



FORGING LINKS, DRIVING IMPACTS

CAREC and TAJIKISTAN



WHAT IS THE CAREC PROGRAM?

The Central Asia Regional Economic Cooperation (CAREC) Program brings together 11 countries^a 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.

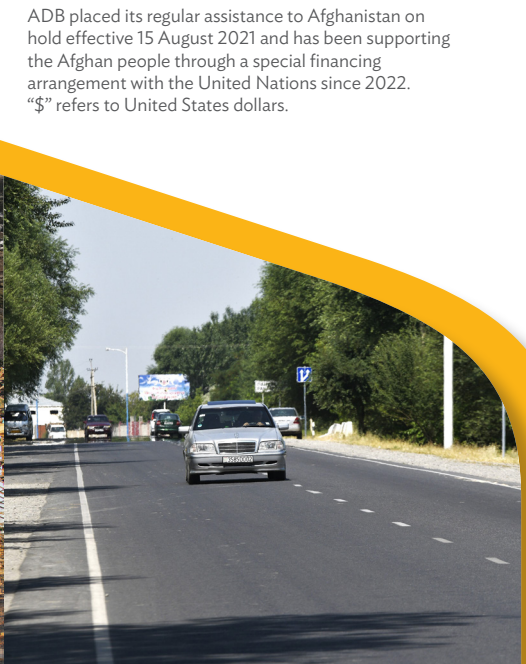
For more than 2 decades, the program has been a unique platform helping develop and implement regional projects, support policy reforms, and pilot multisector initiatives critical to sustainable economic growth.

From 2001 to 2024, CAREC mobilized \$52.5^b 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.

^a 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.

^b “\$” refers to United States dollars.



CAREC AND TAJIKISTAN

In 1998, newly independent Tajikistan joined discussions to establish CAREC. It embraced the vision of cooperation with its neighbors to usher in an era of development and shared prosperity.

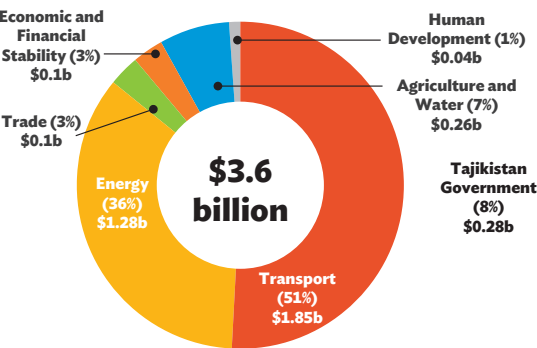
Tajikistan is a country bounded by the People's Republic of China to the east, Afghanistan to the south, Uzbekistan to the west, and the Kyrgyz Republic to the north. Its towering mountains, the highest in Central Asia, dominate more than 90% of the country's terrain. They cradle massive glaciers that feed rivers, nourishing fertile valley orchards and lowland farms and providing a source of abundant potential hydroelectricity.

Of the six CAREC corridors, four (2, 3, 5, and 6) transit Tajikistan, transforming the way people and businesses move within the country and across borders. The corridors streamline transport, cutting costs and time, thereby boosting trade and opening access to essential jobs and services.

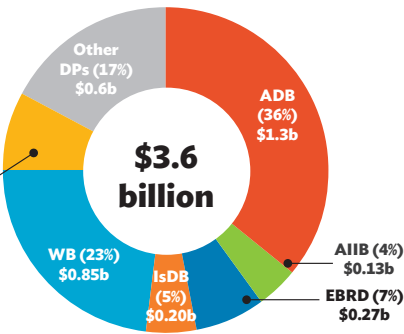


CUMULATIVE INVESTMENTS

As of December 2024, Tajikistan has attracted \$3.6 billion in investments across 56 CAREC-related projects. Transport received roughly \$1.8 billion (50%) across 23 projects, 13 of which were financed by ADB. Energy received about \$1.20 billion allocated among 17 projects, 6 of which were financed or cofinanced by ADB. ADB is a major player in these efforts, contributing about 36% of all CAREC-related investments in the country.



