandy to 5,572 in 2028, from a 2015 baseline of 1,621; and increase average daily vehicle traffic from Balykchy to Epkin to 9,112 in 2028, from a 2015 baseline of 2,061.

Sources: ADB. 2018. *Report and Recommendation of the President: Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project (Phase 2)—Additional Financing for the Kyrgyz Republic*; and ADB. 2018. *ADB Provides \$78 Million to Improve Regional Road Transport Links in Kyrgyz Republic*. News release. 2 November.



# CAREC CORRIDOR 3 (BISHKEK-OSH ROAD)

## IMPROVEMENT PROJECT, PHASE IV

Backed by a \$100 million loan and grant from ADB, the Bishkek–Osh Road is a critical part of CAREC Corridor 3, a major trade route stretching from Siberia in the Russian Federation through Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan, ultimately connecting the Middle East and South Asia. The project aims to strengthen national and regional connectivity by reconstructing and rehabilitating about 52.5 km of crucial road sections between Bishkek and Osh. The improvements will include road safety features such as signage, lane markings, street lighting, parking areas, bus stops, crash barriers, and sidewalks. With \$60 million in parallel financing from the Eurasian Development Bank, a further 67 km section of the road will be rehabilitated.

Faster, safer travel along the Bishkek–Osh Road

- Shorter travel time between Bishkek and Kara-Balta, with a target of 40 minutes in 2020, down from 50 minutes in 2013
- Surge in road traffic, with a target of 2.057 million vehicle-km per day in 2020, up from 1.43 million vehicle-km in 2013

Source: ADB, 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant to the Kyrgyz Republic for the Central Asia Regional Economic Cooperation Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4.*





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