Investment by Sector



Investment by Funding Source

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, b = billion, DP = development partner, EBRD = European Bank for Reconstruction and Development, IsDB = Islamic Development Bank, WB = World Bank.
Note: Investment by funding source includes cofinancing. Other Development Partners include OPEC Fund for International Development, Eurasian Fund for Stabilization and Development, European Investment Bank, Netherlands, Japan, and United States of America.





CENTRAL ASIA REGIONAL ECONOMIC COOPERATION **CORRIDORS 3 AND 5** **ENHANCEMENT PROJECT**

This transformative project strengthened the connectivity and capacity of Tajikistan's road network in Khatlon region, a crucial segment of two CAREC corridors that are vital for travel and trade across the region. With a total investment of \$89 million, including a \$70 million grant from ADB and additional funding from the government, the project was implemented in 2013–2019. It rehabilitated 175 kilometers (km) of highway, including 88 km of the Sayron–Karamyk road and 87 km of the Vose–Khovaling route. The project also rebuilt 43 km of the Baljuvon–Kangurt highway and 33.5 km of rural access roads, while installing solar energy systems in remote villages.

Expanded connectivity, higher road usage

- Daily traffic along the project roads soared to 607,426 vehicle-km on average, triple the initial target of 196,582 vehicle-km.

The improved road network in Khatlon significantly increased accessibility and mobility, sparking a surge in economic activity. This revitalization is evident in the increased frequency of vehicle and passenger movement, along with higher cargo volumes and turnover rates.



REGIONAL POWER TRANSMISSION PROJECT

Funded by a \$122 million grant from ADB, the project expanded and modernized Tajikistan's high-voltage transmission network, making the power supply more reliable for domestic use and regional power trade. In 2010–2020, the project constructed three 220-kilovolt (kV) transmission lines, covering a total of 216 km; rehabilitated five substations; and installed a supervisory control and data acquisition (SCADA) system in 44 substations. The project included a sector operational performance improvement program for Barki Tojik, the state-owned power utility.

A more stable and higher-capacity power grid

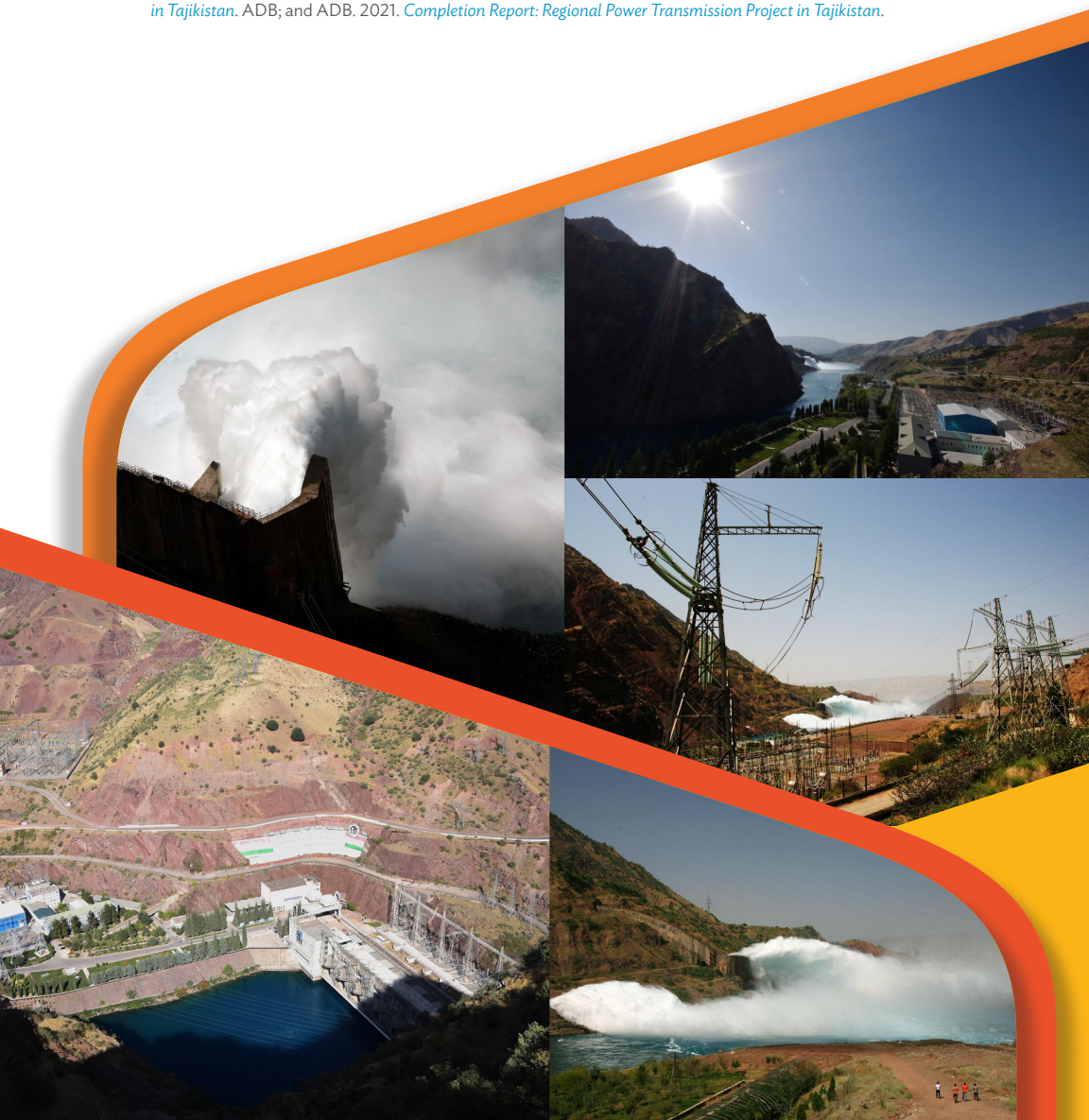
The project optimized power supply management and increased regional power trade and integration.

- Annual electricity exports consistently exceeded the target of 700 gigawatt-hours, shooting up to 2,924 gigawatt-hours in 2019.
- The accrued duration of transmission losses dropped from 1.68 to 0.63 days, surpassing the target of 1 day.
- Boosting throughput capacity and minimizing transmission breakdowns significantly increased electricity supply to southern Tajikistan. This improvement allowed Tajikistan to supply electricity to neighboring Uzbekistan, further reinforcing the Central Asian Power System.

Operational gains in the power sector

- Using SCADA, the Vakhsh hydro system became more efficient, leveraging the decision support software with real-time system-demand signals and inputs from the hydropower plant. This advanced integration led to a significant increase in overall power production from the plant.
- The preparation of a grid code and the launch of the Power Sector Development Program are set to play a crucial role in advancing ongoing sector reforms.

Sources: Independent Evaluation Department. 2022. *Validation Report: Regional Power Transmission Project in Tajikistan*. ADB; and ADB. 2021. *Completion Report: Regional Power Transmission Project in Tajikistan*.





CENTRAL ASIA REGIONAL ECONOMIC COOPERATION **CORRIDOR 6** **(AYNI-UZBEKISTAN BORDER ROAD)** **IMPROVEMENT PROJECT**

Backed by a \$100 million grant from ADB and a \$14 million loan from the OPEC (Organization of the Petroleum Exporting Countries) Fund for International Development, the project augmented connectivity and mobility along the Ayni–Uzbekistan border road. By improving this crucial route, the project bolstered regional cooperation and fueled inclusive economic growth, particularly in Sughd province.

Implemented in 2012–2017, the project rehabilitated 113 km of road, including 31 bridges along the Ayni–Panjakent route and up to the border with Uzbekistan. The project introduced road safety features, upgraded the infrastructure at Sarazm border post, and built 60 km of village feeder roads and roadside facilities.

Key national route in CAREC Corridor 6

The project road, a vital link in the national transport network, boosted regional connectivity and mobility within CAREC Corridor 6.

- Travel time dramatically decreased, dropping from 3.5 hours in 2010 to just 1.4 hours for cars and 1.8 hours for trucks. This reduced vehicle operating costs.
- Average vehicle speeds surged from 30–40 km per hour (kph) to 60–80 kph.
- Traffic volumes saw robust annual growth of 21% on average.

Expanded economic activity and local growth

- The rehabilitated road spurred business; created jobs; and eased access to jobs, markets, and social services.
- Lower travel costs led to reduced prices of transport services, food, and other necessities.
- About 71% of households in the area were highly satisfied with the ease and convenience of travel along the project road.

Sources: Independent Evaluation Department. 2019. *Validation Report: CAREC Corridor 6 (Ayni-Uzbekistan Border Road) Improvement Project in Tajikistan*. ADB; and ADB. 2018. *Completion Report: CAREC Corridor 6 (Ayni-Uzbekistan Border Road) Improvement Project in Tajikistan*.





RECONNECTION TO THE CENTRAL ASIAN POWER SYSTEM PROJECT

In October 2018, ADB approved a grant of \$35 million to Tajikistan to synchronize the country's power system with the Central Asian Power System (CAPS)* by (i) installing a modern relay protection system to restore six 220-kilovolt (kV) and two 500 kV interconnection points with Uzbekistan (and thus with CAPS), (ii) installing two 500 kV interconnection points with Uzbekistan, and (iii) improving capacity for stable parallel operation by training staff from the Open Joint Stock Company Barqi Tojik in stability and protection management operations. These upgrades will allow Tajikistan to export surplus electricity to CAPS countries from April to September, facilitating more efficient use of regional renewable energy resources. Additional grant financing of \$15 million, approved in September 2024, will scale up the original project by adding one 500 kV interconnection point with CAPS, subsequently increasing transmission export capacity for regional power trading. The additional financing will help further reduce greenhouse gas emissions. The original project is expected to be completed by 2025. In July 2024, because of the project, Tajikistan was finally connected to the CAPS through interconnection to Uzbekistan.

Sources: ADB. 2018. [Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Republic of Tajikistan for the Reconnection to the Central Asian Power System Project](#); ADB. 2018. [ADB Grant to Help Tajikistan Reconnect to the Central Asian Power System](#). News release. 15 November; ADB. 2024. [Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Republic of Tajikistan for Additional Financing for Reconnection to the Central Asian Power System Project](#); ADB. 2024. [Additional ADB Grant to Strengthen Energy Security in Central Asia](#). News release. 8 October.

* Under the Soviet Union, power systems in Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan were developed and optimized to operate as a synchronized regional grid commonly known as CAPS. The Coordinating Dispatch CenterEnergy in Tashkent, Uzbekistan's capital, maintains the balanced and synchronized operation of CAPS. In 2009, in response to a grid failure, Tajikistan was disconnected from CAPS. This failure was partially attributed to an outdated transmission relay protection system, which failed to promptly operate and isolate the incident. But in 2017, Tajikistan and Uzbekistan reached an agreement on interconnection of their power systems. In 2018, the governments of both countries signed an agreement according to which Tajikistan was to export surplus power in summer to Uzbekistan.

GREEN CORRIDOR DEMONSTRATION PROJECT

In 2024, ADB approved a grant of \$86.67 million to (i) reconstruct the 49 km Dangara–Guliston road (part of Asian Highway 66), which involves rehabilitating the degraded two-lane carriageway and expanding it to four lanes to meet growing demand; (ii) install charging stations to extend the range of the growing national electric vehicle (EV) fleet in the two major economic centers in southern Tajikistan: Dangara and Bokhtar; and (iii) support the implementation of the CAREC climate change vision by developing transport policies focused on (a) advancing climate-resilient, green road practices in Tajikistan; and (b) establishing a regulatory and investment framework to enable EV adoption and attract private sector participation.

Sources: ADB. 2024. [ADB Approves \\$86.67 Million Grant to Develop Green Road Corridor in Tajikistan](#). News release. 23 October; and ADB. [Tajikistan : Green Corridor Demonstration Project](#).





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